

City of Warren Employees Retirement System

Summary Annual Report

December 31, 2022

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 Fox,
Trustee

Gary Urbanczyk,
Trustee

Professional Advisors

Investment Fiduciaries

Hamlin Capital Management
 Lazard Asset Management
 AndCo Consulting, Investment Consultant
 Reinhart Partners, Inc.
 Seizert Capital Partners
 Fidelity Emerging Markets
 World Asset Management
 Aristotle Capital Management LLC
 Yousif Capital Management
 Madison Investments
 American Core Realty Fund

Service Providers

Comerica Bank, Trust Custodian
 Ramie E. Phillips, Jr, PC, CPA, Auditor
 Foster & Foster, Inc., Actuary
 VanOverbeke, Michaud & Timmony,
 Attorneys

Actuarial Information Used for this Report:

1. 37 active members
2. 491 retirees/beneficiaries
3. System is closed to new hires
4. \$34,284 average annual pension benefit
5. \$16,833,249 annual pension benefits paid
6. \$3,495,407 valuation payroll used
7. Employer's normal cost of benefits: 20.84% - entry age normal cost method
8. Employer's total contribution rate: \$7,352,372
9. Weighted average member contribution rate: 0.00%
10. The required employer contribution for the fiscal year was received
11. 7.10% assumed rate of investment return
12. 4.0% assumed rate of long-term wage inflation
13. 4-year asset smoothing method used
14. 10-year open amortization period used
15. Entry Age Normal cost method used
16. Funded ratio 76.4% under the entry age normal cost method

Investment Performance*

	1	3	5	7	10
Combined	Year	Year	Year	Year	Year
Account	-12.10%	4.58%	5.05%	7.11%	6.80%

*Calendar year ending December 31, 2022 (net of fees)

2023 Projected Expenditures

Pension Payments: \$17 million
 Refund of Member Contributions: \$0
 Investment Fees: \$720,000
 Memberships/Training/Education/Travel: \$7,000
 Administrative Expenses: \$275,000

City of Warren Employees Retirement System

Summary Annual Report (cont.)

Actuarial Valuation Summary

Foster & Foster, Inc. was hired to prepare the December 31, 2022 Actuarial Valuation. The funding objective of the System is to finance the unfunded present value of future benefits over an open 10-year period. 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

Actuarial Present Value of All Future Benefits	\$190,142,577
Smoothed Valuation Assets	143,411,552
Present Value of Future Member Contributions	0
Unfunded Actuarial Accrued Liability	44,255,293
Present Value of Future Pay	13,571,654
Total Normal Cost	691,487
Administrative Expenses	263,000
Computed Employer Contribution Dollar Amount	\$7,352,372

Assets & Liabilities

Funded Status

Market Value of Assets	\$129,356,638
Smoothed Valuation Assets	143,411,552
Actuarial Accrued Liability – Entry Age Normal cost method	187,666,845
Funded Ratio – Entry Age Normal cost method	76.4%

Actuary's Statement – The System is being funded based on sound actuarial assumptions and methods. For a complete analysis, please review the December 31, 2022 actuarial valuation.

Revenues & Expenditures

Beginning Balance (Market Value) – December 31, 2021	\$156,706,227
Revenues	
Employees' contributions	0
Employer contribution	8,751,264
Investment income	(18,944,606)
Other income	15,988
Total	(10,177,354)
Expenditures	
Pension payments	16,902,143
Refunds and annuity withdrawal	0
Transfer to 401 Defined Contribution Plan	0
Non-Investment Expenses	270,092
Total	17,172,235
Ending Balance (Market Value) – December 31, 2022	\$129,356,638
Recognized Return on Funding Value of Assets	7.55%