

City of Grosse Pointe Woods Employees' Retirement System

Summary Annual Report

June 30, 2024

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

Jeremy Bastien
Trustee

Victoria Granger
Trustee

Gary Zarb,
Trustee

Steven Schmidt
Pension Administrator

Tina Hoenicke
Board Secretary

Actuarial Information Used for this Report:

1. 76 active members
2. 111 retirees/beneficiaries (and 14 deferred retirees)
3. Plan is open to new hires
4. \$35,441 average annual pension benefit
5. \$3,953,914 annual pension benefits paid
6. \$5,619,486 valuation payroll used (Combined General and Public Safety)
7. Employer's normal cost of benefits **effective July 1, 2025** is 8.38% General Employees and 11.39% for Public Safety employees.
8. Employer's actual total contribution rate **effective July 1, 2025** is 40.61% General employees and 43.62% for Public Safety employees
9. Weighted average member contribution rate **effective July 1, 2025** is 5.37% General employees and 6.44% for Public Safety employees.
10. The required employer contribution for the fiscal year was received
11. 7.40% assumed rate of investment return (net of expenses)
12. 3.50% assumed rate of long-term wage inflation
13. 5-year smoothing method used
14. 19-year amortization period that will phase into a 15 year open amortization period
15. Method used is level percent of payroll
16. Cost method is individual entry-age
17. Current funding value of assets is 64.9% 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	13.0%	2.3%	7.7%	6.9%	5.6%

*Calendar year ending June 30, 2024 (net of fees)

2023-2024 Actual Expenditures

Pension Payments/ Withdrawals:	\$ 3,925,353
Refund of Member Contributions:	\$ 28,561
Investment Fees:	\$ 54,483
Memberships/Training/Education:	\$ 188
Administrative Expenses:	<u>\$ 58,140</u>
Total:	<u>\$ 4,066,725</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, 2024 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:

Contribution Requirements	<u>General</u>	<u>Public Safety</u>
Normal Cost of Benefits		
Total	13.75%	17.83%
Member portion	5.37%	6.44%
Employer portion	8.38%	11.39%
Amortization of unfunded liability (19 years)	32.23%	32.23%
Computed Employer Rate	40.61%	43.62%

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

Assets & Liabilities

Funded Status

Market Value of Assets	\$ 43,710,963
Valuation Assets	\$ 43,567,802
Actuarial Accrued Liability	\$ 67,176,284
Funded Ratio	64.90%

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, 2024 actuarial valuation.

Revenues & Expenditures

Beginning Balance (Market Value) – July 1, 2023	\$ 40,385,352
Revenues	
Employees' contributions	\$ 311,863
Employer contribution	\$ 1,956,340
Investment income	\$ 5,069,650
Other Income	<u>\$ 0</u>
Total	\$ 7,337,853
Expenditures	
Pension payments	\$ 3,925,353
Refund of member contributions	\$ 28,561
Administrative Expenses	<u>\$ 58,328</u>
Total	\$ 4,012,242
Ending Balance (Market Value) – June 30, 2024	\$ 43,71,963
Recognized Return on Smoothed Funding Value of Assets	7.26%