



Municipal Market Disclosure Information Cover Sheet

This Filing Applies to:

1. Sacramento City Financing Authority, Refunding Revenue Bonds (Master Lease Program Facilities), 2015, \$183,380,000, Dated: October 14, 2015
785849WD8, 785849WE6, 785849WF3, 785849WG1, 785849WH9, 785849WJ5, 785849WZ9,
785849WK2, 785849WL0, 785849WM8, 785849WN6, 785849WP1, 785849WQ9, 785849WR7,
785849WS5, 785849WT3

TYPE OF FILING:

If information is also available on the Internet, give URL: www.dacbond.com

WHAT TYPE OF INFORMATION ARE YOU PROVIDING? (Check all that apply)**Financial / Operating Data Disclosures****Rule 15c2-12 Disclosure**

- Annual Financial Information & Operating Data (Rule 15c2-12)
2021 Annual Continuing Disclosure Report - 2015 Refunding Revenue Bonds
- Audited Financial Statements or ACFR (Rule 15c2-12)
- Failure to provide as required

Additional / Voluntary Disclosure

- Quarterly / Monthly Financial Information
- Change in Fiscal Year / Timing of Annual Disclosure
- Change in Accounting Standard
- Interim / Additional Financial Information / Operating Data
- Budget
- Investment / Debt / Financial Policy

- Information Provided to Rating Agency, Credit / Liquidity Provider or Other Third Party
- Consultant Reports
- Other Financial / Operating Data

Event Filing

Rule 15c2-12 Disclosure

- Principal / Interest Payment Delinquency
- Non-payment Related Default
- Unscheduled Draw on Debt Service Reserve Reflecting Financial Difficulties
- Unscheduled Draw on Credit Enhancement Reflecting Financial Difficulties
- Substitution of Credit or Liquidity Provider, or Its Failure to Perform
- Adverse Tax Opinion or Event Affecting the Tax-exempt Status of the Security
- Modification to the Rights of Security Holders
- Bond Call
- Defeasance
- Release, Substitution or Sale of Property Securing Repayment of the Security
- Rating Change
- Tender Offer / Secondary Market Purchases
- Merger / Consolidation / Acquisition and Sale of All or Substantially All Assets
- Bankruptcy, insolvency, receivership or similar event
- Successor, Additional or Change in Trustee
- Failure to Provide Event Filing Information as Required
- Financial Obligation - Incurrence and Agreement
- Financial Obligation - Event Reflecting Financial Difficulties

Additional / Voluntary Disclosure

- Amendment to Continuing Disclosure Undertaking
- Change in Obligated Person
- Notice to Investor Pursuant to Bond Documents
- Communication From the Internal Revenue Service
- Bid For Auction Rate or Other Securities
- Capital or Other Financing Plan
- Litigation / Enforcement Action
- Change of Tender Agent, Remarketing Agent or Other On-going Party
- Derivative or Other Similar Transaction
- Other Event-based Disclosures

Asset-Backed Securities Filing

Additional / Voluntary Disclosure

- Initial Asset-Backed Securities Disclosure (SEC Rule 15Ga-1(c)(1))
- Quarterly Asset-Backed Securities Disclosure (SEC Rule 15Ga-1(c)(2)(i))
- Annual Asset-Backed Securities Disclosure (SEC Rule 15Ga-1(c)(2)(ii))
- Other Asset-Backed Securities Disclosure (e.g. notice of termination of duty to file reports pursuant to SEC Rule 15Ga-1(c)(3))

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Title: Debt Analyst

Entity: Sacramento, CA, City of Sacramento

Digital Assurance Certification

Filing Certificate

DAC transmitted the Annual Financial Information & Operating Data (Rule 15c2-12) to EMMA/SID (if applicable) on behalf of Sacramento, CA, City of Sacramento under their SEC Rule 15c2-12 Continuing Disclosure Agreement.

Transmission Details: P11195198

Date & Time Stamp: 03/15/2022

Document Name or Event Type: Annual Financial Information & Operating Data (Rule 15c2-12)

Document Description: 2021 Annual Continuing Disclosure Report - 2015 Refunding Revenue Bonds

DAC Bond Coversheet: Yes

Transmitted to: MSRB-EMMA

Total CUSIPs associated with this Filing: 16

Filing made on Series: 2015

Codes: **P** (Prerefunded), **R** (Refunded), **U** (Unrefunded), **E** (Escrowed), **A** (Advance Refunding), **D** (Defeased), **T** (Tendered), **V** (Derivatives), **UD** (Undetermined), **NLO** (No Longer Outstanding)

Red: Original CUSIPs - filing missed · **Blue:** Non-Original CUSIPs - filing missed · **Green:** Outstanding CUSIPs - filing made · **Black:** Inactive CUSIPs

1. Issue: Sacramento City Financing Authority, Refunding Revenue Bonds (Master Lease Program Facilities), 2015, \$183,380,000, Dated: October 14, 2015

CUSIP: 785849WD8, 785849WE6, 785849WF3, 785849WG1, 785849WH9, 785849WJ5, 785849WZ9, 785849WK2, 785849WL0, 785849WM8, 785849WN6, 785849WP1, 785849WQ9, 785849WR7, 785849WS5, 785849WT3

No missing CUSIPs for this bond issue

City of Sacramento
Annual Continuing Disclosure Report
Fiscal Year 2020-21

Issue	Sacramento City Financing Authority 2015 Refunding Revenue Bonds (Master Lease Program Facilities)
Series	Not applicable
Par	\$ 183,380,000
Issued	October 14, 2015
CUSIP Numbers	785849WD8 785849WE6 785849WF3 785849WG1 785849WH9 785849WJ5 785849WZ9 785849WK2 785849WL0 785849WM8 785849WN6 785849WP1 785849WQ9 785849WR7 785849WS5 785849WT3

Content of Annual Report

The City's Annual Report shall contain or incorporate by reference the following:

- (a) The City's audited Annual Comprehensive Financial Report (ACFR) for the prior fiscal year.

The City's ACFR for the prior fiscal year was uploaded as a separate document to EMMA. The ACFR is also available on the City's website at:

www.cityofsacramento.org/Finance/Accounting/Reporting

(b) The Annual Budget of the City for the current fiscal year.

The City's Approved Budget for the current fiscal year was uploaded as a separate document to EMMA and is also available on-line at:

www.cityofsacramento.org/Finance/Budget

(c) An update of the information contained in Tables entitled "STATEMENT OF GENERAL FUND REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE," "GROSS ASSESSED VALUES FOR ALL TAXABLE PROPERTY," "CITY OF SACRAMENTO LARGEST LOCAL SECURED TAXPAYERS", "GENERAL FUND OBLIGATION DEBT SERVICE", and "NOTICES OF DEFAULT AND FORECLOSURES OF PROPERTY WITHIN THE CITY" in the Official Statement substantially in the form of the table by that name included in Appendix A to the Official Statement, for the most recently completed fiscal year.

See Exhibit A – Statement of General Fund Revenues, Expenditures and Changes in Fund Balance

See Exhibit B – Gross Assessed Values for all Taxable Property

See Exhibit C – Largest Local Secured Taxpayers

See Exhibit D – General Fund Obligation Debt Service as of June 30, 2021

The information required by the Continuing Disclosure Certificate – "Notices of Default and Foreclosures of Property within the City of Sacramento" is no longer prepared by the County of Sacramento, Office of the Assessor. At this time, the City of Sacramento is not aware of another reliable source to obtain notice of default and foreclosure information within the City of Sacramento in the same format as is presented on page 8 in Appendix A.

(d) The actuarial valuation reports for Miscellaneous Employees Plan and Safety Employees Plan most recently provided to the City by CalPERS to the City as of the date the City files the Annual Report and the actuarial valuation report for SCERS most recently provided to the City as of the date the City files the Annual Report.

See Exhibit E – GASB 68 Accounting Valuation Report – Miscellaneous Plan as of June 30, 2020

See Exhibit F – GASB 68 Accounting Valuation Report – Safety Plan as of June 30, 2020

See Exhibit G – SCERS Actuarial Valuation as of June 30, 2021

(e) Any or all of the items listed in Section 4(a) or 4(b) above may be included by specific reference to other documents (including official statements of debt issues of the City or related public entities) that have been submitted to EMMA or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available through EMMA.

Voluntary Disclosures

See Exhibit H – 2015 Refunding Lease Revenue Bonds Debt Service Schedule

See Exhibit I – GASB 45 Actuarial Valuation Report of Retiree Healthcare Plan as of June 30, 2019

See Exhibit J – GASB 75 Retiree Healthcare Plan as of June 30, 2021

Exhibit A

STATEMENT OF GENERAL FUND REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

(in thousands)

	<u>Actual 2015-16</u>	<u>Actual 2016-17</u>	<u>Actual 2017-18</u>	<u>Actual 2018-19</u>	<u>Actual 2019-20</u>	<u>Actual 2020-21</u>
Revenues:						
Property taxes	\$ 150,424	\$ 143,656	\$ 153,346	\$ 164,412	\$ 177,193	\$ 189,315
Sales and use taxes	67,983	80,395	84,887	93,769	90,969	99,325
Utilities use tax	61,404	62,997	62,989	60,128	60,039	62,164
Other taxes	26,732	29,961	36,184	39,820	42,506	52,586
Intergovernmental	16,253	14,009	22,380	16,350	15,919	20,193
Charges for services	73,632	85,780	100,205	108,972	105,446	99,212
Fines, forfeitures and penalties	12,110	10,906	12,069	15,964	12,898	7,284
Interest, rents and concessions	3,002	2,679	1,195	7,810	6,423	887
Assessment levies	172	266	291	356	341	588
Contributions and donations	13	14	85	68	20	30
Other revenues	245	259	301	536	974	1,250
Total revenues	<u>411,970</u>	<u>430,922</u>	<u>473,932</u>	<u>508,185</u>	<u>512,728</u>	<u>532,834</u>
Expenditures:						
General government	28,909	36,584	48,694	56,498	54,949	60,257
Police	128,891	132,108	138,473	152,637	158,887	162,136
Fire	106,399	112,868	119,437	124,324	139,421	143,358
Public works	11,308	13,233	13,607	15,101	13,393	13,249
Convention and cultural services	4,637	4,972	5,620	5,723	6,485	5,462
Economic development	2,114	2,337	-	-	-	-
Youth, parks, and community enrichment	15,144	19,979	21,428	22,286	21,670	21,538
Community development	25,960	28,554	33,340	36,039	38,629	34,623
Library	7,130	7,130	8,380	9,380	10,130	12,266
Utilities	393	1,205	1,816	2,285	3,268	3,670
Citywide and community support	47,961	48,435	46,576	42,827	50,691	51,632
Capital outlay	12,577	19,276	21,513	19,392	17,589	22,592
Debt service	3,219	2,837	2,102	1,189	568	-
Total Expenditures	<u>394,642</u>	<u>429,518</u>	<u>460,986</u>	<u>487,681</u>	<u>515,680</u>	<u>530,783</u>
Excess (deficiency) of revenues over (under) expenditures	<u>17,328</u>	<u>1,404</u>	<u>12,946</u>	<u>20,504</u>	<u>(2,952)</u>	<u>2,051</u>
Other Financing Sources (uses):						
Transfers in	34,256	33,113	35,414	38,652	44,465	55,636
Transfers out	(25,032)	(28,959)	(31,545)	(27,919)	(26,680)	(43,133)
Total other financing sources (uses)	<u>9,224</u>	<u>4,154</u>	<u>3,869</u>	<u>10,733</u>	<u>17,785</u>	<u>12,503</u>
Special items	-	-	-	7,000	-	-
Changes in fund balances	<u>\$ 26,552</u>	<u>\$ 5,558</u>	<u>\$ 16,815</u>	<u>\$ 38,237</u>	<u>\$ 14,833</u>	<u>\$ 14,554</u>
Fund Balance, beginning of year	123,444	149,996	155,554	172,369	210,606	225,439
Fund Balance, end of year	<u>\$ 149,996</u>	<u>\$ 155,554</u>	<u>\$ 172,369</u>	<u>\$ 210,606</u>	<u>\$ 225,439</u>	<u>\$ 239,993</u>
Less reserves and commitments						
Nonspendable	\$ 2	\$ 3,812	\$ 3,845	\$ -	\$ 1,279	\$ 1,084
Restricted	2,962	17	-	-	-	-
Committed:						
Economic uncertainty	46,950	49,644	52,700	55,200	55,200	58,499
Capital projects	37,526	49,265	37,583	39,995	57,689	57,417
Community center theater renovation	8,500	-	-	-	-	-
Fire programs	5,720	1,386	6,189	9,568	5,635	7,438
Pension	-	-	5,000	13,500	-	-
OPEB	6,752	5,324	2,619	6,644	4,264	6,828
SCXEA labor for FY2020	-	-	-	4,256	-	-
Set-aside for FY22 Budget	-	-	-	-	-	5,500
Homeless programs	250	-	-	-	-	-
Gas tax	-	2,087	2,087	2,087	-	-
Other programs	13,953	19,280	37,325	46,052	49,405	72,809
Assigned:						
Unrealized investment gains	732	-	-	381	1,960	103
Unassigned	<u>\$ 26,649</u>	<u>\$ 24,739</u>	<u>\$ 25,021</u>	<u>\$ 32,923</u>	<u>\$ 50,007</u>	<u>\$ 30,315</u>
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

City of Sacramento
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

(in thousands)

Fiscal Year End June 30	Gross Assessed Value ⁽¹⁾				Exemptions	Net Assessed Taxable Value	Total Direct Tax Rate ⁽³⁾
	Real Property	Personal Property	Public Utility ⁽²⁾	Total			
2012	\$ 35,267,406	\$ 1,711,462	\$ 12,132	\$ 36,991,000	\$ 488,888	\$ 36,502,112	1.00
2013	34,332,037	1,626,943	13,157	35,972,137	477,326	35,494,811	1.00
2014	35,829,529	1,546,891	12,381	37,388,801	464,546	36,924,255	1.00
2015	37,918,666	1,585,876	18,173	39,522,715	455,212	39,067,503	1.00
2016	39,823,777	1,513,519	9,267	41,346,563	448,778	40,897,785	1.00
2017	42,300,010	1,623,203	9,193	43,932,406	446,690	43,485,716	1.00
2018	45,389,674	1,692,375	8,974	47,091,023	445,647	46,645,376	1.00
2019	48,919,753	1,868,599	8,701	50,797,053	444,652	50,352,401	1.00
2020	53,124,698	1,869,844	9,185	55,003,727	444,470	54,559,257	1.00
2021	56,812,389	1,993,337	9,069	58,814,795	444,432	58,370,363	1.00

Notes: (1) Article XIII A, added to California Constitution by Proposition 13 in 1978, fixed the base for valuation of property subject to taxes at the full cash value appeared on the Assessor's 1975-76 assessment roll. Therefore, full cash value can be increased to reflect:

- a) annual inflation up to 2%;
- b) current market value at time of ownership change;
- c) market value for new construction.

Estimated actual value of taxable property cannot be easily determined as the property in the City is not reassessed annually. Reassessment normally occurs when ownership changes.

(2) The decrease in public utility assessed value is primarily due to the transfer of the downtown railyards from a railroad company to a private developer and the City.

(3) This 1% is shared by all taxing agencies for which the subject property resides within.

Exhibit C

**City of Sacramento
Principal Property Taxpayers
Current Fiscal Year and Nine Years Ago**

(in thousands)

Taxpayer	2021			2012		
	Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Sacramento Kings	\$ 399,488	1	0.68 %	-	-	-
Hancock SREIT Sacramento LLC	198,750	2	0.34	-	-	-
Pac West Office Equities LP	187,970	3	0.32	-	-	-
M/H Realty Partners VI LP	174,289	4	0.30	-	-	-
SRI Eleven 621 Capitol Mall LLC	167,504	5	0.29	-	-	-
Arden Fair Associates	153,245	6	0.26	\$ 131,865	4	0.36 %
500 Capitol Mall LLC	147,446	7	0.25	-	-	-
HP Hood LLC	138,358	8	0.24	-	-	-
300 Capitol Mall Investors LP	129,540	9	0.22	-	-	-
Prime US-Park Tower LLC	129,336	10	0.22	-	-	-
Hines Sacramento Wells Fargo	-	-	-	391,849	1	1.07
CIM Sacramento LLC	-	-	-	227,866	2	0.62
Verizon	-	-	-	160,723	3	0.44
Comcast Cable	-	-	-	127,309	5	0.35
621 Capitol Mall LLC	-	-	-	115,137	6	0.32
300 Capitol Association NF LP	-	-	-	114,727	7	0.31
Downtown Plaza LLC	-	-	-	97,565	8	0.27
1415 Meridian Plaza LLC	-	-	-	81,818	9	0.22
Sacramento Equities REIT	-	-	-	81,806	10	0.23
	<u>1,825,926</u>		<u>3.12</u>	<u>1,530,665</u>		<u>4.19</u>
All other taxpayers	<u>56,544,437</u>		<u>96.88</u>	<u>34,971,447</u>		<u>95.81</u>
Total	<u>\$ 58,370,363</u>		<u>100.00 %</u>	<u>\$ 36,502,112</u>		<u>100.00 %</u>

Source: County of Sacramento, Office of Auditor/Controller

Exhibit D

GENERAL FUND OBLIGATION DEBT SERVICE, AS OF JUNE 30, 2021

Fiscal Year	2016 Refunding H Street Complex	2006 Capital Improvement Revenue Bonds, Series B	2006 Capital Improvement Revenue Bonds, Series E	2015 Lease Revenue Bonds (Golden 1 Center)	2015 Revenue Refunding Bonds	Total General Fund-related Leases & Loans Amount	Total Debt Service Obligations Amount
FY22	672,683	3,941,923	10,749,050.00	18,378,701	19,645,288	138,659	53,526,303
FY23	673,696	3,940,606	20,588,900.00	18,289,067	9,928,813	69,330	53,490,411
FY24	669,283	3,937,750	20,121,668.75	18,289,067	9,922,438	-	52,940,206
FY25	674,515	3,933,765	20,020,668.75	18,289,286	9,925,688	-	52,843,922
FY26	669,250	3,928,351	20,036,856.25	18,286,258	9,898,313	-	52,819,027
FY27	673,630	3,926,060	20,030,900.00	18,289,420	9,904,438	-	52,824,447
FY28	672,442	3,926,294	20,031,225.00	18,287,643	9,909,388	-	52,826,991
FY29	670,899	3,923,604	20,127,975.00	18,285,364	9,896,838	-	52,904,680
FY30	673,859	3,917,692	20,128,787.50	18,286,739	9,897,256	-	52,904,333
FY31	676,251	3,908,259	20,128,793.75	18,285,638	5,854,175	-	48,853,116
FY32	668,146	3,909,556	20,130,500.00	18,286,217	5,844,050	-	48,838,469
FY33	334,686	3,900,987	20,136,150.00	18,282,349	5,394,175	-	48,048,347
FY34	-	3,892,251	3,632,925.00	18,283,188	5,384,550	-	31,192,914
FY35	-	3,892,453	-	18,282,324	5,130,175	-	27,304,951
FY36	-	3,880,993	-	18,283,630	5,120,800	-	27,285,423
FY37	-	3,872,424	-	18,280,697	5,120,400	-	27,273,521
FY38	-	-	-	18,282,397	-	-	18,282,397
FY39	-	-	-	18,282,040	-	-	18,282,040
FY40	-	-	-	18,278,216	-	-	18,278,216
FY41	-	-	-	18,279,516	-	-	18,279,516
FY42	-	-	-	18,278,967	-	-	18,278,967
FY43	-	-	-	18,279,878	-	-	18,279,878
FY44	-	-	-	18,275,276	-	-	18,275,276
FY45	-	-	-	18,273,469	-	-	18,273,469
FY46	-	-	-	18,277,204	-	-	18,277,204
FY47	-	-	-	18,273,943	-	-	18,273,943
FY48	-	-	-	18,271,713	-	-	18,271,713
FY49	-	-	-	18,272,978	-	-	18,272,978
FY50	-	-	-	18,269,919	-	-	18,269,919
Total	7,729,340	62,632,964	235,864,400	530,261,104	136,776,781	207,989	973,472,578

Source: City of Sacramento



GASB 68 Accounting Report

CalPERS ID: 7903930500
Valuation Rate Plan Identifier: 1209

Prepared for
City of Sacramento
Miscellaneous Plan,
an Agent Multiple-Employer Defined
Benefit Pension Plan

Measurement Date of June 30, 2020

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Appendix A – Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

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Appendix B – Interest and Total Projected Earnings

Interest on Total Pension Liability and Total Projected Earnings	B-1
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Actuarial Certification

This report provides disclosure and reporting information as required under Governmental Accounting Standards Board Statement 68 (GASB 68) for the Miscellaneous Plan of the City of Sacramento (the "Plan"), an Agent Multiple-Employer Defined Benefit Pension Plan participating in the California Public Employees' Retirement System (CalPERS), for the measurement period ended June 30, 2020.

