

**City of Dearborn Heights General Government Pension System
Summary Annual Report
December 31, 2013**

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 – Brian Green
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>7/01/12</u>	<u>7/01/13</u>
Actuarial Value of Assets	\$41,579,297	\$39,307,178
Actuarial Accrued Liabilities	\$42,003,563	\$40,715,483
Unfunded Accrued Liability	\$ 424,266	\$ 1,408,305

SYSTEM'S FUNDED RATIO

Valuation assets to actuarial accrued liabilities: 96.5%

SYSTEM'S INVESTMENT PERFORMANCE

14.65%	1 year
8.55%	3 years
11.20%	5 years
5.02%	7 years
6.46%	10 years

SYSTEM'S ADMINISTRATIVE & INVESTMENT EXPENSES AND BUDGET

	<u>Expenses</u> <u>6/30/13</u>	<u>Budget</u> <u>6/30/14</u>
Professional & Consultant	\$154,646	\$166,500
Commission Fee	\$ 570	\$ 1,500
Fringe Benefits	\$ 0	\$ 115
Education	\$ 0	\$ 1,200
Dues/Membership	\$ 100	\$ 325
Office Supplies	<u>\$ 0</u>	<u>\$ 225</u>
	<u>\$155,316</u>	<u>\$169,865</u>
	<u>12/31/13</u>	
Soft-Dollar Fees	\$ 44,550	

ACTUARIAL INFORMATION

Membership

Active members: 109

Retirees and beneficiaries: 154

Inactive Vested Members: 55

Benefits

Average annual retirement allowance: \$18,748

Total annual retirement pensions being paid: \$2,887,156

Contributions

Valuation projected payroll: \$4,426,396

Employer's normal cost of benefits as a percentage of valuation payrolls: 10.77%

Weighted average employee contribution rate: 0%

Estimated employer's total contribution rate as a percentage of valuation payroll: 12.73%

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 – Midcap 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