



CITY OF DETROIT
OFFICE OF THE CHIEF FINANCIAL OFFICER

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December 23, 2020

The Honorable Detroit City Council
Coleman A. Young Municipal Center
2 Woodward Avenue
Detroit, MI 48226

Re: Transmittal of FY 2020 Local Government Retirement System Annual Report

Dear Honorable City Council Members:

Please find attached the City's Local Government Retirement System Annual Report (Form 5572) for FY 2020, which the Office of the Chief Financial Officer has prepared and filed with the State of Michigan Department of Treasury, in accordance with Section 5 of the Protecting Local Government Retirement and Benefits Act, Public Act 202 of 2017 (PA 202).

Under Section 5 of PA 202, the City is required to prepare this annual report on its retirement pension benefits to determine whether those plans place the City in "underfunded status" as defined in PA 202. The report is based on data presented in the City's FY 2020 Comprehensive Annual Financial Report. **For FY 2020, the City is not in "underfunded status."**

PA 202 also requires this report to be provided to the City Council and posted on the City's public website. It requires no further action. If you have any questions, please do not hesitate to contact me or my staff.

Best regards,

David P. Massaron
Chief Financial Officer

Att: City of Detroit, Local Government Retirement System Annual Report, FY 2020

Cc: Mayor Michael E. Duggan, City of Detroit
Hakim Berry, Chief Operating Officer
Katie Hammer, Chief Deputy CFO
John Naglick, Chief Deputy CFO/Finance Director
Eric S. Higgs, Deputy CFO/Chief Accounting Officer - Controller
Tanya Stoudemire, Deputy CFO/Budget Director
Avery Peeples, City Council Liaison
General Retirement System Board of Trustees
Police and Fire Retirement System Board of Trustees

The Protecting Local Government Retirement and Benefits Act (PA 202 of 2017) & Public Act 530 of 2016 Pension Report

Enter Local Government Name	Detroit	Instructions: For a list of detailed instructions on how to complete and submit this form, visit michigan.gov/LocalRetirementReporting .
Enter Six-Digit Municode	822050	
Unit Type	City	
Fiscal Year End Month	June	
Fiscal Year (four-digit year only, e.g. 2019)	2020	
Contact Name (Chief Administrative Officer)	John Naglick, Jr.	Questions: For questions, please email LocalRetirementReporting@michigan.gov . Return this original Excel file. Do not submit a scanned image or PDF.
Title if not CAO	Chief Deputy CFO/Finance Director	
CAO (or designee) Email Address	naglickj@detroitmi.gov	
Contact Telephone Number	313-224-4152	
Pension System Name (not division) 1	GRS City of Detroit - Component I	If your pension system is separated by divisions, you would only enter one system. For example, one could have different divisions of the same system for union and non-union employees. However, these would be only one system and should be reported as such on this form.
Pension System Name (not division) 2	GRS City of Detroit - Component II	
Pension System Name (not division) 3	PFRS City of Detroit - Component I	
Pension System Name (not division) 4	PFRS City of Detroit - Component II	
Pension System Name (not division) 5		

Line	Descriptive Information	Source of Data	System 1	System 2	System 3	System 4	System 5
1	Is this unit a primary government (County, Township, City, Village)?	Calculated	YES	YES	YES	YES	YES
2	Provide the name of your retirement pension system	Calculated from above	GRS City of Detroit - Component I	GRS City of Detroit - Component II	PFRS City of Detroit - Component I	PFRS City of Detroit - Component II	
3 Financial Information							
4	Enter retirement pension system's assets (system fiduciary net position ending)	Most Recent Audit Report	130,263,912	1,798,906,827	158,967,545	2,670,843,356	
5	Enter retirement pension system's liabilities (total pension liability ending)	Most Recent Audit Report	134,403,855	2,733,602,681	121,704,815	3,669,742,652	
6	Funded ratio	Calculated	96.9%	65.8%	130.6%	72.8%	
7	Actuarially Determined Contribution (ADC)	Most Recent Audit Report					
8	Governmental Fund Revenues	Most Recent Audit Report	1,436,866,705	1,436,866,705	1,436,866,705	1,436,866,705	
9	All systems combined ADC/Governmental fund revenues	Calculated	0.0%	0.0%	0.0%	0.0%	
10 Membership							
11	Indicate number of active members	Actuarial Funding Valuation used in Most Recent Audit Report	5,794	2,793	2,612	2,315	
12	Indicate number of inactive members	Actuarial Funding Valuation used in Most Recent Audit Report	961	3,029	659	394	
13	Indicate number of retirees and beneficiaries	Actuarial Funding Valuation used in Most Recent Audit Report	314	11,557	117	8,102	
14 Investment Performance							
15	Enter actual rate of return - prior 1-year period	Actuarial Funding Valuation used in Most Recent Audit Report or System Investment Provider	-7.30%	-7.30%	-3.50%	-3.50%	
16	Enter actual rate of return - prior 5-year period	Actuarial Funding Valuation used in Most Recent Audit Report or System Investment Provider		4.20%		5.30%	
17	Enter actual rate of return - prior 10-year period	Actuarial Funding Valuation used in Most Recent Audit Report or System Investment Provider		6.70%			
18 Actuarial Assumptions							
19	Actuarial assumed rate of investment return	Actuarial Funding Valuation used in Most Recent Audit Report	6.75%	6.75%	6.75%	6.75%	
20	Amortization method utilized for funding the system's unfunded actuarial accrued liability, if any	Actuarial Funding Valuation used in Most Recent Audit Report	Other	Other	Other	Other	
21	Amortization period utilized for funding the system's unfunded actuarial accrued liability, if any	Actuarial Funding Valuation used in Most Recent Audit Report					
22	Is each division within the system closed to new employees?	Actuarial Funding Valuation used in Most Recent Audit Report	No	Yes	No	Yes	
23 Uniform Assumptions							
24	Enter retirement pension system's actuarial value of assets using uniform assumptions	Actuarial Funding Valuation used in Most Recent Audit Report	130,263,912	1,798,906,827	158,967,545	2,670,843,356	
25	Enter retirement pension system's actuarial accrued liabilities using uniform assumptions	Actuarial Funding Valuation used in Most Recent Audit Report	135,140,243	2,847,387,349	126,348,552	3,701,359,742	
26	Funded ratio using uniform assumptions	Calculated	96.4%	63.2%	125.8%	72.2%	
27	Actuarially Determined Contribution (ADC) using uniform assumptions	Actuarial Funding Valuation used in Most Recent Audit Report	14,609,558	101,443,652	17,614,799	99,705,567	
28	All systems combined ADC/Governmental fund revenues	Calculated	16.2%	16.2%	16.2%	16.2%	
29 Pension Trigger Summary							
30	Does this system trigger "underfunded status" as defined by PA 202 of 2017?	Primary government triggers: Less than 60% funded <u>AND</u> greater than 10% ADC/Governmental fund revenues. Non-Primary government triggers: Less than 60% funded	NO	NO	NO	NO	NO

Requirements (For your information, the following are requirements of P.A. 202 of 2017)
 Local governments must post the current year report on their website or in a public place.
 The local government must electronically submit the form to its governing body.
 Local governments must have had an actuarial experience study conducted by the plan actuary for each retirement system at least every 5 years.
 Local governments must have had a peer actuarial audit conducted by an actuary that is not the plan actuary OR replace the plan actuary at least every 8 years.