This report is to be viewed solely for the purpose of financial accounting requirements. Any usage of the contents provided in this report for purposes other than financial accounting requirements would be inappropriate.

This accounting report relies on liabilities and related validation work performed by the CalPERS Actuarial Office as part of the June 30, 2019 annual funding valuation for the Plan. The census data and benefit provisions underlying the liabilities were prepared as of June 30, 2019 and certified as part of the annual funding valuation by the CalPERS Actuarial Office. The June 30, 2019 liabilities, which were rolled forward to June 30, 2020 and used for this accounting report, are based on actuarial assumptions adopted by the CalPERS Board of Administration and consistent with the requirements of GASB 68. The assumptions and methods are internally consistent and reasonable for this Plan. The asset information used in this accounting report is provided by the CalPERS Financial Office.

With the provided liability and asset information, the total pension liability, net pension liability, deferred inflows and outflows and pension expense were developed for the measurement period using standard actuarial techniques.

The undersigned is an actuary for CalPERS, who is a member of the American Academy of Actuaries and the Society of Actuaries and meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.



MAY SHUANG YU, ASA, MAAA

Senior Pension Actuary, CalPERS

Introduction

This is the GASB 68 accounting report for the measurement date June 30, 2020. Notes to the Agent Multiple-Employer Defined Benefit Pension Plan GASB 68 accounting reports are in a separate document, which may be accessed on the CalPERS website at www.calpers.ca.gov.

GASB 68 requires that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used.

Valuation Date	June 30, 2019
Measurement Date	June 30, 2020
Measurement Period	July 1, 2019 to June 30, 2020

Pension Plan Fiduciary Net Position

The plan fiduciary net position disclosed in your GASB 68 accounting report may differ from the plan assets reported in your funding actuarial valuation report due to several reasons. For example, for the accounting reports, CalPERS must keep items such as deficiency reserves and fiduciary self-insurance included as assets. These amounts are excluded for rate setting purposes in your funding actuarial valuation.

Changes in the Net Pension Liability

The following table shows the changes in net pension liability recognized over the measurement period.

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (c) = (a) – (b)
Balance at: 06/30/2019	\$1,407,757,647	\$1,031,177,580	\$376,580,067
Beginning of Year Adjustment	\$0	\$0	\$0
Adjusted Balance at: 06/30/2019	\$1,407,757,647	\$1,031,177,580	\$376,580,067
Changes Recognized for the Measurement Period:			
Service Cost	30,235,662		30,235,662
Interest on Total Pension Liability	99,809,812		99,809,812
Changes of Benefit Terms	0		0
Changes of Assumptions	0		0
Differences Between Expected and Actual Experience	2,600,474		2,600,474
Net Plan to Plan Resource Movement		0	0
Contributions – Employer		39,117,681	(39,117,681)
Contributions – Employees		15,017,980	(15,017,980)
Net Investment Income		51,631,631	(51,631,631)
Benefit Payments, Including Refunds of Employee Contributions	(59,069,059)	(59,069,059)	0
Administrative Expense		(1,453,707)	1,453,707
Other Miscellaneous (Income)/Expense		0	0
Net Changes During 2019-20	\$73,576,889	\$45,244,526	\$28,332,363
Balance at: 06/30/2020	\$1,481,334,536	\$1,076,422,106	\$404,912,430

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

	Discount Rate -1% 6.15%	Current Discount Rate 7.15%	Discount Rate + 1% 8.15%
Plan's Net Pension Liability/(Asset)	\$612,124,979	\$404,912,430	\$234,389,098

Pension Expense/(Income) for Measurement Period Ended June 30, 2020

Description	Amount
Service Cost	\$30,235,662
Interest on Total Pension Liability	99,809,812
Changes of Benefit Terms	0
Recognized Changes of Assumptions	(2,451,253)
Recognized Differences Between Expected and Actual Experience	7,513,314
Net Plan to Plan Resource Movement	0
Employee Contributions	(15,017,980)
Projected Earnings on Pension Plan Investments	(73,392,875)
Recognized Differences Between Projected and Actual Earnings on Plan Investments	7,806,606
Administrative Expense	1,453,707
Other Miscellaneous (Income)/Expense	0
Total Pension Expense/(Income)	\$55,956,993

Deferred Outflows and Deferred Inflows of Resources Related to Pensions

The following table presents deferred outflows and deferred inflows of resources related to pensions as of June 30, 2020. Note that no adjustments have been made for contributions subsequent to the measurement date. Appropriate treatment of any contributions made after the measurement date is the responsibility of the employer.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions	\$0	\$0
Differences Between Expected and Actual Experience	5,728,928	0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	8,880,175	0
Total	\$14,609,103	\$0

Amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in future pension expense as follows:

Measurement Periods Ended June 30:	Deferred Outflows/(Inflows) of Resources
2021	\$1,169,748
2022	3,704,146
2023	5,382,961
2024	4,352,248
2025	0
Thereafter	0

Note: For employers with June 30 year-end, the fiscal year will be one year later than the measurement period. For example, the 2021 measurement period presented in the above table will be listed as year 2022 in the employer's fiscal year ending June 30, 2021 financial statements.

Expected Average Remaining Service Lifetime (EARSL)

The EARSL for the Plan for the measurement period ending June 30, 2020 is 2.9 years, which was obtained by dividing the total service years of 28,772 (the sum of remaining service lifetimes of the active employees) by 9,980 (the total number of participants: active, inactive, and retired). Inactive employees and retirees have remaining service lifetimes equal to 0. Total future service is based on the members' probability of decrementing due to an event other than receiving a cash refund.

Schedules of Required Supplementary Information

Schedule of Changes in Net Pension Liability and Related Ratios for the Measurement Periods Ended June 30

Measurement Period	2020	2019	2018	2017	2016
TOTAL PENSION LIABILITY:					
Service Cost	\$30,235,662	\$29,053,385	\$28,403,688	\$27,795,727	\$23,374,624
Interest on Total Pension Liability	99,809,812	94,760,263	89,060,339	84,334,185	79,514,856
Changes of Benefit Terms	0	0	0	0	0
Changes of Assumptions	0	0	(7,898,485)	75,969,675	0
Difference Between Expected and Actual Experience	2,600,474	12,969,987	6,909,054	(837,981)	(333,340)
Benefit Payments, Including Refunds of Employee Contributions	(59,069,059)	(53,695,328)	(48,383,999)	(42,304,813)	(37,980,223)
Net Change in Total Pension Liability	\$73,576,889	\$83,088,307	\$68,090,597	\$144,956,793	\$64,575,917
Total Pension Liability – Beginning	1,407,757,647	1,324,669,340	1,256,578,743	1,111,621,950	1,047,046,033
Total Pension Liability – Ending (a)	\$1,481,334,536	\$1,407,757,647	\$1,324,669,340	\$1,256,578,743	\$1,111,621,950
PLAN FIDUCIARY NET POSITION					
Contributions – Employer	\$39,117,681	\$34,101,948	\$29,514,351	\$28,719,315	\$25,962,718
Contributions – Employee	15,017,980	14,288,578	12,633,667	12,190,145	11,991,032
Net Investment Income	51,631,631	64,092,297	76,765,652	91,481,199	4,260,663
Benefit Payments, Including Refunds of Employee Contributions	(59,069,059)	(53,695,328)	(48,383,999)	(42,304,813)	(37,980,223)
Net Plan to Plan Resource Movement	0	494	(1,746)	73,647	530,976
Administrative Expense	(1,453,707)	(694,412)	(1,412,810)	(1,207,275)	(495,742)
Other Miscellaneous Income/(Expense) ¹	0	2,256	(2,682,950)	0	0
Net Change in Fiduciary Net Position	\$45,244,526	\$58,095,833	\$66,432,165	\$88,952,218	\$4,269,424
Plan Fiduciary Net Position – Beginning ²	\$1,031,177,580	\$973,081,747	\$906,649,582	\$817,697,364	\$813,427,940
Plan Fiduciary Net Position – Ending (b)	1,076,422,106	1,031,177,580	973,081,747	906,649,582	817,697,364
Plan Net Pension Liability/(Asset) – (a)-(b)	\$404,912,430	\$376,580,067	\$351,587,593	\$349,929,161	\$293,924,586
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	72.67%	73.25%	73.46%	72.15%	73.56%
Covered Payroll ³	\$195,700,077	\$185,822,739	\$181,331,004	\$176,795,109	\$166,402,958
Plan Net Pension Liability/(Asset) as a Percentage of Covered-Employee Payroll	206.90%	202.66%	193.89%	197.93%	176.63%

¹ During Fiscal Year 2017-18, as a result of Governmental Accounting Standards Board Statement (GASB) No. 75, Accounting and Financial Reporting for Postemployment Benefit Plans Other than Pensions (GASB 75), CalPERS reported its proportionate share of activity related to postemployment benefits for participation in the State of California's agent OPEB plan. Accordingly, CalPERS recorded a one-time expense as a result of the adoption of GASB 75.

Additionally, CalPERS employees participate in various State of California agent pension plans and during Fiscal Year 2017-18, CalPERS recorded a correction to previously reported financial statements to properly reflect its proportionate share of activity related to pensions in accordance with GASB Statement No. 68, Accounting and Financial Reporting for Pensions (GASB 68).

² Includes any beginning of year adjustment.

³ Includes one year's payroll growth using 2.75 percent payroll growth assumption for fiscal years ended June 30, 2018-20; 3.00 percent payroll growth assumption for fiscal years ended June 30, 2014-17.

Schedules of Required Supplementary Information (continued)

Measurement Period	2015	2014			
TOTAL PENSION LIABILITY:					
Service Cost	\$22,342,045	\$23,109,946			
Interest on Total Pension Liability	74,834,991	70,942,490			
Changes of Benefit Terms	0	0			
Changes of Assumptions	(20,152,867)	0			
Difference Between Expected and Actual Experience	(8,865,289)	0			
Benefit Payments, Including Refunds of Employee Contributions	(34,390,309)	(30,239,753)			
Net Change in Total Pension Liability	\$33,768,571	\$63,812,683			
Total Pension Liability – Beginning	1,013,277,462	949,464,779			
Total Pension Liability – Ending (a)	\$1,047,046,033	\$1,013,277,462			
PLAN FIDUCIARY NET POSITION					
Contributions – Employer	\$22,826,829	\$21,613,131			
Contributions – Employee	11,302,316	11,670,231			
Net Investment Income	18,046,623	118,325,674			
Benefit Payments, Including Refunds of Employee Contributions	(34,390,309)	(30,239,753)			
Net Plan to Plan Resource Movement	(3,066,289)	0			
Administrative Expense	(921,940)	0			
Other Miscellaneous Income/(Expense) ¹	0	0			
Net Change in Fiduciary Net Position	\$13,797,230	\$121,369,283			
Plan Fiduciary Net Position – Beginning ²	\$799,630,710	\$678,261,427			
Plan Fiduciary Net Position – Ending (b)	813,427,940	799,630,710			
Plan Net Pension Liability/(Asset) – (a)-(b)	\$233,618,093	\$213,646,752			
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	77.69%	78.92%			
Covered Payroll ³	\$157,449,221	\$156,032,311			
Plan Net Pension Liability/(Asset) as a Percentage of Covered-Employee Payroll	148.38%	136.92%			

¹ During Fiscal Year 2017-18, as a result of Governmental Accounting Standards Board Statement (GASB) No. 75, Accounting and Financial Reporting for Postemployment Benefit Plans Other than Pensions (GASB 75), CalPERS reported its proportionate share of activity related to postemployment benefits for participation in the State of California's agent OPEB plan. Accordingly, CalPERS recorded a one-time expense as a result of the adoption of GASB 75.

Additionally, CalPERS employees participate in various State of California agent pension plans and during Fiscal Year 2017-18, CalPERS recorded a correction to previously reported financial statements to properly reflect its proportionate share of activity related to pensions in accordance with GASB Statement No. 68, Accounting and Financial Reporting for Pensions (GASB 68).

² Includes any beginning of year adjustment.

³ Includes one year's payroll growth using 2.75 percent payroll growth assumption for fiscal years ended June 30, 2018-20; 3.00 percent payroll growth assumption for fiscal years ended June 30, 2014-17.

Schedules of Required Supplementary Information (continued)

Notes to Schedule of Changes in Net Pension Liability and Related Ratios:

Benefit Changes: The figures above include any liability impact that may have resulted from voluntary benefit changes that occurred after the June 30, 2019 valuation. However, offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes) that occurred after the June 30, 2019 valuation date are not included in the figures above, unless the liability impact is deemed to be material by the plan actuary.

Changes of Assumptions: None in 2019 or 2020. In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Assumptions December 2017. There were no changes in the discount rate. In 2017, the discount rate was reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense). In 2014, amounts reported were based on the 7.5 percent discount rate.

Schedule of Plan Contributions for the Fiscal Years Ended June 30¹

Employer Fiscal Year End	2020	2019	2018	2017	2016	2015	2014
Actuarially Determined Contribution ²	\$39,117,681	\$34,101,948	\$29,514,351	\$28,719,315	\$25,962,718	\$22,826,829	\$21,613,131
Contributions in Relation to the Actuarially Determined Contribution ²	(39,117,681)	(34,101,948)	(29,514,351)	(28,719,315)	(25,962,718)	(22,826,829)	(21,613,131)
Contribution Deficiency (Excess)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Covered Payroll ³	\$195,700,077	\$185,822,739	\$181,331,004	\$176,795,109	\$166,402,958	\$157,449,221	\$156,032,311
Contributions as a Percentage of Covered Payroll ³	19.99%	18.35%	16.28%	16.24%	15.60%	14.50%	13.85%

¹ As prescribed in GASB 68, paragraph 46, the information presented in the Schedule of Plan Contributions should also be presented as of the employer's most recent fiscal year-end. The employer is responsible for determining this information as prescribed by the standard as this data is not available to CalPERS.

² Employers are assumed to make contributions equal to the actuarially determined contributions. However, some employers may choose to make additional contributions towards their unfunded liability. Employer contributions for such plans exceed the actuarially determined contributions.

³ Includes one year's payroll growth using 2.75 percent payroll growth assumption for fiscal years ended June 30, 2018-20; 3.00 percent payroll growth assumption for fiscal years ended June 30, 2014-17.

Notes to Schedule of Plan Contributions:

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2019-20 were derived from the June 30, 2017 funding valuation report.

Actuarial Cost Method	Entry Age Normal
Amortization Method/Period	For details, see June 30, 2017 Funding Valuation Report.
Asset Valuation Method	Fair Value of Assets. For details, see June 30, 2017 Funding Valuation Report.
Inflation	2.625%
Salary Increases	Varies by Entry Age and Service
Payroll Growth	2.875%
Investment Rate of Return	7.25% Net of Pension Plan Investment and Administrative Expenses; includes Inflation.
Retirement Age	The probabilities of Retirement are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015.
Mortality	The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries.

Other Information:

For changes to previous years' information, refer to past GASB 68 reports.

