



CITY OF DETROIT
OFFICE OF THE CHIEF FINANCIAL OFFICER

COLEMAN A. YOUNG MUNICIPAL CENTER
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December 20, 2018

The Honorable Detroit City Council
Coleman A. Young Municipal Center
2 Woodward Avenue
Detroit, MI 48226

Re: Transmittal of FY 2018 Local Government Retirement System Annual Report

Dear Honorable City Council Members:

Please find attached the City's Local Government Retirement System Annual Report (Form 5572) for FY 2018, which the Office of the Chief Financial Officer has prepared and filed with the State of Michigan Department of Treasury, in accordance with Section 5 of the Protecting Local Government Retirement and Benefits Act, Public Act 202 of 2017 (PA 202).

Under Section 5 of PA 202, the City is required to prepare this annual report on its retirement pension and health benefits to determine whether those plans place the City in "underfunded status" as defined in PA 202. The report is based on data presented in the City's FY 2018 Comprehensive Annual Financial Report. **For FY 2018, the City is not in "underfunded status."**

PA 202 also requires this report be provided to the City Council and posted on the City's public website. It requires no further action. If you have any questions, please do not hesitate to contact me or my staff.

Best regards,

John W. Hill
Chief Financial Officer

Att: City of Detroit, Local Government Retirement System Annual Report, FY 2018

Cc: Mayor Michael E. Duggan, City of Detroit
David P. Massaron, Chief Operating Officer and Senior Counsel to the Mayor
Stephanie Washington, City Council Liaison
John Naglick, Chief Deputy CFO/Finance Director
Tanya Stoudemire, Deputy CFO/Budget Director
General Retirement System Board of Trustees
Police and Fire Retirement System Board of Trustees

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Public Act 202 of 2017 Pension Report

Enter Local Unit Name	Detroit	Instructions/Questions: For a list of detailed instructions on how to complete and submit this form, visit michigan.gov/LocalRetirementReporting . For questions, please email LocalRetirementReporting@michigan.gov . Return this original Excel file. Do not submit a scanned image or PDF.
Enter Six-Digit Municode	822050	
Unit Type	City	
Fiscal Year (four-digit year only, e.g. 2018)	2018	
Contact Name (Chief Administrative Officer)	JOHN NAGLICK	
Title if not CAO	CHIEF DEPUTY CFO/FINANCE DIRECTOR	
CAO (or designee) Email Address	naglickj@detroitmi.gov	
Contact Telephone Number	313-224-4153	

Pension System Name (not division) 1	The General Retirement System of the City of Detroit-Component I	If your pension system is separated by divisions, you would only enter one system. For example, one could have different divisions of the same system for union and non-union employees. However, these would be only one system and should be reported as such on this form.
Pension System Name (not division) 2	The General Retirement System of the City of Detroit-Component II	
Pension System Name (not division) 3	The Police and Fire Retirement System of the City of Detroit-Component Unit I	
Pension System Name (not division) 4	The Police and Fire Retirement System of the City of Detroit-Component Unit II	
Pension System Name (not division) 5		

Line	Description	Source of Data	Statute Reference	System 1	System 2	System 3	System 4	System 5
				The General Retirement System of the City of Detroit-Component I	The General Retirement System of the City of Detroit-Component II	The Police and Fire Retirement System of the City of Detroit-Component Unit I	The Police and Fire Retirement System of the City of Detroit-Component Unit II	
1	Provide the name of your retirement pension system	Calculated From Above	Sec. 5(6)					
2	Enter retirement pension system's assets (system fiduciary net position)	Most Recent Audit Report	Sec. 5(4)(b)	62,922,324	1,966,728,975	93,356,020	2,922,141,978	
3	Enter retirement pension system's liabilities (total pension liability)	Most Recent Audit Report	Sec. 5(4)(b)	72,683,584	2,910,858,226	68,577,964	3,750,305,804	
4	Date (system year ending) of valuation of system's assets and liabilities (e.g. 12/31)	Most Recent Audit Report	Sec. 5(6)	6/30/17	6/30/17	6/30/17	6/30/17	
5	Actuarially Determined Contribution (ADC)	Most Recent Audit Report	Sec. 5(4)(b)	-	-	-	-	
6	Governmental Fund Revenues	Most Recent Audit Report	Sec. 5(4)(b)	1,345,864,885	1,345,864,885	1,345,864,885	1,345,864,885	
7	Pension Trigger Summary							
8	Is this unit a primary unit (County, Township, City, Village)?	From Municode		YES	YES	YES	YES	YES
9	Funded ratio	Calculated	Sec. 5(4)(b)	86.6%	67.6%	136.1%	77.9%	
10	All systems combined ADC/Governmental fund revenues	Calculated	Sec. 5(4)(b)	0.0%	0.0%	0.0%	0.0%	0.0%
11	Does this system trigger "underfunded status" as defined by PA 202 of 2017?	Primary units trigger: Less than 60% funded AND greater than 10% ADC/Governmental fund revenues. Non-Primary units trigger: Less than 60% funded	Sec. 5(4)(b)	NO	NO	NO	NO	NO

