

City of Trenton Fire & Police Pension System

Summary Annual Report to Members June 30, 2021

Dear Pension System Member:

The Pension System, which is managed by the Pension Board, is designed to help you meet your financial needs should you become disabled, retire, or die. The City also supports a Retiree Health Program, which is separate from the Pension System.

The Pension Board's fiduciary responsibility to you is to supervise the general administration of the System and invest its assets. Our Board retains professional advisors to assist us in fulfilling these duties.

We have prepared this summary report to give you a brief overview of the Pension System and how it operates. We hope you will find it useful and informative. However, a summary cannot cover all the details of the System, which is governed by the provisions of ACT 345, any applicable bargaining agreements, and the Pension Board's official rules and regulations. Additional information about the System and its financial operation is available in the Treasurer's office.

Respectfully submitted,

Pension Board City of Trenton Fire & Police Pension System

Retirement Board
City of Trenton Fire & Police Retirement System

Michael McCullough, President
Essen Davis, Trustee
Frank Cavazos, Trustee
Norris Blackledge, Trustee
Bruce Jocks, Secretary-Treasurer

Plan Secretary

Karen Sall

Recording Secretary

Leah Iglehart

Auditors/ Accountants

Plante & Moran, LLP

Actuaries and Consultants

Gabriel Roeder Smith &
Company

Legal Counsel

VanOverbeke, Michaud & Timmony, PC

Investment Fiduciaries

Investment Consultant: AndCo Consulting
Custodial Bank: Comerica Bank

Investment Managers:

Seizert Capital Partners,
Ancora, Prudential, First Eagle,
Franklin Templeton, Vanguard,
WCM Investment Management,
Principal, Loomis Sayles,

Summary Results of the Actuarial Valuation

Your Pension System's financial objective is to accumulate assets necessary to pay the promised benefits in an orderly manner. 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, Gabriel, Roeder, Smith & Company, 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. The results of the June 30, 2021 valuation, based on the established funding objective, are summarized below:

Valuation date	June 30, 2021
Actuarial cost method	Entry age actuarial cost method
Normal amortization method	Level percent-of-payroll amortized over a 15-year period
Early retirement window amortization method	Level dollar amortized over a closed 5-year Period beginning in the year first recognized
Asset valuation method	5-year smoothed market
Valuation payroll	\$4,142,290
Annual pensions paid	\$5,059,252
Average annual pensions paid	\$43,993
Retirees and beneficiaries receiving benefits	115
Terminated plan members entitled to but not yet receiving benefits	0
Active plan members	59
Total	174
Actuarial Assumptions:	
<i>Actuarial Assumptions:</i>	
- Investment rate of return	7.00%
- Projected salary increases	3.2 – 9.0%
- Assumed rate of payroll growth	3.0%

Fiscal Year Beginning July 1, 2022 Employer Contribution

Contributions for		Funded Status	\$ Millions
Normal Cost	\$ 441,162	Actuarial Accrued Liabilities	\$67.5
Normal Accrued Liabilities	1,443,428	Funding Value Assets(smoothed market)	51.8
		% funded	76.7%
Total Employer Contribution	\$ 1,884,590		
Computed Employer Rate	44.17%		

Actuary's Opinion

It is the actuary's opinion that the contribution rebates recommended in the most recent actuarial report are sufficient to meet the System's financial objective, presuming continued timely receipt of required contribution.

