



GENERAL RETIREMENT SYSTEM OF THE CITY OF DETROIT

COMPONENT I and COMPONENT II

SUMMARY ANNUAL REPORT
For the Fiscal Year Ended June 30, 2024



GENERAL RETIREMENT SYSTEM OF THE CITY OF DETROIT

GENERAL RETIREMENT SYSTEM OF THE CITY OF DETROIT

ALLY DETROIT CENTER

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GENERAL RETIREMENT SYSTEM OF THE CITY OF DETROIT

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GENERAL RETIREMENT SYSTEM OF THE CITY OF DETROIT

TABLE OF CONTENTS

INTRODUCTORY SECTION

Letter from the Executive Director and Chairperson	Page 5 - 6
Summary of Component I Provisions	Page 7 - 8
Summary of Component II Provisions	Page 9

INVESTMENT SECTION

Historical Financial Performance	Page 10
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ACTUARIAL & STATISTICAL SECTION

Assumptions, Methods and Additional Information	Page 11 - 14
Membership by the Numbers	Page 12 & 14
Schedule of Contributions	Page 12 & 14
Contribution Requirements	Page 15

FINANCIAL SECTION

Financial Statements and Supplementary Reports	Page 16 -23
Budget	Page 24

OTHER INFORMATION SECTION

Service Providers	Page 25
Member Loan Program	Page 26
Travel Summary Report	Page 27

GENERAL RETIREMENT SYSTEM OF THE CITY OF DETROIT

INTRODUCTORY SECTION

LETTER FROM THE EXECUTIVE DIRECTOR AND CHAIRPERSON

Active and Retired Members and Interested Individuals:

We are pleased to submit the annual report for Component I and Component II of the General Retirement System of the City of Detroit for the fiscal year ended June 30, 2024.

The General Retirement System of the City of Detroit ("System") consists of defined benefit pension plans and defined contribution plans for the non-uniformed employees of the City of Detroit, comprised of Component I and Component II. These plans are memorialized in a document entitled *The Combined Plan for the General Retirement System of the City of Detroit* ("Plan of Adjustment"), effective July 1, 2014, as amended and restated December 8, 2014. The System exists to pay benefits to its members.

As a result of the bankruptcy filed by the City of Detroit and the resulting Plan of Adjustment ("POA"), in the fiscal year 2014-2015 there were significant economic and non-economic changes to the retirement plans of the General Retirement System.

In addition to the economic changes discussed below, the POA established a seven member Investment Committee to assume responsibility for the investment of the Plan's assets. The committee is comprised of two General Retirement System Trustees and five financial professionals selected by the State of Michigan, the City of Detroit and the General Retirement System Board of Trustees, in consultation with the Foundation for Detroit's Future.

As a part of the Plan of Adjustment, the original defined benefit plan, now known as Component II or the Legacy Plan, was frozen on June 30, 2014. All Component II benefits were frozen as of June 30, 2014, based on service and average final compensation accrued as of that date and the provisions of the General Retirement System as of June 30, 2014. Frozen benefits were reduced by 4.5% and all future cost-of-living adjustments were eliminated. Benefits resulting from the Annuity Savings Fund and benefits paid from the Annuity Reserve Fund were subject to a separate reduction described as a "Claw-back".

Component I (Hybrid Plan) was created during the bankruptcy proceedings for active non-uniformed employees of the City of Detroit for benefits earned on and after July 1, 2014. Active members employed with the City on and after July 1, 2014, will earn service credit that entitles them to receive benefits under the Component I plan. Pursuant to the Plan of Adjustment, the benefit terms presently in force under the Component I plan will remain unchanged through June 30, 2024.

Accounting System and Reports

The financial statements of the System are prepared in accordance with Generally Accepted Accounting Principles (GAAP) and are subject to external review. The financial statements have been audited by the independent accounting firm of Plante & Moran, PLLC. The June 30, 2023, financial statements contain more detailed information and is available for review on the System's web site: www.rscd.org. Copies of the report can also be obtained by a written request to the System's office.

Funding and Reserves

The funds of the System consist of contributions and earnings that are accumulated by the System in order to fund current and future benefit obligations to the retirees and their beneficiaries. Contribution requirements for both Component plans are detailed in the actuarial and statistical sections of this report. Continuous improvement in the funding of the System is a primary objective of the Board of Trustees.

GENERAL RETIREMENT SYSTEM OF THE CITY OF DETROIT

Investments

The System invests available funds in order to maximize income. The primary objective of the System's investment policies are to ensure that the System meets their obligation to provide retirement benefits. The System's portfolio of investments is diversified to provide the highest possible total return on assets with the least exposure to risk. The system ended the June 30, 2024, fiscal year with a net investment return of \$96,251,712 and a rate of return of 9.6 percent.

Closing

The Board of Trustees and the Retirement System staff continually strive to provide the members of the System with quality customer service. The Board and staff welcome your suggestions regarding the System and encourage you to inform us how we might better serve you.

Respectfully Submitted

Crystal Perkins

Crystal Perkins
Chair
Board of Trustees

David Cetlinski

David Cetlinski
Executive Director

GENERAL RETIREMENT SYSTEM OF THE CITY OF DETROIT

INTRODUCTORY SECTION

SUMMARY OF COMPONENT I PROVISIONS (Hybrid Plan)

Component I (Hybrid Plan) was created during the bankruptcy proceedings for active non-uniformed employees of the City of Detroit to earn pension benefits on and after July 1, 2014. Active members employed with the City on and after July 1, 2014, will earn service credit that entitles them to receive future benefits under the Component I plan. Pursuant to the Plan of Adjustment, the benefit terms presently in force will remain unchanged through June 30, 2023.

Funding requirements of Component I are:

- Mandatory Member Contributions of 4% of base pay
- City Contributions a percentage of the employees' base pay, not including overtime, as determined by the actuarial valuation report. The percentage varies by revenue group.

