

City of Wyoming Retirement Programs

Consolidated Summary Annual Report to Members

Dear Retirement System Members:

The City maintains various programs providing retirement and health care benefits for its employees upon retirement or disability.

This report provides a brief overview and a combined financial report for the various programs.

A detailed financial report with comprehensive financial and demographic information for each program and trust fund is available on the City's website, as follows:

- <http://www.wyomingmi.gov>
- Click on Departments, then Finance, then 2011 (CAFR) Annual Report
- Review pages 60 – 66

Copies of plan documents may also be viewed by clicking on the appropriate plan.

Actuarial reports for the defined benefit plans may be found on the City's transparency page under Financial Assets.

Like investors worldwide, we were not exempt from the market fluctuations of 2010 and 2011 resulting in both gains and losses occurring.

Your Board, with the help of our investment professionals, is constantly reviewing investment allocations and money manager performance to help insure that member funds are prudently invested and will be available when needed to fund future benefits.

We hope you find this summary information useful.

Retirement Board

- James Hake, Chair
- Sam Bolt, Vice-Chair
- Wil Fleming, Trustee
- Curtis Holt, Trustee
- Andrea Boot, Trustee

- Timothy Smith, Secretary *

* Non-voting member

Investment Consultant

- Callan Associates

Investment Managers

Iridian Asset Management

- Large Cap Value manager
- Portfolio: \$13.9 million

Wells Capital Management

- Large Cap Growth manager
- Portfolio: \$14.6 million

World Asset Management

- Large Cap Core manager
- Portfolio: \$19.5 million

Rothschild Asset Management

- Small Cap Core manager
- Portfolio: \$12.8 million

EuroPacific Growth Fund

- International Equity manager
- Portfolio: \$22.5 million

Baird Advisors

- Domestic Fixed Income manager
- Portfolio: \$45.5 million

Other Mutual Funds & Holdings

- Portfolio: \$29.9 million

Actuary

Gabriel, Roeder, Smith & Company

Attorney

Miller, Johnson, Snell & Cumiskey

Defined Benefit Retirement Plan

The City of Wyoming Retirement System provides retirement benefits to 282 active employees, 308 retirees and beneficiaries, and 60 inactive vested members. For year ended June 30, 2011 the City made contributions of \$3,061,784 and the plan was 94.6% funded. This plan is closed to new members.

Defined Contribution 401(a) Plan

This plan covers employees hired after the above plan was closed to new members. The City contributes 8% of participants' base pay to the plan. Contributions are fully vested after one year of service. Contributions for the year ended June 30, 2011 were \$202,859. Self-directed accounts are maintained for each participant.

Other Postemployment Benefits (OPEB)

The City provides both defined benefit and defined contribution healthcare benefits to full-time employees and their beneficiaries upon retirement. The amount of the benefit is determined by labor contract and employee agreements. For the year ended June 30, 2011 the City contributed \$4,785,711 to the OPEB Trust Fund, which was 99.6% of the required contribution for the defined benefit plan. Trust assets were \$20.4 million and actuarial accrued liability was \$71.4 million, resulting in an unfunded liability in the amount of \$51.0 million. At June 30, 2011 the OPEB trust fund was 28.6% funded. The unfunded actuarial liability for the defined benefit healthcare plan is being amortized over 30 years from June 30, 2011. The defined benefit plan is closed to new members.

The defined contribution health care plan covers employees hired after the defined benefit plan was closed to new employees. This plan is being funded by a flat City contribution. During the period July 1 to June 30, the contribution was based on 4% of the combined average of the participants' compensation during the preceding calendar year. Self-directed accounts are maintained for each participant.

SUMMARY ANNUAL FINANCIAL REPORT

STATEMENT OF NET ASSETS

AS OF JUNE 30, 2011

	Pension	Post Retirement Health Care	Defined Contribution - 401(a) Plan	Defined Contribution - PEHP
ASSETS				
Cash and short-term investments	\$ 2,092,389	\$ 202,188	\$ 10,760	\$ 2,372
Receivables	681,133	24,485	25	6
Investments at fair market values	124,469,076	20,143,563	1,064,454	161,893
Security lending investments	9,868,026	-	-	-
Total assets	<u>137,110,624</u>	<u>20,370,236</u>	<u>1,075,239</u>	<u>164,271</u>
LIABILITIES				
Securities lending liability	9,976,762	-	-	-
Accounts payable	1,063,540	-	1,534	-
Total liabilities	<u>11,040,302</u>	<u>-</u>	<u>1,534</u>	<u>-</u>
NET ASSETS				
Held in trust for benefits	<u>\$ 126,070,322</u>	<u>\$ 20,370,236</u>	<u>\$ 1,073,705</u>	<u>\$ 164,271</u>

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED JUNE 30, 2011

Contributions by City	\$ 3,061,784	\$ 4,385,711	\$ 202,859	\$ 45,747
Contributions by employees	253,204	-	-	-
Reimbursements	-	129,560	-	-
Investment gains (losses)	22,941,338	2,790,160	176,682	11,005
Net income from securities lending	9,200	-	-	-
Investment expenses paid	(549,659)	(5,013)	-	-
Total benefits paid	(6,918,439)	(1,974,302)	(464,939)	(2,124)
Transfers in (out)	(489,764)	-	489,764	-
Net increase (decrease)	<u>18,307,664</u>	<u>5,326,116</u>	<u>404,366</u>	<u>54,628</u>
Net assets beginning of year	<u>107,762,658</u>	<u>15,044,120</u>	<u>669,339</u>	<u>109,643</u>
Net assets end of year	<u>\$ 126,070,322</u>	<u>\$ 20,370,236</u>	<u>\$ 1,073,705</u>	<u>\$ 164,271</u>