



City of East Grand Rapids
2018 Retirement System Summary Annual Report
 Based on MERS Annual Actuarial Valuation Report
 December 31, 2017
(updated 7/26/2018)

In response to Michigan PA 530 of 2016. Section 13(3)(i-x):

Sec. 13 (1)(d)	Item	Information and Location
(i)	Name of system	City of East Grand Rapids
(ii)	Names investment fiduciaries	MERS of Michigan is the Investment Fiduciary
(iii)	System service providers	MERS of Michigan, CBIZ Retirement Plan Services (actuary)
(iv)	Assets	\$ 9,306,535
(iv)	Liabilities	\$ 18,518,876
(iv)	System's assets and liabilities/changes	Net pension liability decreased by \$406,843
(v)	System's funded ratio	50%
(vi)	Investment performance	Investment performance net of fees: 1 year: 13.20% 3 years: 7.45% 5 years: 8.67% 7 years: 8.03% 10 years: 5.56%
(vii)	System administration and investment expenses	At December 31, 2017, the cost of the Defined Benefit Plan was 0.32% (0.19% for administration and 0.13% for investments).
(viii)	System's budget	Not applicable
(ix)	Plan Statistics:	
	(A) Number of actives	5
	(B) Number of retirees/beneficiaries	47
	(C) The average annual retirement allowance	\$ 36,177
	(D) Total annual retirement allowance	\$ 1,700,325
	(E) Valuation payroll for active employees	\$ 402,095
	(F) Normal cost and/or percentage	\$ 34,176
	(G) Total computed employer contribution	\$ 1,493,412
	(H) Weighted average member contributions	01 - Gen. Sr. Mgrs. 3.81% 10 - Gen. Local 1645 5.00% 12 - Gen. Nonunion 0.00% 20 - Pub. Safety Off. 3.77% 21 - Pub. Saf. Lts/Sgt 3.81%
	(I) Actuarial investment return	7.75%
	(J) Actuarial long term inflation rate	6.08%
	(K) Smoothing method	5 years
	(L) Amortization method	Layered amortization; initial balance 7 remaining, 10 yrs. on gains/losses
	(M) Actuarial cost method	Entry age normal method
	(N) Open or closed membership	Closed to new hires
	(O) Health care inflation	Not applicable to pension plans
(x)	Travel Report	Not applicable to plans in MERS
7	Actions taken to reduce the system's UAL	See attached plan updated on November 1, 2017



City of East Grand Rapids
2017 Retiree Health Care System Summary Annual Report
 Based on Watkins Ross Annual Actuarial Valuation Report
 June 30, 2018
(updated 9/10/2018)

In response to Michigan PA 530 of 2016. Section 13(3)(i-x):

Sec. 13 (1)(d)	Item	Information and Location															
(i)	Name of system	City of East Grand Rapids															
(ii)	Names investment fiduciaries	ICMA-RC is the Investment Fiduciary															
(iii)	System service providers	Watkins Ross (actuary)															
(iv)	Assets	\$ 1,295,568															
(iv)	Liabilities	\$ 3,491,484															
(iv)	System's assets and liabilities/changes	Unfunded accrued liability increased by \$160,143															
(v)	System's funded ratio	38.5%															
(vi)	Investment performance	Investment performance net of fees: <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;"><u>Asset Class</u></th> <th style="text-align: left;"><u>Target Allocation</u></th> <th style="text-align: left;"><u>LT Expected Rate of Return</u></th> </tr> </thead> <tbody> <tr> <td>Domestic Equity</td> <td style="text-align: right;">28.5%</td> <td style="text-align: right;">6.00%</td> </tr> <tr> <td>International Equity</td> <td style="text-align: right;">7.0%</td> <td style="text-align: right;">6.80%</td> </tr> <tr> <td>Fixed Income</td> <td style="text-align: right;">59.0%</td> <td style="text-align: right;">3.29%</td> </tr> <tr> <td>Diversifying Strategies</td> <td style="text-align: right;">5.5%</td> <td style="text-align: right;">5.74%</td> </tr> </tbody> </table>	<u>Asset Class</u>	<u>Target Allocation</u>	<u>LT Expected Rate of Return</u>	Domestic Equity	28.5%	6.00%	International Equity	7.0%	6.80%	Fixed Income	59.0%	3.29%	Diversifying Strategies	5.5%	5.74%
<u>Asset Class</u>	<u>Target Allocation</u>	<u>LT Expected Rate of Return</u>															
Domestic Equity	28.5%	6.00%															
International Equity	7.0%	6.80%															
Fixed Income	59.0%	3.29%															
Diversifying Strategies	5.5%	5.74%															
(vii)	System administration and investment expenses	Unknown															
(viii)	System's budget	N/A															
(ix)	Plan Statistics:																
	(A) Number of actives	62															
	(B) Number of retirees/beneficiaries	6															
	(C) The average annual retirement allowance	N/A															
	(D) Total annual retirement allowance	N/A															
	(E) Valuation payroll for active employees	\$ 5,086,305															
	(F) Normal cost and/or percentage	\$ 156,428															
	(G) Total computed employer contribution	\$ 325,111															
	(H) Weighted average member contributions	5%															
	(I) Actuarial investment return	6.44%															
	(J) Actuarial long term inflation rate	2.00%															
	(K) Smoothing method	N/A															
	(L) Amortization method	14 years															
	(M) Actuarial cost method	Entry age normal method															
	(N) Open or closed membership	Open															
	(O) Health care inflation	5.00%															
(x)	Travel Report	N/A															
7	Actions taken to reduce the system's UAL	See attached plan updated on November 1, 2017															