Voluntary Employee Contributions – Employees may make voluntary contributions of 3%, 5% or 7% of annual compensation at the election of the member. Each year, accounts are credited with earnings at a rate equal to the net investment rate of return of Retirement System Assets for the second plan year immediately preceding the plan year in which earnings are to be credited. The earnings rate may not be less than 0% and may not exceed 5.25%.

Average Final Compensation

The average of the compensation received during the 10 consecutive years of credited service (including prior service) immediately preceding the date of the members last termination with the City. If the member has less than ten years of credited service (including prior service), the average final compensation is the average of the compensation received during all years of credited service.

Normal Retirement

Normal Retirement Age – The normal retirement age is 62. For individuals who were active employees and who had 10 or more years of vesting service as of June 30, 2014, the normal retirement age, solely for purposes of Component I, is reduced as follows:

Age as of July 1, 2014	Normal Retirement Age
52 years or younger	62 years
53 years	61 years and 9 months
54 years	61 years and 6 months
55 years	61 years and 3 months
56 years	61 years
57 years	60 years and 9 months
58 years	60 years and 6 months
59 years	60 years and 3 months
60 years	60 years
61 years	60 years

GENERAL RETIREMENT SYSTEM OF THE CITY OF DETROIT

INTRODUCTORY SECTION

SUMMARY OF COMPONENT I PROVISIONS (Hybrid Plan)

Normal Retirement Amount – 1.5% times average final compensation times credited service (after June 30, 2014) measured to the nearest month.

Early Retirement

Eligibility – Age 55 with 30 or more years of credited service plus prior service.

Early Retirement Amount – The same as normal retirement but actuarially **reduced**.

Deferred Retirement (Vested Benefits)

Eligibility – 10 years of vesting service.

Deferred Retirement Amount – The same as normal retirement but based on average final compensation and credited service at the time of termination, payable at age 62.

GENERAL RETIREMENT SYSTEM OF THE CITY OF DETROIT

INTRODUCTORY SECTION

SUMMARY OF COMPONENT II PROVISIONS (Legacy Plan)

Component II (Legacy Plan), the original defined benefit plan, was frozen on June 30, 2014, because of the Plan of Adjustment that was created during the bankruptcy process. All Component II benefits were frozen as of June 30, 2014, based on service and average final compensation accrued as of that date and the provisions of the General Retirement System on June 30, 2014. Frozen benefits were reduced by 4.5% and all future cost-of-living adjustments were eliminated. Certain benefits provided by the Annuity Savings Fund and benefits paid from the Annuity Reserve Fund were subject to a separate reduction described as a “Claw-back”.

Employer contribution requirements for the fiscal years 2015 to 2023 were set according to the Plan of Adjustment. Beginning with Fiscal Year 2024, employer contributions will be actuarially determined.

Benefits are payable after separation from service, determined by the eligibility conditions of the plan as it existed on June 30, 2014, as detailed below:

Normal Retirement

Eligibility – Any age (minimum age 55 for non-EMS members hired after 1995) with 30 years of service (25 for EMS members), or age 60 with 10 years of service, or age 65 with 8 years of service.

Annual Amount

- **EMS Members** - Sum of a) a basic pension of \$12 for each of the first 10 years of service, plus b) a pension equal to 2.0% of average final compensation (“AFC”) multiplied by years of service. Maximum benefit is 90% of AFC
- **Other Members** – Sum of a) a basic pension of \$12 for each of the first 10 years of service, plus b) a pension equal to the first 10 years of service multiplied by 1.6% of AFC, plus 1.8% of AFC for each year of service greater than 10 years up to 20 years, plus 2.0% of AFC for each year of service greater than 20 years up to 25 years, plus 2.2% of AFC for each year of service greater than 25 years. Future benefit accruals for certain active members (depending on bargaining unit) were reduced to 1.5% of final average compensation per year of service.

Calculation of Average Final Compensation (AFC)

- Pre-July 1, 1992 – Highest 5 consecutive years out of the last 10, excluding longevity
- July 1, 1992 to June 30, 1998 – Highest 4 consecutive years out of the last 10, including longevity
- July 1, 1998 or After – Highest 3 consecutive years out of the last 10, including longevity
- July 1, 1999 to June 30, 2014 – A one-time election to add the 25% of the value of the member’s unused sick leave to the earnings used in computing AFC

Early Retirement

- Eligibility – Any age with 25 or more years of service (minimum age 55 for members hired after 1995)
- Early Retirement Amount – The same as normal retirement but actuarially **reduced**

Deferred Retirement (Vested Benefits)

- Eligibility – Hired prior to 7-1-80, age 40 with 8 years of service **or** hired on or after 7-1-80, any age, with 10 years of service
- Deferred Retirement Amount – The same as normal retirement but based on average final compensation and credited service at the time of termination
- Eligible to collect based on the individual Union Contract at time of separation

GENERAL RETIREMENT SYSTEM OF THE CITY OF DETROIT

INVESTMENT SECTION

The State of Michigan charges the Board of Trustees under the Public Employee Retirement System Investment Act with the responsibility of investing the Retirement System's portfolio in a prudent manner. Specifically, the Public Employee Retirement System Investment Act requires the Board of Trustees and the other investment fiduciaries to discharge their duties solely in the interest of participants and beneficiaries and to act with the same care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a similar capacity and familiar with those matters would use in the conduct of a similar enterprise with similar aims. The law also requires the Board of Trustees to prepare and maintain written objectives, policies, and strategies with clearly defined accountability and responsibility for implementing and executing the System's investments as well as monitor the investments of the System's assets with regard to the limitations of the law. The Act permits assets to be invested in a mix of fixed income, securities, real estate or other instruments in accordance with the percentages as detailed in the Act.

