

CITY OF PONTIAC POLICE AND FIRE RETIREMENT SYSTEM

December 31, 2023 Summary Annual Report

The Public Employee Retirement System Investment Act requires the City of Pontiac Police and Fire Retirement System to prepare and issue a summary annual report and to publish and make available a list of all expenses paid by soft dollars annually. The following information is provided for the year 2023.

The name of the retirement system is the City of Pontiac Police and Fire Retirement System. The Retirement System's investment fiduciaries are:

Trustees of the City of Pontiac Police and Fire Retirement System
AndCo Consulting
Alidade Capital
American Realty Advisors
Apogem Capital
Bain Capital
Baird Advisors
Bloomfield Capital
Burgundy Asset Management
Clarivest Asset Management
Courtland Financial
Garcia Hamilton & Associates
Loomis Sayles & Company
Marathon Asset Management
Monroe Capital
Metropolitan Real Estate
PIMCO Investment Management
RhumbLine Advisers
Robinson Capital
Wells Fargo
Yousif Capital Management
Comerica, Custodian

The names of the System's service providers are:

AsherKelly, PLLC, Legal Advisor
BeneSys, Inc., Third Party Administrator
Nyhart Consulting, Actuary
Bonadio Group, Auditor

The System's changes in net plan assets on a plan-year basis:

	<u>12/31/2022</u>	<u>12/31/2023</u>	
Assets:	\$214,422,433	\$211,958,131	Net decrease of \$2,464,302

As reported in the actuarial valuation for the annual period ending December 31, 2023, the Retirement System's valuation assets were \$211,958,131 and its actuarial accrued liabilities were \$236,829,871 which produced a funded ratio of 89.5%. The Retirement System received the required employer contribution for the fiscal year ending June 30, 2023.

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The System’s investment performance net of fees on a rolling calendar year basis for the previous one, three, five, seven and ten year periods are:

1 year: 11.45% 3 year: 5.07% 5 year: 8.60% 7 year: 7.40% 10 year: 6.81%

The System’s administrative and investment expenditures pursuant to the Standards of the Governmental Accounting Board, including, but not limited to, a list of all expenditures made with soft dollars and all expenditures for professional training and education, including travel expenditures, by or on behalf of System board members that are paid by the System are:

2022 list of expenditures:

Accounting & Audit Services	\$23,500
Actuary Services	\$0
Administration-BeneSys	\$144,920
Bank Fees	\$12,712
Conferences	\$600
Insurance	\$38,705
Investment Consulting fees	\$90,000
Investment Management Services	\$531,851
Legal Services	\$23,803
Meetings	\$11,406
Membership Dues	\$573
NT Sweep Fees	\$7,030
Postage	\$2,400
Printing Fees	\$2,435
Document Storage fee	\$242
Telephone	\$0
Travel Expense	\$0
Miscellaneous *Includes Laptops for Trustees	\$73,856
TOTAL EXPENSES	\$964,033

There were no soft dollar expenses. The System’s itemized budget containing all projected expenditures, including, but not limited to, expenditures for professional training and education, including travel expenditures, by or on behalf of System board members that are paid by the System for 2023 are:

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2023 proposed budget:

Accounting & Audit Services	\$45,000.00
Actuary Services	\$25,000.00
Administration-BeneSys	\$148,000.00
Bank Fees	\$25,000.00
Conferences	\$2,500.00
Insurance	\$35,000.00
Investment Consulting fees	\$90,000.00
Investment Management Services	\$450,000.00
Legal Services	\$35,000.00
Meetings	\$5,000.00
Membership Dues	\$2,000.00
NT Sweep Fees	\$5,000.00
Postage	\$5,000.00
Printing Fees	\$4,000.00
Document Storage fee	\$500.00
Telephone	\$250.00
Travel Expense	\$3,000.00
Miscellaneous	\$0
TOTAL EXPENSES	\$880,250.00

The following information as provided in the System's most recent annual actuarial valuation report:

1. The number of active members – 0
2. The number of retirees and beneficiaries – 433
The number of deferred participants – 96
3. The average annual retirement allowance – \$3,046 average monthly benefit; \$13,320 average annual 13th check pension improvement. Beneficiary: \$2,045 average monthly benefit; \$8,570 average annual 13th check pension improvement. Disabled Participant: \$2,560 average monthly benefit; \$13,320 average annual 13th check pension improvement. Terminated Vested Participant: \$880 average monthly benefit.
4. The total annual retirement allowances being paid - \$20,363,219
5. The valuation payroll – N/A
6. The employer's computed normal cost of benefits expressed as a percentage of valuation payroll is: \$0
7. The employer's total contribution rate expressed as a percentage of valuation payroll is: N/A
8. The weighted average of member contributions is: N/A
9. The actuarial assumed rate of investment return is: 7.25% net of expenses
10. The actuarial assumed rate of long-term wage inflation is: N/A
11. The smoothing method utilized to determine the funding value of assets is: 3 years smoothing.

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12. The amortization method and period utilized for funding the System's unfunded actuarial accrued liability, if any: The amortization method is level dollars. The amortization period is 19 years, closed.
13. The System's actuarial cost method is commonly referred to as the individual entry-age actuarial cost method.
14. Whether System membership is open or closed to specific groups of employees:
The System is closed to new hires as a whole since police services were outsourced on July 31, 2011. Fire services were outsourced February 1, 2012.

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