Appendices

- **Appendix A – Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**
- **Appendix B – Interest and Total Projected Earnings**

Appendix A

Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

- Schedule of Changes of Assumptions
- Deferred Outflows of Resources and Deferred Inflows of Resources Arising From Changes of Assumptions
- Schedule of Differences Between Expected and Actual Experience
- Deferred Outflows of Resources and Deferred Inflows of Resources Arising From Differences Between Expected and Actual Experience
- Schedule of Differences Between Projected and Actual Earnings on Pension Plan Investments
- Deferred Outflows of Resources and Deferred Inflows of Resources Arising From Differences Between Projected and Actual Earnings on Pension Plan Investments
- Summary of Recognized Deferred Outflows of Resources and Deferred Inflows of Resources

Schedule of Changes of Assumptions

Increase (Decrease) in Pension Expense Arising From the Recognition of the Effects of Changes of Assumptions

Measurement Date	Changes of Assumptions	Remaining Recognition Period (Years)	Increase (Decrease) in Pension Expense Arising From the Recognition of the Effects of Changes of Assumptions						
			2020	2021	2022	2023	2024	2025	Thereafter
2014	\$0	0.0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2015	(20,152,867)	0.0	0	0	0	0	0	0	0
2016	0	0.0	0	0	0	0	0	0	0
2017	75,969,675	0.0	0	0	0	0	0	0	0
2018	(7,898,485)	0.9	(2,451,253)	0	0	0	0	0	0
2019	0	0.0	0	0	0	0	0	0	0
2020	0	0.0	0	0	0	0	0	0	0
Net Increase (Decrease) in Pension Expense			(\$2,451,253)	\$0	\$0	\$0	\$0	\$0	\$0

Deferred Outflows of Resources and Deferred Inflows of Resources Arising From Changes of Assumptions

Measurement Date	Increase in Total Pension Liability (a)	Decrease in Total Pension Liability (b)	Amounts Recognized in Pension Expense Through June 30, 2020 (c)	Balances at June 30, 2020	
				Deferred Outflows of Resources (a) – (c)	Deferred Inflows of Resources (b) – (c)
2014	\$0	\$0	\$0	\$0	\$0
2015	0	(20,152,867)	(20,152,867)	0	0
2016	0	0	0	0	0
2017	75,969,675	0	75,969,675	0	0
2018	0	(7,898,485)	(7,898,485)	0	0
2019	0	0	0	0	0
2020	0	0	0	0	0
				\$0	\$0

Schedule of Differences Between Expected and Actual Experience

Increase (Decrease) in Pension Expense Arising From the Recognition of the Effects of Differences Between Expected and Actual Experience

Measurement Date	Differences Between Expected and Actual Experience	Remaining Recognition Period (Years)	Increase (Decrease) in Pension Expense Arising From the Recognition of the Effects of Differences Between Expected and Actual Experience						
			2020	2021	2022	2023	2024	2025	Thereafter
2014	\$0	0.0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2015	(8,865,289)	0.0	0	0	0	0	0	0	0
2016	(333,340)	0.0	0	0	0	0	0	0	0
2017	(837,981)	0.0	0	0	0	0	0	0	0
2018	6,909,054	0.9	2,144,190	0	0	0	0	0	0
2019	12,969,987	1.9	4,472,409	4,025,169	0	0	0	0	0
2020	2,600,474	2.9	896,715	896,715	807,044	0	0	0	0
Net Increase (Decrease) in Pension Expense			\$7,513,314	\$4,921,884	\$807,044	\$0	\$0	\$0	\$0

Deferred Outflows of Resources and Deferred Inflows of Resources Arising From Differences Between Expected and Actual Experience

Measurement Date	Experience Losses (a)	Experience Gains (b)	Amounts Recognized in Pension Expense Through June 30, 2020 (c)	Balances at June 30, 2020	
				Deferred Outflows of Resources (a) – (c)	Deferred Inflows of Resources (b) – (c)
2014	\$0	\$0	\$0	\$0	\$0
2015	0	(8,865,289)	(8,865,289)	0	0
2016	0	(333,340)	(333,340)	0	0
2017	0	(837,981)	(837,981)	0	0
2018	6,909,054	0	6,909,054	0	0
2019	12,969,987	0	8,944,818	4,025,169	0
2020	2,600,474	0	896,715	1,703,759	0
				\$5,728,928	\$0

Schedule of Differences Between Projected and Actual Earnings on Pension Plan Investments

**Increase (Decrease) in Pension Expense Arising From the Recognition of the Differences
 Between Projected and Actual Earnings on Pension Plan Investments**

Measurement Date	Differences Between Projected and Actual Earnings on Pension Plan Investments	Remaining Recognition Period (Years)	Increase (Decrease) in Pension Expense Arising From the Recognition of the Differences Between Projected and Actual Earnings on Pension Plan Investments						
			2020	2021	2022	2023	2024	2025	Thereafter
2014	(\$67,539,546)	0.0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2015	42,768,440	0.0	0	0	0	0	0	0	0
2016	57,793,697	1.0	11,558,741	0	0	0	0	0	0
2017	(33,246,191)	2.0	(6,649,238)	(6,649,239)	0	0	0	0	0
2018	(12,429,291)	3.0	(2,485,858)	(2,485,858)	(2,485,859)	0	0	0	0
2019	5,153,560	4.0	1,030,712	1,030,712	1,030,712	1,030,712	0	0	0
2020	21,761,244	5.0	4,352,249	4,352,249	4,352,249	4,352,249	4,352,248	0	0
Net Increase (Decrease) in Pension Expense			\$7,806,606	(\$3,752,136)	\$2,897,102	\$5,382,961	\$4,352,248	\$0	\$0

Deferred Outflows of Resources and Deferred Inflows of Resources Arising From Differences Between Projected and Actual Earnings on Pension Plan Investments

Measurement Date	Investment Earnings Less Than Projected (a)	Investment Earnings Greater Than Projected (b)	Amounts Recognized in Pension Expense Through June 30, 2020 (c)	Balances at June 30, 2020	
				Deferred Outflows of Resources (d) = (a) – (c)	Deferred Inflows of Resources (e) = (b) – (c)
2014	\$0	(\$67,539,546)	(\$67,539,546)	\$0	\$0
2015	42,768,440	0	42,768,440	0	0
2016	57,793,697	0	57,793,697	0	0
2017	0	(33,246,191)	(26,596,952)	0	(6,649,239)
2018	0	(12,429,291)	(7,457,574)	0	(4,971,717)
2019	5,153,560	0	2,061,424	3,092,136	0
2020	21,761,244	0	4,352,249	17,408,995	0
				\$20,501,131	(\$11,620,956)
				Net Deferred Outflows/(Inflows) of Resources	
				(d) + (e)	
				\$8,880,175	

Note: GASB 68 paragraph 33 requires that deferred outflows of resources and deferred inflows of resources arising from differences between projected and actual pension plan investment earnings in different measurement periods should be aggregated and reported as a net deferred outflow or inflow.

Summary of Recognized Deferred Outflows of Resources and Deferred Inflows of Resources

	Net Increase (Decrease) in Pension Expense						
	2020	2021	2022	2023	2024	2025	Thereafter
Changes of Assumptions	(\$2,451,253)	\$0	\$0	\$0	\$0	\$0	\$0
Differences Between Expected and Actual Experience	7,513,314	4,921,884	807,044	0	0	0	0
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	7,806,606	(3,752,136)	2,897,102	5,382,961	4,352,248	0	0
Grand Total	\$12,868,667	\$1,169,748	\$3,704,146	\$5,382,961	\$4,352,248	\$0	\$0

Appendix B

Interest and Total Projected Earnings

- Interest on Total Pension Liability and Total Projected Earnings

Interest on Total Pension Liability and Total Projected Earnings

Interest on Total Pension Liability	Amount for Period (a)	Portion of Period (b)	Interest Rate (c)	Interest on the Total Pension Liability (a) X (b) X (c)
Beginning Total Pension Liability	\$1,407,757,647	100%	7.15%	\$100,654,672
Changes of Benefit Terms	0	100%	7.15%	0
Changes of Assumptions	0	100%	7.15%	0
Difference Between Expected and Actual Experience	2,600,474	100%	7.15%	185,934
Service Cost	30,235,662	50%	7.15%	1,080,925
Benefit Payments, Including Refunds of Employee Contributions	(59,069,059)	50%	7.15%	(2,111,719)
Total Interest on Total Pension Liability				\$99,809,812

Projected Earnings on Pension Plan Investments	Amount for Period (a)	Portion of Period (b)	Projected Rate of Return (c)	Projected Earnings (a) X (b) X (c)
Beginning Plan Fiduciary Net Position Excluding Receivables ¹	\$1,029,545,534	100%	7.15%	\$73,612,506
Net Plan to Plan Resource Movement	0	50%	7.15%	0
Employer Contributions	39,117,681	50%	7.15%	1,398,457
Employee Contributions ²	15,261,574	50%	7.15%	545,601
Benefit Payments, Including Refunds of Employee Contributions	(59,069,059)	50%	7.15%	(2,111,719)
Administrative Expense	(1,453,707)	50%	7.15%	(51,970)
Other Miscellaneous Income/(Expense)	0	50%	7.15%	0
Total Projected Earnings				\$73,392,875

¹ Includes any beginning of year adjustment. Contribution receivables for employee service buybacks, totaling \$1,632,046 as of June 30, 2019, were excluded for purposes of calculating projected earnings on pension plan investments.

² The increase/(decrease) in contribution receivables for employee service buybacks, totaling (\$243,594) during fiscal year 2019-20, were excluded for purposes of calculating projected earnings on pension plan investments.



GASB 68 Accounting Report

CalPERS ID: 7903930500
Valuation Rate Plan Identifier: 1210

Prepared for
City of Sacramento
Safety Plan,
an Agent Multiple-Employer Defined
Benefit Pension Plan

Measurement Date of June 30, 2020

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Appendix A – Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

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Appendix B – Interest and Total Projected Earnings

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Actuarial Certification

This report provides disclosure and reporting information as required under Governmental Accounting Standards Board Statement 68 (GASB 68) for the Safety Plan of the City of Sacramento (the “Plan”), an Agent Multiple-Employer Defined Benefit Pension Plan participating in the California Public Employees’ Retirement System (CalPERS), for the measurement period ended June 30, 2020.

This report is to be viewed solely for the purpose of financial accounting requirements. Any usage of the contents provided in this report for purposes other than financial accounting requirements would be inappropriate.

This accounting report relies on liabilities and related validation work performed by the CalPERS Actuarial Office as part of the June 30, 2019 annual funding valuation for the Plan. The census data and benefit provisions underlying the liabilities were prepared as of June 30, 2019 and certified as part of the annual funding valuation by the CalPERS Actuarial Office. The June 30, 2019 liabilities, which were rolled forward to June 30, 2020 and used for this accounting report, are based on actuarial assumptions adopted by the CalPERS Board of Administration and consistent with the requirements of GASB 68. The assumptions and methods are internally consistent and reasonable for this Plan. The asset information used in this accounting report is provided by the CalPERS Financial Office.

With the provided liability and asset information, the total pension liability, net pension liability, deferred inflows and outflows and pension expense were developed for the measurement period using standard actuarial techniques.

The undersigned is an actuary for CalPERS, who is a member of the American Academy of Actuaries and the Society of Actuaries and meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.



MAY SHUANG YU, ASA, MAAA

Senior Pension Actuary, CalPERS

Introduction

This is the GASB 68 accounting report for the measurement date June 30, 2020. Notes to the Agent Multiple-Employer Defined Benefit Pension Plan GASB 68 accounting reports are in a separate document, which may be accessed on the CalPERS website at www.calpers.ca.gov.

GASB 68 requires that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used.

Valuation Date	June 30, 2019
Measurement Date	June 30, 2020
Measurement Period	July 1, 2019 to June 30, 2020

Pension Plan Fiduciary Net Position

The plan fiduciary net position disclosed in your GASB 68 accounting report may differ from the plan assets reported in your funding actuarial valuation report due to several reasons. For example, for the accounting reports, CalPERS must keep items such as deficiency reserves and fiduciary self-insurance included as assets. These amounts are excluded for rate setting purposes in your funding actuarial valuation.

Changes in the Net Pension Liability

The following table shows the changes in net pension liability recognized over the measurement period.

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (c) = (a) – (b)
Balance at: 06/30/2019	\$2,018,702,845	\$1,381,872,106	\$636,830,739
Beginning of Year Adjustment	\$0	\$0	\$0
Adjusted Balance at: 06/30/2019	\$2,018,702,845	\$1,381,872,106	\$636,830,739
Changes Recognized for the Measurement Period:			
Service Cost	42,306,347		42,306,347
Interest on Total Pension Liability	143,878,049		143,878,049
Changes of Benefit Terms	0		0
Changes of Assumptions	0		0
Differences Between Expected and Actual Experience	20,245,556		20,245,556
Net Plan to Plan Resource Movement		0	0
Contributions – Employer		58,583,694	(58,583,694)
Contributions – Employees		23,832,448	(23,832,448)
Net Investment Income		69,226,226	(69,226,226)
Benefit Payments, Including Refunds of Employee Contributions	(95,642,311)	(95,642,311)	0
Administrative Expense		(1,948,101)	1,948,101
Other Miscellaneous (Income)/Expense		0	0
Net Changes During 2019-20	\$110,787,641	\$54,051,956	\$56,735,685
Balance at: 06/30/2020	\$2,129,490,486	\$1,435,924,062	\$693,566,424

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

	Discount Rate -1% 6.15%	Current Discount Rate 7.15%	Discount Rate + 1% 8.15%
Plan's Net Pension Liability/(Asset)	\$992,057,140	\$693,566,424	\$449,308,916

Pension Expense/(Income) for Measurement Period Ended June 30, 2020

Description	Amount
Service Cost	\$42,306,347
Interest on Total Pension Liability	143,878,049
Changes of Benefit Terms	0
Recognized Changes of Assumptions	15,325,113
Recognized Differences Between Expected and Actual Experience	11,525,756
Net Plan to Plan Resource Movement	0
Employee Contributions	(23,832,448)
Projected Earnings on Pension Plan Investments	(98,180,018)
Recognized Differences Between Projected and Actual Earnings on Plan Investments	10,844,901
Administrative Expense	1,948,101
Other Miscellaneous (Income)/Expense	0
Total Pension Expense/(Income)	\$103,815,801

Deferred Outflows and Deferred Inflows of Resources Related to Pensions

The following table presents deferred outflows and deferred inflows of resources related to pensions as of June 30, 2020. Note that no adjustments have been made for contributions subsequent to the measurement date. Appropriate treatment of any contributions made after the measurement date is the responsibility of the employer.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions	\$26,256,582	(\$7,482,241)
Differences Between Expected and Actual Experience	40,693,525	(3,700,455)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	11,149,522	0
Total	\$78,099,629	(\$11,182,696)

Amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in future pension expense as follows:

Measurement Periods Ended June 30:	Deferred Outflows/(Inflows) of Resources
2021	\$20,809,504
2022	17,261,308
2023	17,304,421
2024	11,144,729
2025	396,971
Thereafter	0

Note: For employers with June 30 year-end, the fiscal year will be one year later than the measurement period. For example, the 2021 measurement period presented in the above table will be listed as year 2022 in the employer's fiscal year ending June 30, 2021 financial statements.

Expected Average Remaining Service Lifetime (EARSL)

The EARSL for the Plan for the measurement period ending June 30, 2020 is 5.1 years, which was obtained by dividing the total service years of 15,581 (the sum of remaining service lifetimes of the active employees) by 3,040 (the total number of participants: active, inactive, and retired). Inactive employees and retirees have remaining service lifetimes equal to 0. Total future service is based on the members' probability of decrementing due to an event other than receiving a cash refund.

Schedules of Required Supplementary Information

Schedule of Changes in Net Pension Liability and Related Ratios for the Measurement Periods Ended June 30

Measurement Period	2020	2019	2018	2017	2016
TOTAL PENSION LIABILITY:					
Service Cost	\$42,306,347	\$40,221,149	\$38,385,859	\$37,372,520	\$31,672,063
Interest on Total Pension Liability	143,878,049	136,322,857	127,930,127	123,131,887	118,821,553
Changes of Benefit Terms	0	0	0	0	0
Changes of Assumptions	0	0	(17,241,688)	107,046,066	0
Difference Between Expected and Actual Experience	20,245,556	35,990,497	3,954,107	(15,086,475)	14,397,639
Benefit Payments, Including Refunds of Employee Contributions	(95,642,311)	(88,687,941)	(82,998,648)	(78,231,814)	(74,572,323)
Net Change in Total Pension Liability	\$110,787,641	\$123,846,562	\$70,029,757	\$174,232,184	\$90,318,932
Total Pension Liability – Beginning	2,018,702,845	1,894,856,283	1,824,826,526	1,650,594,342	1,560,275,410
Total Pension Liability – Ending (a)	\$2,129,490,486	\$2,018,702,845	\$1,894,856,283	\$1,824,826,526	\$1,650,594,342
PLAN FIDUCIARY NET POSITION					
Contributions – Employer	\$58,583,694	\$49,875,203	\$41,588,489	\$40,608,891	\$36,000,897
Contributions – Employee	23,832,448	22,751,971	21,563,568	18,980,493	18,465,310
Net Investment Income	69,226,226	86,281,951	104,660,890	125,585,855	4,971,102
Benefit Payments, Including Refunds of Employee Contributions	(95,642,311)	(88,687,941)	(82,998,648)	(78,231,814)	(74,572,323)
Net Plan to Plan Resource Movement	0	(494)	(3,555)	(73,647)	(340)
Administrative Expense	(1,948,101)	(936,689)	(1,921,893)	(1,665,625)	(697,193)
Other Miscellaneous Income/(Expense) ¹	0	3,046	(3,649,707)	0	0
Net Change in Fiduciary Net Position	\$54,051,956	\$69,287,047	\$79,239,144	\$105,204,153	(\$15,832,547)
Plan Fiduciary Net Position – Beginning ²	\$1,381,872,106	\$1,312,585,059	\$1,233,345,915	\$1,128,141,762	\$1,143,974,309
Plan Fiduciary Net Position – Ending (b)	1,435,924,062	1,381,872,106	1,312,585,059	1,233,345,915	1,128,141,762
Plan Net Pension Liability/(Asset) – (a)-(b)	\$693,566,424	\$636,830,739	\$582,271,224	\$591,480,611	\$522,452,580
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	67.43%	68.45%	69.27%	67.59%	68.35%
Covered Payroll ³	\$147,408,874	\$138,717,533	\$132,205,472	\$126,437,920	\$120,120,082
Plan Net Pension Liability/(Asset) as a Percentage of Covered-Employee Payroll	470.51%	459.08%	440.43%	467.80%	434.94%

¹ During Fiscal Year 2017-18, as a result of Governmental Accounting Standards Board Statement (GASB) No. 75, Accounting and Financial Reporting for Postemployment Benefit Plans Other than Pensions (GASB 75), CalPERS reported its proportionate share of activity related to postemployment benefits for participation in the State of California's agent OPEB plan. Accordingly, CalPERS recorded a one-time expense as a result of the adoption of GASB 75.

Additionally, CalPERS employees participate in various State of California agent pension plans and during Fiscal Year 2017-18, CalPERS recorded a correction to previously reported financial statements to properly reflect its proportionate share of activity related to pensions in accordance with GASB Statement No. 68, Accounting and Financial Reporting for Pensions (GASB 68).

² Includes any beginning of year adjustment.

³ Includes one year's payroll growth using 2.75 percent payroll growth assumption for fiscal years ended June 30, 2018-20; 3.00 percent payroll growth assumption for fiscal years ended June 30, 2014-17.

Schedules of Required Supplementary Information (continued)

Measurement Period	2015	2014			
TOTAL PENSION LIABILITY:					
Service Cost	\$29,653,042	\$29,538,887			
Interest on Total Pension Liability	112,331,793	107,188,618			
Changes of Benefit Terms	0	0			
Changes of Assumptions	(28,604,249)	0			
Difference Between Expected and Actual Experience	(592,555)	0			
Benefit Payments, Including Refunds of Employee Contributions	(70,544,699)	(66,215,114)			
Net Change in Total Pension Liability	\$42,243,332	\$70,512,391			
Total Pension Liability – Beginning	1,518,032,078	1,447,519,687			
Total Pension Liability – Ending (a)	\$1,560,275,410	\$1,518,032,078			
PLAN FIDUCIARY NET POSITION					
Contributions – Employer	\$30,798,271	\$27,934,662			
Contributions – Employee	15,564,873	16,094,362			
Net Investment Income	25,341,704	171,794,710			
Benefit Payments, Including Refunds of Employee Contributions	(70,544,699)	(66,215,114)			
Net Plan to Plan Resource Movement	533	0			
Administrative Expense	(1,287,544)	0			
Other Miscellaneous Income/(Expense) ¹	0	0			
Net Change in Fiduciary Net Position	(\$126,862)	\$149,608,620			
Plan Fiduciary Net Position – Beginning ²	\$1,144,101,171	\$994,492,551			
Plan Fiduciary Net Position – Ending (b)	1,143,974,309	1,144,101,171			
Plan Net Pension Liability/(Asset) – (a)-(b)	\$416,301,101	\$373,930,907			
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	73.32%	75.37%			
Covered Payroll ³	\$112,067,431	\$107,176,397			
Plan Net Pension Liability/(Asset) as a Percentage of Covered-Employee Payroll	371.47%	348.89%			

¹ During Fiscal Year 2017-18, as a result of Governmental Accounting Standards Board Statement (GASB) No. 75, Accounting and Financial Reporting for Postemployment Benefit Plans Other than Pensions (GASB 75), CalPERS reported its proportionate share of activity related to postemployment benefits for participation in the State of California’s agent OPEB plan. Accordingly, CalPERS recorded a one-time expense as a result of the adoption of GASB 75.

Additionally, CalPERS employees participate in various State of California agent pension plans and during Fiscal Year 2017-18, CalPERS recorded a correction to previously reported financial statements to properly reflect its proportionate share of activity related to pensions in accordance with GASB Statement No. 68, Accounting and Financial Reporting for Pensions (GASB 68).

² Includes any beginning of year adjustment.