The Retirement System's portfolio distribution is continually monitored to ensure that it complies with the State of Michigan Public Employee Retirement System Investment Act. A summary of the System's asset allocation policy is as follows:

<u>Asset Class</u>	<u>Target Allocation</u>
Global Equity	46%
Global Fixed Income	33%
Real Estate/Real Assets	13%
Diversifying Strategies	8%

Historical Asset Class Performance By Calendar Year, As of 12/31/23 (Net of Fees)

	<u>1 Year</u>	<u>3 Years</u>	<u>5 Years</u>	<u>10 Years</u>
Total GRS Plan	9.5%	4.6%	8.0%	6.4%
Domestic Equity	19.0%	6.3%	13.5%	10.3
Equity	16.9%	3.5%	10.4%	7.6
Fixed Income	7.3%	1.9%	5.0%	3.5
Diversifying Strategies	9.5%	7.6%	9.7%	NA
Real Estate	-7.8%	3.4%	3.9%	5.9
Real Assets	6.3%	8.2%	10.0%	NA

GENERAL RETIREMENT SYSTEM OF THE CITY OF DETROIT

ACTUARIAL & STATISTICAL SECTION

COMPONENT I

The actuarial valuations are conducted and reported by Gabriel Roeder Smith & Company. Copies of the valuations are available on the Retirement System's website: www.rscd.org or at the Retirement System Office at 500 Woodward Avenue, Suite 3000, Detroit, MI 48226.

Assumptions, Methods and Additional Information

Actuarial Valuation Date	June 30, 2023
Pension Plan's Fiscal Year Ending Date	June 30, 2024
Single Discount Rate	6.75%
Long-term Expected Rate of Return	6.75%
Net Pension Liability	(\$21,543,088)
Mortality Table Used	RP-2014 Blue Collar Annuitant Table
Service Credit Accruals	A member is credited with one month of Credited Service for each calendar month in which the individual performs 140 hours or more of service for the employer as an employee. Credited Service is recorded from the later of July 1, 2014, or the date of hire, whichever is later.
Unfunded Actuarial Accrued Liabilities	Actual employer contributions through June 30, 2023, are set by the Plan of Adjustment at 5% of pay. The amortization period and method after 2023 has not yet been established by the Board.

Sensitivity of Net Position Liability to the Single Discount Rate Assumption

The following presents the net pension liability of the City, calculated using the discount rate of 6.75 percent as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percent lower and 1 percentage point higher than the current rate:

	1% Decrease <u>5.75%</u>	Current Single <u>6.75%</u>	1% Increase <u>7.75%</u>
Net Pension Liability	<u>\$ 22,150,463</u>	<u>\$ (21,543,088)</u>	<u>\$ (57,106,648)</u>

GENERAL RETIREMENT SYSTEM OF THE CITY OF DETROIT

ACTUARIAL & STATISTICAL SECTION

COMPONENT I

Membership by the Numbers as of June 30, 2023

Retirees and Beneficiaries currently receiving benefits	683
Legacy Disabled Members*	79
Inactive, Nonretired Members	830
Active Members	5,333
Total Plan Members	<u>6,925</u>

*Paid via Hybrid Plan

Schedule of Contributions

Fiscal Year Ending	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency	Covered Payroll	Actual Contribution as a % of Covered Payroll
2015	N/A	\$8,811,369	N/A	\$180,069,852	4.89%
2016	N/A	\$9,048,831	N/A	\$185,147,364	4.89%
2017	N/A	\$9,484,993	N/A	\$199,307,987	4.76%
2018	N/A	\$14,673,644	N/A	\$246,173,916	5.96%
2019	N/A	\$12,205,699	N/A	\$224,726,503	5.43%
2020	N/A	\$12,515,861	N/A	\$245,732,111	5.09%
2021	N/A	\$11,690,984	N/A	\$233,681,019	5.00%
2022	N/A	\$15,689,188	N/A	\$260,683,104	6.00%
2023	N/A	\$15,126,876	N/A	\$293,017,696	6.00%
2024	\$13,673,679	\$13,673,679	N/A	\$330,528,688	5.00%

Note: Beginning in FY 2024 the employer contribution rate per revenue group is determined by the Actuary. That rate determines the total dollar amount paid to the System for the cumulative actual employer contribution.

Contribution Requirements

The employer contributions for Fiscal Years 2015 to 2023 were set by the Plan of Adjustment as follows:

- 5% of compensation commencing July 1, 2014, and ending June 30, 2023

Beginning with Fiscal Year 2024, the employer contribution rates were set by the Actuary and the rates varied by revenue group.

GENERAL RETIREMENT SYSTEM OF THE CITY OF DETROIT

ACTUARIAL & STATISTICAL SECTION

COMPONENT II

The actuarial valuations are conducted and reported by Gabriel Roeder Smith & Company. Copies of the valuations are available on the Retirement System's website: rscd.org or at the Retirement System Office at 500 Woodward Avenue, Suite 3000, Detroit, MI 48226.

Assumptions, Methods and Additional Information

Actuarial Valuation Date	June 30, 2023
Pension Plan's Fiscal Year Ending Date	June 30, 2024
Single Discount Rate	6.75%
Long-term Expected Rate of Return	6.75%
Net Pension Liability	\$843,993,547
Mortality Table Used	RP-2014 Blue Collar Annuitant Table
Service Credit Accruals	Service accruals stopped as of June 30, 2014 - Due to the freezing of the plan, pay was not assumed to increase in the future and no inflation assumption was utilized.
Unfunded Actuarial Accrued Liabilities	Actual employer contributions through June 30, 2023, are set by the Plan of Adjustment. The amortization period and method after 2023 has not yet been established by the Board.

The Actuarial Assumed rate of return is 6.75%.