By emailing this report to the Michigan Department of Treasury, the local unit of government acknowledges that this report is complete and accurate in all known respects. Public Act 202 of 2017 also requires the local unit of government to electronically submit the report to its governing body.

Public Act 202 of 2017 Health Care (OPEB) Report

Enter Local Unit Name	Detroit	Instructions/Questions: For a list of detailed instructions on how to complete and submit this form, visit michigan.gov/LocalRetirementReporting . For questions, please email LocalRetirementReporting@michigan.gov . Return this original Excel file. Do not submit a scanned image or PDF.
Enter Six-Digit Municode	822050	
Unit Type	City	
Fiscal Year (four-digit year only, e.g. 2018)	2018	
Contact Name (Chief Administrative Officer)	JOHN NAGLICK	
Title if not CAO	CHIEF DEPUTY CFO/FINANCE DIRECTOR	
CAO (or designee) Email Address	naglickj@detroitmi.gov	
Contact Telephone Number	313-224-4153	
OPEB System Name (not division) 1	City of Detroit Death Benefit Plan	would only enter one system. For example, one could have different divisions of the same system for union and non-union employees. However, these would be only one system and should be reported as such on this
OPEB System Name (not division) 2		
OPEB System Name (not division) 3		
OPEB System Name (not division) 4		
OPEB System Name (not division) 5		

Line	Description	Source of Data	Statute Reference	System 1	System 2	System 3	System 4	System 5
1	Provide the name of your retirement health care system	Calculated From Above	Sec. 5(6)	City of Detroit Death Benefit Plan				
2	Enter retirement health care system's assets (system fiduciary net position)	Most Recent Audit Report	Sec. 5(4)(a)	3,955,799				
3	Enter retirement health care system's liabilities (total OPEB liability)	Most Recent Audit Report	Sec. 5(4)(a)	3,702,441				
4	Date (system year ending) of valuation of system's assets and liabilities (e.g. 12/31/2017)	Most Recent Audit Report	Sec. 5(6)	6/30/18				
5	Actuarially Determined Contribution (ADC)	Most Recent Audit Report	Sec. 5(4)(a)	93,797				
5a	Do the financial statements include an ADC calculated in compliance with Numbered Letter 2	Most Recent Audit Report	Sec. 5(4)(a)	YES				
6	Governmental Fund Revenues	Most Recent Audit Report	Sec. 5(4)(a)	1,345,864,885				
7 Health Care Trigger Summary								
8	Is this unit a primary unit (County, Township, City, Village)?	From Municode		YES	YES	YES	YES	YES
9	Funded ratio	Calculated	Sec. 5(4)(a)	106.8%				
10	All systems combined ADC/Governmental fund revenues	Calculated	Sec. 5(4)(a)	0.0%	0.0%	0.0%	0.0%	0.0%
11	Did the local government pay the retiree insurance premiums for the year?	Accounting Records	Sec. 4(1)(ii)	N/A				
12	Did the local government pay the normal cost for employees hired after June 30, 2018?	Accounting Records	Sec. 4(1)(i)	N/A				
13	Does this system trigger "underfunded status" as defined by PA 202 of 2017?	Primary units trigger: Less than 40% funded AND greater than 12% ADC/Governmental fund revenues. If No ADC is provided, will trigger if less than 40% funded. Non-Primary units trigger: Less than 40% funded. All units trigger: Failure to make required retirement system payments.	Sec. 5(4)(a)	NO	NO	NO	NO	NO

By emailing this report to the Michigan Department of Treasury, the local unit of government acknowledges that this report is complete and accurate in all known respects. Public Act 202 of 2017 also requires the local unit of government to electronically submit the form to its governing body.