

# CITY OF MONROE EMPLOYEES RETIREMENT SYSTEM

## 2021 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 2021.*

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  
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>12/31/2020</u>	<u>12/31/2021</u>	
Assets:	\$160,499,750	\$167,283,380	Net increase of \$6,783,630

As reported in the actuarial valuation for the annual period ending December 31, 2021, the Retirement System's valuation assets were \$161,306,522 and its actuarial accrued liabilities were \$172,743,697, which produced a funded ratio 93.4%. The Retirement System received the required employer contribution for the calendar year beginning January 1, 2021.

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: 8.4%	3 year: 14.9%	5 year: 11.5%	7 year: 9.2%
10 year: 9.9%			

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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:

2021 list of expenditures:

Benefit Payments	\$10,938,901
Member Refunds	\$54,367
Actuarial Fees	\$26,000
Consultant Services Fees	\$187,015
Conference/Association Fees	\$3,609
Custody Fees	\$56,799
Insurance Fees	\$11,529
Investment Management Fees	\$414,856
Legal Fees	\$15,498
Postage and Printing	\$0
Medical Examinations	\$0
ADR Reclaim Fees	\$76
TOTAL EXPENSES	\$11,708,650

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 2022 are:

2022 proposed budget:

Benefit Payments	\$11,485,846 (+5%)
Member Refunds	\$50,000
Actuarial Fees	\$40,300 (+5%)
Consultant Services Fees	\$196,365 (+5%)
Conference/Association Fees	\$10,000
Custody Fees	\$59,639 (+5%)
Insurance Fees	\$11,529 (actual)
Investment Management Fees	\$435,599 (+5%)
Legal Fees	\$16,273 (+5%)
Postage and Printing	\$500
Medical Examinations	\$500
ADR Reclaim Fees	\$80 (+5%)
TOTAL EXPENSES	\$12,306,131

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

1. The number of active members – 125
2. The number of retirees and beneficiaries – 312
3. The average annual retirement allowance - \$37,715
4. The total annual retirement allowances being paid - \$11,766,929
5. The valuation payroll - \$8,005,657
6. The employer's computed normal cost of benefits expressed as a percentage of valuation payroll is: 10.32%
7. The employer's total contribution rate expressed as a percentage of valuation payroll is: 21.62%
8. The weighted average of member contributions is: 4.56%
9. The actuarial assumed rate of investment return is: 7%
10. The actuarial assumed rate of long-term wage inflation is: 3%
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 18 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.

Retirees and Beneficiaries for 2021:

<u>As of 1-1-2021</u>	<u>Number</u>	<u>Benefit Amount (does not include member refunds)</u>
Beginning of Year	300	\$10,787,864
Added	26	\$ 1,271,224
Removed	14	\$ 292,159
End of Year 12/31/21	312	\$11,766,929