Sensitivity of Net Position Liability to the Single Discount Rate Assumption

The following presents the net pension liability of the City, calculated using the discount rate of 6.75 percent as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percent lower and 1 percentage point higher than the current rate:

	1% Decrease <u>5.75%</u>	Current Single <u>6.75%</u>	1% Increase <u>7.75%</u>
Net Pension Liability	<u>\$ 1,026,033,983</u>	<u>\$ 843,993,547</u>	<u>\$ 686,424,016</u>

GENERAL RETIREMENT SYSTEM OF THE CITY OF DETROIT

ACTUARIAL & STATISTICAL SECTION

COMPONENT II

Membership by the Numbers as of June 30, 2023

Retirees and Beneficiaries	10,792
Inactive, Nonretired Members	2,391
Active plan members	1,737
Total	<u>14,920</u>

Schedule of Contributions

Fiscal Year Ending	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency	Covered Payroll	Actual Contribution as a % of Covered Payroll
2014	\$72,643,307	\$25,126,131	\$47,517,176	\$238,669,871	10.53%
2015	N/A	\$189,282,094	N/A	\$188,210,536	100.57%
2016	N/A	\$104,792,657	N/A	\$185,147,364	56.60%
2017	N/A	\$91,238,402	N/A	\$141,454,717	64.50%
2018	N/A	\$68,275,000	N/A	\$149,373,313	45.71%
2019	N/A	\$68,275,000	N/A	\$141,646,750	48.20%
2020	N/A	\$48,275,000	N/A	\$149,373,313	32.32%
2021	N/A	\$48,275,000	N/A	N/A	N/A
2022	N/A	\$48,275,000	N/A	N/A	N/A
2023	N/A	\$48,275,000	N/A	N/A	N/A
2024	\$82,125,000	\$82,125,000	N/A	N/A	N/A

The average annual retirement allowance from the Hybrid Plan is \$3,106.52 and the average annual allowance from the Legacy Plan is \$19,941.69.

The total annual retirement allowance paid from the Hybrid Plan is \$2,367,167 and the annual total allowance from the Legacy Plan is \$215,210,667.

Long-term wage inflation as of 6/30/14 is assumed at 2% for the first five years, 2.5% for the next five years and 3% thereafter.

A 3-year smoothed market approach is used for the asset valuation method.

The Hybrid Plan utilizes the Level Percent of Payroll, Closed method of amortization. The remaining amortization period is 15 years beginning with fiscal year 2024.

The Legacy Plan's utilizes a Level Principal, Closed method of amortization. The remaining amortization period is 30 years beginning with fiscal year 2024.

GENERAL RETIREMENT SYSTEM OF THE CITY OF DETROIT

Contribution Requirements

The employer contributions for Fiscal Years 2015 to 2023 were set by the Plan of Adjustment. Subsequent to the POA, the DIA entered into an agreement to pay part of its contribution requirement to the General Retirement Plan in a single lump sum payment in 2016. Further, in August 2016 the City modified all of its outstanding UTGO Stub Bonds. The prior fiscal years' contribution schedule is below:

For DWSD Liabilities

Fiscal Year	DWSD	Transfers	Foundation for Detroit's Future	Other	Transfers from DWSD	Total
2018	\$45,400,000	(\$2,500,000)	\$400,000	\$22,500,000	\$2,500,000	\$68,300,000
2019	\$45,400,000	(\$2,500,000)	\$400,000	\$22,500,000	\$2,500,000	\$68,300,000
2020	\$45,400,000	(\$2,500,000)	\$400,000	\$2,500,000	\$2,500,000	\$48,300,000
2021	\$45,400,000	(\$2,500,000)	\$400,000	\$2,500,000	\$2,500,000	\$48,300,000
2022	\$45,400,000	(\$2,500,000)	\$400,000	\$2,500,000	\$2,500,000	\$48,300,000
2023	\$45,400,000	(\$2,500,000)	\$400,000	\$2,500,000	\$2,500,000	\$48,300,000
Total	\$272,400,000	(\$15,000,000)	\$2,400,000	\$55,000,000	\$15,000,000	\$329,800,000

Beginning with Fiscal Year 2024, the employer contributions are actuarially determined.

Actuarial Determined Employer Contribution Fiscal Year 2024

	General City	DDOT	DWSD	Library	Total
Required Contribution	51,800,000	29,900,000	700,000	100,000	82,500,000
	51,800,000	29,900,000	700,000	100,000	82,500,000

Note: The \$51,800,000 for the General City includes \$375,000 paid by the Foundation.

GENERAL RETIREMENT SYSTEM OF THE CITY OF DETROIT

FINANCIAL SECTION

STATEMENT OF FIDUCIARY NET POSITON

COMPONENT I

	<u>2024</u>	<u>2023</u>
Assets		
Cash and Cash Equivalents	\$ 26,574,116	\$ 19,321,255
Investments - At Fair Value	302,029,201	248,539,305
Accrued Investment Income	387,611	241,430
Receivables from Investment Sales	540,332	149,974
Other accounts receivable	1,340,995	5,096,100
Cash & Investments Held as Collateral for securities lending	7,100,008	7,325,738
Prepaid Expenses		10,793
Restricted Investments	670,992	555,024
Restricted Assets	<u>2,993,835</u>	<u>3,049,750</u>
 Total Assets	 <u>\$ 341,637,090</u>	 <u>\$ 284,289,369</u>
Liabilities		
Accrued Expenses	1,496,069	277,055
Payables for Investment Purchases	9,215,747	204,436
Amounts Due Brokers Under Securities Lending Arrangements	7,096,346	7,174,427
Due to City of Detroit		
Other Liabilities	<u>772,814</u>	<u>858,221</u>
 Total Liabilities	 <u>18,580,976</u>	 <u>8,514,139</u>
 Net Position - Restricted for Pensions	 <u>\$ 323,056,114</u>	 <u>\$ 275,775,230</u>

