

# CITY OF WYOMING EMPLOYEES' RETIREMENT SYSTEM – SUMMARY ANNUAL REPORT

June 30, 2017

Dear Members,

The following is a summary of your Retirement System. Each year, an actuarial valuation is prepared to compare assets to liabilities and to determine future plan contributions. Assets are held and invested in a trust separate from other City assets. The payments include 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.

The board of trustees has the discretionary power and authority to manage and administer the Defined Benefit Plan in accordance with its terms and applicable laws and regulations. See Section 14.4 for full listing of responsibilities.

Various professionals are hired to help in the administration of the System. They are listed on the last page of this pamphlet.

The City is funding benefits as they accrue in accordance with a level percent of payroll funding objectives.

## ***Information Used for and Included in the Actuarial Report***

1. 158 active members
2. 399 retirees/beneficiaries
3. 67 vested terminated deferred retirees
4. Plan is closed to new hires
5. \$26,359 average annual benefit
6. \$10,302,308 annual pension benefit paid
7. \$11,805,804 valuation of payroll used, 41.71 % weighted average contributions, 187.09% ratio of member PV of benefits to members payroll
8. 89.1% pensions as % of active payroll
9. Employer's normal costs of benefits: 13.46% Motor Pool, 15.86% Clean Water, 15.26% Water Treatment, 15.97% General , 19.15% Police and 19.71% Fire
10. Employer's total contribution rate: 38.71% Motor Pool, 47.47% Clean Water, 57.32% Water Treatment, 41.96% General, 34.64% Police, and 31.73% Fire
11. Weighted average member contributions rate: 2.00% Motor Pool, 1.15% Clean Water, 1.35% Water Treatment, 1.35% General, 5.59% Police and 6.00% Fire
12. 7.25% assumed rate of investment return, 1.1% cost of living adjustment
13. 3.5% assumed rate of long-term wage inflation
14. Open 5-year smoothed market

## Pension Trust Fund

Assets	Budget	Actual	
Pooled cash and cash equivalent			992,782
Investment, at fair value			
Money market funds	1,961,892		
U.S. government treasuries and agencies	22,594,464		
Real estate securities	15,145,529		
Domestic fixed income mutual funds	-		
Domestic equity mutual funds	1,359,168		
International equity mutual funds	84,603,540		
Corporate fixed income	14,723,654		
Foreign fixed income	3,411,726		
Private placement fixed income	6,554,339		
Domestic equity	16,434,659		
Foreign equity	440,750		
Total Separately-held investments			167,229,721
Accrued interest receivable			338,822
Due from broker			1,400
Due from other governments			-
<b>Total Assets</b>			<u>168,562,725</u>
<b>Liabilities</b>			
Accounts Payable		93,823	
Due to brokers		176,456	
Liability under securities lending transactions		1,450,281	
Total Liability			<u>1,720,560</u>
<b>Net position restricted for Pension</b>			<u>166,842,165</u>
<b>Additions</b>			
Contributions:			
Employer	4,917,556	4,924,584	
Plan member	275,000	380,085	
Reimbursements	-	-	
Other	51,000	50,913	
Total contributions	5,243,556		5,355,582
Investment income:			
Net appreciation in fair value of investment of securities	8,835,000	15,628,936	
Dividends and interest	2,465,000	3,418,209	
Total investment income	11,300,000		19,047,145
Investment expense	-548,191		(590,366)
Net investment income	15,995,365		18,456,779
Other income	0		36,153
<b>Total additions</b>	15,995,365		<u>23,848,514</u>
<b>Deductions</b>			
Benefits and refunds to participants	9,700,000	10,302,308	
Administration	30,000	34,837	
<b>Total deductions</b>	9,730,000		<u>10,337,145</u>
<b>Change in net position</b>	6,265,365		13,511,369
<b>Net position restricted for pension benefits:</b>			
Beginning balance	153,330,796		153,330,796
End of year	<u>159,596,161</u>		<u>166,842,165</u>

**Investment Performance**

Rate of Return Based  
On

	2013	2014	2015	2016	2017
Smoothing Method	4.6%	11.3%	10.7%	7.3%	9.3%
Market Value	12.7%	17.2%	5.4 %	1.8%	12.2%

**2017-2018 Projected Expenditures**

Pension Payments/DROP Withdrawals:	\$11,016,568.00
Investment Expenses:	\$ 578,568.00
Administrative Expenses:	\$ 67,410.00
Training/Education/Travel:	\$ 4,000.00

**Retirement Board Members**

Andrea Boot – Chairman  
 Sam Bolt – Vice Chairman  
 Robert Kaminski – Trustee  
 Curtis Holt – Trustee  
 Dave Mawby – Trustee  
 Lynn Vis – Trustee  
 Rosa Ooms – Treasurer\*  
 Kim Oostindie – Secretary\*  
 \*Non-voting member

**Professional Advisors**

Callan Associates – Investment Consultants  
 Baird Advisors – Investment Manager  
 Heitman America Real Estate Trust, L.P. – Investment Manager  
 PFM Asset Management LLC– Investment Manager  
 Rothschild Asset Management – Investment Manager  
 World Asset Management – Investment Manager

**Service Providers**

Gabriel, Roeder, Smith & Company – Actuary  
 Miller, Johnson, Snell, & Cummiskey – Attorney  
 Rehmann Robson - Auditor

**Additional Information**

The complete actuarial report can be found at  
<https://www.wyomingmi.gov/About-Wyoming/City-Government/Transparency-Reporting>  
 For additional questions, please contact City of Wyoming at (616)530-7226