

**Board of Trustees**  
**City of Ypsilanti Fire & Police Retirement System**  
**1 South Huron Street**  
**Ypsilanti, MI 48197**

**Annual Report to Members: Fiscal Year Ending June 30, 2019**

December, 2019

To All Retirement System Participants:

The Board of Trustees of the Ypsilanti Fire and Police Retirement System is charged by law to administer the funds deposited in the retirement system so as to serve the best interests of the system's participants. Our job is to oversee the management of the system's funds, to arrange for the efficient and accurate payment of pensions to retirees, and to keep the members informed as to the status of the system. In the following pages you will find a summary report for the system covering the fiscal year from July 1, 2018 through June 30, 2019.

The Pension Board now manages the investment of money deposited in the DROP (Deferred Retirement Option Plan) program set up by the City and some police/fire unions.

What follows is a summary detail of the most significant aspects of the Retirement System's performance over the year. We remind you that a summary cannot cover all details of the system. Rules and regulations established by state law, city charter, and collective bargaining agreements all impact the fund and guide the Board in its actions. Please feel free to attend Board meetings if you want to learn more about how we operate.

The full audit of the City of Ypsilanti and the Pension System will be posted on the City of Ypsilanti website and will be available for public inspection when it is received.

Patrick Quinn, President  
Citizen Trustee

Andrew Hopper, Citizen Trustee

Brent Yuchasz,  
Secretary  
Police Trustee

Richard Barnabo, Fire Trustee

Rheagan Basabica, City Treasurer

## Active Members and Beneficiaries

As of: June 30, 2019:	Retirees and beneficiaries receiving pensions: 118 Active members include DROP members: 48
As of: June 30, 2018:	Retirees and beneficiaries receiving pensions: 119 Active members include DROP members: 39
As of: June 30, 2017:	Retirees and beneficiaries receiving pensions: 117 Active members include DROP members: 41

## Average Annual Pension Benefit

As of: June 30, 2019	\$ 27,879
As of: June 30, 2018	\$ 27,184
As of: June 30, 2017	\$ 26,860

## Minimum Pension Benefit

Effective July 1, 2019 the Board Approved adjustments to keep the pension of long-time retirees from falling below the government-determined poverty level. This action makes the minimum pension being paid in 2019, \$14,507.00.

## Total Annual Retirement Benefits Paid

As of: June 30, 2019	\$ 3,289,766
As of: June 30, 2018	\$ 3,231,343
As of: June 30, 2017	\$ 3,142,583
As of: June 30, 2016	\$ 2,833,133
As of: June 30, 2015	\$ 3,136,191
As of: June 30, 2014	\$ 3,078,288

## Contribution Information

Valuation Date	Payroll	Estimated Employer Contribution	Annual Required Contribution
June 30, 2019	\$ 3,171,434	65.09%	\$ 2,190,001
June 30, 2018	\$ 2,794,588	68.34%	\$ 2,026,129
June 30, 2017	\$ 2,844,954	49.31%	\$ 1,517,319
June 30, 2016	\$3,298,809	44.24%	\$ 1,466,260

Estimated Employer Contribution Breaks Down as:

City's Normal Cost	19.36%
Less: Members' Contributions	7.22%
Equals City's Net Normal Net Cost	12.14%
Plus Unfunded Accrued Liabilities	52.95%
Equals City Required Contribution	65.09%

**For the Fiscal Year 18-19, the City of Ypsilanti has contributed 100% of the Annual Required Contribution**

Assumptions used by the Board for Actuarial Purposes:

1. Assumed Rate of Investment Return:	7.0%
1. Assumed Rate of Long Term wage inflation:	3.0%
3. Smoothing Method used to determine funding value of assets:	5 Years
4. Amortization period used for funding actuarial accrued liabilities:	19 years
5. Actuarial cost method:	Individual Entry Age

### **Funded Ratio**

Using GASB Statements No. 67 and No. 68, Funded Ratio as of June 30, 2019, was 52.6%

## Investment Fiduciaries of the Fund

Actuaries:	Gabriel, Roeder, Smith and Company
Auditors:	Rahman Robson Certified Public Accountants
Financial Consultant:	Robert S. Diskin Raymond James Financial Services
Legal Counsel:	VanOverbeke, Michaud & Timmony, P.C.
Money Managers:	Essex Investment Management Co. Stonebridge Capital Advisors. Orleans Capital Management Orleans Strategic Dividend Management
Mutual Funds:	First Eagle Overseas Fund

## Retirement Fund Market Value

Market Value-June 30,2019	\$ 25,338,143
Market Value-June 30,2018	\$ 26,601,763
Market Value-June 30,2017	\$ 26,659,246

### **Investment Performance (net of fees) Fiscal Year 2018-2019: 10.34%**

### **Investment Performance (net of fees) on a rolling calendar year basis:**

1 Year	-7.79%
3 Years	4.17%
5 Years	3.58%
7 Years	6.78%
10 Years	8.49%

### **Investment Allocations as of June 30, 2019**

Domestic Stocks	\$13,717,623	55.49%
International Equities	\$ 3,916,433	15.85%
Fixed Income	\$ 5,494,238	22.23%
Cash Equivalents	\$ 1,588,621	6.43%

CITY OF YPSILANTI	
FIRE AND POLICE PENSION SYSTEM	
BUDGET FOR FY 19.20	
Row Labels	AMENDED 19.20
<b>REVENUE</b>	
Employee contributions	175,438.00
Employer contributions	1,578,012.00
Interest and dividends	1,641,103.00
Net appreciation in FV of investments	0.00
Appropriation Fund Balance	1,254,716.00
<b>REVENUE Total</b>	<b>4,649,269.00</b>
<b>EXPENDITURE</b>	
Administrative expenses	(74,259.00)
Investment manager fees	(110,000.00)
Participant benefits	(4,110,010.00)
Participant refunds	(350,000.00)
Professional Training	(5,000.00)
<b>EXPENDITURE Total</b>	<b>(4,649,269.00)</b>
<b>Grand Total</b>	<b>0.00</b>

CITY OF YPSILANTI	
FIRE AND POLICE PENSION SYSTEM	
NET POSITION 6.30.2019	
	AMOUNT
<b>ASSETS</b>	
Cash and Cash Equivalents	2,625,895.00
Investments	24,716,916.00
<b>TOTAL ASSETS</b>	<b>27,342,811.00</b>
<b>LIABILITIES</b>	
Accounts Payable	2,007,774.00
<b>TOTAL LIABILITIES</b>	<b>2,007,774.00</b>
<b>NET POSITION</b>	<b>25,335,037.00</b>