

MCERS

Monroe County Employees Retirement System

Summary Annual Report To Members



For the Year Ending December 31, 2022

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.



Sincerely,
Michael Grodi, Chairman
Monroe County Employees Retirement System

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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

VICE CHAIRMAN

George Jondro, Retiree Representative | george.jondro@mcers.org

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

Plan Administrators

- Dawn Angerer, Retirement Specialist | dawn.angerer@mcers.org
- Michael Bosanac, Retirement Secretary | michael_bosanac@monroemi.org

Actuary

- Danielle Winegardner, Nyhart
- Taylor Clary, 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
- Clarkston Capital
- Comerica Bank – Custodial Bank
- Fidelity 500 Index
- Fidelity Extended Market Index
- Intercontinental Real Estate
- Raven Capital
- Reinhart
- Seizert Capital Partners
- TerraCap Partners IV
- Winslow

Medical Director

Steven Dovitz, M.D.

Retirement Office

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

Announcements

New Retirees

In 2022, the following employees have retired:

- Judith Guezen - Mental Health Authority - 01/05/2022
- Michelle Guthrie - Mental Health Authority - 01/18/2022
- John Gurganus - Sheriff's Office - 01/25/2022
- Ramona Roberts - Register of Deeds - 01/29/2022
- Loretta Sunderland - Treasurer - 01/29/2022
- David Buchko - Sheriff's Office - 03/12/2022
- Gary Hedger - Sheriff's Office - 03/12/2022
- Vicky Terrasi - Commission on Aging - 03/21/2022
- Lisa Kennedy - County Clerk - 04/01/2022
- Paulette Selby - Friend of the Court - 04/11/2022
- Tammy Clardy - Friend of the Court - 04/22/2022
- Brian Narewski - Equalization - 04/23/2022
- Christopher Lowler - Mental Health Authority - 05/01/2022
- Chester Baughan - Road Commission - 05/02/2022
- Cherie Shields - Mental Health Authority - 05/17/2022
- Survivor Spence Shirley Employment & Training 05/30/2022
- Lois Kubik - District Court - 05/31/2022
- Dawn Rafko - Youth Center - 06/04/2022
- Jerald Johnson - Sheriff's Office - 06/12/2022
- Phillip Spalding - Animal Control - 07/07/2022
- Tammy Thoma - Sheriff's Office - 07/12/2022
- Rodney Blanchard - Health Department - 07/13/2022
- Anthony Petriella - Health Department - 07/24/2022
- Colleen Crossey - Mental Health Authority - 08/17/2022
- Vicki Warner - Mental Health Authority 08/20/2022
- Robert Bashaw - Buildings & Grounds - 09/10/2022
- Jennifer Wenzel - Library System - 09/12/2022
- Michael Grodi - Sheriff's Office - 09/16/2022
- Susan Lockwood - Friend of the Court - 09/22/2022
- Randall Sehl - Sheriff's Office - 10/05/2022
- April Bouws - Road Commission - 10/20/2022
- Steven Bouws - Road Commission - 10/20/2022
- Antonio Modica - Sheriff's Office - 11/02/2022
- Daniel Schmidt - Road Commission - 11/17/2022
- Bonnie Dean - Health Department - 11/19/2022
- Timothy George - Sheriff's Office - 12/09/2022
- Robert Goertz - Road Commission - 12/17/2022
- Christine Herron - Road Commission - 12/17/2022
- Dorothy Krueger - Library System - 12/31/2022
- Anne McCarthy - Prosecuting Attorney - 12/31/2022

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 with your updated information

With Deepest Sympathy

We extend our condolences to the family and friends of those retirees of MCERS who passed away in 2022.

- Grace Anson - 02/28/2022
- Barbara Barron - 05/06/2022
- Kathleen Barron - 01/16/2022
- John Billock - 08/14/2022
- Patricia Booth - 01/10/2022
- Georgana Brouse - 01/11/2022
- Sherie Chudnicki - 03/16/2022
- Shirley Colosimo - 07/08/2022
- Darlene Diekman - 01/14/2022
- Joanne Ellis - 07/31/2022
- Dolores Fountain - 09/27/2022
- Joyce Gallagher - 08/12/2022
- Mary Goins - 10/24/2022
- Ronald Goodin - 01/04/2022
- Bridget Haines - 01/08/2022
- Alan Hartman - 01/06/2022
- Laura Jones - 12/05/2022
- Fred Kaminska - 12/02/2022
- Betty Kerkenbush - 12/19/2022
- Edna Kinsey - 11/25/2022
- Vickie Koczman - 05/24/2022
- Shirley Libstorff - 12/28/2022
- Dale Malone - 01/26/2022
- Jacqueline Mcghee - 01/26/2022
- Philip Mckinney - 10/14/2022
- Nancy Michaels - 09/19/2022
- Diane Michaud - 12/27/2022
- Barbara Neidinger - 06/26/2022
- James Neorr - 03/20/2022
- Allen Newsome - 07/27/2022
- Paul Peters - 04/25/2022
- Ruby Seegert - 04/22/2022
- Georgia Siffer - 11/08/2022
- Bobbie Soleau - 01/01/2022
- Jerry Spence - 04/06/2022
- Irene Steinman - 12/22/2022
- Matthew Torongeau - 03/26/2022
- Walter Trowbridge - 09/14/2022
- Nicholas Vince - 07/24/2022
- James West - 11/27/2022

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.

