

# MCERS

## Monroe County Employees Retirement System

*Summary Annual Report To Members*



**For the Year Ending December 31, 2021**



Dear Retirement System Member:

The Retirement System, which is managed by the Monroe County Employees Retirement System Board of Trustees, is designed to help you meet your financial needs should you become disabled, retire, or die. Your employer also supports a Retiree Health Insurance Program for eligible participants, which is separate from the Monroe County Employees Retirement System.

The Retirement Board's fiduciary responsibility is to supervise the general administration of the System and invest its assets. The Board retains professional financial consultants and money managers to assist in fulfilling these duties.

This summary report has been prepared to give a brief overview of the Retirement System and how it operates. I hope you will find it useful and informative. However, a summary cannot cover all the details of the System, which is governed by the provisions of the County's retirement ordinance and the Retirement Board's official policies. Additional information about the System and its financial operations is available in the office of the Retirement Specialist or by visiting the Monroe County Employees Retirement System Website at: [www.mcers.org](http://www.mcers.org).



Sincerely,  
Michael Grodi, Chairman  
*Monroe County Employees Retirement System*

“  
This summary report has been prepared to give a brief overview of the Retirement System and how it operates. I hope you will find it useful and informative.  
.....

- Michael Grodi  
Chairman

## Monroe County Retirements System

### Board of Trustees

#### CHAIRMAN

Michael Grodi, Library System Representative | [michael.grodi@mcers.org](mailto:michael.grodi@mcers.org)

#### VICE CHAIRMAN

George Jondro, Retiree Representative | [george.jondro@mcers.org](mailto:george.jondro@mcers.org)

- Cynthia LaBudie, Employee Representative | [cynthia.labudie@mcers.org](mailto:cynthia.labudie@mcers.org)
- Henry Lievens, Board of Commissioners | [henry.lievens@mcers.org](mailto:henry.lievens@mcers.org)
- Jonathon Jones, Employee Representative | [jonathon.jones@mcers.org](mailto:jonathon.jones@mcers.org)
- Bob Neely, Citizen Representative | [robert.neely@mcers.org](mailto:robert.neely@mcers.org)
- Randy Richardville, Board of Commissioners | [randy.richardville@mcers.org](mailto:randy.richardville@mcers.org)
- Michael Smith, Road Commission Representative | [michael.smith@mcers.org](mailto:michael.smith@mcers.org)
- Ryan Sottile, Employee Representative | [ryan.sottile@mcers.org](mailto:ryan.sottile@mcers.org)

### Plan Administrators

- Joey Becker, Retirement Specialist | [joey.becker@mcers.org](mailto:joey.becker@mcers.org)
- Michael Bosanac, Retirement Secretary | [michael\\_bosanac@monroemi.org](mailto:michael_bosanac@monroemi.org)

### Actuary

- Nick Meggos, Nyhart
- Danielle Winegardner, Nyhart

### Attorney

Thomas C. Michaud, VanOverbeke, Michaud and Timmony, PC

### Auditor

Marlene Beach, UHY LLP

### Investment Consultant

Brian Green, AndCo Consulting

### Investment Fiduciaries

- ABS EM Strategic
- Alidade Capital
- Boyd Watterson Asset Management
- Brandywine Global Asset Management
- Clarkston Capital
- Comerica Bank – Custodial Bank
- Corbin Capital
- Fidelity 500 Index
- Fidelity Extended Market Index
- Intercontinental Real Estate
- Raven Capital
- Seizert Capital Partners
- TerraCap Partners IV
- Titanium
- Vanguard Developed Markets Index
- Winslow

### Medical Director

Steven Dovitz, M.D.