GENERAL RETIREMENT SYSTEM OF THE CITY OF DETROIT

FINANCIAL SECTION

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

COMPONENT I

	2024	2023
Additions		
Investment Income		
Interest and Dividends	\$ 8,618,459	\$ 5,422,485
Net Increase (Decrease) in Fair Value of Investments	16,738,753	8,497,293
Less Investment Expense	(1,860,172)	(1,283,068)
Net Investment Income (Loss)	23,497,040	12,636,710
Securities Lending Income		
Interest and Dividends	227,010	90,144
Net Unrealized Gain On Collateralized Securities	(147,649)	(9,097)
Net Securities Lending Income	79,361	81,047
Contributions:		
Employer	13,673,679	15,126,876
Employee	19,821,458	18,737,570
Total Contributions	33,495,137	33,864,446
Transfer from Component II to Component I (Note 9)		15,592,259
Other Income	486,864	50,396
Total Additions - Net	57,558,402	62,224,858
Deductions		
Retirees' Pension and Annuity Benefits	2,367,176	1,816,188
Member Refunds and Withdrawals	5,766,724	5,197,344
General and Administrative Expenses	2,143,618	2,022,440
Total Deductions	10,277,518	9,035,972
Net Increase in Net Position Held in Trust	47,280,884	53,188,886
Net Position Restricted for Pensions - Beginning of Year	275,775,230	222,586,344
Net Position Restricted for Pensions - End of Year	\$ 323,056,114	\$ 275,775,230

GENERAL RETIREMENT SYSTEM OF THE CITY OF DETROIT

FINANCIAL SECTION

STATEMENT OF CHANGES IN THE CITY'S NET PENSION LIABILITY AND RELATED RATIOS

COMPONENT I

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Total Pension Liability			
Service Cost	\$ 23,496,093	\$ 22,742,191	\$ 27,040,658
Interest	16,505,580	14,296,616	14,050,863
Difference Between Expected And Actual Experience	(11,142,531)	(6,162,346)	(18,137,902)
Assumption Changes	31,718,494	(278,694)	(22,668,570)
Benefit Terms Changes		3,617,374	
Voluntary Employee Contributions	6,582,488	6,588,107	5,691,594
Benefits Payments, Including Refunds	(8,133,900)	(7,013,532)	(7,395,729)
Net Change in Total Pension Liability	<u>59,026,224</u>	<u>33,789,716</u>	<u>(1,419,086)</u>
Total Pension Liability- Beginning of Year	<u>242,486,802</u>	<u>208,697,086</u>	<u>210,116,172</u>
Total Pension Liability- End of Year	<u>\$ 301,513,026</u>	<u>\$ 242,486,802</u>	<u>\$ 208,697,086</u>
Plan Fiduciary Net Position			
Contributions - Employer	\$ 13,673,679	\$ 15,126,876	\$ 15,689,188
Contributions - Employee	13,238,970	12,149,463	10,418,809
Net Investment Income (Loss)	23,576,401	12,717,757	(13,857,941)
Administrative Expenses	(2,143,618)	(2,022,440)	(1,894,415)
Voluntary Contributions	6,582,488	6,588,107	5,691,594
Benefit Payments, Including Refunds of Mandatory Contributions	(4,888,237)	(4,621,285)	(4,058,032)
Benefit Payments, Including Refunds of Voluntary Contributions	(3,245,663)	(2,392,247)	(3,337,697)
Other	486,864	15,642,655	40,981
Net Change in Plan Fiduciary Net Position	<u>47,280,884</u>	<u>53,188,886</u>	<u>8,692,487</u>
Plan Fiduciary Net Position - Beginning of Year	<u>275,775,230</u>	<u>222,586,344</u>	<u>213,893,857</u>
Plan Fiduciary Net Position - End of Year	<u>\$ 323,056,114</u>	<u>\$ 275,775,230</u>	<u>\$ 222,586,344</u>
Net Pension Liability	<u>\$ (21,543,088)</u>	<u>\$ (33,288,428)</u>	<u>\$ (13,889,258)</u>
Plan Fiduciary Net Position as a Percent of Total Pension Liability	107.14%	113.73%	106.66%
Covered Employee Payroll	\$ 330,528,688	\$ 293,017,696	\$ 260,683,104
Net Pension Liability as a Percent of Covered Employee Payroll	-6.52%	-11.36%	-5.33%

GENERAL RETIREMENT SYSTEM OF THE CITY OF DETROIT

FINANCIAL SECTION

GENERAL AND ADMINISTRATIVE EXPENDITURES

COMPONENT I

PROFESSIONAL SERVICES	\$	170,975
WAGES & BENEFITS		638,778
INSURANCE PREMIUMS		139,331
LEGAL FEES		150,120
SPECIAL LEGAL MATTERS		-
IT CONTRACTUAL FEES		139,618
AUDIT		63,293
AMORTIZATION EXPENSE		107,885
INTEREST EXPENSE - GASB87		44,689
NON-CAPITALIZED BLDG LEASE EXP (CAM & TAX)		18,318
DUES & SUBSCRIPTIONS		1,486
COMPUTER SUPPLIES, EQUIPMENT & SERVICE		13,735
REPAIR & MAINTENANCE - SOFTWARE		106,914
OFFICE REPAIR & MAINTENANCE		15,058
PAYROLL PROCESSING FEES		100,190
ACTUARIAL		107,490
TRAVEL & TRAINING		13,924
STORAGE		25,220
MEDIA CONSULTING/PUBLIC RELATIONS		3,225
UTILITIES		10,962
TRUSTEE EXPENSES		5,258
POSTAGE AND MAILING		3,476
TRUSTEE STIPENDS		30,308
PRINTING		3,447
TRUSTEE ELECTION EXPENSE		3,936
OFFICE SUPPLIES		4,388
MEDICAL / DISABILITY EXAMS		-
INTERNET SERVICE PROVIDER		4,795
PARKING EXPENSE		7,661
BANK SERVICE CHARGES		133
OTHER EXPENSES		-
BOARD ADMINISTRATIVE EXPENSES		2,140
OFFICE EQUIPMENT & FURNITURE		736
DEPRECIATION		206,128
TOTAL GENERAL AND ADMINISTRATIVE EXPENSES	<u>\$</u>	<u>2,143,618</u>

No soft dollar cost used.