³ Includes one year’s payroll growth using 2.75 percent payroll growth assumption for fiscal years ended June 30, 2018-20; 3.00 percent payroll growth assumption for fiscal years ended June 30, 2014-17.

Schedules of Required Supplementary Information (continued)

Notes to Schedule of Changes in Net Pension Liability and Related Ratios:

Benefit Changes: The figures above include any liability impact that may have resulted from voluntary benefit changes that occurred after the June 30, 2019 valuation. However, offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes) that occurred after the June 30, 2019 valuation date are not included in the figures above, unless the liability impact is deemed to be material by the plan actuary.

Changes of Assumptions: None in 2019 or 2020. In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Assumptions December 2017. There were no changes in the discount rate. In 2017, the discount rate was reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense). In 2014, amounts reported were based on the 7.5 percent discount rate.

Schedule of Plan Contributions for the Fiscal Years Ended June 30¹

Employer Fiscal Year End	2020	2019	2018	2017	2016	2015	2014
Actuarially Determined Contribution ²	\$58,583,694	\$49,875,203	\$41,588,489	\$40,608,891	\$36,000,897	\$30,798,271	\$27,934,662
Contributions in Relation to the Actuarially Determined Contribution ²	(58,583,694)	(49,875,203)	(41,588,489)	(40,608,891)	(36,000,897)	(30,798,271)	(27,934,662)
Contribution Deficiency (Excess)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Covered Payroll ³	\$147,408,874	\$138,717,533	\$132,205,472	\$126,437,920	\$120,120,082	\$112,067,431	\$107,176,397
Contributions as a Percentage of Covered Payroll ³	39.74%	35.95%	31.46%	32.12%	29.97%	27.48%	26.06%

¹ As prescribed in GASB 68, paragraph 46, the information presented in the Schedule of Plan Contributions should also be presented as of the employer's most recent fiscal year-end. The employer is responsible for determining this information as prescribed by the standard as this data is not available to CalPERS.

² Employers are assumed to make contributions equal to the actuarially determined contributions. However, some employers may choose to make additional contributions towards their unfunded liability. Employer contributions for such plans exceed the actuarially determined contributions.

³ Includes one year's payroll growth using 2.75 percent payroll growth assumption for fiscal years ended June 30, 2018-20; 3.00 percent payroll growth assumption for fiscal years ended June 30, 2014-17.

Notes to Schedule of Plan Contributions:

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2019-20 were derived from the June 30, 2017 funding valuation report.

Actuarial Cost Method	Entry Age Normal
Amortization Method/Period	For details, see June 30, 2017 Funding Valuation Report.
Asset Valuation Method	Fair Value of Assets. For details, see June 30, 2017 Funding Valuation Report.
Inflation	2.625%
Salary Increases	Varies by Entry Age and Service
Payroll Growth	2.875%
Investment Rate of Return	7.25% Net of Pension Plan Investment and Administrative Expenses; includes Inflation.
Retirement Age	The probabilities of Retirement are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015.
Mortality	The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries.

Other Information:

For changes to previous years' information, refer to past GASB 68 reports.

Appendices

- **Appendix A – Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**
- **Appendix B – Interest and Total Projected Earnings**

Appendix A

Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

- Schedule of Changes of Assumptions
- Deferred Outflows of Resources and Deferred Inflows of Resources Arising From Changes of Assumptions
- Schedule of Differences Between Expected and Actual Experience
- Deferred Outflows of Resources and Deferred Inflows of Resources Arising From Differences Between Expected and Actual Experience
- Schedule of Differences Between Projected and Actual Earnings on Pension Plan Investments
- Deferred Outflows of Resources and Deferred Inflows of Resources Arising From Differences Between Projected and Actual Earnings on Pension Plan Investments
- Summary of Recognized Deferred Outflows of Resources and Deferred Inflows of Resources

Schedule of Changes of Assumptions

Increase (Decrease) in Pension Expense Arising From the Recognition of the Effects of Changes of Assumptions

Measurement Date	Changes of Assumptions	Remaining Recognition Period (Years)	Increase (Decrease) in Pension Expense Arising From the Recognition of the Effects of Changes of Assumptions							
			2020	2021	2022	2023	2024	2025	Thereafter	
2014	\$0	0.0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2015	(28,604,249)	0.3	(1,619,109)	0	0	0	0	0	0	0
2016	0	0.0	0	0	0	0	0	0	0	0
2017	107,046,066	2.3	20,197,371	20,197,371	6,059,211	0	0	0	0	0
2018	(17,241,688)	3.3	(3,253,149)	(3,253,149)	(3,253,149)	(975,943)	0	0	0	0
2019	0	0.0	0	0	0	0	0	0	0	0
2020	0	0.0	0	0	0	0	0	0	0	0
Net Increase (Decrease) in Pension Expense			\$15,325,113	\$16,944,222	\$2,806,062	(\$975,943)	\$0	\$0	\$0	\$0

Deferred Outflows of Resources and Deferred Inflows of Resources Arising From Changes of Assumptions

Measurement Date	Increase in Total Pension Liability (a)	Decrease in Total Pension Liability (b)	Amounts Recognized in Pension Expense Through June 30, 2020 (c)	Balances at June 30, 2020	
				Deferred Outflows of Resources (a) – (c)	Deferred Inflows of Resources (b) – (c)
2014	\$0	\$0	\$0	\$0	\$0
2015	0	(28,604,249)	(28,604,249)	0	0
2016	0	0	0	0	0
2017	107,046,066	0	80,789,484	26,256,582	0
2018	0	(17,241,688)	(9,759,447)	0	(7,482,241)
2019	0	0	0	0	0
2020	0	0	0	0	0
				\$26,256,582	(\$7,482,241)

Schedule of Differences Between Expected and Actual Experience

Increase (Decrease) in Pension Expense Arising From the Recognition of the Effects of Differences Between Expected and Actual Experience

Measurement Date	Differences Between Expected and Actual Experience	Remaining Recognition Period (Years)	Increase (Decrease) in Pension Expense Arising From the Recognition of the Effects of Differences Between Expected and Actual Experience						
			2020	2021	2022	2023	2024	2025	Thereafter
2014	\$0	0.0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2015	(592,555)	0.3	(33,540)	0	0	0	0	0	0
2016	14,397,639	1.2	2,768,777	553,754	0	0	0	0	0
2017	(15,086,475)	2.3	(2,846,505)	(2,846,505)	(853,950)	0	0	0	0
2018	3,954,107	3.3	746,058	746,058	746,058	223,817	0	0	0
2019	35,990,497	4.2	6,921,249	6,921,249	6,921,249	6,921,249	1,384,252	0	0
2020	20,245,556	5.1	3,969,717	3,969,717	3,969,717	3,969,717	3,969,717	396,971	0
Net Increase (Decrease) in Pension Expense			\$11,525,756	\$9,344,273	\$10,783,074	\$11,114,783	\$5,353,969	\$396,971	\$0

Deferred Outflows of Resources and Deferred Inflows of Resources Arising From Differences Between Expected and Actual Experience

Measurement Date	Experience Losses (a)	Experience Gains (b)	Amounts Recognized in Pension Expense Through June 30, 2020 (c)	Balances at June 30, 2020	
				Deferred Outflows of Resources (a) – (c)	Deferred Inflows of Resources (b) – (c)
2014	\$0	\$0	\$0	\$0	\$0
2015	0	(592,555)	(592,555)	0	0
2016	14,397,639	0	13,843,885	553,754	0
2017	0	(15,086,475)	(11,386,020)	0	(3,700,455)
2018	3,954,107	0	2,238,174	1,715,933	0
2019	35,990,497	0	13,842,498	22,147,999	0
2020	20,245,556	0	3,969,717	16,275,839	0
				\$40,693,525	(\$3,700,455)

Schedule of Differences Between Projected and Actual Earnings on Pension Plan Investments

**Increase (Decrease) in Pension Expense Arising From the Recognition of the Differences
 Between Projected and Actual Earnings on Pension Plan Investments**

Measurement Date	Differences Between Projected and Actual Earnings on Pension Plan Investments	Remaining Recognition Period (Years)	Increase (Decrease) in Pension Expense Arising From the Recognition of the Differences Between Projected and Actual Earnings on Pension Plan Investments						
			2020	2021	2022	2023	2024	2025	Thereafter
2014	(\$98,188,251)	0.0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2015	61,061,962	0.0	0	0	0	0	0	0	0
2016	81,619,456	1.0	16,323,892	0	0	0	0	0	0
2017	(45,755,815)	2.0	(9,151,163)	(9,151,163)	0	0	0	0	0
2018	(17,467,045)	3.0	(3,493,409)	(3,493,409)	(3,493,409)	0	0	0	0
2019	6,874,115	4.0	1,374,823	1,374,823	1,374,823	1,374,823	0	0	0
2020	28,953,792	5.0	5,790,758	5,790,758	5,790,758	5,790,758	5,790,760	0	0
Net Increase (Decrease) in Pension Expense			\$10,844,901	(\$5,478,991)	\$3,672,172	\$7,165,581	\$5,790,760	\$0	\$0

Deferred Outflows of Resources and Deferred Inflows of Resources Arising From Differences Between Projected and Actual Earnings on Pension Plan Investments

Measurement Date	Investment Earnings Less Than Projected (a)	Investment Earnings Greater Than Projected (b)	Amounts Recognized in Pension Expense Through June 30, 2020 (c)	Balances at June 30, 2020	
				Deferred Outflows of Resources (d) = (a) – (c)	Deferred Inflows of Resources (e) = (b) – (c)
2014	\$0	(\$98,188,251)	(\$98,188,251)	\$0	\$0
2015	61,061,962	0	61,061,962	0	0
2016	81,619,456	0	81,619,456	0	0
2017	0	(45,755,815)	(36,604,652)	0	(9,151,163)
2018	0	(17,467,045)	(10,480,227)	0	(6,986,818)
2019	6,874,115	0	2,749,646	4,124,469	0
2020	28,953,792	0	5,790,758	23,163,034	0
				\$27,287,503	(\$16,137,981)
				Net Deferred Outflows/(Inflows) of Resources (d) + (e)	
				\$11,149,522	

Note: GASB 68 paragraph 33 requires that deferred outflows of resources and deferred inflows of resources arising from differences between projected and actual pension plan investment earnings in different measurement periods should be aggregated and reported as a net deferred outflow or inflow.

Summary of Recognized Deferred Outflows of Resources and Deferred Inflows of Resources

	Net Increase (Decrease) in Pension Expense						
	2020	2021	2022	2023	2024	2025	Thereafter
Changes of Assumptions	\$15,325,113	\$16,944,222	\$2,806,062	(\$975,943)	\$0	\$0	\$0
Differences Between Expected and Actual Experience	11,525,756	9,344,273	10,783,074	11,114,783	5,353,969	396,971	0
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	10,844,901	(5,478,991)	3,672,172	7,165,581	5,790,760	0	0
Grand Total	\$37,695,770	\$20,809,504	\$17,261,308	\$17,304,421	\$11,144,729	\$396,971	\$0

Appendix B

Interest and Total Projected Earnings

- Interest on Total Pension Liability and Total Projected Earnings

Interest on Total Pension Liability and Total Projected Earnings

Interest on Total Pension Liability	Amount for Period (a)	Portion of Period (b)	Interest Rate (c)	Interest on the Total Pension Liability (a) X (b) X (c)
Beginning Total Pension Liability	\$2,018,702,845	100%	7.15%	\$144,337,253
Changes of Benefit Terms	0	100%	7.15%	0
Changes of Assumptions	0	100%	7.15%	0
Difference Between Expected and Actual Experience	20,245,556	100%	7.15%	1,447,557
Service Cost	42,306,347	50%	7.15%	1,512,452
Benefit Payments, Including Refunds of Employee Contributions	(95,642,311)	50%	7.15%	(3,419,213)
Total Interest on Total Pension Liability				\$143,878,049

Projected Earnings on Pension Plan Investments	Amount for Period (a)	Portion of Period (b)	Projected Rate of Return (c)	Projected Earnings (a) X (b) X (c)
Beginning Plan Fiduciary Net Position Excluding Receivables ¹	\$1,380,747,256	100%	7.15%	\$98,723,429
Net Plan to Plan Resource Movement	0	50%	7.15%	0
Employer Contributions	58,583,694	50%	7.15%	2,094,367
Employee Contributions ²	23,806,425	50%	7.15%	851,080
Benefit Payments, Including Refunds of Employee Contributions	(95,642,311)	50%	7.15%	(3,419,213)
Administrative Expense	(1,948,101)	50%	7.15%	(69,645)
Other Miscellaneous Income/(Expense)	0	50%	7.15%	0
Total Projected Earnings				\$98,180,018

¹ Includes any beginning of year adjustment. Contribution receivables for employee service buybacks, totaling \$1,124,850 as of June 30, 2019, were excluded for purposes of calculating projected earnings on pension plan investments.

² The increase/(decrease) in contribution receivables for employee service buybacks, totaling \$26,023 during fiscal year 2019-20, were excluded for purposes of calculating projected earnings on pension plan investments.



City of Sacramento

Sacramento City Employees' Retirement System

**June 30, 2021
Actuarial Valuation**

December 7, 2021

ACTUARIAL VALUATION
CITY OF SACRAMENTO
SACRAMENTO CITY EMPLOYEES' RETIREMENT SYSTEM (SCERS)
DEFINED BENEFIT PLAN

We are pleased to present the results of our June 30, 2021 actuarial valuation of the Sacramento City Employees' Retirement System (SCERS).

The purpose of this valuation is to:

- Determine the System's June 30, 2021 Funded Status, and
- Calculate the fiscal year 2022/23 Actuarially Determined Contribution (ADC).

The information in this report may not be appropriate for purposes other than System funding but may be useful to the City for the System's financial management. Future valuations may differ significantly if the System's experience differs from our assumptions or if there are changes in plan design, actuarial methods or actuarial assumptions. The project scope did not include an analysis of this potential variation.

The valuation is based on the System's benefit provisions summarized in Section 9, employee data, and on the System's financial information, all furnished by the City. We reviewed the financial and employee data for reasonableness, including comparing to prior year data, but did not perform an audit.

To the best of our knowledge, this report is complete and accurate and has been conducted using generally accepted actuarial principles and practices. As members of the American Academy of Actuaries, meeting Academy Qualification Standards, we certify the actuarial results and opinions herein.

Respectfully submitted,



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SECTION 1

EXECUTIVE SUMMARY

Following are the valuation results. See notes following the table for a description of terms. Results from the June 30, 2020 valuation are provided for comparative purposes.

	<i>-----amounts in \$000's-----</i>		
	June 30, 2020	June 30, 2021	% change
■ Participant Counts			
• Actives	5	3	-40.0%
• Terminated Vesteds & Reciprocals	5	5	0.0%
• Service Retirees	506	473	-6.5%
• Disableds	96	89	-7.3%
• Beneficiaries	312	306	-1.9%
• Total	924	876	-5.2%
■ Actuarial Liabilities			
• Present Value of Projected Benefits	\$ 296,709	\$ 282,371	-4.8%
• Actuarial Accrued Liability	296,667	282,359	-4.8%
■ Assets			
• Market Value of Assets	263,137	311,133	18.2%
• Approximate Annual Rate of Return	2.8%	29.2%	
• Actuarial Value of Assets	266,646	275,724	3.4%
• Approximate Annual Rate of Return	5.8%	13.5%	
■ Plan Funded Status			
• Actuarial Accrued Liability	296,667	282,359	-4.8%
• Actuarial Value of Plan Assets	266,646	275,724	3.4%
• Unfunded Actuarial Accrued Liability	30,021	6,635	-77.9%
• Funded Ratio	89.9%	97.7%	8.7%
• Funded Ratio, Market Value Basis	88.7%	110.2%	24.2%
	2021/22	2022/23	% change
■ Annual Cost¹	\$ 3,479	\$ 0	N/A
■ Annual Cost (% Proj. Plan Payroll)¹	1998.3%	0.0%	
■ Annual Cost (% Proj. City Payroll)	0.9%	0.0%	

¹ See page 12 for details.

SECTION 1

EXECUTIVE SUMMARY

Purpose of Actuarial Valuation

The actual costs of a defined benefit plan are determined entirely by the amount of the benefit promise, the actual salaries and service of the plan participants, and how long they and their beneficiaries live to receive payments. An actuarial valuation is a mathematical model which attempts to quantify this actual cost by setting assumptions that, it is hoped, duplicate reality as closely as possible. In addition, the actuarial methodology provides a reasonable plan, or method, towards funding the expected plan costs. This information assists the plan trustees so they can make informed decisions regarding plan investments and how much in contributions will be required from the employer to eventually fully pay the plan's costs.

Summary Information & Results

The Sacramento City Employees' Retirement System (SCERS) is a closed defined benefit pension plan. It has not accepted new members since January 28, 1977, and only 3 active members (out of a total plan membership of 876) remain.

Since the last valuation, the plan experienced overall gains on liabilities and market assets. Plan liabilities increased less than expected, by \$5.9 million. This was mostly due to retirees and beneficiaries not living as long as expected (\$3.9 million), and also due to a smaller COLA than expected² (\$2.0 million). Market value return on assets was greater than expected, about 29.2% for the year which resulted in a gain of \$17.7 million on the actuarial (smoothed) value of assets. Lower benefit payments than expected resulted in an additional \$0.5 million gain to the assets.

Several assumptions were changed since the prior valuation.

- The mortality improvement projection was updated to a more recent Society of Actuaries' table, MP-2020. This decreased liabilities by \$2.6 million.
- The inflation assumption was reduced from 2.75% to 2.50%. The resulting decreased discount rate increased plan liabilities, but the decrease in the future expected cost of living adjustments to retirees almost completely offset those increased liabilities. The net increase in plan liabilities was just \$0.2 million.
- In addition to the 0.25% reduction in the discount rate due to the inflation assumption change, the discount rate was further reduced based upon our expectation of a lower real rate of return in the long term. Bartel Associates completed a review of our capital market assumptions in 2021. Based on a stochastic analysis using those new assumptions and assumed future inflation of 2.50%, we calculated the expected rate of return after expenses to be 5.88%, at the 50th percentile confidence level. Based on this result, and current guidance recommending use of the 50th percentile confidence level, we recommend 6.00% as the discount rate. The prior valuation used 6.50% discount rate. The change in discount rate due to updated capital market assumptions increased plan liabilities \$5.1 million.

After these assumption changes, the July 1, 2021 total plan unfunded actuarial accrued liability (UAAL) is \$6.6 million, as compared to an expected UAAL of \$28.0 million.

² The CPI used for COLA increases was 1.7%. Although the full 3% COLA was paid for retirements prior to fiscal year 2017/18, COLA banks were decreased. The prior valuation assumed CPI of 2.75%. (Index used is CPI-U for San Francisco/Oakland/Hayward area.)

SECTION 1

EXECUTIVE SUMMARY

The plan's funded ratio on an actuarial value of assets basis is 97.7%, an increase from 89.9% in the prior valuation. The plan's funded ratio using market value of assets basis is 110.2%, an increase from 88.7% in the prior valuation.

The City's contribution was \$3.479 million for fiscal year 2021/22. The prior valuation projected a 2022/23 contribution of \$3.383 million. Due to the experience gains discussed above, the plan is projected to be overfunded on June 30, 2022 on an actuarial value of assets basis and the recommended City contribution is \$0 for fiscal year 2022/23.