COMPARATIVE SUMMARY RESULTS OF THE 2022 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, 2022 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	
	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022
Normal Cost: Total	8.05%	8.75%	7.22%	9.79%	9.73%	11.02%	11.88%	11.63%	9.65%	9.47%	14.02%	13.75%	8.73%	9.94%
Amortization of UAL	25.45%	26.60%	37.31%	44.52%	28.37%	32.53%	6.10%	7.00%	8.95%	9.00%	20.10%	22.59%	15.35%	21.95%
Computed Employer Rate	33.50%	35.35%	44.53%	54.31%	38.10%	43.55%	17.98%	18.63%	18.60%	18.47%	34.12%	36.34%	24.08%	31.89%

Contributions to Provide Benefits Based on Active Member Payroll

	General County	County Agency	Sheriff's Office	County Library	Road Commission	Mental Health	Central Dispatch
2021	\$3,985,764	\$729,528	\$3,276,838	\$758,871	\$826,583	\$793,951	\$248,616
2022	\$4,095,153	\$756,288	\$3,406,509	\$809,829	\$925,920	\$883,075	\$254,864

Summary of Current Asset Information

Benefits Paid in 2022

Pension Benefits Paid in 2022

- \$18,961,358

2022 Average Retirement Benefit

- \$23,784

Professional Training/Education

- \$17,570.83

Pension Plan Actuary Assumptions and Methods

Actuarial Assumptions:

Investment Rate of Return: 7.0%

Long-Term Wage Inflation: 2.25%

Amortization Payment Increase Assumption: 2.00%

Asset Valuation:

7-year adjusted market value

Amortization Method:

Level percent-of-payroll, closed

Actuarial Cost Method: Entry Age

Revenues & Expenditures

	2021	2022
Market Value - January 1*	\$235,440,860	\$264,237,866
Revenues		
Member Contributions	\$1,054,601	\$1,219,272
Employer Contributions	\$10,989,552	\$9,373,158
Interest and Dividends	\$5,065,042	\$6,277,126
Realized and Un-realized Gain (Loss)	\$31,794,557	\$(37,210,176)
Total Revenues	\$48,903,752	\$(20,340,620)
Expenditures		
Refunds of Member Contributions	\$814,333	\$801,535
Retirement Benefits Paid	\$18,359,724	\$18,961,358
Administrative Expense	\$291,904	\$392,189
Investment Expense	\$640,786	\$537,464
Total Expenditures	\$20,106,747	\$20,692,546
Market Value - December 31*	\$264,237,865	\$223,204,700

* Net Payables, if any

Investment Performance

YTD	Trailing	Trailing	Trailing	Trailing
2022	3 Years	5 Years	7 Years	10 Years
-11.46%	5.4%	5.63%	7.06%	6.61%

Funded Status

	2021	2022
Actuarial Accrued Liability	\$316,037,308	\$322,380,673
Actuarial Value of Assets	\$233,313,003	\$238,411,511
Funded Ratio	73.8%	74%

