



CITY OF DETROIT  
OFFICE OF THE CHIEF FINANCIAL OFFICER

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December 20, 2019

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

Re: Transmittal of FY 2019 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 2019, 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 2019 Comprehensive Annual Financial Report. **For FY 2019, 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 2019

Cc: Mayor Michael E. Duggan, City of Detroit  
Hakim Berry, Chief Operating Officer  
John Naglick, Chief Deputy CFO/Finance Director  
Eric S. Higgs, Deputy CFO/Chief Accounting Officer - Controller  
Tanya Stoudemire, Deputy CFO/Budget Director  
Stephanie Washington, 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 Unit Name	Detroit	Instructions: For a list of detailed instructions on how to complete and submit this form, visit <a href="http://michigan.gov/LocalRetirementReporting">michigan.gov/LocalRetirementReporting</a> .
<a href="#">Enter Six-Digit Municode</a>	822050	
Unit Type	City	
Fiscal Year End Month	June	
Fiscal Year (four-digit year only, e.g. 2019)	2019	
Contact Name (Chief Administrative Officer)	John Naglick	Questions: For questions, please email <a href="mailto:LocalRetirementReporting@michigan.gov">LocalRetirementReporting@michigan.gov</a> . 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	<a href="mailto:naglickj@detroitmi.gov">naglickj@detroitmi.gov</a>	
Contact Telephone Number	313-224-4152	
Pension System Name (not division) 1	The General Retirement System of the 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	The General Retirement System of the City of Detroit-Component II	
Pension System Name (not division) 3	The Police and Fire Retirement System of the City of Detroit-Component I	
Pension System Name (not division) 4	The Police and Fire Retirement System of the 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 unit (County, Township, City, Village)?	Calculated	YES	YES	YES	YES	YES
2	Provide the name of your retirement pension system	Calculated from above	The General Retirement System of the City of	The General Retirement System of the City of	The Police and Fire Retirement System of the	The Police and Fire Retirement System of the	
<b>3</b>	<b>Financial Information</b>						
4	Enter retirement pension system's assets (system fiduciary net position ending)	Most Recent Audit Report	95,632,326	1,940,623,642	127,971,386	2,866,303,805	
5	Enter retirement pension system's liabilities (total pension liability ending)	Most Recent Audit Report	96,879,111	2,773,006,153	94,784,240	3,725,455,416	
6	Funded ratio	Calculated	98.7%	70.0%	135.0%	76.9%	
7	Actuarially Determined Contribution (ADC)	Most Recent Audit Report					
8	Governmental Fund Revenues	Most Recent Audit Report	1,504,368,203	1,504,368,203	1,504,368,203	1,504,368,203	
9	All systems combined ADC/Governmental fund revenues	Calculated	0.0%	0.0%	0.0%	0.0%	
<b>10</b>	<b>Membership</b>						
11	Indicate number of active members	Most Recent Actuarial Funding Valuation	5,629	3,018	2,687	2,446	
12	Indicate number of inactive members	Most Recent Actuarial Funding Valuation	1,021	3,236	471	410	
13	Indicate number of retirees and beneficiaries	Most Recent Actuarial Funding Valuation	247	11,684	90	8,151	
<b>14</b>	<b>Investment Performance</b>						
15	Enter actual rate of return - prior 1-year period	Most Recent Actuarial Funding Valuation or System Investment Provider	15.40%	15.40%	14.30%	14.30%	
16	Enter actual rate of return - prior 5-year period	Most Recent Actuarial Funding Valuation or System Investment Provider		8.80%		9.90%	
17	Enter actual rate of return - prior 10-year period	Most Recent Actuarial Funding Valuation or System Investment Provider		4.92%		5.22%	
<b>18</b>	<b>Actuarial Assumptions</b>						
19	Actuarial assumed rate of investment return	Most Recent Actuarial Funding Valuation					
20	Amortization method utilized for funding the system's unfunded actuarial accrued liability, if any	Most Recent Actuarial Funding Valuation					
21	Amortization period utilized for funding the system's unfunded actuarial accrued liability, if any	Most Recent Actuarial Funding Valuation					
22	Is each division within the system closed to new employees?	Most Recent Actuarial Funding Valuation	No	Yes	No	Yes	
<b>23</b>	<b>Uniform Assumptions</b>						
24	Enter retirement pension system's actuarial value of assets using uniform assumptions	Most Recent Actuarial Funding Valuation					
25	Enter retirement pension system's actuarial accrued liabilities using uniform assumptions	Most Recent Actuarial Funding Valuation					
26	Funded ratio using uniform assumptions	Calculated					
27	Actuarially Determined Contribution (ADC) using uniform assumptions	Most Recent Actuarial Funding Valuation					
28	All systems combined ADC/Governmental fund revenues	Calculated	0.0%	0.0%	0.0%	0.0%	
<b>29</b>	<b>Pension Trigger Summary</b>						
30	Does this system trigger "underfunded status" as defined by PA 202 of 2017?	<b>Primary unit triggers:</b> Less than 60% funded AND greater than 10% ADC/Governmental fund revenues. <b>Non-Primary unit triggers:</b> Less than 60% funded	NO	NO	NO	NO	NO

<b>Requirements (For your information, the following are requirements of P.A. 202 of 2017)</b>
Local units must post the current year report on their website or in a public place.
The local unit of government must electronically submit the form to its governing body.
Local units must have had an actuarial experience study conducted by the plan actuary for each retirement system at least every 5 years.
Local units 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.

By emailing this report to the Michigan Department of Treasury, the local unit of government acknowledges that this report is complete and accurate in all known respects.