

**City of Dearborn Heights General Government Pension System**  
**Summary Annual Report**  
**December 31, 2019**

**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: John J. Riley II, City Treasurer  
Medical Director: Consulting Physicians

**SYSTEM'S ASSETS AND LIABILITIES**

	<u>7/01/18</u>	<u>7/01/19</u>
Actuarial Value of Assets	\$40,186,550	\$40,753,057
Actuarial Accrued Liabilities	\$49,406,829	\$50,255,360
Unfunded Accrued Liability	\$ 9,220,279	\$ 9,502,303

**SYSTEM'S FUNDED RATIO**

Valuation assets to actuarial accrued liabilities: 81.1%

**SYSTEM'S INVESTMENT PERFORMANCE**

	21.20%	1 year
(Net of Fees)	9.67%	3 years
	6.71%	5 years
	7.76%	7 years
	7.63%	10 years

**SYSTEM'S ADMINISTRATIVE & INVESTMENT EXPENSES AND BUDGET**

	<u>Expenses</u> <u>6/30/19</u>	<u>Budget</u> <u>6/30/20</u>
Professional & Consultant	\$145,711	\$208,000
Commission Fee	\$ 987	\$ 1,200
Fringe Benefits	\$ 63	\$ 121
Salaries	\$ 0	\$ 16,500
Education	\$ 1,284	\$ 1,350
Dues/Membership	\$ 250	\$ 400
Office Supplies	<u>\$ 0</u>	<u>\$ 250</u>
	<u>\$148,295</u>	<u>\$232,700</u>
	<u>12/31/19</u>	
Soft-Dollar Fees	\$ 853	

## ACTUARIAL INFORMATION

### Membership

Active members: 119

Retirees and beneficiaries: 158

Inactive Vested Members: 59

### Benefits

Average annual retirement allowance: \$21,138

Total annual retirement pensions being paid: \$3,339,719

### Contributions

Valuation projected payroll: \$5,021,936

Employer's normal cost of benefits as a percentage of valuation payroll: 12.34%

Weighted average employee contribution rate: 0%

Estimated employer's total contribution rate as a percentage of valuation payroll: 22.68%

### 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: 23 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 As of December 31, 2019**

#### **Investment Managers**

Silvant Large Growth  
Bahl & Gaynor  
Loomis, Sayles & Company – Small/Mid Cap Core  
Reinhart Partners Fixed Income  
Reinhart Partners Mid-Cap  
American Funds EuroPacific Growth Fund  
Hatteras Multi-Strategy TEI Inst Fund  
Brandywine Global Fixed Income  
iShares Barclays Capital Aggregate Bond Index Fund  
Templeton Global Fixed Income  
Lord Abbett High Yield Corporate Debt  
Ashmore Emerging Market Corporate Debt  
American Century Emerging Markets  
Oppenheimer Steelpath MLP Alpha  
Eaton Vance Floating Rate Advantage  
Fidelity Advisor International Small Cap Fund  
First Trust Value Line Dividend ETF  
Vanguard Value ETF  
AIG Focused Dividend Strategy  
Goldman Sachs Emerging Market Equity Fund  
Ashmore Emerging Market Total Return Fund  
John Hancock Funds III – International Growth