The average life expectancy of the plan's retirees is now 11.1 years, down from 11.6 years as of June 30, 2020. Although it does not impact the results, we recommend dropping the amortization period from a rolling 12-year period to a rolling 11-year period for the 2022/23 recommended contribution.

SECTION 1

EXECUTIVE SUMMARY

Discussion of Plan Risks

Actuarial Standard of Practice No. 51, Assessment and Disclosure of Risk Associated with Measuring Pension Obligations and Determining Pension Plan Contributions, requires the actuary to assess and disclose the risk that actual future measurements may differ significantly from expected future measurements.

This plan is considered a very mature pension plan since almost all of its liabilities are for retirees, and there are almost no remaining active employees with very little associated payroll. The following table presents various measures illustrating the plan's maturity:

	June 30, 2020	June 30, 2021
■ Maturity Ratios		
• Inactive AAL/total AAL	99.4%	99.7%
• Inactive participant count/total count	99.5%	99.7%
• Benefit payments/market value of assets	11.2%	9.1%
• Benefit payments/employer contributions	834.6%	N/A

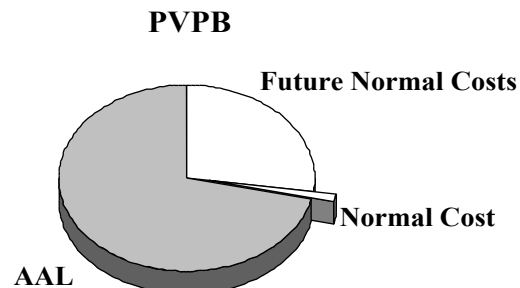
A very mature pension plan presents unique risks. The plan has negative cash flow (benefit payments exceed contributions), and benefit payments are relatively large compared to the asset value. The plan's investment manager must carefully manage the plan's liquidity needs as the plan "winds down" over the next 50 or more years. In addition to investment risk (investment returns being different than expected), asset/liability mismatch risk (changes in asset values not matched by changes in liabilities) could be significant for this plan. The plan is also subject to longevity risk (the potential that participants will live longer than projected) but we believe this risk is less significant than investment and asset/liability mismatch risk.

The scope of this valuation did not include a risk assessment - an evaluation of the potential impacts of these factors on the plan's funded status or projected employer contributions. However, we have included the following to assist in the plan's management:

- Table of expected benefit payments for the next 50 years
- Sensitivity analysis: Contributions calculated under different discount rates

Definitions

The Present Value of Projected Benefits (PVPB) is the present value of all future benefits for current plan participants. The Actuarial Accrued Liability (AAL) represents the portion of the PVPB attributable to past service. The AAL is recognized over service through the date a participant is expected to commence benefits. Therefore, the AAL is equal to the PVPB for current retirees. The Normal Cost is the portion of the PVPB allocated or earned during the year following the valuation date.



SECTION 2

LIABILITY INFORMATION & FUNDED STATUS

A comparison of the Present Value of Benefits, Actuarial Accrued Liability, Employer Normal Cost, and the Funded Ratio for the current and prior valuations follows. (Note that numbers throughout the report may not add due to rounding.)

(amounts in \$000's)

	June 30, 2020	June 30, 2021
Present Value of Projected Benefits		
■ Active Employees	\$ 1,722	\$ 986
■ Vested Terminated & Reciprocals	536	430
■ Service Retirees	212,531	201,090
■ Disabled Participants	28,435	26,645
■ Beneficiaries	53,486	53,221
■ Total	296,709	282,371

Actuarial Accrued Liability

■ Active Employees	\$ 1,680	\$ 974
■ Vested Terminated & Reciprocals	536	430
■ Service Retirees	212,531	201,090
■ Disabled Participants	28,435	26,645
■ Beneficiaries	53,486	53,221
■ Total	296,667	282,359

	2020/21	2021/22
Normal Cost		
■ Employer Normal Cost (beginning of year)	\$ 3	\$ 0

	June 30, 2020	June 30, 2021
Plan Funded Status		
■ Total Actuarial Accrued Liability	\$ 296,667	\$ 282,359
■ Actuarial Value of Plan Assets	266,646	275,724
■ Unfunded Actuarial Accrued Liability	30,021	6,635
■ Funded Ratio	89.9%	97.7%
■ Market Value of Assets	\$ 263,137	311,133
■ Funded Ratio – Market Value Basis	88.7%	110.2%

SECTION 2

LIABILITY INFORMATION & FUNDED STATUS

Details of the June 30, 2021 Present Value of Benefits, Actuarial Accrued Liability and Employer Normal Cost by employee category:

(amounts in \$000's)

	Safety	Miscellaneous	Total
Present Value of Projected Benefits			
■ Active Employees	\$ 0	\$ 986	\$ 986
■ Vested Terminated & Reciprocals	0	430	430
■ Service Retirees	10,085	191,005	201,090
■ Disabled Participants	10,795	15,850	26,645
■ Beneficiaries	15,150	38,070	53,221
■ Total	36,030	246,341	282,371

Actuarial Accrued Liability

■ Active Employees	0	974	974
■ Vested Terminated & Reciprocals	0	430	430
■ Service Retirees	10,085	191,005	201,090
■ Disabled Participants	10,795	15,850	26,645
■ Beneficiaries	15,150	38,070	53,221
■ Total	36,030	246,329	282,359

	Safety	Miscellaneous	Total
Normal Cost			
■ Employer Normal Cost (on June 30, 2021)	\$ 0	\$ 0	\$ 0

SECTION 2

LIABILITY INFORMATION & FUNDED STATUS

Details of the June 30, 2021 Present Value of Benefits, Actuarial Accrued Liability and Employer Normal Cost by benefit section:

(amounts in \$000's)

	Section 175	Sections 302 & 399	Total
Present Value of Projected Benefits			
■ Active Employees	\$ 0	\$ 986	\$ 986
■ Vested Terminated & Reciprocal	54	376	430
■ Service Retirees	4,486	196,604	201,090
■ Disabled Participants	719	25,926	26,645
■ Beneficiaries	4,268	48,953	53,221
■ Total	<u>9,526</u>	<u>272,845</u>	<u>282,371</u>

Actuarial Accrued Liability

■ Active Employees	-	974	974
■ Vested Terminated & Reciprocal	54	376	430
■ Service Retirees	4,486	196,604	201,090
■ Disabled Participants	719	25,926	26,645
■ Beneficiaries	4,268	48,953	53,221
■ Total	<u>9,526</u>	<u>272,833</u>	<u>282,359</u>

Normal Cost

	Section 175	Sections 302 & 399	Total
■ Employer Normal Cost (on 6/30/21)	\$ 0	\$ 0	\$ 0

SECTION 3

ASSET INFORMATION

Assets for SCERS are held in trust. Trust monies may be used to pay benefits to plan participants and their beneficiaries. The trust is managed under the direction of the Administration, Investment, and Fiscal Management Board. Asset information is provided by the City of Sacramento, and has not yet been audited.

Asset Reconciliation – Market Value of Assets

Following reconciles the June 30, 2019 through June 30, 2020 and the June 30, 2020 through June 30, 2021 market value of assets. Numbers may not add due to rounding.

	(amounts in \$000's)	
	2019/20	2020/21
■ Beginning of Year Balance:	\$ 281,568	\$ 263,137
• Member Contributions	\$ 25	\$ 16
• City Contributions	4,410	3,822
• Investment Income	8,692	74,279
■ Total Additions	13,127	78,117
• Benefit Payments	30,455	28,992
• Member Refunds	2	-
• Investment Expenses	1,101	1,129
■ Total Deductions	31,558	30,121
■ Net Assets at End of Year	263,137	311,133
■ Approximate Return on Assets	2.8%	29.2%

SECTION 3

ASSET INFORMATION

Asset Allocation – Market Value of Assets

The July 1, 2021 trust asset allocation is provided by the City of Sacramento and based on an allocation strategy of 30% fixed income and 70% equity. Details are shown below.

(amounts in \$000's)

	Market Value	Percentage
■ Cash & Short Term Investments	\$ 13,416	4.3%
■ Receivables	849	0.3%
■ Investments		
• US Agencies	\$ 1,004	0.3%
• US Treasury Bonds	1,958	0.6%
• Corporate Bonds	39,181	12.6%
• Equities	30,236	9.7%
• Exchange Traded Funds	187,545	60.3%
• Mortgage Loans	824	0.3%
• Municipal Bonds	<u>38,438</u>	12.4%
■ Total Investments	<u>299,186</u>	
■ Total Assets	313,451	
■ Other Liabilities Payable	<u>(2,318)</u>	<u>-0.7%</u>
■ Net Pension Benefit Trust Assets	311,133	100.0%

Target Allocation by Asset Class

The Administration, Investment and Fiscal Management Board of the Sacramento City Employees' Retirement System has not changed the asset allocation since May 3, 2018, as shown below. The fund is rebalanced each year.

	Current Allocation
■ Fixed Bonds/Real Estate	<u>30.0%</u>
Total Fixed	30.0%
■ Large Cap Growth	35.0%
■ Equity Income	27.5%
■ International Equities	<u>7.5%</u>
Total Equity	<u>70.0%</u>
Total Fixed & Equity	100.0%

SECTION 3

ASSET INFORMATION

Discount Rate Development

Bartel Associates modeled the nominal rate of return for the fund, based upon our 2021 capital market assumptions, which include mean returns, standard deviation of returns, and correlation coefficients, as well as our assumed inflation rate of 2.50%. Our modeling showed a 50% likelihood that returns would average (geometric average) at least 6.03% per year. After adjusting for expenses and rounding, we recommend a 6.00% discount rate for the valuation. The prior valuation used 6.50% based on our prior capital market assumptions and 2.75% inflation assumption.

Confidence Level	50%	55%	60%
■ Inflation Adjusted Return	6.03%	5.63%	5.32%
■ Investment Expenses ³	<u>0.15%</u>	<u>0.15%</u>	<u>0.15%</u>
■ Net Return after Expenses	5.88%	5.48%	5.17%
■ Discount Rate Assumption	6.00%		

³ Based on average investment expenses for a typical passive investment strategy. This is not plan specific.

SECTION 3

ASSET INFORMATION

Development of Actuarial Value of Assets

The Actuarial Value of Assets is based upon a three year smoothing of market assets. This method reduces volatility in contribution rates, and also reduces volatility in the size of the actuarial gains and losses due to asset returns. Because the plan is frozen to new membership and the membership is primarily composed of retirees and beneficiaries, it is important from a cash flow perspective that asset values used in calculating contribution rates not stray too far from market value. For this reason, a corridor of 15% around the market value is imposed upon the actuarial value.

	(amounts in \$000's)
	2020/21
<ul style="list-style-type: none"> ■ Actuarial Value of Assets, Beginning of Year <ul style="list-style-type: none"> ● Contributions ● Expected Earnings ● Benefit Payments 	\$ 266,646 3,838 16,527 <u>(28,992)</u>
■ Expected Actuarial Value of Assets, End of Year	258,019
■ Market Value of Assets, End of Year	311,133
■ Difference between MVA & Expected AVA	53,114
<ul style="list-style-type: none"> ■ Preliminary Actuarial Value of Assets, End of Year <i>(Expected AVA + 1/3 Difference)</i> ■ Actuarial Value of Assets Corridor <ul style="list-style-type: none"> ● Cap: 115% of Market Value ● Min: 85% of Market Value ■ Actuarial Value of Assets, End of Year <i>(No greater than Cap, not less than Min)</i> 	275,724 357,803 264,463 275,724
■ Approximate Annual Rate of Return	13.5%

SECTION 4

CONTRIBUTION DEVELOPMENT

Actuarially Determined Contribution

Following is the development of the 2022/23 Actuarially Determined Contribution. The 2021/22 Actuarially Determined Contribution was calculated in the June 30, 2020 actuarial valuation and is shown for comparison.

Contribution Year	(amounts in \$000's)	
	2021/22	2022/23
■ Actuarially Determined Contribution		
• Employer Normal Cost	\$ 2	\$ 0
• UAAL Amortization ⁴	3,477	(1,116)
• Total Cost (not less than zero)	3,479	0
■ Projected Plan Payroll	174	145
■ Actuarially Determined Contribution (as a percent of plan payroll)		
• Employer Normal Cost	1.0%	0.0%
• UAAL Amortization	1997.3%	0.0%
• Total Contribution	1998.3%	0.0%
■ Projected Total City Payroll	407,290	398,930
■ Actuarially Determined Contribution (as a percent of total City payroll)		
• Employer Normal Cost	0.0%	0.0%
• UAAL Amortization	0.9%	0.0%
• Total Contribution	0.9%	0.0%

⁴ The Unfunded Actuarial Accrued Liability (UAAL) as of the beginning of the contribution year is being amortized as a level dollar amount over a rolling 12-year period for 2021/22 and a rolling 11-year period for 2022/23. As the plan continues to mature, this amortization period will be monitored.

SECTION 5
SCHEDULE OF FUTURE CONTRIBUTIONS

Below are the historic and projected contributions and benefit payments. City contributions for years ending 6/30/2024 and later are estimated assuming 6/30/22 and subsequent market value of assets earn 6.00% and assuming the Actuarially Determined Contribution is contributed each year. These contributions are designed to achieve 100% funding of the system.

Year Ending ⁵	Member Contributions	City Contributions	Benefit Payments
6/30/1995	\$1,320,000	\$0	\$24,565,000
6/30/1996	1,228,000	0	25,027,000
6/30/1997	1,080,000	0	23,274,000
6/30/1998	1,090,000	0	23,825,000
6/30/1999	1,136,000	0	24,249,000
6/30/2000	1,079,000	0 ⁶	24,901,000
6/30/2001	989,000	0	25,087,000
6/30/2002	1,011,000	0	25,588,000
6/30/2003	978,000	0	26,619,000
6/30/2004	1,056,000	0	26,772,000
6/30/2005	809,000	0	27,524,000
6/30/2006	789,000	0	28,749,000
6/30/2007	699,000	0	29,604,000
6/30/2008	596,000	3,534,000	29,896,000
6/30/2009	607,000	3,159,000	30,707,000
6/30/2010	377,000	3,431,000	31,719,000
6/30/2011	342,000	10,547,000	33,003,000
6/30/2012	332,000	10,361,000	33,057,000
6/30/2013	219,000	10,573,000	33,237,000
6/30/2014	161,000	9,649,000	33,688,000
6/30/2015	82,000	9,183,000	33,791,000
6/30/2016	69,000	8,645,000	32,683,000
6/30/2017	63,000	8,645,000	32,171,000
6/30/2018	55,000	8,645,000	31,583,000
6/30/2019	49,000	7,507,000	31,134,000
6/30/2020	25,000	4,410,000	30,457,000
6/30/2021	16,000	3,822,000	28,992,000
6/30/2022	11,000	3,479,000	28,401,000
6/30/2023	7,000	0	27,916,000
6/30/2024	5,000	0	27,322,000
6/30/2025	2,000	0	26,653,000
6/30/2026	2,000	0	25,928,000

⁵ Information prior to 6/30/2006 valuation is taken from prior actuary's valuation report. Member contributions and benefit payments for years ending 6/30/2022 and later are estimated.

⁶ Shown as a negative 1.367 million by prior actuary.



SECTION 6

ACTUARIAL (GAIN)/LOSS ANALYSIS

The gain/loss analysis of plan assets, actuarial liability, and unfunded actuarial liability for the one year period between valuation dates:

	(amounts in \$000's)		
	Actuarial Accrued Liability (Gain)/Loss	Actuarial Value of Assets Gain/(Loss)	Unfunded Actuarial Accrued Liability (Gain)/Loss
■ June 30, 2020 Actual Value	\$ 296,667	\$ 266,646	\$ 30,021
■ June 30, 2021 Expected Value	285,541	257,509	28,032
■ COLA less than expected	(1,961)		
■ Demographic (Gain)/Loss ⁷	(3,894)		
■ Investment Gain		17,705	
■ Benefit payments less than expected		509	
■ Contributions greater than expected		1	
■ Total (Gain)/Loss	(24,070)	(24,070)	(24,070)
■ June 30, 2021 Prior to Changes in Assumptions	279,686	275,724	3,962
■ Change in Mortality Improvement Assumption	(2,630)		
■ Change in Inflation Assumption	181		
■ Change in discount rate due to updated Capital Market Assumptions	<u>5,122</u>		
■ Total (Gain)/Loss from Assumption Changes	2,673	2,673	2,673
■ June 30, 2021 Actual Value	282,359	275,724	6,635

⁷ Primarily due to more retiree and beneficiary deaths than expected.

SECTION 7

SENSITIVITY ANALYSIS

The Plan's June 30, 2021 funded status and 2022/23 fiscal year contribution are shown below at 5.00%, 6.00%, and 7.00% discount rates.

Discount Rate	(amounts in \$000's)		
	5.00%	Current 6.00%	7.00%
■ Present Value of Projected Benefits	\$ 304,706	\$ 282,371	\$ 262,862
■ Funded Status			
• Actuarial Accrued Liability	304,687	282,359	262,854
• Actuarial Value of Assets	<u>275,724</u>	<u>275,724</u>	<u>275,724</u>
• Unfunded Actuarial Accrued Liability	28,963	6,635	(12,870)
■ Funded Ratio	90.5%	97.7%	104.9%
■ 2022/23 Actuarially Determined Contribution			
• Employer Normal Cost	0	0	0
• UAAL Amortization (11 years)	<u>1,698</u>	<u>(1,116)</u>	<u>(3,868)</u>
• Total Contribution	1,698	-	-
• Total Employer Contribution (as a percent of Plan payroll)	1172.5%	0.0%	0.0%
• Total Employer Contribution (as a percent of total City payroll)	0.4%	0.0%	0.0%

SECTION 8

HEADCOUNT AND BENEFIT PAYMENT PROJECTION

Headcount and Benefit Payment Projection

Fiscal Year Ending June 30,	Active Count	Term Vested Count	Retiree Count	Annual Benefit Payments (000's)
2022	3	5	868	\$ 28,401
2023	2	5	840	27,916
2024	1	5	808	27,322
2025	1	5	776	26,653
2026	0	5	741	25,928
2027	0	5	706	25,153
2028	0	5	671	24,331
2029	0	5	636	23,473
2030	0	5	601	22,584
2031	0	5	566	21,663
2032	0	5	531	20,712
2033	0	5	497	19,730
2034	0	4	464	18,719
2035	0	4	431	17,681
2036	0	4	399	16,618
2037	0	4	367	15,535
2038	0	4	336	14,437
2039	0	4	307	13,331
2040	0	3	278	12,226
2041	0	3	250	11,129
2042	0	3	223	10,051
2043	0	3	198	9,002
2044	0	2	174	7,993
2045	0	2	152	7,032
2046	0	2	132	6,128
2047	0	1	113	5,289
2048	0	1	96	4,520
2049	0	1	81	3,824
2050	0	1	68	3,202
2051	0	1	56	2,654

SECTION 8

HEADCOUNT AND BENEFIT PAYMENT PROJECTION

Fiscal Year Ending June 30,	Active Count	Term Vested Count	Retiree Count	Annual Benefit Payments (000's)
2052	0	0	46	\$ 2,179
2053	0	0	38	1,772
2054	0	0	31	1,429
2055	0	0	25	1,145
2056	0	0	20	912
2057	0	0	16	726
2058	0	0	13	577
2059	0	0	10	461
2060	0	0	8	371
2061	0	0	7	301
2062	0	0	5	248
2063	0	0	4	207
2064	0	0	4	176
2065	0	0	3	152
2066	0	0	3	133
2067	0	0	2	118
2068	0	0	2	106
2069	0	0	2	96
2070	0	0	2	88
2071	0	0	1	80

SECTION 9 PLAN PROVISIONS

A. Plan Effective Date

Originally established effective April 1, 1935.

