

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, 2021

December, 2021

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, 2020 through June 30, 2021.

The Pension Board 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, Vice President
Citizen Trustee

Brent Yuchasz, Secretary
Police Trustee

Richard Barnabo
Fire Trustee

Rheagan Basabica,
Finance Director/Treasurer

Active Members and Beneficiaries

As of: June 30, 2021:	Retirees and beneficiaries receiving pensions: 118 Active members include DROP members: 47
As of: June 30, 2020:	Retirees and beneficiaries receiving pensions: 118 Active members include DROP members: 49
As of: June 30, 2019:	Retirees and beneficiaries receiving pensions: 118 Active members include DROP members: 48

Average Annual Pension Benefit

As of: June 30, 2021	\$ 29,667
As of: June 30, 2020	\$ 29,510
As of: June 30, 2019	\$ 27,879

Minimum Pension Benefit

Effective July 1, 2021 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 2021, \$15,664

Total Annual Retirement Benefits Paid

As of: June 30, 2021	\$ 3,500,718
As of: June 30, 2020	\$ 3,482,912
As of: June 30, 2019	\$ 3,289,766

Contribution Information

Valuation Date	Payroll	Estimated Employer Contribution	Annual Required Contribution
June 30, 2021	\$ 3,306,874	64.91%	\$ 2,277,213
June 30, 2020	\$ 3,204,912	67.42%	\$ 2,292,341
June 30, 2019	\$ 3,171,434	65.09%	\$ 2,190,001

Estimated Employer Contribution Breaks Down as:

City's Normal Cost	18.32%
Less: Members' Contributions	6.87%
Equals City's Net Normal Net Cost	11.45%
Plus Unfunded Accrued Liabilities	53.46%
Equals City Required Contribution	64.91%

For the Fiscal Year 20-21, the City of Ypsilanti has contributed at least 100% of the Annual Required Contribution

Assumptions used by the Board for Actuarial Purposes:

1. Assumed Rate of Investment Return: 7%
2. Assumed Rate of Long Term wage inflation: 3%
3. Smoothing Method used to determine funding value of assets: 5 years
4. Amortization period used for funding actuarial accrued liabilities: 17 years
5. Actuarial cost method: Individual Entry Age

Funded Ratio

Using GASB Statements No. 67 and No. 68, Funded Ratio as of June 30, 2021, was 53.6%

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 Westwood Group Clearbridge Investments
Mutual Funds:	Vanguard International Growth Wisdomtree International Equity

Retirement Fund Market Value

Market Value-June 30,2021	\$ 31,612,086
Market Value-June 30,2020	\$ 24,396,791
Market Value-June 30,2019	\$ 25,338,143

Investment Performance (net of fees) Fiscal Year 2020-2021: 31.77%

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

1 Year	14.11%
3 Years	8.71%
5 Years	9.55%
7 Years	7.18%
10 Years	8.11%

Investment Allocations as of June 30, 2021

Domestic Stocks	\$18,790,189	59.44%
International Equities	\$ 4,873,372	15.42%
Fixed Income	\$ 7,365,447	23.30%
Cash Equivalents	\$ 583,079	1.84%