### Retirement Office

840 South Roessler Street  
Monroe MI 48161  
(734) 241-1174

## Announcements

### New Retirees

In 2021, the following employees have retired:

- Sharon Hill - County Clerk - 01/01/2021
- Jerry Oley - Board of Commissioners - 01/01/2021
- Kay Sisung - Treasurer - 01/01/2021
- Troy Goodnough - Sheriff's Office - 01/01/2021
- Robert Randolph - Road Commission - 01/25/2021
- Randall Rosenberger - Sheriff's Office - 02/13/2021
- Kristy Hood - Sheriff's Office - 03/01/2021
- Randy Pierce - Road Commission - 03/01/2021
- Cheryl Hatzung - Library System - 03/02/2021
- Judith Roberts - Board of Commissioners - 03/10/2021
- Lori Brown - Information Technology - 03/12/2021
- David Grow - Animal Control - 03/12/2021
- Rene Kurtz - Register of Deeds - 03/13/2021
- John Stewart - County Agency - 03/15/2021
- Kyle Kinsey - Road Commission - 05/01/2021
- Cheri Ritter - Mental Health Authority - 05/03/2021
- Robin Reagan - County Clerk - 05/12/2021
- George Costello - Health Department - 05/25/2021
- Monica Moore - Mental Health Authority - 05/31/2021
- Cheryl Uran - Road Commission - 06/07/2021
- Joy Bagnall - Road Commission - 06/11/2021
- John Kamprath - County Agency - 06/17/2021
- Kathleen Vanderbush - Veterans Bureau - 07/03/2021
- Lana Finley - Fairview - 07/12/2021
- Madonna Osborne - Health Department - 07/13/2021
- Jeffrey Koras - Mental Health Authority - 07/16/2021
- Christine Croley - Mental Health Authority - 08/04/2021
- Michelle Marcero - District Court - 08/07/2021
- Donald Duncan - Sheriff's Office - 08/12/2021
- Mark Hammond - Emergency Management - 09/12/2021
- Jane Steed - Library System - 10/02/2021
- Allison Arnold - Prosecuting Attorney - 10/25/2021
- Gayle Haase - Mental Health Authority - 12/01/2021
- Beth Larner - Library System - 12/12/2021
- Kenneth Honaker - Road Commission - 12/12/2021
- Frank Westenkirchner - Road Commission - 12/18/2021
- Patti Farrand - Mental Health Authority - 12/29/2021
- Holly Fiedler - Mental Health Authority - 12/29/2021
- Mary Vergowven - Library System - 12/31/2021

### With Deepest Sympathy

We extend our condolences to the family and friends of those retirees of MCERS who passed away in 2021.

- Geraldine Allen - 08/19/2021
- Joan Arguelles - 09/04/2021
- Ina Arnold - 03/26/2021
- Lila Bird - 07/04/2021
- Wilbur Burkett - 04/04/2021
- Josephine Clark - 03/14/2021
- Kandie Collier - 10/10/2021
- Helen Cotton - 01/20/2021
- Shirley Cousino - 03/21/2021
- Rosemary Cousino - 11/21/2021
- Gerald Gallagher - 01/03/2021
- Jeanette Hicks - 03/19/2021
- Shirley Ingall - 10/25/2021
- Susan Ivey - 11/02/2021
- Bernice Jurgenson - 10/09/2021
- William Lavoy - 12/05/2021
- Ronald Marshall - 05/13/2021
- Bettie Mcewan - 12/29/2021
- William Myers - 02/24/2021
- Frank Nagy - 10/25/2021
- Albert Potratz - 11/07/2021
- Gail Rigdon - 05/10/2021
- Richard Sweat - 01/13/2021
- Janet Talley - 12/28/2021
- Carl Vanwert - 08/09/2021

### Notifications of Death

The Retirement System must be notified as soon as possible of an Active Member, Retiree, or Beneficiary death. Notifications can be made by calling the Retirement Office. The person notifying the Retirement Office will be asked to identify the participant's information, provide contact information and a copy of the death certificate once received.

### Don't Forget to Update Your Contact Information

Please remember to report any change of address or contact information to the Retirement Office. We can also notify the County of the change.

