



**City of Warren  
Police and Fire Retirement System  
Summary Annual Report  
December 31, 2021**



Dear Member:

The following is a summary of your Retirement System. Each year, an actuarial valuation is prepared to compare assets to liabilities. Assets are held and invested in a trust separate from other City assets. The only disbursements from this trust are to members who are retired or disabled, beneficiaries of members, members who receive contribution refunds, and for Retirement System expenses.

As Retirement Commission Members, our tasks include making sure trust assets are invested prudently, required City and member contributions are received and that benefits are paid in accordance with the Retirement System's provisions.

Various professionals are hired to help in the administration of the System. They are listed in the column to the right.

The City is funding Retirement System benefits as they accrue in accordance with a sound level percent of payroll funding objective.

Respectfully submitted,

**City of Warren Policemen and Firemen Retirement Commission**

**Commission Members**

Scott Salyers, *Chairman*  
Lawrence Garner, *Vice-Chairperson*  
Lorie Barnwell, *City Treasurer/Secretary*  
Gregory Paliczuk, *Commissioner*  
Richard Fox, *Commissioner*

**Professional Advisors**

*Investment Fiduciaries*

ABS Emerging Mkts Strategic Portfolio  
Alidade Capital  
American Core  
American Realty Advisors  
Ancora Advisors  
Avista II Offshore  
Bloomfield Capital  
Cohesive Capital  
Columbia Management  
Franklin Templeton  
Goldman Sachs Vintage  
HGK Trinity St. Int'l Equity Fund  
HIG Bayside  
Ironsides  
Johnston Asset Management  
Loomis Sayles  
MacKay Shields  
Marathon Distressed Credit Fund  
Orleans Capital  
Portfolio Advisors Secondary Fund IV  
RCP Fund XVI  
Reinhart Partners  
Seizert Capital Partners  
TerraCap Partners  
World Asset Management

*Investment Consultant*

AndCo Consulting Company

*Actuary*

Foster & Foster Consulting Company

*Independent Auditors*

Plante & Moran, LLC

**Actuarial Information Used for this Report:**

1. 328 active members
2. 622 retirees/beneficiaries
3. Plan is open to new hires
4. \$63,209 average annual pension benefit
5. \$31,881,012 annual pension benefits being paid
6. \$30,551,685 valuation payroll used
7. Employer's normal cost of benefits: 12.36%
8. Employer's total contribution rate: 45.20%
9. Member contribution rate: 4.05%
10. The required employer contribution for the fiscal year was received
11. 7.25% assumed rate of investment return
12. 3.5% assumed rate of long-term wage inflation
13. 4 year smoothing method used
14. 1 year closed UAAL as of 12/31/2004. 19 years for remaining amortization period used
15. Method used is level percent of payroll
16. Cost method is individual entry-age
17. Current valuation assets are 67.9% of accrued liability.

**Investment Performance\***

	1	3	5	7	10
Combined Account	<u>Year</u>	<u>Year</u>	<u>Year</u>	<u>Year</u>	<u>Year</u>
	17.53%	17.89%	12.68%	10.21%	11.35%

\*Calendar year ending December 31, 2021

**2021 Expenditures**

Pension Payments: \$ 32,772,541  
Refund of Member Contributions: \$ 2,486,855  
Investment Fees: \$ 1,207,695  
Memberships/Training/Education/Travel: \$ 5,624  
Administrative Expenses: \$ 492,212

## Actuarial Valuation Summary

Foster & Foster Consulting Company was hired to prepare the December 31, 2021 Actuarial Valuation. The funding objective of the System is to contribute a contribution that remains level from year to year as a percent of payroll. The actual level of contribution is dependent on past and assumed future experience, including investment performance, and benefit provisions. Below is a summary of the results:

### Contribution Requirements

Normal Cost of Benefits	
Total	16.41%
Member portion	4.05
Employer portion	12.36
Amortization of unfunded liability (19 years)	32.76
Contribution for Incentives	.08
Computed Employer Rate	45.20%

Contribution rates are expressed as percents of eligible member payroll.

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### Assets & Liabilities

#### Funded Status

Market Value of Assets	\$343,477,807
Valuation Assets	302,727,205
Actuarial Accrued Liability	445,883,621
Funded Ratio	67.9%

The valuation reflects Retirement System changes made prior to December 31, 2021. The assumptions and methods are consistent with those used in the December 31, 2021 valuation.

**Actuary's Statement** – The System is being funded based on sound actuarial assumptions, methods and level percent of payroll funding objective. For a complete analysis, please review the December 31, 2021 actuarial valuation.

### Revenues & Expenditures

Beginning Balance (Market Value) – January 1, 2021	\$314,419,838
Revenues	
Employees' contributions	1,925,289
Employer contribution	12,149,079
Investment income	<u>50,758,093</u>
Total	64,832,461
Expenditures	
Pension payments	32,772,541
Refund of member contributions	2,486,855
Incentive bonuses	25,000
Administrative expenses	<u>492,212</u>
Total	35,776,608
Ending Balance (Market Value) – December 31, 2021	\$343,475,691
Recognized Return on Smoothed Funding Value of Assets	10.66%

## ASSET ALLOCATION

Segments	Market Value	Allocation
■ Domestic Equity	164,990,011	48.3
■ International Equity	41,732,194	12.2
■ Emerging Equity	11,876,694	3.5
■ Domestic Fixed Income	52,791,835	15.5
■ Other Fixed Income	10,688,602	3.1
■ Real Estate	32,801,660	9.6
■ Private Equity	15,079,923	4.4
■ Cash Equivalent	11,701,990	3.4