

City of Livonia Police and Fire Revised Retirement Plan

Summary Annual Report

November 30, 2021

<p>Dear Member:</p> <p>The following is a summary of your Retirement 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 members who are retired or disabled, beneficiaries of members, members who receive contribution refunds, and for Retirement Plan expenses.</p> <p>As Retirement 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 Retirement Plan's provisions.</p> <p>Various professionals are hired to help in the administration of the System. They are listed in the column to the right.</p> <p>The City is funding Retirement Plan benefits as they accrue in accordance with a sound level percent of payroll funding objective.</p> <p>Respectfully submitted,</p> <p>Board of Trustees City of Livonia Police and Fire Revised Retirement Plan</p>	<p><u>Board Members and Investment Fiduciaries</u></p> <p>William Tyree, <i>Chair</i></p> <p>Mark LaBerge, <i>Treasurer</i></p> <p>Kathleen McIntyre, <i>Trustee</i></p> <p>Gerald Sabo, <i>Trustee</i></p> <p>James Wenson, <i>Trustee</i></p> <p>Professional Advisors</p> <p><u>Investment Fiduciaries</u> Joseph Beauparlant, Loomis Sayles <i>Investment Manager</i></p> <p>John Krakowiak, Morgan Stanley/Graystone <i>Investment Consultant</i></p> <p><u>Service Providers</u> Foster & Foster, Inc., <i>Actuary</i> VanOverbeke, Michaud & Timmony, P.C., <i>Attorney</i></p> <p><u>Board Secretary</u> Denise C. Maier, SPHR <i>Human Resources Director and Secretary to LERS</i></p>																		
<p>Actuarial Information Used for this Report:</p> <ol style="list-style-type: none"> 1. 133 active members 2. 0 retirees/beneficiaries 3. N/A average annual pension benefit 4. N/A annual pension benefits 5. \$9,612,049 valuation payroll used 6. Employer's cost of benefits: 19.91% for Police and 20.70% for Fire 7. Employer's total contribution: \$1,955,113 8. Member contribution rate: 8.00% for Police and 8.00% for Fire 9. The required employer contribution for the fiscal year was received 10. 7.0% assumed rate of investment return 11. 18 year level percentage of payroll amortization period used 12. Entry Age Normal cost method used 13. Funded ratio 115.0% under entry age normal cost method 	<p>2021-2022 Projected Expenditures</p> <p>Pension Payments: \$0 Refund of Member Contributions: \$5,000 Investment Fees: \$15,000 Memberships/Training/Education/Travel: \$0 Administrative Expenses: \$2,000</p>																		
<p>Investment Performance*</p> <table style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <thead> <tr> <th style="width: 15%;"></th> <th style="width: 15%; text-align: center;">1</th> <th style="width: 15%; text-align: center;">3</th> <th style="width: 15%; text-align: center;">5</th> <th style="width: 15%; text-align: center;">7</th> <th style="width: 15%; text-align: center;">10</th> </tr> <tr> <th style="text-align: left;">Combined Account</th> <th style="text-align: center;"><u>Year</u></th> <th style="text-align: center;"><u>Year</u></th> <th style="text-align: center;"><u>Year</u></th> <th style="text-align: center;"><u>Year</u></th> <th style="text-align: center;"><u>Year</u></th> </tr> </thead> <tbody> <tr> <td></td> <td style="text-align: center;">N/A</td> <td style="text-align: center;">N/A</td> <td style="text-align: center;">N/A</td> <td style="text-align: center;">N/A</td> <td style="text-align: center;">N/A</td> </tr> </tbody> </table> <p><i>*Calendar year ending November 30, 2021 (net of fees)</i></p>		1	3	5	7	10	Combined Account	<u>Year</u>	<u>Year</u>	<u>Year</u>	<u>Year</u>	<u>Year</u>		N/A	N/A	N/A	N/A	N/A	
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Combined Account	<u>Year</u>	<u>Year</u>	<u>Year</u>	<u>Year</u>	<u>Year</u>														
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Summary Annual Report (cont.)

Actuarial Valuation Summary

Foster & Foster, Inc. was hired to prepare the November 30, 2021 Actuarial Valuation. The funding objective of the Plan is to contribute a contribution that remains level from year to year as a percent 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:

Contribution Requirements

Total Normal Cost of Benefits	\$2,745,476
- Member Portion	768,964
- Employer Portion	1,976,512
Amortization of Unfunded Liability	(21,399)
Employer Contribution	1,955,113

Assets & Liabilities

Funded Status

Market Value of Assets	\$1,966,156
Smoothed Valuation Assets	1,966,156
Actuarial Accrued Liability – Entry Age cost method	1,710,053
Funded Ratio – Entry Age cost method	115.0%

Actuary's Statement – The System is being funded based on sound actuarial assumptions, methods and level percent of payroll funding objective. For a complete analysis, please review the November 30, 2021 actuarial valuation.

Revenues & Expenditures

Beginning Balance (Market Value) – November 30, 2020	\$ 0
Revenues	
Employees' contributions	506,744
Employees' service purchase contributions	429,683
Employer contribution	1,037,029
Investment income	0
Other Income	<u>0</u>
Total	1,973,456
Expenditures	
Pension payments	0
Refunds and annuity withdrawal	0
Non-Investment Expenses	<u>7,300</u>
Total	7,300
Ending Balance (Market Value) – November 30, 2021	\$1,966,156
Recognized Return on Smoothed Funding Value of Assets	N/A