

**City of Dearborn Heights General Government Pension System
Summary Annual Report
December 31, 2017**

INFORMATION

Name: City of Dearborn Heights General Government Pension System
 Board of Trustees: Joseph Kosinski (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>7/01/16</u>	<u>7/01/17</u>
Actuarial Value of Assets	\$45,288,399	\$39,711,438
Actuarial Accrued Liabilities	\$39,883,705	\$47,892,947
Unfunded Accrued Liability	\$ 5,404,694	\$ 8,181,509

SYSTEM'S FUNDED RATIO

Valuation assets to actuarial accrued liabilities: 82.9%

SYSTEM'S INVESTMENT PERFORMANCE

(Net of Fees)

15.76%	1 year
6.68%	3 years
8.16%	5 years
7.43%	7 years
5.02%	10 years

SYSTEM'S ADMINISTRATIVE & INVESTMENT EXPENSES AND BUDGET

	Expenses	Budget
	<u>6/30/17</u>	<u>6/30/18</u>
Professional & Consultant	\$177,450	\$205,000
Commission Fee	\$ 460	\$ 1,500
Fringe Benefits	\$ 129	\$ 215
Education	\$ 0	\$ 1,200
Dues/Membership	\$ 350	\$ 350
Office Supplies	<u>\$ 0</u>	<u>\$ 250</u>
	<u>\$178,389</u>	<u>\$ 208,515</u>
	<u>12/31/17</u>	
Soft-Dollar Fees	\$ 7,110	

ACTUARIAL INFORMATION

Membership

Active members: 125

Retirees and beneficiaries: 154

Inactive Vested Members: 55

Benefits

Average annual retirement allowance: \$20,465

Total annual retirement pensions being paid: \$3,151,657

Contributions

Valuation projected payroll: \$5,021,936

Employer's normal cost of benefits as a percentage of valuation payroll: 10.71%

Weighted average employee contribution rate: 0%

Estimated employer's total contribution rate as a percentage of valuation payroll: 19.21%

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: 25 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, 2017**

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