To complete a change of address:

- Call the Retirement Office and request a form to be mailed or emailed
- Print the change of address form from our website under the "Forms" tab
- Email the Retirement Office at [info@mcers.org](mailto:info@mcers.org) with your updated information



## COMPARATIVE SUMMARY RESULTS OF THE 2021 ACTUARIAL VALUATION REPORTS

The Retirement System's financial objective is to establish and receive contributions which will remain approximately level from year to year and will not have to be increased for future generations of taxpayers. Contribution levels are expressed in terms of percent of active member payroll.

To determine an appropriate Employer contribution level for the ensuing year and to gauge how the system's funding is meeting this fundamental objective, an independent firm of actuaries and employee benefit consultants, Buck Consultants, conducts annual actuarial valuations.

These valuations are based on your System's past experience, information about current participation, financial markets, and assumptions concerning the System's future demographic and economic activity. The results of the December 31, 2021 valuation, based on the established funding objective, are summarized below:

### Employer Contribution Rates As a Percentage of Active Member Payroll

| Contributions to Provide Benefits | General County |        | County Agency |        | Sheriff's Office |        | County Library |        | Road Commission |        | Mental Health |        | Central Dispatch |        |
|-----------------------------------|----------------|--------|---------------|--------|------------------|--------|----------------|--------|-----------------|--------|---------------|--------|------------------|--------|
|                                   | 2020           | 2021   | 2020          | 2021   | 2020             | 2021   | 2020           | 2021   | 2020            | 2021   | 2020          | 2021   | 2020             | 2021   |
| Normal Cost: Total                | 8.09%          | 8.05%  | 7.23%         | 7.22%  | 9.39%            | 9.73%  | 11.59%         | 11.88% | 9.95%           | 9.65%  | 13.93%        | 14.02% | 8.24%            | 8.73%  |
| Amortization of UAL               | 23.46%         | 25.45% | 35.22%        | 37.31% | 25.86%           | 28.37% | 7.59%          | 6.10%  | 8.62%           | 8.95%  | 21.85%        | 20.10% | 14.08%           | 15.35% |
| Computed Employer Rate            | 31.55%         | 33.50% | 42.45%        | 44.53% | 35.25%           | 38.10% | 19.18%         | 17.98% | 18.57%          | 18.60% | 35.78%        | 34.12% | 22.32%           | 24.08% |

### Contributions to Provide Benefits Based on Active Member Payroll

|      | General County | County Agency | Sheriff's Office | County Library | Road Commission | Mental Health | Central Dispatch |
|------|----------------|---------------|------------------|----------------|-----------------|---------------|------------------|
| 2020 | \$4,166,736    | \$702,218     | \$3,256,069      | \$821,777      | \$861,431       | \$858,058     | \$256,529        |
| 2021 | \$3,985,764    | \$729,528     | \$3,276,838      | \$758,871      | \$826,583       | \$793,951     | \$248,616        |

## Summary of Current Asset Information

### Benefits Paid in 2021

Pension Benefits Paid in 2021

- \$18,359,724

2021 Average Retirement Benefit

- \$23,376

### Professional Training/Education

- \$1,351.57

### Pension Plan Actuary Assumptions and Methods

Actuarial Assumptions:

Investment Rate of Return: 7.0%

Long-Term Wage Inflation: 2.25%

Asset Valuation:

7-year adjusted market value

Amortization Method:

Level percent-of-payroll, closed

Actuarial Cost Method:

