

City of Dearborn Heights Police and Fire Retirement System – Act #345
 Summary Annual Report
 December 31, 2019

INFORMATION

Name: City of Dearborn Heights Act #345 Police and Fire Pension System
 Board of Trustees: Harold Dalton (Mayor Appointee), John J. Riley II (City Treasurer), Mark Meyers (Police), Eric Walsh (Fire)
 Custodial Bank: Comerica Bank
 Investment Consultant: Morgan Stanley – Steven Riga
 Investment Managers: See Exhibit A
 Attorney: VanOverbeke, Michaud & Timmony – Thomas Michaud
 Actuary: Gabriel, Roeder Smith & Company
 Auditors: Plante Moran
 Administrator: John J. Riley II, City Treasurer
 Medical Director: Consulting Physicians

SYSTEM'S ASSETS AND LIABILITIES

	<u>6/30/18</u>	<u>6/30/19</u>
Actuarial Value of Assets	\$181,941,875	\$187,645,667
Actuarial Accrued Liabilities	\$210,838,913	\$217,620,547
Unfunded Accrued Liability	\$ 28,897,038	\$ 29,974,880

SYSTEM'S FUNDED RATIO

Valuation assets to actuarial accrued liabilities: 86.2%

SYSTEM'S INVESTMENT PERFORMANCE

21.67%	1 year
9.30%	3 years
6.77%	5 years
8.35%	7 years
8.56%	10 years

SYSTEM'S ADMINISTRATIVE & INVESTMENT EXPENSES AND BUDGET

	Expenses <u>6/30/19</u>	Budget <u>6/30/20</u>
Professional & Consultant	\$501,172	\$504,200
Commission Fee	\$ 35,000	\$ 35,000
Education	\$ 3,495	\$ 15,000
Dues/Membership	\$ 450	\$ 500
Office Supplies	<u>\$ 000</u>	<u>\$ 300</u>
	\$540,117	\$555,000

ACTUARIAL INFORMATION

Membership

Active members:	103
DROP members:	25
Retirees and beneficiaries:	240
Inactive Vested Members	1

Benefits

Average annual retirement allowance:	\$ 44,146.68
Total annual retirement pensions being paid (6/30/18):	\$10,595,204

Contributions

Valuation projected payroll:	\$8,053,330
Employer's normal cost of benefits as a percentage of valuation payroll:	19.11%
Weighted average employee contribution rate:	5.53%
Estimated employer's total contribution rate as a percentage of valuation payroll:	43.58%

Assumptions

Assumed rate of investment return:	7%
Assumed rate of long-term wage inflation:	3.5%
Smoothing method used to determine the funding value of assets:	5 years
Amortization method used for funding value of assets:	Level percent of pay
Amortization period:	16 years
Actuarial cost method:	Individual entry age

System is still open to new Police and Fire Employees.

City of Dearborn Heights
Police & Fire Retirement Systems
Investment Managers
12/31/2019

Loomis Sayles Core Bond
Virtus Seix Total Return Bond
Reinhart Partners Mid-Cap Value
Reinhart Partners Intermediate Bond Fund
Anchor Capital Advisors
Columbus Circle Investors
Alliance Bernstein QUASAR Small Cap Growth
Aberdeen Realty Income & Growth
Delaware Emerging Markets – I
Deutsche Real Estate Securities Inc.
Invesco Oppenheimer International Bond Fund
Invesco Oppenheimer International Mid-Small Co Fund
MaQuarie Pooled TR Labor Select International Equity
Federated Hermes International Growth Funds Inc.
Pear Tree Group Funds – Foreign Value – I
Fidelity International Small Cap
Teton Westwood Mighty Mites Fund
Delaware Group Small Cap Value Fund
Robeco Boston Partners Small Cap Value Fund
Templeton Global Bond
Goldman Sachs MLP
Salient MLP & Energy Infrastructure Fund
Putnam Diversified Income Trust
Columbia Overseas Value
Goldman Sachs Emerging Market Equity
Legg Mason/Clearbridge Small Cap Growth
John Hancock Strategic Income
TCW Emerging Markets Income
Ashmore Emerging Markets Small Cap
Ashmore Emerging Markets Corp. Bond
Ashmore Emerging Markets Total Return Bond
American Funds Europacific Growth
John Hancock International Growth
American Century Emerging Markets Fund
Eaton Vance Floating Rate Advantage – I
AIG Focused Dividend Strategy W (FDSWX)

ETFs

I Shares Morningstar Small Value Index Fund
First Trust Value Line Dividend
First Trust Rising Dividend
Spdr DJWilshire Small Cap Value
Wisdomtree Tr Emerging Markets Small Cap Dividend
Wisdomtree Tr Emerging Markets High-Yielding Equity Fund
Wisdomtree Total Dividend
Vanguard High Dividend
PowerShares KBW High Dividend Financials

ALTERNATIVE INVESTMENTS

Blackrock Special Credit Opportunities
Bloomfield Capital II & III & V
ITS Capital
Terracap Partners III & IV
Neuberger Berman Private Debt
Carlyle Metropolitan Real Estate Partners
Petershill IV