B. Plan Year

July 1 to June 30.

C. Participation

The plan is closed with no new members since January 28, 1977.

D. Eligibility to Retire

Section 175: Age 70, or age 55 and 20 years of service.

Sections 302 and 399: Age 70, or age 50 and 5 years of service.

E. Vesting

100% vesting with five years of participation.

F. Average Monthly Compensation

Average monthly salary for the 36 months prior to termination.

G. Employee Contributions

Each participant contributes a certain percentage based on his or her age at entry into the plan.

H. Service Retirement Benefit

Section 175:

Average Monthly Compensation times years of service times Benefit Factor. For retirement after age 65 with 20 years of service, benefit is a minimum of \$60 per month.

Sections 302 and 399:

Average Monthly Compensation times years of service times Benefit Factor, but no larger than 75% of final average earnings.

Benefit Factors at sample ages:

<u>Retirement Age</u>	<u>Section 175</u>	<u>Sections 302 and 399</u>
50	n/a	1.10%
55	1.10%	1.75%
60	1.67%	2.40%
65	2.44%	2.40%

SECTION 9 PLAN PROVISIONS

I. Vested Termination Benefit

Return of employee contributions with interest, or if the value is greater than \$500, the member may choose to leave the contributions in the system. The member may become eligible in the future for retirement, disability or death benefits.

J. Non-Industrial (Ordinary) Disability Benefit

Eligibility is ten years of service.

Section 175:

With 16 2/3 years of service: 1½% of final average salary times years of service to disability.

Less than 16 2/3 years of service: Minimum of 1½% of final average salary times years of service would have earned to age 60, or 25% of final average earnings.

Sections 302 and 399:

Not Eligible for Retirement: Lesser of 1½% of Final Average Earnings times years of service or final average earnings times benefit factor at age 50 times years of service at age 50, minimum of 25% of final average earnings.

Eligible for Retirement: Maximum of retirement allowance or 25% of final average earnings.

K. Industrial Disability Benefit

Sections 302 and 399:

Not Eligible for Retirement: 50% of final average earnings.

Eligible for retirement: Maximum of retirement allowance or 50% of final average earnings.

L. Death Benefit – Pre Retirement Eligibility

Return of employee contributions with interest, plus 1/12 of salary in the year preceding death multiplied by the smaller of 6 or years of service.

M. Death Benefit – Post Retirement Eligibility

50% of the member's benefit as if the member retired at the time of death, paid as a lifetime benefit to the spouse.

N. Death Benefit – Post Retirement Death

\$500 paid to the member's estate upon death.

SECTION 9 PLAN PROVISIONS

O. Social Security Reduction at age 62

For members participating in Social Security, their benefit will be reduced at the later of age 62 or actual retirement age. The amount of the reduction is one half of the PIA from Social Security, multiplied by the ratio of the sum of salary earned from the City to the sum of salary from all sources used in the calculation of the Social Security amount. The member's benefit under the System plus the amount received from Social Security cannot be less than the member's benefit under the System calculated with no reductions as of his retirement age. The City applies this offset to service retirees, not to disabled retirees.

P. Reduction Account

A member can choose to reduce his normal contributions to the System by an amount equal to the taxes paid for Social Security coverage. At the time of retirement, the regular retirement benefit will be reduced by the actuarial equivalent of the accumulated value of the reduction of contributions.

Q. Cost of Living

Benefits will be increased each July 1 by the change in the CPI for the San Francisco/Oakland area for the preceding calendar year limited to 3% (with COLA bank).

R. Benefit Forms

Section 175:

Lifetime benefit to the member, which may be actuarially reduced to provide a continuance to a beneficiary.

Section 302 and 399:

Lifetime benefit to the member, with an automatic 50% continuance to the spouse.

SECTION 10

METHODS AND ASSUMPTIONS

Actuarial Methods

The actuarial cost method used for this valuation is the Entry Age Normal (EAN) method. The Present Value of Projected Benefits (PVPB) is the present value of all future benefits for current plan participants. The Actuarial Accrued Liability (AAL) represents the portion of the PVPB attributable to past service. The AAL is recognized over service through the date a participant is expected to commence benefits.

We recommend amortizing the current unfunded AAL over a 11-year rolling period as a level dollar amount. Because the plan is closed, the amortization period should be regularly reviewed. The Board has regularly reduced the amortization period in the recent past. Under current Board policy, when the average future life expectancy of the plan participants drops below 5 years, the amortization period will be reduced to no more than 5 years.

Plan funded status based on excess of

- 1) Value of Normal Retirement Benefit in excess of employee contributions over
- 2) Actuarial Value of Assets

The contribution generated by the current valuation will be payable for the City's fiscal year beginning one year later (2022/23). The June 30, 2020 valuation generated a contribution for fiscal year 2021/22.

The Actuarial Value of Assets is a 3-year smoothed market value. Gains and losses will be recognized over a three year period. For June 30, 2006, the first year of this method, the Actuarial Asset Value was set equal to the Market Value. The Actuarial Value of Assets will be limited by a 15% corridor. The Actuarial Value of Assets will be no greater than 115% of Market Value of Assets and no less than 85% of Market Value of Assets.

Data

The City provided participant data as of 7/1/2021. We reviewed the data for reasonableness and resolved any questions with the City. We believe the resulting data can be relied on for all purposes of this valuation without limitation.

Basis for Assumptions

Mortality assumptions are based on CalPERS 1997-2015 experience study, since that study is based on populations similar to this plan. Mortality improvement is the Society of Actuaries Scale MP-2020. Inflation is based on our estimate for the plan's very long time horizon. The salary merit assumption is based on our expectation of overall payroll growth, due to the current age of remaining employees.

Retirement and disablement rates are insignificant due to the age of the remaining participants and are based on rates used historically.

The Social Security offset, marriage, retirement age for deferred vesteds, and reciprocal assumptions are based in part on plan experience. Due to the small number and age of remaining employees and deferred vested, these assumptions are not significant.

SECTION 10

METHODS AND ASSUMPTIONS

Actuarial Assumptions

Assumptions used in the valuation are as follows:

- **Discount Rate**
6.00% net of investment expenses⁸. See page 10 for derivation.
Prior valuation used 6.50% net of investment expenses.
- **Inflation**
2.5%
Prior valuation used 2.75%
- **Salary Scale**
2.5% CPI
0.50% Merit
Prior valuation used 2.75% CPI
- **Social Security Wage Base**
2.75%
Prior valuation used 3.00%
- **Termination**
None assumed. All active employees are retirement-eligible.
- **Retirement**
Rates vary based on age. Sample rates follow:

<u>Age</u>	<u>Non Sec 175</u>
55	6%
60	26%
65	40%
70	100%

- **Disability**
Rates vary based on age, gender and if the disability is job-related or not. Sample rates follow:

	<u>Job Related</u>		<u>Ordinary</u>	
	<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>
59	.00612	.00336	.01683	.00924
60	.00639	.00351	.01761	.00969
61	.00000	.00000	.00000	.00000

⁸ Administrative expenses are not paid from plan assets.

SECTION 10

METHODS AND ASSUMPTIONS

- **Healthy Mortality**

CalPERS 1997-2015 Pre-Retirement Mortality table for males and females and CalPERS 1997-2015 Post-Retirement Mortality table for males and females. Sample rates are as follows:

<u>Age</u>	<u>Pre-Retirement</u>		<u>Post-Retirement</u>	
	<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>
50	0.12%	0.08%	0.44%	0.39%
60	0.26%	0.17%	0.75%	0.52%
70	0.62%	0.39%	1.50%	1.06%
80	1.66%	0.94%	4.64%	3.49%
90	n/a	n/a	14.94%	11.38%
100	n/a	n/a	35.37%	30.62%

- **Post-Retirement Disabled Mortality**

For Miscellaneous retirees, CalPERS 1997-2015 Non-Work-Related Disability table for males and females. For Safety retirees, CalPERS 1997-2015 Work-Related Disability table for males and females. Sample rates are as follows:

<u>Age</u>	<u>Non-Work-Related</u>		<u>Work-Related</u>	
	<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>
50	1.40%	1.23%	0.44%	0.39%
60	2.42%	1.52%	0.75%	0.52%
70	3.77%	2.50%	1.80%	1.27%
80	7.32%	5.38%	5.57%	4.18%
90	16.74%	14.92%	16.43%	12.52%
100	35.37%	35.05%	35.37%	30.62%

- **Mortality Improvement Projection**

Post-retirement mortality projected fully generational with Society of Actuaries Scale MP-2020.

Prior valuation used mortality projected fully generational with Society of Actuaries Scale MP-2019.

- **Social Security Offset**

Monthly benefits for current retirees and vested terminated assumed to decrease at the later of age 62 or actual retirement, based on the average expected offset of future retirees.

- **Marriage**

85% of male employees and 60% of female employees are assumed to be married. Wives are assumed to be four years younger than husbands.

SECTION 10

METHODS AND ASSUMPTIONS

- **Retirement Age**

Deferred vested members covered under Section 399 are assumed to retire at age 62; those covered under Section 175 are assumed to retire at age 65.

- **Reciprocal Members**

All remaining deferred vested members are assumed to have reciprocity with other retirement systems, and their pay is assumed to increase with salary scale after separation from the City.

- **Actuarial Modeling**

Our valuation was performed using and relying on ProVal, an actuarial model leased from WinTech. Our use of ProVal is consistent with its intended purpose. We have reviewed and understand ProVal and its operation, sensitivities and dependencies.

- **COVID-19**

No adjustments to the assumptions have been made for COVID-19 since the future impacts are unknown.

SECTION 11 PARTICIPANT DATA

Data Summary

Following summarizes participant demographic information for the June 30, 2020 and June 30, 2021 actuarial valuations.

	June 30, 2020	June 30, 2021
■ Participant Counts		
• Actives	5	3
• Terminated Vesteds	4	4
• Reciprocals	1	1
• Service Retirees	506	473
• Disableds	96	89
• Beneficiaries ⁹	312	306
• Total	924	876
■ Actives		
• Average Age	66.3	66.5
• Average Service	37.0	45.1
• Salary		
> Total	\$ 330,244	\$ 218,098
> Average	66,049	72,699
• Overall City Payroll	382,053,000	376,030,000
■ Terminated Vesteds & Reciprocals		
• Average Age	69.7	70.7
■ Retirees, Disableds & Beneficiaries		
• Average Age	79.0	79.5
• Average Monthly Benefit	2,725	2,772
• Life expectancy	11.6	11.1

⁹ The June 30, 2021 valuation includes 4 former spouses of deceased retirees whom the City has not been able to contact and are not yet receiving benefits.

SECTION 11 PARTICIPANT DATA

June 30, 2021 Participant Data

Following summarizes participant demographic information for the June 30, 2021 actuarial valuation, broken out by employee category and benefit section.

	Safety		Miscellaneous		Total
	Section 175	Section 302 & 399	Section 175	Section 302 & 399	
■ Actives					
• Count	-	-	-	3	3
• Average Age	n/a	n/a	n/a	66.5	66.5
• Average Service	n/a	n/a	n/a	45.1	45.1
• Projected Salary					
➤ Average	\$ -	\$ -	\$ -	72,699	72,699
➤ Total (000's)	-	-	-	218	218
■ Vested Terms & Reciprocals					
• Count	-	-	1	4	5
• Average Age	n/a	n/a	70.6	70.7	70.7
■ All Inactives					
• Count	16	124	27	701	868
• Average Age	86.0	83.7	82.5	78.5	79.5
• Avg. Monthly Benefit	\$2,371	\$3,077	\$2,058	\$2,755	\$2,772
■ Service Retirees					
• Count	5	26	12	430	473
• Average Age	90.4	89.4	83.3	77.4	78.4
• Average Retirement Age	54.1	54.2	63.0	59.6	59.3
• Avg. Monthly Benefit	\$3,003	\$5,107	\$2,436	\$3,376	\$3,443
■ Disabled Retirees					
• Count	1	32	4	52	89
• Average Age	92.9	79.3	85.3	75.9	77.7
• Average Retirement Age	48.7	41.4	50.0	48.8	46.2
• Avg. Monthly Benefit	\$2,734	\$2,952	\$1,453	\$2,340	\$2,524
■ Beneficiaries					
• Count	10	66	11	219	306
• Average Age	83.0	83.5	80.6	81.1	81.7
• Avg. Monthly Benefit	\$2,018	\$2,338	\$1,866	\$1,634	\$1,807

SECTION 11 PARTICIPANT DATA

Data Reconciliation 6/30/2020 to 6/30/2021

	Actives	Terminated		Receiving Payments			Total
		Vested	Reciprocal	Disabled	Benefic.	Retirees	
■ June 30, 2020	5	4	1	96	312	506	924
• New Hires	-	-	-	-	-	-	-
• Disabled	-	-	-	-	-	-	-
• Terminated	-	-	-	-	-	-	-
• Deceased	-	-	-	(7)	(24)	(35)	(66)
• New Beneficiaries	-	-	-	-	18	-	18
• Retired	(2)	-	-	-	-	2	-
• Adjustment/Cash Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u> ¹⁰	<u>-</u>	<u>-</u>
■ June 30, 2021	3	4	1	89	306	473	876

¹⁰ Includes the addition of 1 beneficiary missing from the June 20, 2020 valuation and the exclusion of 1 beneficiary no longer eligible for benefits.

Active Age/Service

Following are active counts by age and service groups:

Age	Service							Total
	0-4	5-9	10-14	15-19	20-24	25-29	30 & Over	
Under 25	-	-	-	-	-	-	-	-
25-29	-	-	-	-	-	-	-	-
30-34	-	-	-	-	-	-	-	-
35-39	-	-	-	-	-	-	-	-
40-44	-	-	-	-	-	-	-	-
45-49	-	-	-	-	-	-	-	-
50-54	-	-	-	-	-	-	-	-
55-59	-	-	-	-	-	-	-	-
60-64	-	-	-	-	-	-	1	1
65 & Over	-	-	-	-	-	-	2	2
Total	-	-	-	-	-	-	3	3

Inactives Age/Status/Monthly Benefit

Following are inactive counts and monthly benefit by age and status.

Safety

Age		Service Retirees	Disability Retirees	Beneficiaries	Total
Under 50	Count	-	-	-	-
	Avg. Benefit	-	-	-	-
50-54	Count	-	-	-	-
	Avg. Benefit	-	-	-	-
55-59	Count	-	-	-	-
	Avg. Benefit	-	-	-	-
60-64	Count	-	-	1	1
	Avg. Benefit	-	-	1,923	1,923
65-69	Count	-	-	2	2
	Avg. Benefit	-	-	2,078	2,078
70-74	Count	-	6	12	18
	Avg. Benefit	-	3,490	1,644	2,259
75-79	Count	5	15	12	32
	Avg. Benefit	3,813	2,607	2,494	2,753
80-84	Count	2	4	14	20
	Avg. Benefit	5,496	2,113	2,511	2,730
85 & Over	Count	24	8	35	67
	Avg. Benefit	4,906	3,587	2,388	3,433
Total	Count	31	33	76	140
	Avg. Benefit	4,768	2,945	2,296	2,996

Miscellaneous

Age		Service Retirees	Disability Retirees	Beneficiaries	Total
Under 50	Count	-	-	-	-
	Avg. Benefit	-	-	-	-
50-54	Count	-	-	-	-
	Avg. Benefit	-	-	-	-
55-59	Count	-	-	3	3
	Avg. Benefit	-	-	1,611	1,611
60-64	Count	4	1	8	13
	Avg. Benefit	4,338	3,371	1,258	2,368
65-69	Count	64	14	18	96
	Avg. Benefit	3,499	2,352	1,315	2,922
70-74	Count	120	14	39	173
	Avg. Benefit	3,269	2,778	1,750	2,887
75-79	Count	102	6	34	142
	Avg. Benefit	3,464	1,873	1,719	2,979
80-84	Count	76	10	38	124
	Avg. Benefit	3,138	2,541	1,887	2,707
85 & Over	Count	76	11	90	177
	Avg. Benefit	3,362	1,422	1,571	2,331
Total	Count	442	56	230	728
	Avg. Benefit	3,350	2,276	1,645	2,729

**Current Debt Service Schedule
As of 3/15/2022**

2015 Refunding Revenue Bonds

Bond Info	Par Amount	\$ 183,380,000.00
	Dated Date	10/14/2015
	Issued Date	10/14/2015
	Bond Year Beginning Date	12/1/2036

"On or after" Date Call Price (% of Par)