GENERAL RETIREMENT SYSTEM OF THE CITY OF DETROIT

FINANCIAL SECTION

STATEMENT OF FIDUCIARY NET POSITION

COMPONENT II

	Defined Benefit Plan <u>2024</u>	Income Stabilization Fund <u>2024</u>	<u>Total</u>	Total <u>2023</u>
Assets				
Cash and Cash Equivalents	\$ 32,236,393	\$ 1,000,813	\$ 33,237,206	\$ (5,111,395)
Investments - At Fair Value	1,331,854,369	13,120,844	1,344,975,213	1,335,088,145
Accrued Investment Income	1,802,788	16,997	1,819,785	2,190,083
Receivables from Investment Sales	2,513,039	23,694	2,536,733	1,713,075
ASF Recoupment Receivable	75,898,626	-	75,898,626	93,180,996
Other Accounts Receivable	372,402	2,205	374,607	185,469
Notes Receivable from Participants	1,770,021	-	1,770,021	2,154,243
Cash & Investments Held as Collateral for securities lending	33,021,506	311,334	33,332,840	42,005,835
Prepaid Expenses				
Restricted Assets	3,120,725	29,423	3,150,148	4,957,366
Capital Assets	<u>3,968,572</u>	<u>-</u>	<u>3,968,572</u>	<u>4,042,692</u>
Total Assets	<u>\$ 1,486,558,441</u>	<u>\$ 14,505,310</u>	<u>\$ 1,501,063,751</u>	<u>\$ 1,480,406,509</u>
Liabilities				
Accrued Expenses	6,681,300	17,076	6,698,376	3,818,197
Payables for Investment Purchases	42,861,620	404,108	43,265,728	2,071,677
Amounts Due Brokers Under Securities Lending Arrangements	33,004,474	311,172	33,315,646	41,138,215
Due to City of Detroit	383,621	-	383,621	527,783
Other Liabilities	<u>1,024,428</u>	<u>-</u>	<u>1,024,428</u>	<u>1,230,735</u>
Total Liabilities	<u>83,955,443</u>	<u>732,356</u>	<u>84,687,799</u>	<u>48,786,607</u>
Net Position - Restricted for Pensions	<u>\$ 1,402,602,998</u>	<u>\$ 13,772,954</u>	<u>\$ 1,416,375,952</u>	<u>\$ 1,431,619,902</u>

GENERAL RETIREMENT SYSTEM OF THE CITY OF DETROIT

FINANCIAL SECTION

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

COMPONENT II

	Defined Benefit Plan 2024	Income Stabilization Fund 2024	Total	Total 2023
Additions				
Investment Income				
Interest and Dividends	\$ 42,892,995	\$ 403,981	\$ 43,296,976	\$ 35,016,511
Net Increase (Decrease) in Fair Value of Investments	79,876,903	764,130	80,641,033	54,245,657
Less Investment Expense	(8,759,618)	(83,141)	(8,842,759)	(7,921,229)
Net Investment Income (Loss)	114,010,280	1,084,970	115,095,250	81,340,939
Securities Lending Income				
Interest and Dividends	1,093,438	10,376	1,103,814	383,229
Net Unrealized Gain On Collateralized Securities	(842,640)	(7,787)	(850,427)	(52,165)
Net Securities Lending Income	250,798	2,589	253,387	331,064
Contributions:				
Employer	82,125,000	-	82,125,000	47,900,000
Employee	-	-	-	6,252
Foundations	23,560,142	-	23,560,142	375,000
Total Contributions	105,685,142	-	105,685,142	48,281,252
ASF Recoupment Interest	5,230,674	-	5,230,674	5,509,059
Other Income	950,864	1,282	952,146	2,092,564
Total Additions - Net	226,127,758	1,088,841	227,216,599	137,554,878
Deductions				
Retirees' Pension and Annuity Benefits	214,776,801	433,909	215,668,735	218,485,568
Member Refunds and Withdrawals	8,518,148	-	8,518,148	10,869,397
Transfer to Component I from Component II (Note 9)	-	-	-	15,992,259
General and Administrative Expenses	2,838,846	-	2,838,846	2,680,907
ASF recoupment write-off	16,000,245	-	16,000,245	1,379,089
Total Deductions	242,134,040	433,909	243,025,974	249,407,220
Net Increase (Decrease) in Net Position Held in Trust	(16,006,282)	654,932	(15,809,375)	(111,852,342)
Net Position Restricted for Pensions - Beginning of Year	1,418,609,280	13,118,022	1,431,727,302	1,542,721,619
Net Position Restricted for Pensions - End of Year	\$ 1,402,602,998	\$ 13,772,954	\$ 1,415,917,927	\$ 1,430,869,277

