

# City of Grosse Pointe Woods Employees' Retirement System

## Summary Annual Report

### June 30, 2022

Dear Member:

The following is a summary of your retirement System. Each year, an actuarial valuation is prepared to compare assets to liabilities. Assets are held and invested in a trust separate from other City assets. The only disbursements from this trust are to members who are retired or disabled, beneficiaries of members, members who receive contribution refunds, and for Retirement System expenses.

As Retirement Board Members, our tasks include making sure trust assets are invested prudently, required City and member contributions are received and that benefits are paid in accordance with the Retirement System's provisions.

Various professionals are hired to help in the administration of the System. They are listed in the column to the right.

The City is funding Retirement System benefits as they accrue in accordance with a sound level percent of payroll funding objective.

Respectfully submitted,

**Board of Trustees**  
**City of Grosse Pointe Woods Retirement System**

**Board Members**

Arthur W. Bryant  
*Chairman*

Brian Conigliaro  
*Trustee*

Matthew Crook,  
*Trustee*

Victoria Granger,  
*Trustee*

Gary Zarb,  
*Trustee*

Shawn Murphy  
*Pension Administrator*

Tina Hoenicke  
*Board Secretary*

**Actuarial Information Used for this Report:**

1. 79 active members
2. 103 retirees/beneficiaries (and 16 deferred retirees)
3. Plan is open to new hires
4. \$35,037 average annual pension benefit
5. \$3,586,669 annual pension benefits paid
6. \$5,425,650 valuation payroll used (Combined General and Public Safety)
7. Employer's normal cost of benefits **effective July 1, 2023** is 8.11% General Employees and 10.32% for Public Safety employees.
8. Employer's actual total contribution rate **effective July 1, 2023** is 32.09% General employees and 34.30% for Public Safety employees
9. Weighted average member contribution rate **effective July 1, 2023** is 5.41% General employees and 6.15% for Public Safety employees.
10. The required employer contribution for the fiscal year was received
11. 7.50% assumed rate of investment return (net of expenses)
12. 3.5% assumed rate of long-term wage inflation
13. 5-year smoothing method used
14. 25-year amortization period used
15. Method used is level percent of payroll
16. Cost method is individual entry-age
17. Current funding value of assets is 66.7% of accrued liability

**Professional Advisors**

*Investment Fiduciaries*  
Fund Evaluation Group (FEG)

**Service Providers**

Rosati, Schultz, Joppich & Amtsbuechler, P.C.  
*City Attorney*

Foster & Foster Actuaries & Consultants,  
*Actuary*

Michael VanOverbeke,  
*Special Pension Attorney*

**Investment Performance\***

	1	3	5	7	10
Combined	Year	Year	Year	Year	Year
Account	-14.5%	5.1%	5.0%	4.8%	6.3%

\*Calendar year ending June 30, 2022 (net of fees)

**2021-2022 Actual Expenditures**

Pension Payments/ Withdrawals:	\$ 3,583,481
Refund of Member Contributions:	\$ 3,188
Investment Fees:	\$ 75,458
Memberships/Training/Education:	\$ 473
Administrative Expenses:	<u>\$ 48,043</u>
Total:	<u>\$ 3,710,643</u>

## City of Grosse Pointe Woods Employees' Retirement System Summary Annual Report (cont.)

### Actuarial Valuation Summary

Foster & Foster Actuaries and Consultants were hired to prepare the June 30, 2022 Actuarial Valuation. The funding objective of the System is to contribute an amount as a percent of payroll that remains level from year to year. The actual level of contribution is dependent on past and assumed future experience, including investment performance, and benefit provisions.

Below is a summary of the results:

<b>Contribution Requirements</b>	<b><u>General</u></b>	<b><u>Public Safety</u></b>
Normal Cost of Benefits		
Total	13.52%	16.47%
Member portion	5.41%	6.15%
Employer portion	8.11%	10.32%
Amortization of unfunded liability (25 years)	23.98%	23.98%
Computed Employer Rate	32.09%	34.30%

*Contribution rates are expressed as percents of eligible member payroll. \*Weighted average.*

### **Assets & Liabilities**

#### **Funded Status**

Market Value of Assets	\$ 38,115,937
Valuation Assets	\$ 41,703,710
Actuarial Accrued Liability	\$ 62,517,270
Funded Ratio	66.70%

**Actuary's Statement** – The System is being funded based on sound actuarial assumption, methods, and level percent of payroll funding objective. For a complete analysis, please review the June 30, 2022 actuarial valuation.

#### **Revenues & Expenditures**

Beginning Balance (Market Value) – July 1, 2021	\$ 45,943,628
<b>Revenues</b>	
Employees' contributions	\$ 290,887
Employer contribution	\$ 2,044,344
Investment income	\$ (6,822,773)
Other Income	\$ 299,295
Total	\$ (4,188,247)
<b>Expenditures</b>	
Pension payments	\$ 3,583,481
Refund of member contributions	\$ 3,188
Administrative Expenses	\$ 52,775
Total	\$ 3,639,444
Ending Balance (Market Value) – June 30, 2022	\$ 38,115,937
Recognized Return on Smoothed Funding Value of Assets	4.66%