Entry Age

### Revenues & Expenditures

|                                      | 2020          | 2021          |
|--------------------------------------|---------------|---------------|
| <b>Market Value - January 1*</b>     | \$213,841,821 | \$235,440,860 |
| <b>Revenues</b>                      |               |               |
| Member Contributions                 | \$887,537     | \$1,054,601   |
| Employer Contributions               | \$10,409,663  | \$10,989,552  |
| Interest and Dividends               | \$3,863,096   | \$5,065,042   |
| Realized and Un-realized Gain (Loss) | \$25,986,085  | \$31,794,557  |
| <b>Total Revenues</b>                | \$41,146,381  | \$48,903,752  |
| <b>Expenditures</b>                  |               |               |
| Refunds of Member Contributions      | \$919,002     | \$814,333     |
| Retirement Benefits Paid             | \$17,737,410  | \$18,359,724  |
| Administrative Expense               | \$200,788     | \$291,904     |
| Investment Expense                   | \$690,142     | \$640,786     |
| <b>Total Expenditures</b>            | \$19,547,342  | \$20,106,747  |
| <b>Market Value - December 31*</b>   | \$235,440,860 | \$264,237,865 |

\* Net Payables, if any

### Investment Performance

| YTD    | Trailing | Trailing | Trailing | Trailing |
|--------|----------|----------|----------|----------|
| 2021   | 3 Years  | 5 Years  | 7 Years  | 10 Years |
| 15.51% | 16.07%   | 11.05%   | 8.89%    | 8.87%    |

## Funded Status

|                             | 2020          | 2021          |
|-----------------------------|---------------|---------------|
| Actuarial Accrued Liability | \$308,948,036 | \$316,037,308 |
| Actuarial Value of Assets   | \$222,085,224 | \$233,313,003 |
| Funded Ratio                | 71.9%         | 73.8%         |

