

**Soft Dollar Expenditures**

2023 Soft Dollar Expenditures      \$ 27,747

**Investment Portfolio Composition by Asset Class  
at December 31, 2023**

Domestic Equity	54.1%
International Equity	9.2%
Domestic Fixed Income	23.4%
Private Equity	1.4%
Real Estate	9.5%
Cash & Equivalents	2.4%
<b>Total</b>	<b>100.0%</b>

**2023 Investment Performance**

	<u>1-Year</u>	<u>3-Year</u>	<u>5-Year</u>	<u>7-Year</u>	<u>10-Year</u>
Net of Fees	9.6%	3.6%	8.7%	7.6%	6.6%

All above provided by Dahab Associates

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Visit us at  
[www.pontiagers.org](http://www.pontiagers.org)

**CITY OF PONTIAC REESTABLISHED GENERAL EMPLOYEES'  
RETIREMENT SYSTEM SUMMARY ANNUAL REPORT  
DECEMBER 31, 2023**

The City of Pontiac Reestablished General Employees' Retirement System ("REGERS") is established to provide post employment income for eligible retirees and vested former employees. For eligible active employees, REGERS provides income for financial needs in the event of death or disability. REGERS is funded by the City of Pontiac ("City") and managed by an 11-member Board of Trustees which consists of City officials, retirees, active employees and citizens.

The Board's fiduciary responsibilities include supervising the general administration of REGERS and investing its assets. The Board retains staff and professional advisors to assist in fulfilling these duties. REGERS' primary financial objective is to prudently invest and accumulate assets necessary to timely pay legally obligated benefits. The Board and its investment consultant developed an Investment Policy Statement ("IPS") governing the investment of assets. Investment managers hired by the Board invest REGERS assets under the provisions of the IPS.

This summary report provides a brief overview of REGERS which is governed by the provisions of the City Charter, Retirement Ordinance, laws of the State of Michigan, the Internal Revenue Code, policies and procedures enacted by the Board. Additional information and more detailed reports are available in the Retirement Office or you may visit [www.pontiagers.org](http://www.pontiagers.org).

**Investment Fiduciaries**

**Board of Trustees**

Sheldon Albritton, Chairman  
Robert Giddings, Vice-Chairman  
James Walker  
James Miriani  
Lisa King  
Timothy Sadowski

William Parker, Jr,  
Billie Swazer  
Tim Greimel  
Patrice Waterman  
John White

**Investment Managers**

American Realty Advisors  
Attucks Asset Management  
First Eagle Asset Management  
Consequent Capital Investments  
Intercontinental Real Estate  
Yousif Capital Management  
Kennedy Capital Management  
Loomis, Sayles & Company  
Mesirow Financial

Northern Trust Asset Management  
Principal Asset Management  
Robinson Capital Management  
Sawgrass Asset Management  
TerraCap Asset Management  
UBS Asset Management  
WCM Investment Management  
Wellington Management  
Xponance

**Other Service Providers**

**Actuary** - Gabriel, Roeder, Smith  
**Auditor** - George Johnson & Company  
**Custodian of Assets** - Northern Trust  
**Investment Consultant** - Dahab Associates

**IT Administrator** - Ark Technologies  
**Legal Counsel** - Asher Kelly  
**Medical Director** - CoreVisory  
**Payroll Service Provider**- ADP

To determine the City's required contributions and REGERS' funded percentage, an independent actuarial firm conducts annual valuations. Among other factors, the actuarial valuations consider census and demographic data, historical experience with salaries, retirement rates, mortality and disability, and assumptions regarding future actuarial trends and capital market returns. The Board confirms that the City has provided the required sponsor contributions as required by law. The funded percentage is a measure of assets (the "Valuation Assets") divided by the Actuarial Accrued Liability. The Actuarial Accrued Liability is the present value of future benefit payments attributable to past Member service. The results of the December 31, 2023 actuarial valuation are summarized below:

**FISCAL YEAR 2025 SPONSOR  
REQUIRED CONTRIBUTIONS IN DOLLARS AND AS A PERCENTAGE OF  
VALUATION PAYROLL, DEC. 31, 2023 FUNDED STATUS AND OTHER  
INFORMATION**

**Required Contributions**

Computed Sponsor Amount	\$0% of Valuation Payroll
Member Contributions	\$0% of Valuation Payroll
Valuation Payroll	\$784,908

**Funded Status**

Valuation Assets	\$424,431,880*
Actuarial Accrued Liability	\$242,891,230
<b>Funded Percentage</b>	<b>174.7%</b>

**Other Information**

Active Members	14
Retirees and Beneficiaries	991
Vested Inactive Members	87
Total Annual Benefits Paid	\$21,344,110
Average Annual Benefit	\$21,538
Actuarial Cost Method	Individual Entry Age
Amortization Method	Level Dollar, Open
Remaining Amortization Period	30 Years
Asset Valuation Method	5-Year Smoothed Market Value
Investment Rate of Return	6.0%
Projected Salary Increases	3.6% - 7.4%
Includes Inflation at	2.5%
Sponsor's Normal Cost	\$1,087,204
Sponsor's Normal Cost as % Valuation Payroll	138.5%
Actuarial Assumed Healthcare Inflation	7.5% initial rate grading down at 0.5% per year to 4.5% ultimate rate. Medicare assumption the same except for 6.5% initial rate.

\* **REGERS only.** Fair market value of the City of Pontiac General Employees' Retirement System ("GERS") assets was reported to be \$56,779,870 at December 31, 2023.

The actuarial valuation report for the year ended December 31, 2023 as indicated by independent actuaries using reasonable actuarial assumptions and in adherence to applicable standards of practice. REGERS System is now closed to all new hires as planned.

**SUMMARY OF AUDITED FINANCIAL STATEMENTS**

George Johnson & Company ("GJC") is an independent auditing firm who issued unmodified opinions on the financials statements of the GERS and REGERS for the year ended December 31, 2023. The audits were conducted in accordance with generally accepted auditing standards and the financial statements were fairly presented in accordance with generally accepted accounting principles. A summary of the 2023 REGERS audited financial statements is depicted below.

**Net Plan Assets at December 31, 2022** **\$ 382,236,834**

**December 31, 2023**

**Assets**

Accrued Interest/Other Assets	\$ 1,634,259
Short-term Investments	9,802,716
Long-term Investments	<u>384,115,525</u>
<b>Total Assets</b>	<b>395,552,500</b>

**Liabilities**

Accounts Payable and other Payables	<u>515,468</u>
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**Net Plan Assets at December 31, 2023** **\$ 395,037,032**

**2023 Change in Net Plan Assets** **\$ 12,800,198**

Net plan assets of GERS were \$56,572,123 at December 31, 2023 and increased \$5,516,067 in 2023.

The summary below reflects the 2023 actual and the 2024 budgeted itemized expenditures for REGERS.

	<b><u>2023 Actual</u></b>	<b><u>2024 Budget</u></b>
Wages	\$ 280,248	\$ 320,000
Fringe Benefits	\$ 65,597	\$ 115,000
Pension Payments	\$ 21,344,110	\$ 22,000,000
Bank Fees	\$ 160,692	\$ 190,000
Investment Mgmt.	\$ 1,828,352	\$ 2,000,000
Professional Train/Edu	\$ 37,761	\$ 90,000
Insurance	\$ 45,556	\$ 55,000
Other Professional Ser	\$ 170,140	\$ 201,000
Rent	\$ 28,994	\$ 30,000
Equipment	\$ 10,957	\$ 23,000
Supplies/Postage	\$ 18,052	\$ 25,000
Other Admin. Exp.	\$ 16,516	\$ 44,000