

**City of Livonia**  
**Employees Retiree Health and Disability Benefits Plan**  
**(VEBA)**

**SUMMARY ANNUAL REPORT TO MEMBERS**

**NOVEMBER 30, 2024**

Dear Member:

The following is a summary of your Health and Disability Benefits Plan. 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 eligible members who are retired or disabled, beneficiaries of eligible members, and for Retirement System expenses.

As Health and Disability 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 Plan's provisions.

Various professionals are hired to help in the administration of the Plan. They are listed below.

The City is funding the Plan benefits as they accrue in accordance with a sound level percent of payroll funding objective.

Respectfully submitted,

**Board of Trustees**

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

**Investment Consultant**

John Krakowiak, Morgan Stanley/Graystone

**Investment Managers**

Boyd Watterson | Loomis Sayles | 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	\$140,544,180
Smoothed Actuarial Value of Assets	\$139,332,072
Market Value of Assets	\$147,496,784
Percent Funded	104.95%

**Actuarial Information Used for this Report**

1. 459 active participants
2. 750 retirees/beneficiaries
3. Plan is closed to new hires
4. \$10,584,893 annual benefits
5. \$34,475,706 valuation payroll used
6. Employer's normal cost of health benefits: 1.32% for General, 1.53% for Police, and 5.73% for Fire – entry age normal cost method
7. Employer's total contribution: \$1,323,386
8. Member contribution rate: 2.00% for General, 2.00% for Police, and 2.00% for Fire
9. The required employer contribution for the year was received
10. 7.00% assumed rate of investment return
11. 3.00% assumed rate of long-term wage inflation
12. Assumed medical inflation 7.50%/8.00% graded to 4.50%/4.50% (pre-65/post-65)
13. Closed 5 year smoothing method used
14. 23 year amortization period used
15. Entry age normal cost method used
16. Funded ratio: 104.95%

## SUMMARY RESULTS OF ACTUARIAL VALUATION

### Market Value Rate of Return

Period Ending November 30, 2024	Average Annual Rate of Return
1 Year	18.3%
3 Years	6.3%
5 Years	8.7%
7 Years	7.7%
10 Years	7.8%

### Changes in Plan Assets

Balance on December 1, 2023	\$129,152,658
Receipts	
Employers' contributions	\$4,092,953
Employee's contributions	290,663
Investment income	24,582,941
Disbursements	
Benefit payments	10,574,893
Administrative expenses	47,538
Balance on November 30, 2024	\$147,496,784
Return on Smoothed Value of Assets	8.14%

### Projected Expenditures

	Year Ending 11/30/2025
Benefit Payments	\$9,959,308
Investment Fees (est to match 2024)	\$346,000
Administrative (est to match 2024)	\$48,000
Memberships, Training, Education, and Travel	\$

### ***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.

## ACTUARIAL VALUATION SUMMARY

Nyhart was hired to prepare the November 30, 2024 Actuarial Valuation. The funding objective of the Plan is contribute a contribution that remains level from year to year as a percentage of payroll. 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:

### Employer Contribution Requirements as Percentage of Payroll

General	0.00%
Police	16.64%
Fire	8.16%