

CITY OF MONROE EMPLOYEES RETIREMENT SYSTEM

2019 Summary Annual Report

The Public Employee Retirement System Investment Act requires the City of Monroe Employees Retirement System to prepare and issue a summary annual report and to publish and make available a list of all expenses paid by soft dollars annually. The following information is provided for the year 2019.

The name of the retirement system is the City of Monroe Employees Retirement System. The Retirement System's investment fiduciaries are:

Board of Trustees of the City of Monroe Employees Retirement System
Integrated Investment Consultants
Munder Capital Management/Incore
Eagle LCV
World Asset Management
Prudential Investment Management (PRISA)
Earnest Partners
JP Morgan Asset Management
Johnston Asset Management
Breckinridge Capital
Victory Capital Management
Bloomfield Capital
Vida Stone Ridge

The names of the System's service providers are:

Asher Kelly, legal advisor
Sullivan Ward Asher & Patton, legal advisor
Gabriel Roeder Smith & Company, actuary
Comerica Bank, custodian
Medicolegal Services Inc., medical authority

The System's changes in net plan assets on a plan-year basis:

	<u>12/31/2018</u>	<u>12/31/2019</u>	
Assets:	\$129,131,976	\$145,143,537	Net increase of \$16,011,561

As reported in the actuarial valuation for the annual period ending December 31, 2019, the Retirement System's valuation assets were \$142,732,616 and its actuarial accrued liabilities were \$157,700,082, which produced a funded ratio 90.5%. The Retirement System received the required employer contribution for the calendar year beginning January 1, 2019.

The System's investment performance net of fees on a rolling calendar year basis for the previous one, three, five, seven and ten year periods are:

1 year: 19.0%	3 year: 10.5%	5 year: 7.7%	7 year: 8.8%
10 year: 8.7%			

CITY OF MONROE EMPLOYEES RETIREMENT SYSTEM
2019 Summary Annual Report
Page 2

The System's administrative and investment expenditures pursuant to the Standards of the Governmental Accounting Board, including, but not limited to, a list of all expenditures made with soft dollars and all expenditures for professional training and education, including travel expenditures, by or on behalf of System board members that are paid by the System are:

2019 list of expenditures:

Benefit Payments	\$10,349,746
Member Refunds	\$146,689
Actuarial Fees	\$28,850
Consultant Services Fees	\$164,419
Conference/Association Fees	\$8,716*
Custody Fees	\$44,307
Insurance Fees	\$11,606
Investment Management Fees	\$385,559
Legal Fees	\$19,980
Postage and Printing	\$0
Medical Examinations	\$0
ADR Reclaim Fees	\$1,267
TOTAL EXPENSES	\$11,161,139

*This amount includes \$2,279.94 for the purchase of tablets and all fees charged on the City credit card.

There were no soft dollars expenses. The System's itemized budget containing all projected expenditures, including, but not limited to, expenditures for professional training and education, including travel expenditures, by or on behalf of System board members that are paid by the System for 2020 are:

2020 proposed budget:

Benefit Payments	\$10,867,233 (+5%)
Member Refunds	\$50,000
Actuarial Fees	\$30,293 (+5%)
Consultant Services Fees	\$172,640 (+5%)
Conference/Association Fees	\$10,000
Custody Fees	\$46,522 (+5%)
Insurance Fees	\$12,186 (+5%)
Investment Management Fees	\$404,837 (+5%)
Legal Fees	\$20,979 (+5%)
Postage and Printing	\$500 (+5%)
Medical Examinations	\$3,000
ADR Reclaim Fees	\$1,329 (+5%)
TOTAL EXPENSES	\$ 11,618,519

CITY OF MONROE EMPLOYEES RETIREMENT SYSTEM
2019 Summary Annual Report
Page 3

The following information as provided in the System's most recent annual actuarial valuation report:

1. The number of active members – 174
2. The number of retirees and beneficiaries – 297
3. The average annual retirement allowance - \$35,349
4. The total annual retirement allowances being paid - \$10,498,761
5. The valuation payroll - \$10,664,536
6. The employer's computed normal cost of benefits expressed as a percentage of valuation payroll is: 14.35%
7. The employer's total contribution rate expressed as a percentage of valuation payroll is: 19.35%
8. The weighted average of member contributions is: 4.42%
9. The actuarial assumed rate of investment return is: 7.30%
10. The actuarial assumed rate of long-term wage inflation is: 3.25%
11. The smoothing method utilized to determine the funding value of assets is: a 7 year smoothing
12. The amortization method and period utilized for funding the System's unfunded actuarial accrued liability, if any: The amortization method is a level percent of payroll. The amortization period is 20 years, closed.
13. The System's actuarial cost method is commonly referred to as the entry-age actuarial cost method.
14. Whether System membership is open or closed to specific groups of employees: The System is open to new hires as a whole.
15. The actuarial assumed rate of health care inflation: 8%

Retirees and Beneficiaries for 2019:

<u>As of 1-1-2019</u>	<u>Number</u>	<u>Benefit Amount (does not include member refunds)</u>
Beginning of Year	299	\$ 10,308,388
Added	8	\$ 418,868
Removed	10	\$ 228,495
End of Year 12/31/19	297	\$10,498,761