

City of Dearborn Heights General Government Pension System

Summary Annual Report

December 31, 2020

INFORMATION

Name: City of Dearborn Heights General Government Pension System

Board of Trustees: William Deckert (Member-at-Large), John J. Riley II (Council Appointee), Vincent Macari (Council Appointee), Jason Lollar (Employee Elected), Colleen Garcia (Employee Elected)

Custodial Bank: Comerica Bank

Investment Consultant: Morgan Stanley/Graystone Consulting – Steven Riga

Investment Managers: See Exhibit A

Attorney: VanOverbeke, Michaud & Timmony – Jack Timmony

Actuary: Rodwan Consulting Company

Auditors: Plante Moran

Administrator:

Medical Director: Consulting Physicians

SYSTEM'S ASSETS AND LIABILITIES

	<u>7/01/19</u>	<u>7/01/20</u>
Actuarial Value of Assets	\$40,753,057	\$40,556,911
Actuarial Accrued Liabilities	\$50,255,360	\$53,764,635
Unfunded Accrued Liability	\$ 9,502,303	\$13,207,724

SYSTEM'S FUNDED RATIO

Valuation assets to actuarial accrued liabilities: 75.4%

SYSTEM'S INVESTMENT PERFORMANCE

(Net of Fees)

	13.09%	1 year
	8.82%	3 years
	9.39%	5 years
	7.57%	7 years
	7.84%	10 years

SYSTEM'S ADMINISTRATIVE & INVESTMENT EXPENSES AND BUDGET

	<u>Expenses</u> <u>6/30/20</u>	<u>Budget</u> <u>6/30/21</u>
Professional & Consultant	\$131,693	\$208,000
Commission Fee	\$ 1,376	\$ 1,200
Fringe Benefits	\$ 101	\$ 1,350
Salaries	\$ 0	\$ 16,500
Education	\$ 1,284	\$ 5,000
Dues/Membership	\$ 460	\$ 400
Office Supplies	\$ 0	\$ 250
	<u>\$133,693</u>	<u>\$ 232,700</u>

ACTUARIAL INFORMATION

Membership

Active members: 121

Retirees and beneficiaries: 157

Inactive Vested Members: 57

Benefits

Average annual retirement allowance: \$21,848

Total annual retirement pensions being paid: \$3,430,199

Contributions

Valuation projected payroll: \$5,540,294

Employer's normal cost of benefits as a percentage of valuation payroll: 13.90%

Weighted average employee contribution rate: 0%

Estimated employer's total contribution rate as a percentage of valuation payroll: 27.55%

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: 22 years

Actuarial cost method: Individual entry age

System is still open to new qualified employees.

**City of Dearborn Heights
General Government Pension System
As of December 31, 2020**

Investment Managers

Co-Mingled

Silvant Large Growth
Bahl & Gaynor
Loomis, Sayles & Company – Small/Mid-Cap Core
Reinhart Partners Fixed Income
Reinhart Partners Mid-Cap

Mutual Funds

EuroPacific Growth Fund
Brandywine Global Fixed Income
Lord Abbett High Yield Corporate Debt
Ashmore Emerging Market Corporate Debt
Ashmore Emerging Market Total Return
American Century Emerging Market
Eaton Vance Floating Rate Advantage
Fidelity Advisor International Small Cap Fund
Alliance Quasar Small Cap Growth
Goldman Sachs Emerging Market Equity
John Hancock International Growth
AIG Focused Dividend

ETF

First Trust Value Line Dividend ETF
Vanguard Value ETF

Alternatives

Alkeon ACAP Strategic Fund
Petershill IV
Hatteras Multi-Strategy TEI Inst Fund
Oppenheimer Steelpath MLP Alpha