

KENT COUNTY EMPLOYEES' RETIREMENT PLAN
SUMMARY ANNUAL REPORT
Required by MCL 38.1140h(6)
December 31, 2022

a) Name of System (Pension Plan): **Kent County Employees' Retirement Plan**

b) Investment Fiduciaries: **Board of Trustees, Kent County Employees' Retirement Plan**
Adam Waskelis, Participant and Chair
Steve Beukema, Citizen
Scott Lee, Participant
Jim Laramy, Citizen
Stan Ponstein, Commissioner and Vice Chair
Lindsey Thiel, Commissioner
Matt Woolford, Participant

c) Service Providers:

Asset Consulting Group, Inc.
Blackrock
Brandes Investment Partners LP
Brandywine Global Investment Management, LLC
Eanest Partners
JP Morgan Investment Management, Inc

Loomis Sayles & Company
Mondrian Investment Group
Northern Trust Company
Victory Capital Management, Inc
Allspring Global Investments
William Blair & Company

Beene Garter
Cohen Milstein Sellers & Toll PLLC
Gabriel Roeder Smith & Co

Miller Johnson
Rehmann Robson

d) Assets and Liabilities:

Assets:	Valuation Basis -	\$1,073,517,160
	Market Value -	\$ 957,748,728
Actuarial Accrued Liabilities:		\$1,098,144,116

Statement of Fiduciary Net Position

December 31, 2022

Assets

Receivables:

Accrued interest receivable	\$	934,845	
Contributions receivable		1,257,085	
Due from brokers		<u>88,899</u>	
Total receivables	\$		2,280,829

Investments, at fair value:

U.S. government obligations		27,794,685	
U.S. government agency obligations		354,060	
Municipal obligations		452,608	
Corporate obligations		23,911,599	
Common stock		398,099,712	
Foreign obligations		10,878,211	
Foreign common stock		3,178,995	
Money market funds		22,887,191	
International equity mutual funds		182,946,739	
International fixed income mutual funds		137,958,489	
Real estate and infrastructure securities		91,116,027	
Asset backed securities		9,536,477	
Mortgage backed securities fund		<u>47,887,083</u>	
Total investments			<u>957,001,876</u>

Total assets			<u><u>959,282,705</u></u>
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Liabilities

Accounts payable			794,331
Due to brokers			<u>739,646</u>

Total liabilities			<u>1,533,977</u>
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Net position restricted for pension benefits			<u><u>\$ 957,748,728</u></u>
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Statement of Changes in Fiduciary Net Position

For the Year Ended December 31, 2022

Additions

Contributions:

Employer	\$	9,856,852	
Employee		<u>10,908,114</u>	
Total contributions	\$		20,764,966

Investment earnings (loss):

Net depreciation in fair value of securities		(156,021,263)	
Dividends and interest		<u>12,232,569</u>	
Total investment loss		(143,788,694)	
Investment expense		<u>(3,262,917)</u>	
Net investment earnings (loss)			<u>(147,051,611)</u>

Total additions (net of investment loss)			<u>(126,286,645)</u>
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Deductions

Benefit payments			51,159,393
Administrative expenses			732,930
Refunds of contributions			<u>1,110,978</u>

Total deductions			<u>53,003,301</u>
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Change in net position			(179,289,946)
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Net position, beginning of year			<u>1,137,038,674</u>
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Net position, end of year			<u><u>\$ 957,748,728</u></u>
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e) Funded Ratio:

Valuation Basis: 97.8 %
Market Value: 87.2%

f) Investment Performance (net of fees):

December 31, 2022	1 Yr	3Yr	5Yr	7Yr	10Yr
	(13.08)%	3.03%	4.20%	6.36%	6.75%

g) System Administrative and Investment Expenditures:

Investment	Administrative	BoT Education	TOTAL
\$3,262,917	\$718,490	\$14,440	\$3,995,847

h) Forecasted Expenditures for Year End 2023:

Investment Management	\$3,500,000¹
Investment Consulting	220,000¹
Actuarial Services	83,000
Legal Services	30,000²
Custodial Services	115,000¹
Recordkeeping Services	19,000
Accounting	14,100
Salaries and Benefits	285,000
Professional Training and Travel	84,000³
Fiduciary Liability Insurance	26,000
Administrative Services	48,000
Equipment	5,000
Total	\$4,429,100

¹Fluctuates with market value of plan assets

²Needs vary from year to year

³Maximum allowance

i) Annual Actuarial Valuation Data:

Active Members	1,563
Retirees & Beneficiaries	1,664
Average Annual Retirement Allowance	\$31,668
Total Annual Retirement Allowances	\$52,687,812
Valuation Payroll	\$109,507,676
Employer's Computed Normal Cost	9.33%
Employer's Total Contribution Rate	11.05%
Weighted Average Member Contribution Rate	10.07%
Actuarial Assumed Rate of Return	6.50%
Actuarial Assumed Rate of Wage Inflation	3.50%
Smoothing Method	4 Year
Amortization Period	16 Years – Closed
Actuarial Cost Method	Individual Entry Age
System Membership	Open to Eligible Positions

j) System Contributions:

Based on review and analysis of the Plan by the actuary, the contribution required to be made in 2022 by the employer was 9,856,852 in addition to contributions of \$10,908,114 from plan participants.

The Plan has received the required contribution set forth above for 2022.

Board of Trustees,
Kent County Employees' Retirement Plan
August 2023