



City of Warren Employees Retirement System

Summary Annual Report

December 31, 2019

Dear Member:

The following is a summary of your Retirement System. 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 System expenses.

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 System's provisions.

Various professionals are hired to help in the administration of the System. They are listed in the column to the right.

The City is funding Retirement System benefits as they accrue in accordance with a sound funding objective.

Respectfully submitted,

Board of Trustees
City of Warren Employees Retirement System

Board Members

Christine C. Cassani,
Chairperson

Rick A. Traub,
Vice Chairperson

Angela Rogensues,
Trustee

Richard Sabaugh,
Trustee

Gary Urbanczyk,
Trustee

Professional Advisors

Investment Fiduciaries

Aristotle Capital Management LLC
 Franklin Templeton Global
 Hamlin Capital Management
 JP Morgan Strategic Income
 Lazard Asset Management
 LS Investment Advisors LLC
 Morgan Stanley-Graystone,
 Investment Consultant
 Reinhart Partners, Inc.
 Seizert Capital Partners
 Vanguard Emerging Markets
 World Asset Management

Service Providers

Comerica Bank, Trust Custodian
 Ramie E. Phillips, Jr, PC, CPA, Auditor
 Rodwan Consulting Company, Actuary
 VanOverbeke, Michaud & Timmony,
 Attorneys

Actuarial Information Used for this Report:

1. 53 active members
2. 504 retirees/beneficiaries
3. Plan is closed to new hires
4. \$33,226 average annual pension benefit
5. \$16,745,747 annual pension payroll
6. \$4,192,585 valuation payroll used
7. Employer's normal cost of benefits: 16.29% - entry age cost method, not applicable for aggregate cost method
8. Employer's total contribution rate: \$8,851,952
9. Weighted average member contribution rate: 0.00%
10. The required employer contribution for the fiscal year was received
11. 7.2% assumed rate of investment return
12. 4% assumed rate of long-term wage inflation
13. 4 year asset smoothing method used
14. Expected future working lifetime amortization period used
15. Aggregate cost method used
16. Funded ratio 100% under aggregate cost method, 69.6% under entry age normal cost method

Investment Performance*

	1	3	5	7	10
Combined Account	Year	Year	Year	Year	Year
	19.36%	8.51%	6.65%	7.76%	7.56%

*Calendar year ending December 31, 2019 (net of fees)

2020 Projected Expenditures

Pension Payments: \$17,000,000
 Refund of Member Contributions: \$0
 Investment Fees: \$660,000
 Memberships/Training/Education/Travel: \$5,000
 Administrative Expenses: \$270,000

City of Warren Employees Retirement System

Summary Annual Report (cont.)

Actuarial Valuation Summary

Rodwan Consulting Company was hired to prepare the December 31, 2019 Actuarial Valuation. The funding objective of the System is to finance the unfunded present value of future benefits over the remaining working lifetimes of the active members. The actual level of contribution is dependent on actual and assumed experience and benefit provisions. Below is a summary of the results:

Contribution Requirements	
Actuarial Present Value of All Future Benefits	\$195,305,631
Smoothed Valuation Assets	132,532,368
Present Value of Future Member Contributions	0
Unfunded Present Value of Benefits	62,773,263
Present Value of Future Pay	29,731,548
Computed Employer Contribution	
Dollar Amount Based on Valuation Payroll	\$8,851,952

Assets & Liabilities

Funded Status

Market Value of Assets	\$136,526,145
Smoothed Valuation Assets	132,532,368
Actuarial Accrued Liability – Aggregate cost method	132,532,368
Funded Ratio – Aggregate cost method	100.0%
Actuarial Accrued Liability - Entry Age cost method	190,471,846
Funded Ratio - Entry Age cost method	69.6%

Actuary's Statement – The System is being funded based on sound actuarial assumptions and methods. For a complete analysis, please review the December 31, 2019 actuarial valuation.

Revenues & Expenditures

Beginning Balance (Market Value) – January 1, 2019	\$121,884,987
Revenues	
Employees' contributions	0
Employer contribution	8,737,667
Investment income	22,826,659
Other Income	0
Total	31,564,326
Expenditures	
Pension payments	16,670,000
Refunds and annuity withdrawal	11,354
Transfer to 401 Defined Contribution Plan	0
Non-Investment Expenses	241,814
Total	16,923,168
Ending Balance (Market Value) – December 31, 2019	\$136,526,145
Recognized Return on Smoothed Funding Value of Assets	8.85%