GENERAL RETIREMENT SYSTEM OF THE CITY OF DETROIT

FINANCIAL SECTION

SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY AND RELATED RATIOS

COMPONENT II

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Total Pension Liability				
Service Cost	\$ -	\$ -	\$ -	\$ -
Interest	150,743,003	157,105,662	168,079,194	182,140,105
Changes in Benefit Terms	-	-	-	-
Difference Between Expected And Actual Experience	(24,103,038)	(27,014,766)	(12,568,209)	(59,232,849)
Assumption Changes	1,677,964	(1,789,161)	(181,357,524)	119,876,694
Benefit Payments, Including Refunds	<u>(223,294,949)</u>	<u>(228,438,915)</u>	<u>(236,552,949)</u>	<u>(237,123,777)</u>
Net Change in Total Pension Liability	(94,977,020)	(100,137,180)	(262,399,488)	5,660,173
Total Pension Liability- Beginning of Year	<u>2,341,573,565</u>	<u>2,441,710,745</u>	<u>2,704,110,233</u>	<u>2,698,450,060</u>
Total Pension Liability- End of Year	<u>\$ 2,246,596,545</u>	<u>\$ 2,341,573,565</u>	<u>\$ 2,441,710,745</u>	<u>\$ 2,704,110,233</u>
Plan Fiduciary Net Position				
Contributions - Employer	\$ 105,685,142	\$ 48,281,252	\$ 48,275,000	\$ 48,275,000
Contributions - State and Foundation	-	-	-	-
Contributions - Employee	-	-	-	-
Net Investment Income (Loss)	114,261,078	80,971,836	(102,790,030)	406,977,916
Administrative Expenses	(2,838,846)	(2,680,907)	(2,541,080)	(1,987,194)
Benefit Payments, including refunds	(223,294,949)	(228,438,915)	(236,552,949)	(237,123,777)
Other Additions - Includes ASF Recoupment	<u>(9,818,707)</u>	<u>(9,370,281)</u>	<u>4,806,056</u>	<u>6,405,364</u>
Net Change in Plan Fiduciary Net Position	(16,006,282)	(111,237,015)	(288,803,003)	222,547,309
Plan Fiduciary Net Position - Beginning of Year	<u>1,418,609,280</u>	<u>1,529,846,295</u>	<u>1,818,649,298</u>	<u>1,596,101,989</u>
Plan Fiduciary Net Position - End of Year	<u>\$ 1,402,602,998</u>	<u>\$ 1,418,609,280</u>	<u>\$ 1,529,846,295</u>	<u>\$ 1,818,649,298</u>
Net Pension Liability	<u>\$ 843,993,547</u>	<u>\$ 922,964,285</u>	<u>\$ 911,864,450</u>	<u>\$ 885,460,935</u>
Plan Fiduciary Net Position as a Percent of Total Pension Liability	62.43%	60.58%	62.65%	67.25%
Covered Employee Payroll	\$ -	\$ 78,649,527	\$ 83,104,746	\$ 102,653,636
Net Pension Liability as a Percent of Covered Employee Payroll	0.00%	1173.52%	1097.25%	862.57%

GENERAL RETIREMENT SYSTEM OF THE CITY OF DETROIT

FINANCIAL SECTION

GENERAL AND ADMINISTRATIVE EXPENDITURES

COMPONENT II

PROFESSIONAL SERVICES	\$ 226,641
WAGES & BENEFITS	846,753
INSURANCE PREMIUMS	184,695
LEGAL FEES	198,996
SPECIAL LEGAL MATTERS	0
IT CONTRACTUAL FEES	185,075
AUDIT	81,207
OFFICE REPAIR & MAINTENANCE	19,961
AMORTIZATION EXPENSE	143,011
INTEREST EXPENSE - GASB87	59,239
NON-CAPITALIZED BLDG LEASE EXP (CAM & TAX)	24,282
DUES & SUBSCRIPTIONS	1,969
COMPUTER SUPPLIES, EQUIPMENT & SERVICE	18,008
REPAIR & MAINTENANCE	141,724
PAYROLL PROCESSING FEES	133,009
ACTUARIAL	142,487
TRAVEL & TRAINING	18,457
STORAGE	33,432
MEDIA CONSULTING/PUBLIC RELATIONS	4,275
UTILITIES	13,539
TRUSTEE EXPENSES	7,960
POSTAGE AND MAILING	4,608
TRUSTEE STIPENDS	40,176
PRINTING	4,569
TRUSTEE ELECTION EXPENSE	5,217
OFFICE SUPPLIES	5,816
MEDICAL / DISABILITY EXAMS	0
INTERNET SERVICE PROVIDER	6,357
PARKING EXPENSE	10,155
BANK SERVICE CHARGES	176
OTHER EXPENSES	0
BOARD ADMINISTRATIVE EXPENSES	2,837
OFFICE EQUIPMENT & FURNITURE	976
DEPRECIATION	273,240
TOTAL GENERAL AND ADMINISTRATIVE EXPENSES	\$ 2,838,846

No soft dollar cost used.

GENERAL RETIREMENT SYSTEM OF THE CITY OF DETROIT

FINANCIAL SECTION

BUDGET

COMPONENT I AND COMPONENT II

Investment Manager Fees	\$	8,350,000
Total Budgeted Investment Consulting Fees	\$	8,350,000
Professional Services	\$	500,000
Wages & Benefits		1,490,000
Insurance Premiums		400,000
Legal Non-Investment		375,000
Contract Services		350,000
Audit, Benefit & Annual Reports		225,000
Dues & Subscription		6,500
Computer Supplies, Equipment & Serv		20,000
Office Repairs and Maintenance & Software		285,000
Payroll Processing Fee		250,000
Actuarial		235,000
Travel and Education		135,000
Storage		62,000
Media Consulting/Public Relations		39,000
Utilities		25,000
Trustee Expense		35,000
Postage & Mailing		20,000
Trustee Stipends		68,500
Printing		10,000
Trustee Election Expense		35,000
Office Supplies		15,000
Medical		5,400
Internet Service Provider		15,000
Parking Expense		20,000
Bank Service Charge		5,000
Other Expense		17,500
Board Administrative Expenses		5,000
Office Equipment & Furniture		15,000
Depreciation		700,000
Amortization Expense		295,000
Interest Expense - GASB87		125,000
Non-Capitalized Bldg Lease Expense (CAM & Tax)		30,000
Total General & Administrative Budget	\$	5,813,900
Total Budgeted Expenses	\$	14,163,900