Other

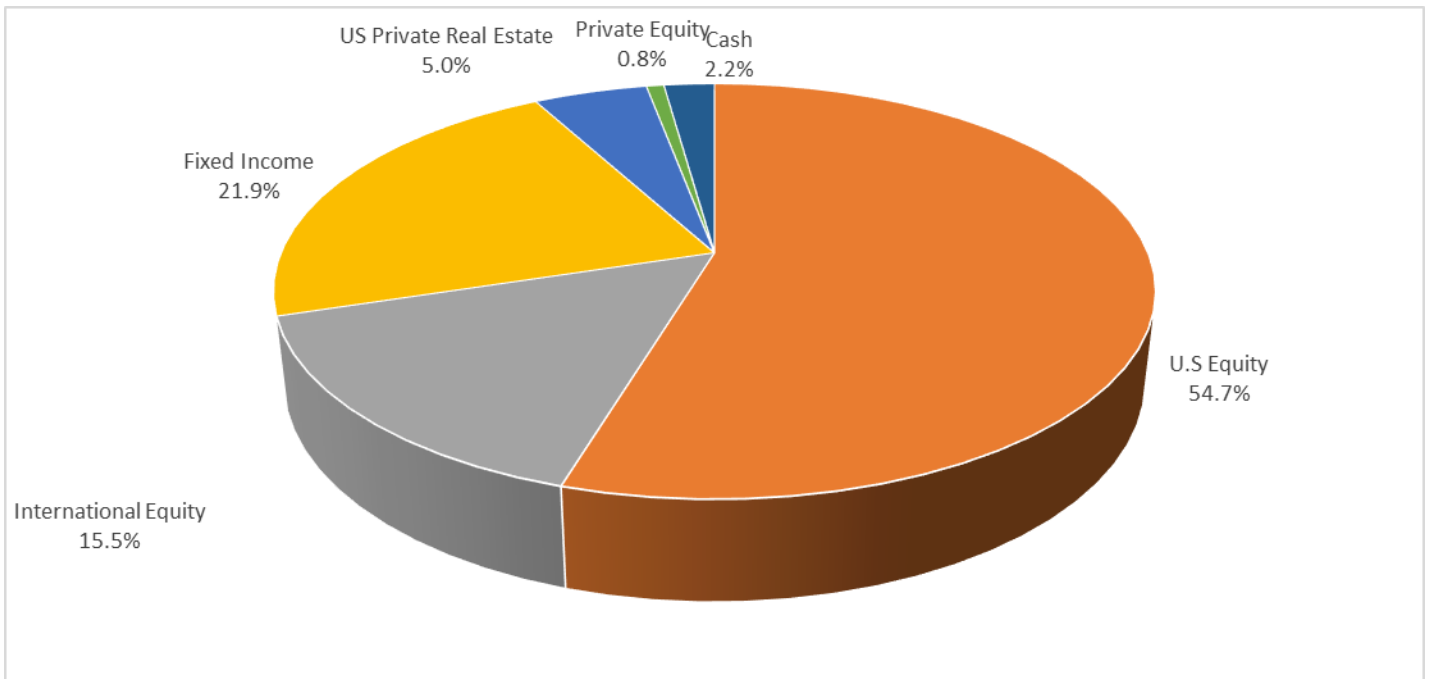
The Board of Trustees of the Retirement System provides for payment of the required employer contribution as described in Section 20m of Michigan Public Act No. 728 of 2002.

SUMMARY OF CURRENT ASSET INFORMATION

<u>Revenues & Expenditures</u>	<u>2020-2021</u>	<u>Investment Performance (Net of Fees)</u>
Funding(Actuarial) Value – July 1, 2020	\$50,079,470	1-Year 31.55%
Revenues		3-Year 11.95%
Employee contributions	254,955	5-Year 11.39%
Employer contributions	1,912,113	7-Year 7.98 %
Recognized investment income	<u>5,430,438</u>	10-Year 8.11 %
Total	7,597,506	
Expenditures		<u>Projected Expenses for 2020-2021</u>
Benefit payments	5,001,824	Administrative \$23,819
Refund of member contributions	619,546	Investment 241,300
Expenses	<u>287,518</u>	Professional 22,399
Total	5,908,888	
Funding(Actuarial) Value – June 30, 2020	\$51,768,088	

Asset Allocation

City of Trenton Fire and Police Retirement System



<u>Asset Class</u>	<u>Market Value</u>	<u>Portfolio Percentage</u>	<u>Target Allocation</u>	<u>Over/ Under Weight Percent</u>	<u>Dollar</u>
U.S Equity	\$31,764,142	54.7%	51.0%	3.70%	\$2,148,360
International Equity	\$8,981,056	15.5%	15.0%	0.47%	\$270,532
Fixed Income	\$12,701,300	22.0%	27.0%	-5.03%	-\$2,919,573
US Private Real Estate	\$2,894,802	5.0%	5.0%	-0.01%	-\$8,706
Private Equity	\$445,212	0.8%	0.0%	0.77%	\$445,212
Cash	<u>\$1,283,649</u>	<u>2.2%</u>	<u>2.0%</u>	0.21%	\$122,246
Combined Accounts	\$58,070,161	100%	100%		