

# City of Warren Employees Retirement System

## Summary Annual Report

December 31, 2024

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 Board 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 funding objective.

Respectfully submitted,

**Board of Trustees**  
**City of Warren Employees Retirement System**

### Board Members

Christine C. Cassani,  
*Chairperson*

Gary Urbanczyk,  
*Vice Chairperson*

Jonathan Lafferty  
*Trustee*

Richard Fox,  
*Trustee*

Larry Claeson,  
*Trustee*

### **Professional Advisors**

#### Investment Fiduciaries

Hamlin Capital Management  
 Hudson Edge Intl Equity Fund  
 Lazard Asset Management  
 Mariner, Investment Consultant  
 Reinhart Partners, Inc.  
 Seizert Capital Partners  
 Fidelity International Index  
 World Asset Management  
 Yousif Capital Management  
 Madison Investments  
 American Core Realty Fund  
 ABS Emerging Markets

#### Service Providers

Comerica Bank, Trust Custodian  
 Lauterbach & Amen LLP, Auditor  
 Foster & Foster, Inc., Actuary  
 VanOverbeke, Michaud & Timmony,  
 Attorneys

### **Actuarial Information Used for this Report:**

1. 19 active members
2. 466 retirees/beneficiaries
3. System is closed to new hires
4. \$36,219 average annual pension benefit
5. \$16,878,117 annual pension benefits paid
6. \$1,893,919 valuation payroll used
7. Employer's normal cost of benefits: 19.56% of payroll - entry age normal cost method
8. Employer's total recommended contribution: \$5,473,760
9. Weighted average member contribution rate: 0.00%
10. The required employer contribution for the fiscal year was received
11. 7.10% assumed rate of investment return
12. 4.0% assumed rate of long-term wage inflation
13. 4-year asset smoothing method used
14. 10-year open amortization period used
15. Entry Age Normal cost method used
16. Funded ratio 81.0% under the entry age normal cost method

### **Investment Performance\***

	1	3	5	7	10
Combined	Year	Year	Year	Year	Year
Account	11.24%	4.07%	7.96%	N/A	7.30%

\*Calendar year ending December 31, 2024 (net of fees)

### **2025 Projected Expenditures**

Pension Payments: \$17 Million  
 Refund of Member Contributions: \$0  
 Investment Fees: \$575,000  
 Memberships/Training/Education/Travel: \$7,000  
 Administrative Expenses: \$275,000

# City of Warren Employees Retirement System

## Summary Annual Report (cont.)

### Actuarial Valuation Summary

Foster & Foster, Inc. was hired to prepare the December 31, 2024 Actuarial Valuation. The funding objective of the System is to finance the unfunded present value of future benefits over an open 10-year period. 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

Actuarial Present Value of All Future Benefits	\$178,440,423
Smoothed Valuation Assets	143,490,118
Present Value of Future Member Contributions	0
Unfunded Actuarial Accrued Liability	33,759,206
Present Value of Future Pay	6,906,662
Total Normal Cost	339,209
Administrative Expenses	262,000
Computed Employer Contribution Dollar Amount	\$5,473,760

#### Assets & Liabilities

##### Funded Status

Market Value of Assets	\$144,736,539
Smoothed Valuation Assets	143,490,118
Actuarial Accrued Liability – Entry Age Normal cost method	177,249,324
Funded Ratio – Entry Age Normal cost method	81.0%

**Actuary's Statement** – The System is being funded based on sound actuarial assumptions and methods. For a complete analysis, please review the December 31, 2024 actuarial valuation.

#### Revenues & Expenditures

Beginning Balance (Market Value) – December 31, 2023	\$139,204,077
Revenues	
Employees' contributions	0
Employer contribution	7,888,668
Investment income	14,764,311
Other income	29,662
Total	22,682,641
Expenditures	
Pension payments	16,888,004
Refunds and annuity withdrawal	0
Transfer to 401 Defined Contribution Plan	0
Non-Investment Expenses	262,175
Total	17,150,179
Ending Balance (Market Value) – December 31, 2024	\$144,736,539
Recognized Return on Funding Value of Assets	6.54%