GENERAL RETIREMENT SYSTEM OF THE CITY OF DETROIT

OTHER INFORMATION SECTION

SERVICE PROVIDERS

COMPONENT I AND COMPONENT II

500 Webward, LLC	Metcom
8x8, Inc.	Metropolis Parking (fka Premier Parking)
Accident Fund Insurance Co. of America	Money-Media, Inc.
Accusoft Pegasus	MSCI, Inc.
ADP	Nasdaq Corporation Solutions, LLC
Allegra Marketing	NASP
American Arbitration Association	NCPERS
Ascension Michigan	NEPC, LLC
Avalon Technologies, Inc.	New Horizons
Avanade Incorporated	Northstar Life Services
Bloomberg Finance LP	Open Text, Inc.
Canon Solutions America, Inc.	Peernet, Inc.
CDW Government	Pension Benefit Information LLC (PBI)
Cintas Corporation	Planet Technologies, Inc.
Clark Hill, PLC	Plante & Moran
Cogent Communications, Inc.	Procentia, Inc.
Comcast	Quadient Leasing USA, Inc. (fka MailFinance)
Crain's Detroit Business	Quill Corporation
Crestwood Associates, LLC	Rehmann Technology Solutions LLC (fka Trivalent)
Dataprise LLC	Republic Underwriters
Dell Marketing, LP	Revize LLC
Easy Verification, Inc.	Ricoh
Eternal Security Services	Rock Security, LLC
F. Logan Davidson, PC	Scantron
Fedex	Smartsheet, Inc.
First Choice Coffee Services	Society for Human Resource Management (SHRM)
Frank Russell Company	Stericycle, Inc fka Shred-It USA
Gabriel, Roeder, Smith & Co.	Stout Risius Ross, Inc. (SRR)
Government Finance Officers Assn (GFOA)	Teamviewer Germany GmbH
Graphic Sciences, Inc.	The Hartford
Headsets.com, Inc.	TransUnion Risk & Alt Data Solutions, Inc. (TLOxp)
Hudson & Muma, Inc.	Truscott Rossman Group LLC
International Foundation of Employee Benefits (IFEBC)	UHY, Advisors
Iron Mountain	Unemployment Insurance Agency (UIA)
K&F Associates (fka Tape4backup.com)	United States Postal Service
KJK Associates, LLC	VanOverbeke, Michaud & Timmony, PC
KPMG Limited	Verizon Wireless
Laforce, Inc. (fka Electronic Security Systems, Inc.)	Vertiv Corporation
MAPERS	Wells Fargo Vendor Financial Svcs, LLC
Melissa Data Corp	Xerox
Metasource, LLC	

GENERAL RETIREMENT SYSTEM OF THE CITY OF DETROIT

OTHER INFORMATION SECTION

MEMBER LOAN PROGRAM

COMPONENT I AND COMPONENT II

July 1, 2023 – June 30, 2024

COMPONENT I - For the year ended June 30, 2024, the program made loans totaling \$ 857,618. There were 260 new Hybrid loans.

COMPONENT II - For the year ended June 30, 2024, the program made loans totaling \$698,688. There were 204 new Legacy loans.

Payments received during the fiscal year including interest totaled \$1,158,532.90 for component II and \$584,880.10 for component I. The combined value of the outstanding loans for component I and component II on June 30, 2024, is reported at \$3,109,928.23.

The General Retirement System of the City of Detroit believes the interest received is sufficient to cover the costs of administering the Loan Program.

GENERAL RETIREMENT SYSTEM OF THE CITY OF DETROIT

OTHER INFORMATION SECTION

TRAVEL SUMMARY REPORT

COMPONENT I AND COMPONENT II

July 1, 2023 –June 30, 2024

GENERAL RETIREMENT SYSTEM														
Travel Summary July 1, 2023 - June 30, 2024														
NAME	REASON/CONFERENCE	LOCATION	DATE	COST										
				REGISTRATION	TRANSPORTATION	LODGING	VEHICLE RENTAL	MEALS	MISC	TOTAL	HOTEL	LEASE AGENT	AUTO TYPE	AIRLINE
Crystal Perkins	NASP Annual Conference	Philadelphia PA	7/23 - 7/26/2023	225.00	413.80	995.87	65.62	200.00	60.00	\$ 1,960.29	Loews Hotel		Uber	Delta
Crystal Perkins	NASP Financial Services Conference	Atlanta, GA	6/9 - 6/12/2023	250.00	316.20	853.17	132.55	200.00	60.00	\$ 1,811.92	Loews Hotel		Lyft/Uber	Delta
June Nickleberry	NASP Annual Conference	Philadelphia PA	7/23 - 7/24/2023	250.00	373.80	694.02	29.87	200.00	60.00	\$ 1,607.69	Loews Hotel		Uber	Delta
June Nickleberry	IFEBP - 69 Annual Employee Ben Conf.	Boston, MA	9/30 - 10/4/2023	1,750.00	222.80	1,109.55	50.00	250.00	75.00	\$ 3,457.35	Comfort Inn		Uber	Delta
Jermaine Brown	NASP Financial Services Conference	Atlanta, GA	6/9 - 6/13/2024	200.00	-	853.17	651.03	250.00	75.00	\$ 2,029.20	Loews Hotel	Enterprise	Toyota GX54	
Reginald Jenkins	IFEBP Conference - New Trustee	Orlando, FL	2/12/2024	1,695.00	582.80	1,531.52	665.62	250.00	161.00	\$ 4,885.94	Walt Disney	Alamo	Chrysler Pach	
Reginald Jenkins	NASP Financial Services Conference	Atlanta, GA	6/9 - 6/13/2024	200.00	506.20	853.17	568.61	200.00	112.00	\$ 2,439.98	Loews Hotel	Budget Rental	Toyota 4 Runn	Delta
Total										\$ 18,192.37				

Note: All travel and training is intended for the enhancement of knowledge of the member to benefit the System.