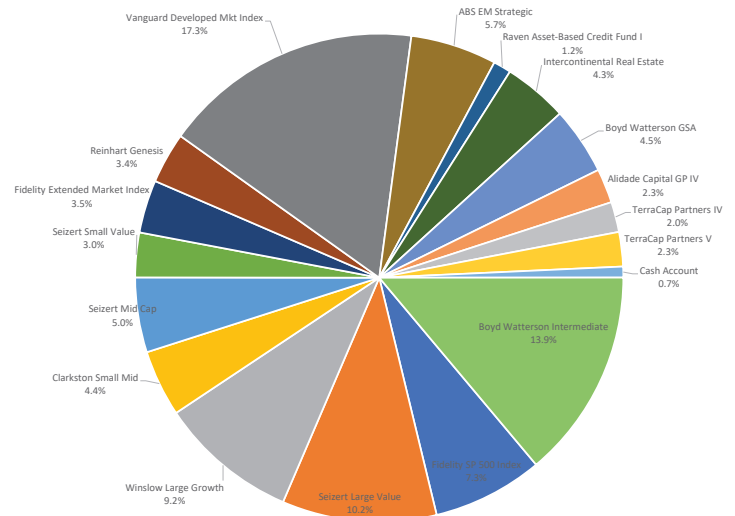
Membership Status

- Active Members - 553
- Retirees/Beneficiaries - 851
- Inactive Members - 137

Investments - December 2022

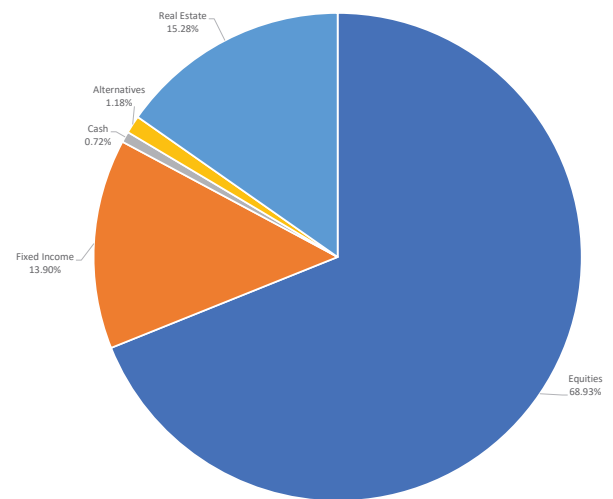
PORTFOLIO MANAGER ALLOCATION

Allocation	Market Value	Allocation
Fidelity SP 500 Index	\$16,344,780	7.3%
Seizert Large Value	\$22,815,840	10.2%
Winslow Large Growth	\$20,518,592	9.2%
Clarkston Small Mid	\$9,831,755	4.4%
Seizert Mid Cap	\$11,049,267	5.0%
Seizert Small Value	\$6,589,455	3.0%
Fidelity Extended Market Index	\$7,815,793	3.5%
Reinhart Genesis	\$7,529,054	3.4%
Vanguard Developed Mkt Index	\$38,462,986	17.3%
ABS EM Strategic	\$12,731,576	5.7%
Raven Asset-Based Credit Fund I	\$2,629,724	1.2%
Intercontinental Real Estate	\$9,514,084	4.3%
Boyd Watterson GSA	\$9,945,937	4.5%
Alidade Capital GP IV	\$5,061,978	2.3%
TerraCap Partners IV	\$4,457,357	2.0%
TerraCap Partners V	\$5,079,786	2.3%
Cash Account	\$1,606,242	0.7%
Boyd Watterson Intermediate	\$30,987,456	13.9%
	\$222,971,662	

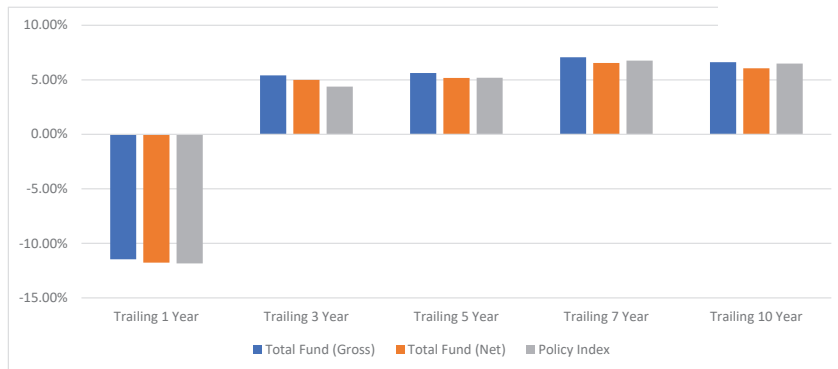


PORTFOLIO COMPOSITION BY ASSET CLASS

Asset Class	Market Value	
Equities	\$ 153,689,098.00	\$ 0.69
Fixed Income	\$ 30,987,456.00	
Cash	\$ 1,606,242.00	
Alternatives	\$ 2,629,724.00	
Real Estate	\$ 34,059,142.00	
	\$ 222,971,662.00	



TOTAL FUND PERFORMANCE



	Trailing 1 Year	Trailing 3 Year	Trailing 5 Year	Trailing 7 Year	Trailing 10 Year
Total Fund (Gross)	-11.46%	5.40%	5.63%	7.06%	6.61%
Total Fund (Net)	-11.76%	5.00%	5.18%	6.55%	6.05%
Policy Index	-11.83%	4.37%	5.19%	6.77%	6.49%
Beginning Market Value	\$263,696,190	\$214,423,395	\$207,268,967	\$182,850,005	\$175,132,720
Net Contributions	(\$8,991,274)	(\$23,813,290)	(\$38,345,903)	(\$50,924,581)	(\$69,281,386)
Gain / Loss	(\$31,733,254)	\$32,361,557	\$54,048,598	\$91,046,238	\$117,120,328
Ending Market Value	\$222,971,662	\$222,971,662	\$222,971,662	\$222,971,662	\$222,971,662

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 12/31/2022, 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.

Brief Summary of Benefit Provisions - Continued

Type of final average earnings: Highest 3 consecutive years out of the last 10.
Maximum benefit: 75% of final average earnings.

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

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	5.00%
Dispatch – POAM-Communications Specialist	5.00%
Road Commission – Management	3.25%
Road Commission – Local #543, Local #839	3.25%
Sheriff – COAM Command Officers	6.53%
General – POAM-District Court I	5.00%
County Agency, POAM-Prosecutors	4.00%

Sheriff – POAM Sheriff Deputies, POAM Corrections Officers, COAM-Corrections Supervisors
..... 5.00%

General County – TPOAM Nurses, TPOAM, UAW-FOC, POAM District Court II, POAM-Youth Center, TPOAM Family Court, TPOAM-Youth Center Supervisors, Non-Union Other, Non-Union Management
..... 5.00%