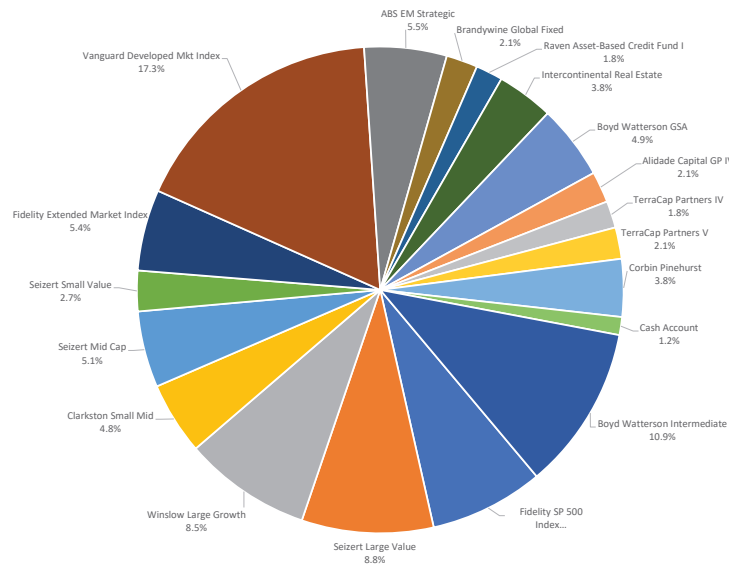
## Membership Status

- Active Members - 613
- Retirees/Beneficiaries - 832
- Inactive Members - 149

## Investments - December 2021

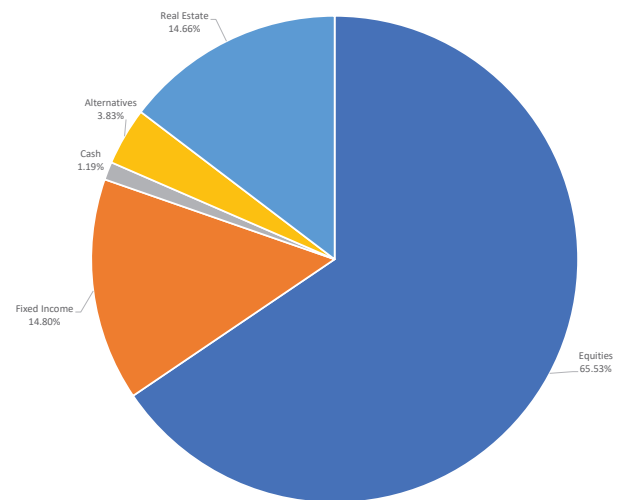
### PORTFOLIO MANAGER ALLOCATION

| Allocation                      | Market Value         | Allocation |
|---------------------------------|----------------------|------------|
| Fidelity SP 500 Index           | \$19,963,389         | 7.6%       |
| Seizert Large Value             | \$23,037,226         | 8.8%       |
| Winslow Large Growth            | \$22,316,654         | 8.5%       |
| Clarkston Small Mid             | \$12,674,489         | 4.8%       |
| Seizert Mid Cap                 | \$13,353,013         | 5.1%       |
| Seizert Small Value             | \$7,085,807          | 2.7%       |
| Fidelity Extended Market Index  | \$14,206,006         | 5.4%       |
| Vanguard Developed Mkt Index    | \$45,433,952         | 17.3%      |
| ABS EM Strategic                | \$14,421,621         | 5.5%       |
| Brandywine Global Fixed         | \$5,500,407          | 2.1%       |
| Raven Asset-Based Credit Fund I | \$4,724,361          | 1.8%       |
| Intercontinental Real Estate    | \$9,947,406          | 3.8%       |
| Boyd Watterson GSA              | \$13,010,403         | 4.9%       |
| Alidade Capital GP IV           | \$5,440,526          | 2.1%       |
| TerraCap Partners IV            | \$4,687,731          | 1.8%       |
| TerraCap Partners V             | \$5,492,989          | 2.1%       |
| Corbin Pinehurst                | \$10,077,012         | 3.8%       |
| Cash Account                    | \$3,144,977          | 1.2%       |
| Boyd Watterson Intermediate     | \$28,728,269         | 10.9%      |
|                                 | <b>\$263,246,238</b> |            |

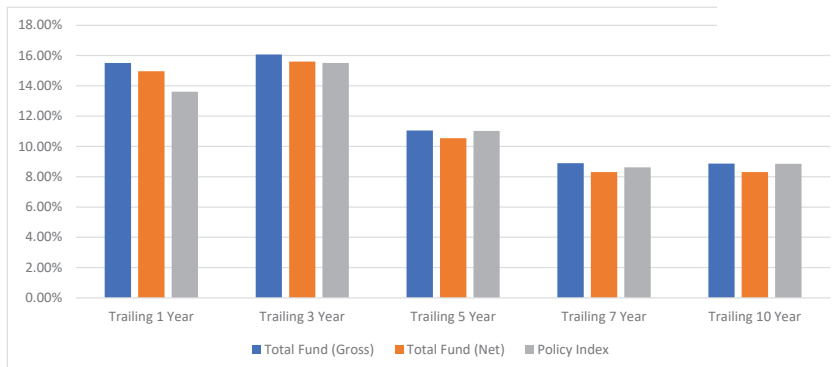


### PORTFOLIO COMPOSITION BY ASSET CLASS

| Asset Class  | Market Value             |
|--------------|--------------------------|
| Equities     | \$ 172,492,156.00        |
| Fixed Income | \$ 38,953,037.00         |
| Cash         | \$ 3,144,977.00          |
| Alternatives | \$ 10,077,012.00         |
| Real Estate  | \$ 38,579,055.00         |
|              | <b>\$ 263,246,237.00</b> |



