

# CITY OF MONROE EMPLOYEES RETIREMENT SYSTEM

## 2020 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 2020.*

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>12/31/2019</u>	<u>12/31/2020</u>	
Assets:	\$145,143,537	\$160,499,750	Net increase of \$15,356,213

As reported in the actuarial valuation for the annual period ending December 31, 2020, the Retirement System's valuation assets were \$145,993,194 and its actuarial accrued liabilities were \$161,187,851, which produced a funded ratio 90.6%. The Retirement System received the required employer contribution for the calendar year beginning January 1, 2020.

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: 17.0%	3 year: 10.2%	5 year: 10.5%	7 year: 8.2%
10 year: 8.5%			

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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:

2020 list of expenditures:

Benefit Payments	\$10,638,562
Member Refunds	\$17,421
Actuarial Fees	\$25,650
Consultant Services Fees	\$168,833
Conference/Association Fees	\$200
Custody Fees	\$52,998
Insurance Fees	\$11,611
Investment Management Fees	\$318,773
Legal Fees	\$17,262
Postage and Printing	\$0
Medical Examinations	\$0
ADR Reclaim Fees	\$3,925
TOTAL EXPENSES	\$11,255,455

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 2021 are:

2021 proposed budget:

Benefit Payments	\$11,167,490
Member Refunds	\$50,000
Actuarial Fees	\$26,933
Consultant Services Fees	\$177,274
Conference/Association Fees	\$10,000
Custody Fees	\$55,648
Insurance Fees	\$12,192
Investment Management Fees	\$334,712
Legal Fees	\$18,125
Postage and Printing	\$500
Medical Examinations	\$3,000
ADR Reclaim Fees	\$231
TOTAL EXPENSES	\$11,856,105

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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 – 178
2. The number of retirees and beneficiaries – 300
3. The average annual retirement allowance - \$35,960
4. The total annual retirement allowances being paid - \$10,787,864
5. The valuation payroll - \$10,823,995
6. The employer's computed normal cost of benefits expressed as a percentage of valuation payroll is: 9.93%
7. The employer's total contribution rate expressed as a percentage of valuation payroll is: 19.63%
8. The weighted average of member contributions is: 4.41%
9. The actuarial assumed rate of investment return is: 7.25%
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 19 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 2020:

<u>As of 1-1-2020</u>	<u>Number</u>	<u>Benefit Amount (does not include member refunds)</u>
Beginning of Year	297	\$10,498,761
Added	11	\$ 473,241
Removed	8	\$ 184,138
End of Year 12/31/20	300	\$10,787,864