

**City of Livonia
Employees Retirement System**

SUMMARY ANNUAL REPORT TO MEMBERS

NOVEMBER 30, 2024

Dear Livonia Employees Retirement System Member:

The Retirement System is designed to help you meet your financial needs of you and your family by providing a pension in the event you should retire, become disabled, or die.

The benefits are being administered by the City of Livonia and funded by contributions and investment earnings. The System retains professional advisors to assist in fulfilling its responsibilities.

The summary report has been prepared to give you a brief overview of the Retirement System and how it operates. We hope you will find it useful and informative. However, this summary is not intended to cover all the details of the Retirement System, which is governed by the provisions of the City's charter, the City's retirement ordinance, and any applicable collective bargaining agreements. Additional information about the Retirement System and its financial operation is available in the Department of Human Resources and the Treasurer's office.

Respectfully submitted,

Board of Trustees

Mark LaBerge (Chair) | Scott Morgan
Michael Valdez | James Wenson (Treasurer)

Investment Consultant

John Krakowiak, Morgan Stanley/Graystone

Investment Managers

Alidade | Aristotle | Cohen and Steers | Goldman Sachs | KKR
Loomis Sayles | Oakmark | Valstone | Vanguard

Actuary

Nyhart

Legal Counsel

VanOverbeke, Michaud & Timmony, P.C.

SUMMARY RESULTS OF ACTUARIAL VALUATION

To determine an appropriate employer contribution level for the ensuing year and to gauge how the System's funding is meeting this fundamental objective, an independent firm of actuaries and employee benefit consultants, Nyhart, conducts annual actuarial valuations.

These valuations are based on your System's past experience, information about current participation and financial markets, and assumptions concerning the System's future demographic and economic activity.

Funded Status

Actuarial Accrued Liabilities	\$228,455,535
Actuarial Value of Assets	\$209,602,378
Percent Funded	91.75%

Plan Membership

Active Member:	7
Payroll	\$797,017
Retirees	540
Total Annual Benefits	\$20,406,221
Average Annual Benefit	\$37,789
Deferred Vested Members	2
Total Annual Benefits	\$12,070

Computed City Contributions

	11/30/2023	11/30/2024
Actuarial Present Value of Future Benefits	\$233,642,484	\$228,683,543
Funding Value of Assets	\$210,353,725	\$209,602,378
Unfunded Present Value of Future Benefits	23,288,759	19,081,165
Total Required Contribution	\$3,182,220	\$2,159,418
Contribution as a Percent of Pay	260.26%	270.94%
Total Normal Cost	\$191,077	\$88,469
Total Normal Cost as a Percent of Pay	15.63%	11.10%

Required Contribution for FYE 2024

Total Required Contribution	\$2,641,688
Actual Employer Contribution	\$2,641,688
Percent Contributed	100%

SUMMARY RESULTS OF ACTUARIAL VALUATION

Market Value Rate of Return

Period Ending November 31, 2024	Average Annual Rate of Return
1 Year	18.7%
3 Years	5.9%
5 Years	9.2%
7 Years	8.2%
10 Years	8.3%

Changes in Plan Assets

Balance on December 1, 2023	\$199,699,919
Receipts	
Employers' contributions	\$2,641,688
Employee's contributions	53,577
Investment income	37,317,783
Disbursements	
Benefit payments	20,666,476
Investment expenses	512,083
Administrative expenses	227,656
Balance on November 30, 2024	\$218,306,752

Projected Expenditures

	Year Ending
	11/30/2025
Administrative	\$228,000
Investment	\$512,000
Memberships, Training, Education, and Travel	\$15,000

Actuary's Opinion

It is the actuary's opinion that the contribution rates recommended are sufficient to meet the Retirement System's financial objective. For a complete analysis, please review the November 30, 2024 actuarial valuation report.

BRIEF SUMMARY OF ACTUARIAL ASSUMPTIONS AND PLAN PROVISIONS

Actuarial Assumptions

Actuarial cost method	Aggregate
Amortization method	Layered level dollar amortization
Amortization period	15-year level dollar layers
Asset valuation method	5-Year Smoothed Market
Investment rate of return	7.00%
Projected salary increases	4.00%

Group	Eligibility	Straight Life Amount
	Normal Retirement	
General Members	30 years of service regardless of age, or age 55 with 10 or more years of service.	2.5% of average final compensation (AFC) per year of service up to a maximum of 75% of AFC.
Police Members	25 years of service regardless of age, or age 52 with 10 or more years of service.	2.8% of average final compensation (AFC) for the 24 years of service, plus 7.8% of AFC for the 25 th year of service, up to a maximum of 75% of AFC.
Fire Members	25 years of service regardless of age, or age 52 with 10 or more years of service.	2.8% of average final compensation (AFC) per year of service up to a maximum of 75% of AFC.
	Deferred Retirement	
General, Police, and Fire Members	10 years of service	Same as NRB using service and AFC at termination

The System also provides early retirement, late retirement, disability and death-in-service survivor benefits which you or your spouse may be eligible to receive.