### TOTAL FUND PERFORMANCE



|                        | Trailing 1 Year | Trailing 3 Year | Trailing 5 Year | Trailing 7 Year | Trailing 10 Year |
|------------------------|-----------------|-----------------|-----------------|-----------------|------------------|
| Total Fund (Gross)     | 15.51%          | 16.07%          | 11.05%          | 8.89%           | 8.87%            |
| Total Fund (Net)       | 14.97%          | 15.60%          | 10.54%          | 8.31%           | 8.31%            |
| Policy Index           | 13.62%          | 15.51%          | 11.03%          | 8.62%           | 8.85%            |
| Beginning Market Value | \$235,056,754   | \$187,861,174   | \$188,664,589   | \$190,691,750   | \$166,306,309    |
| Net Contributions      | (\$7,130,838)   | (\$21,781,337)  | (\$35,756,846)  | (\$48,226,180)  | (\$65,817,359)   |
| Gain / Loss            | \$35,320,321    | \$97,166,400    | \$110,338,494   | \$120,780,667   | \$162,757,287    |
| Ending Market Value    | \$263,246,237   | \$263,246,237   | \$263,246,237   | \$263,246,237   | \$263,246,237    |

### Please Note

This information and data is being provided at your request and is from sources considered reliable, but their accuracy and completeness is not guaranteed. It has been prepared for illustrative purposes only and is not intended to be used as a substitute for the transaction statements you receive from your custodians. Please compare the data on this document carefully with your transaction statements to verify its accuracy. This information is based upon the market value of your account as of the close of business on 12/31/2021, and is subject to daily market fluctuation.

AndCo Consulting

## Brief Summary of Benefit Provisions

### REGULAR RETIREMENT

#### General County – TPOAM Nurses, UAW-FOC, POAM-District Court 1, POAM District Court II, POAM-Youth Center, TPOAM Family Court, TPOAM-Youth Center Supervisors, Non-Union Other, Non-Union Management

- Hired prior to 1/1/2011 service multiplied by 2.50% of final average earnings.
- Hired prior to 1/1/2011 age 55 with 30 or more years of service or age 60 with 8 or more years of service.
- Hired on or after 1/1/2011 service multiplied by 1.5% of final average earnings.
- Hired on or after 1/1/2011 age 60 with 8 or more years of service.

#### General County – TPOAM

- Hired prior to 10/26/2010 service multiplied by 2.5% of final average earnings.
- Hired prior to 10/26/2010 age 55 with 30 or more years of service or age 60 with 8 or more years of service.
- Hired on or after 10/26/2010 service multiplied by 1.5% of final average earnings.
- Hired on or after 10/26/2010 age 60 with 8 or more years of service.

#### General County – POAM Prosecutors

- Hired prior to 4/3/2012 service multiplied by 2.5% of final average earnings.
- Hired prior to 4/3/2012 age 55 with 30 or more years of service or age 60 with 8 or more years of service.
- Hired on or after 4/3/2012 service multiplied by 1.5% of final average earnings.
- Hired on or after 4/3/2012 age 60 with 8 or more years of service.

#### Library

- Service multiplied by 2.0% of final average earnings.
- Age 55 with 30 or more years of service or age 60 with 8 or more years of service.

#### Mental Health

- Service multiplied by 2.25% of final average earnings.
- Age 55 with 30 or more years of service or age 60 with 8 or more years of service.

#### Road Commission – AFL-CIO Local #543, AFSCME Local #839

- Service multiplied by 2.25% of final average earnings.
- Hired prior to 1/1/2018 age 55 with 30 or more years of service or age 60 with 8 or more years of service.
- Hired on or after 1/1/2018 age 60 with 15 or more years of service.

#### Road Commission – Management

- Hired prior to 1/1/2018 service multiplied by 2.25% of final average earnings.
- Hired on or after 1/1/2018 service multiplied by 2.0% of final average earnings.
- Hired prior to 1/1/2018 age 55 with 30 or more years of service or age 60 with 8 or more years of service.
- Hired on or after 1/1/2018 age 55 with 30 or more years of service or age 60 with 15 or more years of service.

#### County Agency

- Hired prior to 12/1/2014 service multiplied by 2.50% of final average earnings.
- Hired prior to 12/1/2014 age 55 with 30 or more years of service or age 60 with 8 or more years of service.
- Hired on or after 12/1/2014 service multiplied by 1.5% of final average earnings.
- Hired on or after 12/1/2014 age 60 with 8 or more years of service.

