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## **Wayne County's Financial Outlook Continues to Improve**

*Wayne County Executive Warren C. Evans' Recovery Plan Helps County Gain Double-Digit Percentage Increase in Pension System's underfunding*

**DETROIT** – Wayne County Executive Warren C. Evans' financial turnaround for Wayne County received another boost after an Actuarial Valuation shows the County's pension fund is now 54 percent funded. Up from 44 percent just two years ago, this increase is the result of benefit modifications achieved through Executive Evans' Recovery Plan, which reduced accrued liabilities by \$120 million as well as eliminating the Inflation Equity Fund and transferring those assets to the pension system.

Prior to the implementation of the Recovery Plan, the County faced a financial crisis: a \$52 million yearly structural deficit, an \$82 million accumulated deficit, \$1.3 billion in unfunded health care costs and an underfunded pension system funded at only 44 percent of the present value of its future liabilities, which needed an additional \$841 million to be fully-funded.

Implementation of the Recovery Plan successfully eliminated Wayne County's accumulated and structural deficits. Additionally, healthcare was restructured to reduce the County's unfunded obligation by more than \$800 million. The final piece of the County's financial recovery, addressing the underfunded pension system, has recently been confirmed by the Actuarial Valuation performed by Gabriel Roeder Smith & Company (GRS).

"We are making critical headway in strengthening the County's pension system," said Executive Evans. "We made some tough decisions to get us to this point and I am pleased to see that our solutions are resulting in a pension system that will make it extremely more likely that retirees will continue to receive the pension checks to which they are entitled. We will continue to do the work necessary to ensure our pension system is healthy and sustainable."

GRS completed the Actuarial Valuation in accordance with the Governmental Accounting, Standards Board Statement. The report shows Wayne County's pension funds have a funding value of assets of \$740 million, an increase of \$67.9 million since Executive Evans took office.

Prior to the implementation of the Recovery Plan, the County lacked a comprehensive strategy to solve the County's financial problems including the underfunding of the pension system.



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Since taking office in January 2015, Executive Evans has made fiscal responsibility a priority in his Administration.

“Without restoring the County’s fiscal health, none of the progress we’ve made in restoring and improving County services would have been possible, including our plan to finish the partially-built jail on Gratiot.” said Executive Evans.

Even before this Actuarial Valuation, the Evans Administration has been recognized for achieving improvements through the Recovery Plan. Just recently, the County received credit outlook upgrades from three Wall Street ratings agencies: Moody’s upgraded the County’s outlook to “stable”; Standard & Poor’s upgraded the County to a “positive” fiscal outlook; and Fitch Ratings upgraded the County’s bond rating from “B” to “BB+”.

Last week, Executive Evans released Wayne County’s FY 2016-17 and FY 2017-18 budgets with projected surpluses of \$10.5 million and \$3.5 million respectively.

The full Actuarial Valuation can be found at [www.waynecounty.com](http://www.waynecounty.com).

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