Call Information		
	12/1/2025	100%

PAYMENT DATE	INTEREST RATE	ORIGINAL PRINCIPAL DUE	CALLED PRINCIPAL	CALL PREMIUM	UNREFUNDED PRINCIPAL	INTEREST DUE	DEBT SERVICE PAYMENT	TOTAL BOND YEAR DEBT SERVICE	TOTAL FISCAL YEAR DEBT SERVICE
Jun 01, 2015	-	\$ -	\$ -	INVALID CALL	\$ -	\$ -	\$ -	\$ -	\$ -
Dec 01, 2015	-	\$ -	\$ -	INVALID CALL	\$ -	\$ 1,100,088.85	\$ 1,100,088.85	\$ 1,100,088.85	\$ -
Jun 01, 2016	-	\$ -	\$ -	INVALID CALL	\$ -	\$ 4,213,106.26	\$ 4,213,106.26	\$ -	\$ 5,313,195.11
Dec 01, 2016	4.00%	\$ 16,680,000.00	\$ -	INVALID CALL	\$ 16,680,000.00	\$ 4,213,106.26	\$ 20,893,106.26	\$ 25,106,212.52	\$ -
Jun 01, 2017	-	\$ -	\$ -	INVALID CALL	\$ -	\$ 3,879,506.26	\$ 3,879,506.26	\$ -	\$ 24,772,612.52
Dec 01, 2017	**	\$ 16,330,000.00	\$ -	INVALID CALL	\$ 16,330,000.00	\$ 3,879,506.26	\$ 20,209,506.26	\$ 24,089,012.52	\$ -
Jun 01, 2018	-	\$ -	\$ -	INVALID CALL	\$ -	\$ 3,504,956.26	\$ 3,504,956.26	\$ -	\$ 23,714,462.52
Dec 01, 2018	**	\$ 15,560,000.00	\$ -	INVALID CALL	\$ 15,560,000.00	\$ 3,504,956.26	\$ 19,064,956.26	\$ 22,569,912.52	\$ -
Jun 01, 2019	-	\$ -	\$ -	INVALID CALL	\$ -	\$ 3,153,756.26	\$ 3,153,756.26	\$ -	\$ 22,218,712.52
Dec 01, 2019	5.00%	\$ 15,335,000.00	\$ -	INVALID CALL	\$ 15,335,000.00	\$ 3,153,756.26	\$ 18,488,756.26	\$ 21,642,512.52	\$ -
Jun 01, 2020	-	\$ -	\$ -	INVALID CALL	\$ -	\$ 2,770,381.26	\$ 2,770,381.26	\$ -	\$ 21,259,137.52
Dec 01, 2020	**	\$ 15,900,000.00	\$ -	INVALID CALL	\$ 15,900,000.00	\$ 2,770,381.26	\$ 18,670,381.26	\$ 21,440,762.52	\$ -
Jun 01, 2021	-	\$ -	\$ -	INVALID CALL	\$ -	\$ 2,412,381.26	\$ 2,412,381.26	\$ -	\$ 21,082,762.52
Dec 01, 2021	**	\$ 15,135,000.00	\$ -	INVALID CALL	\$ 15,135,000.00	\$ 2,412,381.26	\$ 17,547,381.26	\$ 19,959,762.52	\$ -
Jun 01, 2022	-	\$ -	\$ -	INVALID CALL	\$ -	\$ 2,097,906.26	\$ 2,097,906.26	\$ -	\$ 19,645,287.52
Dec 01, 2022	5.00%	\$ 5,880,000.00	\$ -	INVALID CALL	\$ 5,880,000.00	\$ 2,097,906.26	\$ 7,977,906.26	\$ 10,075,812.52	\$ -
Jun 01, 2023	-	\$ -	\$ -	INVALID CALL	\$ -	\$ 1,950,906.26	\$ 1,950,906.26	\$ -	\$ 9,928,812.52
Dec 01, 2023	5.00%	\$ 6,175,000.00	\$ -	INVALID CALL	\$ 6,175,000.00	\$ 1,950,906.26	\$ 8,125,906.26	\$ 10,076,812.52	\$ -
Jun 01, 2024	-	\$ -	\$ -	INVALID CALL	\$ -	\$ 1,796,531.26	\$ 1,796,531.26	\$ -	\$ 9,922,437.52
Dec 01, 2024	5.00%	\$ 6,495,000.00	\$ -	INVALID CALL	\$ 6,495,000.00	\$ 1,796,531.26	\$ 8,291,531.26	\$ 10,088,062.52	\$ -
Jun 01, 2025	-	\$ -	\$ -	INVALID CALL	\$ -	\$ 1,634,156.26	\$ 1,634,156.26	\$ -	\$ 9,925,687.52
Dec 01, 2025	5.00%	\$ 6,800,000.00	\$ -	INVALID CALL	\$ 6,800,000.00	\$ 1,634,156.26	\$ 8,434,156.26	\$ 10,068,312.52	\$ -
Jun 01, 2026	-	\$ -	\$ -	INVALID CALL	\$ -	\$ 1,464,156.26	\$ 1,464,156.26	\$ -	\$ 9,898,312.52
Dec 01, 2026	5.00%	\$ 7,155,000.00	\$ -	INVALID CALL	\$ 7,155,000.00	\$ 1,464,156.26	\$ 8,619,156.26	\$ 10,083,312.52	\$ -
Jun 01, 2027	-	\$ -	\$ -	INVALID CALL	\$ -	\$ 1,285,281.26	\$ 1,285,281.26	\$ -	\$ 9,904,437.52
Dec 01, 2027	**	\$ 7,505,000.00	\$ -	INVALID CALL	\$ 7,505,000.00	\$ 1,285,281.26	\$ 8,790,281.26	\$ 10,075,562.52	\$ -
Jun 01, 2028	-	\$ -	\$ -	INVALID CALL	\$ -	\$ 1,119,106.26	\$ 1,119,106.26	\$ -	\$ 9,909,387.52
Dec 01, 2028	5.00%	\$ 7,855,000.00	\$ -	INVALID CALL	\$ 7,855,000.00	\$ 1,119,106.26	\$ 8,974,106.26	\$ 10,093,212.52	\$ -
Jun 01, 2029	-	\$ -	\$ -	INVALID CALL	\$ -	\$ 922,731.26	\$ 922,731.26	\$ -	\$ 9,896,837.52
Dec 01, 2029	3.38%	\$ 8,190,000.00	\$ -	INVALID CALL	\$ 8,190,000.00	\$ 922,731.26	\$ 9,112,731.26	\$ 10,035,462.52	\$ -
Jun 01, 2030	-	\$ -	\$ -	INVALID CALL	\$ -	\$ 784,525.00	\$ 784,525.00	\$ -	\$ 9,897,256.26
Dec 01, 2030	5.00%	\$ 4,395,000.00	\$ -	INVALID CALL	\$ 4,395,000.00	\$ 784,525.00	\$ 5,179,525.00	\$ 5,964,050.00	\$ -
Jun 01, 2031	-	\$ -	\$ -	INVALID CALL	\$ -	\$ 674,650.00	\$ 674,650.00	\$ -	\$ 5,854,175.00
Dec 01, 2031	5.00%	\$ 4,610,000.00	\$ -	INVALID CALL	\$ 4,610,000.00	\$ 674,650.00	\$ 5,284,650.00	\$ 5,959,300.00	\$ -
Jun 01, 2032	-	\$ -	\$ -	INVALID CALL	\$ -	\$ 559,400.00	\$ 559,400.00	\$ -	\$ 5,844,050.00
Dec 01, 2032	5.00%	\$ 4,385,000.00	\$ -	INVALID CALL	\$ 4,385,000.00	\$ 559,400.00	\$ 4,944,400.00	\$ 5,503,800.00	\$ -
Jun 01, 2033	-	\$ -	\$ -	INVALID CALL	\$ -	\$ 449,775.00	\$ 449,775.00	\$ -	\$ 5,394,175.00
Dec 01, 2033	5.00%	\$ 4,600,000.00	\$ -	INVALID CALL	\$ 4,600,000.00	\$ 449,775.00	\$ 5,049,775.00	\$ 5,499,550.00	\$ -
Jun 01, 2034	-	\$ -	\$ -	INVALID CALL	\$ -	\$ 334,775.00	\$ 334,775.00	\$ -	\$ 5,384,550.00
Dec 01, 2034	5.00%	\$ 4,575,000.00	\$ -	INVALID CALL	\$ 4,575,000.00	\$ 334,775.00	\$ 4,909,775.00	\$ 5,244,550.00	\$ -
Jun 01, 2035	-	\$ -	\$ -	INVALID CALL	\$ -	\$ 220,400.00	\$ 220,400.00	\$ -	\$ 5,130,175.00
Dec 01, 2035	5.00%	\$ 4,800,000.00	\$ -	INVALID CALL	\$ 4,800,000.00	\$ 220,400.00	\$ 5,020,400.00	\$ 5,240,800.00	\$ -
Jun 01, 2036	-	\$ -	\$ -	INVALID CALL	\$ -	\$ 100,400.00	\$ 100,400.00	\$ -	\$ 5,120,800.00
Dec 01, 2036	4.00%	\$ 5,020,000.00	\$ -	INVALID CALL	\$ 5,020,000.00	\$ 100,400.00	\$ 5,120,400.00	\$ 5,220,800.00	\$ 5,120,400.00
TOTALS		\$ 183,380,000.00	\$ -	\$ -	\$ 183,380,000.00	\$ 71,757,664.13	\$ 255,137,664.13	\$ 255,137,664.13	\$ 255,137,664.13



RETIREE HEALTHCARE PLAN

June 30, 2019 Actuarial Valuation
Final Results

Bartel Associates, LLC

Mary Beth Redding, Vice President & Actuary
Catherine Wandro, Assistant Vice President & Actuary
Daniel Park, Actuarial Analyst

July 30, 2020

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BENEFIT SUMMARY

	Fire	Police & Miscellaneous
<ul style="list-style-type: none"> ■ Eligibility 	<ul style="list-style-type: none"> ■ Retire directly from the City: <ul style="list-style-type: none"> ● Age 50 & 10 years City service, or ● 30 years City service, or ● Industrial disability, or ● Death in line of duty 	
<ul style="list-style-type: none"> ■ Benefit for Hires before Plan Change Date <p>Medical, Dental & Vision</p>	<ul style="list-style-type: none"> ■ Retire before 1/1/20: <ul style="list-style-type: none"> ● Retiree only - lowest cost \$25 co-pay medical plan premium plus additional 5.28% of cost plus lowest cost PPO dental plan premium, plus \$25 ■ Retire on or after 1/1/20: <ul style="list-style-type: none"> ● Exclude 5.28% multiplier ■ 2019 = \$860.60/mo 2020 = \$897.55/mo (DOR < 1/1/20) \$856.90/mo (DOR ≥ 1/1/20) 	<ul style="list-style-type: none"> ■ Retiree only - \$300/mo ■ Retiree + Dependents - \$365/mo

BENEFIT SUMMARY

	Fire	Police & Miscellaneous										
<ul style="list-style-type: none"> ■ Vesting Schedule 	<table border="0"> <tr> <td>■ <u>Service</u></td> <td><u>% of Cap</u></td> </tr> <tr> <td>10</td> <td>50%</td> </tr> <tr> <td>15</td> <td>75%</td> </tr> <tr> <td>20+</td> <td>100%</td> </tr> <tr> <td>ID&D Disability</td> <td>100%</td> </tr> </table>	■ <u>Service</u>	<u>% of Cap</u>	10	50%	15	75%	20+	100%	ID&D Disability	100%	<ul style="list-style-type: none"> ■ Same
■ <u>Service</u>	<u>% of Cap</u>											
10	50%											
15	75%											
20+	100%											
ID&D Disability	100%											
<ul style="list-style-type: none"> ■ Medical Plans 	<ul style="list-style-type: none"> ■ Retiree may participate in City medical plans or purchase outside plans and be reimbursed by the City up to the cap 											
<ul style="list-style-type: none"> ■ Benefit for Hires after Plan Change Date 	<ul style="list-style-type: none"> ■ Benefit: No City cash contribution but allowed to participate in City health plans by paying the full premium if hired after: <ul style="list-style-type: none"> ● 6/30/12 - Exempt Employees and Stationary Engineers Units ● 7/20/12 - Unrepresented Employees ● 9/3/13 - Police ● 11/15/14 - Plumbers and Pipe Fitters ● 1/1/20 - Fire ● 6/30/13 – All other bargaining units 											

BENEFIT SUMMARY

	Fire	Police & Miscellaneous
■ Pre 1/1/91 Deferred Retirement	■ None	■ Eligibility: Age 50 & 10 years ■ Benefit: Pre-plan change benefit ■ <u>Service</u> <u>%</u> 10 50% 20+ 100%
■ Surviving Spouse Benefit	■ Same benefit continues to surviving spouse	
■ Other OPEB	■ No City contribution for life insurance or Medicare Part B premiums	
■ Fire Department Unit Trust	■ Effective 6/27/15 ■ Sub-account in City's CERBT account ■ Member Contribution: \$45/mo ■ City Contribution: \$45/mo ■ Contributions discontinued 12/31/19 per current MOU	■ n/a

BENEFIT SUMMARY

	Fire		Police & Miscellaneous	
■ Pay-As-You-Go Costs (\$000's)	<u>Fiscal Year</u>	<u>Cash</u>	<u>Implied Subsidy</u>	<u>Total</u>
	■ FY 2018/19	\$10,407	\$4,483	\$14,890
	■ FY 2017/18	\$10,123	\$2,780	\$12,903
	■ FY 2016/17	\$10,011	\$2,554	\$12,565
	■ FY 2015/16	\$9,847	\$2,516	\$12,363
	■ FY 2014/15	\$9,904	\$3,620	\$13,524
	■ FY 2013/14	\$9,970	\$3,503	\$13,473
	■ FY 2012/13	\$9,758	\$3,085	\$12,843
	■ FY 2011/12	\$9,462	\$2,729	\$12,191
■ FY 2010/11	\$9,230	\$2,661	\$11,891	

BENEFIT SUMMARY

	Fire	Police & Miscellaneous																					
<ul style="list-style-type: none"> ■ Implied Subsidy 	<ul style="list-style-type: none"> ■ Non-Medicare retirees pay blended rates instead of actual cost ■ Active employee premiums subsidize non-Medicare retiree cost <div style="text-align: center; margin: 10px 0;"> <p>2019 Kaiser HMO \$25 Co-Pay - Male</p> <table border="1" style="margin: 10px auto; border-collapse: collapse;"> <thead> <tr> <th></th> <th>Age 40</th> <th>Age 45</th> <th>Age 50</th> <th>Age 55</th> <th>Age 60</th> <th>Age 65</th> </tr> </thead> <tbody> <tr> <td>Active/Early Retiree Premium</td> <td>\$739</td> <td>\$739</td> <td>\$739</td> <td>\$739</td> <td>\$739</td> <td>\$739</td> </tr> <tr> <td>Estimated Cost</td> <td>\$428</td> <td>\$545</td> <td>\$706</td> <td>\$915</td> <td>\$1,170</td> <td>\$1,451</td> </tr> </tbody> </table> </div> <ul style="list-style-type: none"> ■ GASB OPEB includes active “implied subsidy” with retiree cost ■ Medical: <ul style="list-style-type: none"> ● Value to age 65 for Medicare eligible retirees ● Value for life for non-Medicare eligible retirees ■ Dental & vision: no implied subsidy valued 			Age 40	Age 45	Age 50	Age 55	Age 60	Age 65	Active/Early Retiree Premium	\$739	\$739	\$739	\$739	\$739	\$739	Estimated Cost	\$428	\$545	\$706	\$915	\$1,170	\$1,451
	Age 40	Age 45	Age 50	Age 55	Age 60	Age 65																	
Active/Early Retiree Premium	\$739	\$739	\$739	\$739	\$739	\$739																	
Estimated Cost	\$428	\$545	\$706	\$915	\$1,170	\$1,451																	

BENEFIT SUMMARY

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PARTICIPANT STATISTICS

Participant Statistics – June 30, 2019

	Misc	Police	Fire	Total
■ Actives				
• Count	2,636	687	569	3,892
• Average Age	44.6	37.8	42.4	43.1
• Average City Service	10.3	11.8	13.7	11.1
• Average PERSable Salary	\$ 75,389	\$ 94,579	\$ 99,884	\$ 82,357
• Total Salary (\$000's)	198,725	64,976	56,834	320,534
■ Pre 1/1/91 Inactive Vested				
• Count	8	-	-	8
• Average Age	69.0	-	-	69.2
■ Retirees				
• Count - Medical	1,113	231	426	1,770
• Count - Dental	1,658	543	471	2,672
• Count - Vision	827	308	277	1,412
• Count - In Lieu	152	134	16	302
• Count - Total	2,023	628	510	3,161
• Average Age	71.6	67.4	71.0	70.6
• Average Retirement Age	58.6	50.8	54.2	56.4



July 30, 2020



PARTICIPANT STATISTICS

Participant Statistics – June 30, 2017

	Misc	Police	Fire	Total
■ Actives				
• Count	2,393	761	562	3,716
• Average Age	46.0	38.2	42.0	43.8
• Average City Service	11.5	12.1	13.3	11.9
• Average PERSable Salary	\$ 66,422	\$ 89,574	\$ 104,660	\$ 76,946
• Total Salary (\$000's)	158,947	68,166	58,819	285,932
■ Pre 1/1/91 Inactive Vested				
• Count	10	-	-	10
• Average Age	67.0	-	-	67.0
■ Retirees				
• Count - Medical	1,133	314	400	1,847
• Count - Dental	1,583	518	472	2,573
• Count - Vision	675	229	241	1,145
• Count - In Lieu	102	46	41	189
• Count - Total	2,093	622	521	3,236
• Average Age	71.3	66.9	71.0	70.4
• Average Retirement Age	58.6	50.9	54.4	56.4



July 30, 2020



PARTICIPANT STATISTICS

Participant Reconciliation – Actives

Actives Participants	Misc	Police	Fire	Total
■ June 30, 2017 Valuation	2,393	761	562	3,716
• New Hires	715	110	56	881
• Departures	(299)	(148)	(20)	(467)
• New Retirements	(173)	(36)	(29)	(238)
• Adjustments	-	-	-	-
■ June 30, 2019 Valuation	2,636	687	569	3,892

PARTICIPANT STATISTICS

Participant Reconciliation – Retirees

Retired Participants	Misc	Police	Fire	Total
■ June 30, 2017 Valuation	2,093	622	521	3,236
• Departures	(278)	(34)	(50)	(362)
• New Retirements	173	36	29	238
• Adjustments	35	4	10	49
■ June 30, 2019 Valuation	2,023	628	510	3,161

ACTUARIAL ASSUMPTIONS HIGHLIGHTS

	June 30, 2017 Valuation	June 30, 2019 Valuation
■ Valuation Date	<ul style="list-style-type: none"> ■ June 30, 2017 ■ Fiscal Years 2018/19 & 2019/20 	<ul style="list-style-type: none"> ■ June 30, 2019 ■ Fiscal Years 2020/21 & 2021/22
■ Discount Rate	<ul style="list-style-type: none"> ■ 3.95% ■ Based on closed group crossover analysis following GASBS 75 methodology: <ul style="list-style-type: none"> ● Projected City contributions of \$1.5 million each year ● 6.75% rate for funded benefits and S&P 20-year bond index rate (3.13% as of 6/30/17) for pay-go only ■ CERBT asset allocation strategy #1 (57% global equity, 27% fixed income, 5% TIPS, 8% REITs, 3% commodities) 	<ul style="list-style-type: none"> ■ 6.75% ■ Based on closed group crossover analysis following GASBS 75 methodology: <ul style="list-style-type: none"> ● Projected City contributions of \$1.5 million each year ● 6.75% rate for funded benefits and S&P 20-year bond index rate (2.79% as of 6/30/19) for pay-go only ■ CERBT asset allocation strategy #1 (59% global equity, 25% fixed income, 5% TIPS, 8% REITs, 3% commodities)

ACTUARIAL ASSUMPTIONS HIGHLIGHTS

	June 30, 2017 Valuation	June 30, 2019 Valuation
■ Inflation	<ul style="list-style-type: none"> ■ 2.75% 	<ul style="list-style-type: none"> ■ Same
■ Retirement, Mortality, Termination, Disability	<ul style="list-style-type: none"> ■ CalPERS – 1997-2011 Experience Study ■ SCERS – 6/30/17 Valuation Assumptions (limited applicability) ■ Mortality projected fully generational with Scale MP-16 	<ul style="list-style-type: none"> ■ CalPERS – 1997-2015 Experience Study ■ SCERS – 6/30/19 Valuation Assumptions (limited applicability) ■ Mortality projected fully generational with Scale MP-19