#### Sheriff – POAM Sheriff Deputies

- Hired prior to 7/1/2013 service multiplied by 2.50% of final average earnings.
- Hired on or after 7/1/2013 service multiplied by 1.5% of final average earnings.
- Age 50 with 25 or more years of service or age 60 with 8 or more years of service

#### Sheriff – COAM Command

- Hired prior to 4/25/2013 service multiplied by 2.75% of final average earnings.
- Hired on or after 4/25/2013 retirement benefits provided in previous position.
- Age 50 with 25 or more years of service or age 60 with 8 or more years of service.

#### Sheriff – POAM Corrections Officers, COAM-Corrections Supervisors

- Hired prior to 1/1/2011 service multiplied by 2.50% of final average earnings.
- Hired on or after 1/1/2011 service multiplied by 1.5% of final average earnings.
- Age 50 with 25 or more years of service or age 60 with 8 or more years of service.

#### Dispatch – POAM Communications Specialist, COAM Communications Supervisors

- Hired prior to 1/1/2011 service multiplied by 2.50% of final average earnings.
- Hired prior to 1/1/2011 age 50 with 25 or more years of service or age 60 with 8 or more years of service.
- Hired on or after 1/1/2011 service multiplied by 1.5% of final average earnings.
- Hired on or after 1/1/2011 age 60 with 8 or more years of service.

Type of final average earnings: Highest 3 consecutive years out of the last 10.

Maximum benefit: 75% of final average earnings.

## Brief Summary of Benefit Provisions - Continued

### DEFERRED RETIREMENT

60 with 8 or more years of service.....Computed as regular retirement but based upon service and final average earnings at termination date.

### NON-DUTY DEATH IN SERVICE

15 years of service or age 60 with 10 years of service.....Computed as a regular retirement but actuarially reduced in accordance with a 100% joint and survivor election.

### DUTY DEATH IN SERVICE

No age or service requirements.....Computed as a regular retirement but computed as if the member had at least 15 years of service. Must be in receipt of Worker's Compensation.

### NON-DUTY DISABILITY

10 or more years of service.....Computed as a regular retirement.

### DUTY DISABILITY

No age or service requirements.....Computed as a regular retirement benefit but computed as if the member had at least 10 years of service.

### POST-RETIREMENT INCREASES

Road Commission.....Beginning January 1, 1994 for the Road Commission Local #543 members, a program of discretionary annual increases was begun.

#### Other Payments:

Library System.....May from year-to-year pay a Supplemental Retirement Benefit. The Supplemental Retirement Benefit will be based upon investment earnings that are in excess of the assumed level of assets to cover retiree liabilities.

General, Sheriff, Dispatch & County Agency.....May from year-to-year pay a Supplemental Retirement Benefit. The Supplemental Retirement Benefit will be paid from the County's general fund.

Road Commission.....May from year-to-year pay a Supplemental Retirement Benefit. The Supplemental Retirement Benefit will be paid from the Road Commission's general fund.

### MEMBER CONTRIBUTIONS

|   |       |
|---|-------|
| Dispatch - COAM-Communications Supervisors.....   | 5.0%  |
| Dispatch – POAM-Communications Specialist.....  | 4.0%  |
| Road Commission – Management.....   | 3.25% |
| Road Commission – Local #543, Local #839.....   | 3.25% |
| Sheriff – COAM Command Officers.....  | 5.53% |
| General – POAM-District Court I.....  | 4.0%  |
| Sheriff – POAM Sheriff Deputies, POAM Corrections Officers, COAM-Corrections Supervisors<br>.....   | 4.0%  |
| General County – TPOAM Nurses, TPOAM, UAW-FOC, POAM District Court II, POAM-Youth Center, TPOAM Family Court, TPOAM-Youth<br>Center Supervisors, Non-Union Other, Non-Union Management<br>..... | 4.0%  |
| County Agency, POAM-Prosecutors .....   | 3.0%  |