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6-28-16

City of Dearborn Heights General Government Pension System

Summary Annual Report

December 31, 2015

INFORMATION

Name: City of Dearborn Heights General Government Pension System
 Board of Trustees: Joseph Kosinski (Member-at-Large), John J. Riley II (Council Appointee), Thomas Berry (Council Appointee), William Deckert (Employee Elected), Colleen Garcia (Employee Elected),
 Custodial Bank: Comerica Bank
 Investment Consultant: Morgan Stanley/Graystone Consulting – Michael Holycross
 Investment Managers: See Exhibit A
 Attorney: VanOverbeke, Michaud & Timmony – Jack Timmony
 Actuary: Rodwan Consulting Company
 Auditors: Plante Moran
 Administrator: John J. Riley II, City Treasurer
 Medical Director: Consulting Physicians

SYSTEM'S ASSETS AND LIABILITIES

	<u>7/01/14</u>	<u>7/01/15</u>
Actuarial Value of Assets	\$43,154,452	\$43,171,933
Actuarial Accrued Liabilities	\$37,683,774	\$38,823,137
Unfunded Accrued Liability	\$ 5,470,678	\$ 4,348,796

SYSTEM'S FUNDED RATIO

Valuation assets to actuarial accrued liabilities: 89.9%

SYSTEM'S INVESTMENT PERFORMANCE
(Net of Fees)

	(.13%)	1 year
	6.79%	3 years
	6.32%	5 years
	8.81%	7 years
	5.14%	10 years

SYSTEM'S ADMINISTRATIVE & INVESTMENT EXPENSES AND BUDGET

	Expenses <u>6/30/15</u>	Amended Budget <u>6/30/16</u>
Professional & Consultant	\$187,606	\$199,000
Commission Fee	\$ 330	\$ 1,500
Fringe Benefits	\$ 13	\$ 115
Education	\$ 0	\$ 1,200
Dues/Membership	\$ 350	\$ 350
Office Supplies	\$ 75	\$ 250
	<u>\$188,374</u>	<u>\$202,415</u>
	<u>12/31/15</u>	
Soft-Dollar Fees	\$ 32,550	

ACTUARIAL INFORMATION

Membership

Active members: 122

Retirees and beneficiaries: 156

Inactive Vested Members: 54

Benefits

Average annual retirement allowance: \$20,361

Total annual retirement pensions being paid: \$3,176,268

Contributions

Valuation projected payroll: \$4,635,607

Employer's normal cost of benefits as a percentage of valuation payrolls: 10.42%

Weighted average employee contribution rate: 0%

Estimated employer's total contribution rate as a percentage of valuation payroll: 16.19%

Assumptions

Assumed rate of investment return: 7.00%

Assumed rate of long-term wage inflation: 4.25%

Smoothing method used to determine the funding values of assets: 5 years

Amortization method used for funding value of assets: Level percent of payroll

Amortization period: 20 years

Actuarial cost method: Individual entry age

System is still open to new qualified employees.

EXHIBIT A

City of Dearborn Heights General Government Pension System

Investment Managers

Inland Land Appreciation Fund II
Loomis, Sayles & Company – Large Cap Value
Silvant Large Growth
Bahl & Gaynor
Loomis, Sayles & Company – Small/Mid Cap Core
Reinhart Partners Fixed Income
EuroPacific Growth Fund
Hatteras Multi-Strategy TEI Inst Fund
Brandywine Global Fixed Income
iShares Barclays Capital Aggregate Bond Index Fund
Templeton Global Fixed Income