ACTUARIAL ASSUMPTIONS HIGHLIGHTS

	June 30, 2017 Valuation	June 30, 2019 Valuation																																												
<p>■ Participation at Retirement</p>	<p>■ Based on retirements during fiscal years 2015 to 2017, varies by % of cash benefit earned at retirement:</p> <table border="1" style="margin-left: auto; margin-right: auto; border-collapse: collapse;"> <thead> <tr> <th rowspan="2">Plan</th> <th colspan="4">% of Benefit Earned</th> </tr> <tr> <th>0%</th> <th>50%</th> <th>75%</th> <th>100%</th> </tr> </thead> <tbody> <tr> <td>M&D&V</td> <td>10%</td> <td>23%</td> <td>30%</td> <td>35%</td> </tr> <tr> <td>D & V</td> <td>10%</td> <td>40%</td> <td>35%</td> <td>30%</td> </tr> <tr> <td>M & D</td> <td>0%</td> <td>10%</td> <td>14%</td> <td>20%</td> </tr> <tr> <td>M & V</td> <td>0%</td> <td>3%</td> <td>0%</td> <td>4%</td> </tr> <tr> <td>M Only</td> <td>10%</td> <td>12%</td> <td>9.5%</td> <td>7%</td> </tr> <tr> <td>D Only</td> <td>10%</td> <td>3%</td> <td>1.5%</td> <td>0.5%</td> </tr> <tr> <td>V Only</td> <td>0%</td> <td>0%</td> <td>1%</td> <td>0.5%</td> </tr> </tbody> </table> <p style="margin-left: 40px;">M = Medical, D = Dental, V = Vision</p>	Plan	% of Benefit Earned				0%	50%	75%	100%	M&D&V	10%	23%	30%	35%	D & V	10%	40%	35%	30%	M & D	0%	10%	14%	20%	M & V	0%	3%	0%	4%	M Only	10%	12%	9.5%	7%	D Only	10%	3%	1.5%	0.5%	V Only	0%	0%	1%	0.5%	<p>■ Same</p>
Plan	% of Benefit Earned																																													
	0%	50%	75%	100%																																										
M&D&V	10%	23%	30%	35%																																										
D & V	10%	40%	35%	30%																																										
M & D	0%	10%	14%	20%																																										
M & V	0%	3%	0%	4%																																										
M Only	10%	12%	9.5%	7%																																										
D Only	10%	3%	1.5%	0.5%																																										
V Only	0%	0%	1%	0.5%																																										

ACTUARIAL ASSUMPTIONS HIGHLIGHTS

	June 30, 2017 Valuation		June 30, 2019 Valuation			
<p>■ Medical Trend (Increase in health care costs for all reasons except aging)</p>	<u>Year</u>	<u>Increase from Prior Year</u> <u>Non-Medicare</u>	<u>Medicare</u>	<u>Year</u>	<u>Increase from Prior Year</u> <u>Non-Medicare</u>	<u>Medicare</u>
	2017	Actual 2017 Premiums		2017	n/a	
	2018	Actual 2018 Premiums		2018	n/a	
	2019	7.50%	6.50%	2019	Actual 2019 Premiums	
	2020	7.50%	6.50%	2020	Actual 2020 Premiums	
	2021	7.25%	6.30%	2021	7.25%	6.30%
	2022	7.00%	6.10%	2022	7.00%	6.10%
	2023	6.75%	5.90%	2023	6.75%	5.90%
	2024	6.50%	5.70%	2024	6.50%	5.70%
	2025	6.25%	5.50%	2025	6.25%	5.50%
	2026	6.00%	5.30%	2026	6.00%	5.30%
	2027	5.80%	5.15%	2027	5.80%	5.15%
	2028	5.60%	5.00%	2028	5.60%	5.00%
	2029	5.40%	4.85%	2029	5.40%	4.85%
	2030	5.20%	4.70%	2030	5.20%	4.70%
	2031-35	5.05%	4.60%	2031-35	5.05%	4.60%
	2036-45	4.90%	4.50%	2036-45	4.90%	4.50%
	2046-55	4.75%	4.45%	2046-55	4.75%	4.45%
	2056-65	4.60%	4.40%	2056-65	4.60%	4.40%
	2066-75	4.30%	4.20%	2066-75	4.30%	4.20%
	2076+	4.00%	4.00%	2076+	4.00%	4.00%

ACTUARIAL ASSUMPTIONS HIGHLIGHTS

	June 30, 2017 Valuation	June 30, 2019 Valuation
■ Dental & Vision Trend	■ 2.75%	■ Same
■ Cap Increase Rates	<ul style="list-style-type: none"> ■ Fire hired before 1/14/15: <ul style="list-style-type: none"> • Lowest cost \$25 co-pay medical premium – medical trend • Lowest cost PPO dental premium – dental trend ■ All Misc, All Police, and Fire hired \geq 1/14/15: 0% 	<ul style="list-style-type: none"> ■ Fire hired before 1/14/15: <ul style="list-style-type: none"> • Lowest cost \$25 co-pay medical premium – medical trend • Lowest cost PPO dental premium – dental trend ■ Misc and Police: 0%
■ Affordable Care Act (ACA) Excise Tax	■ 2% liability load on cash subsidy to estimate impact	<ul style="list-style-type: none"> ■ None ■ Repealed December 2019

ACTUARIAL ASSUMPTIONS HIGHLIGHTS

	June 30, 2017 Valuation	June 30, 2019 Valuation
■ Basis for Assumptions	<ul style="list-style-type: none"> ■ No experience study performed for this Plan with the exception of the participation at retirement assumption, which is based on retirements during fiscal years 2015 to 2017. ■ CalPERS 1997-2015 experience study was used for participants in the CalPERS plan, SCERS 6/30/19 Valuation assumptions for participants in the SCERS plan (limited applicability) ■ Mortality improvement is based on Society of Actuaries tables ■ Inflation is based on our estimate for the Plan’s long-term time horizon ■ Age-based claims for the June 30, 2019 valuation are based on factors published by the Society of Actuaries. ■ Short-term trend was developed in consultation with Axene Healthcare Partners’ healthcare actuaries. Long-term trend was developed using Society of Actuaries Getzen Model of Long-Run Medical Cost Trends. ■ Spouse participation based in part on Plan experience 	

ACTUARIAL METHODS

Method	June 30, 2017 Valuation	June 30, 2019 Valuation
■ Cost Method	■ Entry Age Normal Cost method	
■ Funding Policy	■ Premiums paid from City resources. ■ Pre-funding: Continue budget appropriations as well as contribute one time resources into CERBT asset allocation strategy #1	
■ Actuarial Value of Assets	■ Methodology: <ul style="list-style-type: none"> • Investment gains/losses spread over 5-year rolling period • Not less than 80% nor more than 120% of market value ■ Allocation to Misc/Police/Fire: <ul style="list-style-type: none"> • Fire Department Unit Trust assets allocated to Fire group • Remaining assets allocated to Misc/Police/Fire in proportion to actuarial accrued liability 	
■ Amortization Method	■ Level percent of payroll (payments escalate 3% per year)	
■ Amortization Period	■ 20 year closed amortization of 6/30/18 UAAL	■ 18 year closed amortization of 6/30/20 UAAL

ACTUARIAL METHODS

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ASSETS

Market Value of Plan Assets

(Amounts in 000's)

Market Value of Assets	2017/18			2018/19		
	City	Fire Unit Trust	Total	City	Fire Unit Trust	Total
■ MVA (Beg. of Year)	\$25,183	\$1,258	\$26,441	\$35,073	\$1,984	\$37,057
• Contribution	7,861	615	8,476	3,213	606	3,819
• Benefit Payment	(0)	(0)	(0)	(0)	(0)	(0)
• Admin. Expenses	(14)	(1)	(15)	(17)	(1)	(18)
• Inv. Expenses	(10)	(1)	(11)	(13)	(1)	(14)
• Investment Return	<u>2,052</u>	<u>113</u>	<u>2,165</u>	<u>2,292</u>	<u>159</u>	<u>2,450</u>
■ MVA (End of Year)	35,073	1,984	37,057	40,548	2,747	43,294
■ Approx. Annual Return	7.6%			6.4%		

ASSETS

Market Value of Plan Assets

(Amounts in 000's)

Market Value of Assets	Projected 2019/20		
	City	Fire Unit Trust	Total
■ MVA (Beg. of Year)	\$40,548	\$2,747	\$43,294
• Contribution	8,834	310 ¹	9,144
• Benefit Payment	(0)	(0)	(0)
• Admin. Expenses	(22)	(1)	(23)
• Inv. Expenses	-	-	-
• Net Investment Return ²	<u>2,960</u>	<u>201</u>	<u>3,162</u>
■ MVA (End of Year)	52,320	3,257	55,577
■ Projected Annual Return	6.75%		

¹ Contributions to Fire Unit Trust discontinued 12/31/19 per current Fire MOU.

² Assets projected to 6/30/20 based on contributions as of the 3/31/20 CERBT statements and an expected 2019/20 investment return of 6.75%.

ASSETS

Actuarial Value of Plan Assets

(Amounts in 000's)

Actuarial Value of Assets	2017/18 ³			2018/19		
	City	Fire	Total	City	Fire	Total
■ AVA (Beginning of Year)	\$24,807	\$1,234	\$26,041	\$34,556	\$1,959	\$36,515
• Employer/Employee Contribution	7,861	615	8,476	3,213	606	3,819
• Benefit Payment	-	-	-	-	-	-
• Expected Investment Return ⁴	<u>1,759</u>	<u>104</u>	<u>1,863</u>	<u>2,354</u>	<u>153</u>	<u>2,507</u>
■ Expected AVA (End of Year)	34,427	1,953	36,380	40,123	2,718	42,841
■ MVA (End of Year)	35,073	1,984	37,057	40,548	2,747	43,294
■ 1/5 of (MVA – Expected AVA)	129	6	135	85	6	91
■ Preliminary AVA ⁵	34,556	1,959	36,515	40,208	2,724	42,932
• Minimum AVA (80% of MVA)	28,058	1,587	26,645	32,438	2,198	34,635
• Maximum AVA (120% of MVA)	42,088	2,381	44,469	48,658	3,296	51,953
■ AVA (End of Year)	34,556	1,959	36,515	40,208	2,724	42,932
■ Approximate Annual Return			7.2%			7.0%

³ Revised based on actual 6/30/18 MVA.

⁴ Expected investment return of 6.75%.

⁵ Expected AVA plus 20% of the difference between the MVA and expected AVA.

ASSETS

Actuarial Value of Plan Assets

(Amounts in 000's)

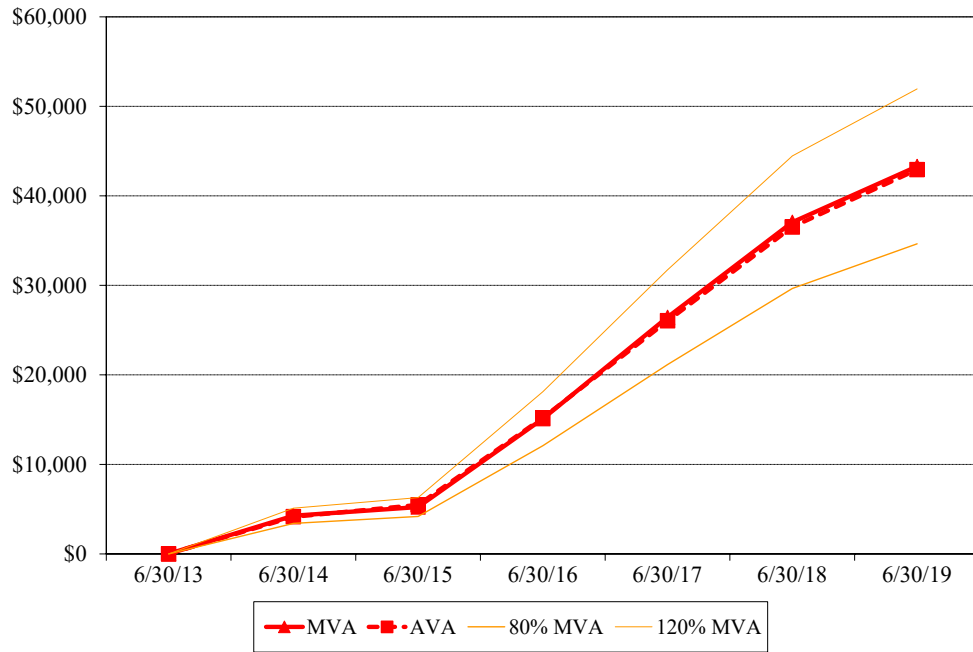
Actuarial Value of Assets	Projected 2019/20		
	City	Fire	Total
■ AVA (Beginning of Year)	\$40,208	\$2,724	\$42,932
• Employer/Employee Contribution	8,834	310	9,144
• Benefit Payment	-	-	-
• Expected Investment Return ⁶	<u>2,937</u>	<u>194</u>	<u>3,131</u>
■ Expected AVA (End of Year)	51,979	3,228	55,207
■ MVA (End of Year)	52,320	3,257	55,577
■ 1/5 of (MVA – Expected AVA)	68	6	74
■ Preliminary AVA ⁷	52,047	3,234	55,281
• Minimum AVA (80% of MVA)	41,856	2,605	44,461
• Maximum AVA (120% of MVA)	62,784	3,908	66,692
■ AVA (End of Year)	52,047	3,234	55,281
■ Approximate Annual Return			6.9%

⁶ Expected investment return of 6.75%.

⁷ Expected AVA plus 20% of the difference between the MVA and expected AVA.

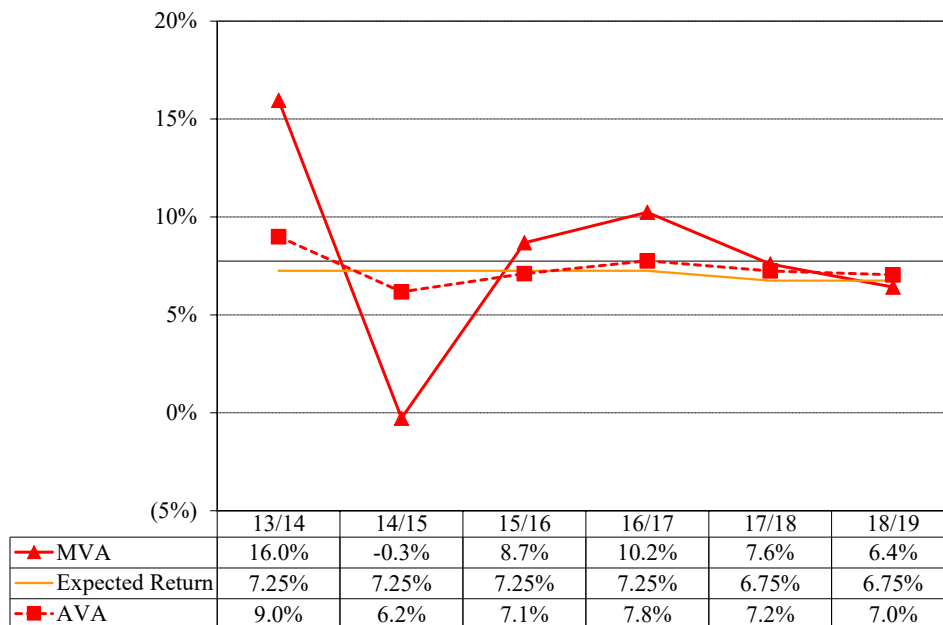
ASSETS

Historical Plan Assets (Amounts in \$000's)



ASSETS

Historical Asset Returns



RESULTS

Actuarial Obligations

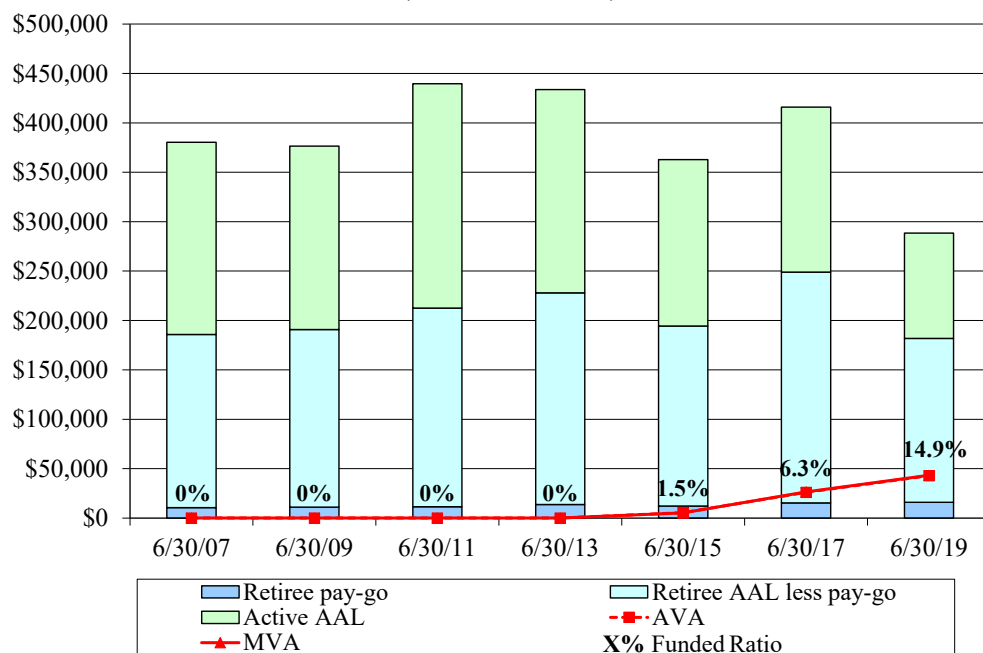
(Amounts in 000's)

	6/30/17 Valuation		6/30/19 Valuation	
Discount Rate	3.95%		6.75%	
	6/30/17	Projected to 6/30/18	6/30/19	Projected to 6/30/20
■ Present Value of Benefits <ul style="list-style-type: none"> • Actives • Retirees • Total 	\$ 290,592		\$ 161,856	
	<u>248,926</u>		<u>181,853</u>	
	539,518		343,709	
■ Actuarial Accrued Liability <ul style="list-style-type: none"> • Actives • Retirees • Total 	167,031		106,546	
	<u>248,926</u>		<u>181,853</u>	
	415,957	\$ 428,858	288,399	\$ 298,341
■ Actuarial Value of Assets	<u>(26,041)</u>	<u>(29,432)</u>	<u>(42,932)</u>	<u>(55,281)</u>
■ Unfunded AAL	389,916	399,426	245,467	243,060
■ AVA Funded Ratio	6.3%		14.9%	
■ Normal Cost		11,834		6,345
■ Pay-As-You-Go Cost		15,343		16,001

RESULTS

Historical Actuarial Accrued Liability

(Amounts in 000's)



RESULTS

Estimated Actuarial Gain/Loss Analysis

(Amounts in 000's)

	AAL
■ Actual on 6/30/17	\$ 415,957
■ Expected on 6/30/19	441,988
■ Experience (Gains)/Losses:	
• Premiums/Claims/Caps different than expected	(19,203)
• Demographic ⁸	(9,397)
■ Assumption Changes:	
• CalPERS 1997-2015 Experience Study	4,032
• Mortality Improvement Scale MP-2019	(6,016)
• Remove ACA Excise Tax	(5,376)
• Discount Rate	(118,159)
■ Benefit Change for Fire Group	530
■ Total (Gains)/Losses	(153,589)
■ Actual on 6/30/19	288,399

⁸ Mainly decrements different from expected (mortality, retirement, disability, termination), and fewer retiring employees than expected electing coverage.



July 30, 2020



RESULTS

Schedule of Funding Progress

(Amounts in 000's)

Actuarial Valuation Date ⁹	Actuarial Value of Assets (a)	Entry Age Actuarial Accrued Liability (b)	Unfunded Actuarial Accrued Liability (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as Percentage of Covered Payroll ((b-a)/c)
6/30/07	\$ -	\$ 380,373	\$ 380,373	0.0%	\$ 266,317	142.8%
6/30/09	-	376,417	376,417	0.0%	275,252	136.8%
6/30/11	-	439,592	439,592	0.0%	253,528	173.4%
6/30/12	-	447,406	447,406	0.0%	261,768	170.9%
6/30/13	-	433,695	433,695	0.0%	257,498	168.4%
6/30/15	5,461	362,824	357,363	1.5%	270,677	132.0%
6/30/17	26,041	415,957	389,916	6.3%	285,932	136.4%
6/30/19	42,932	288,399	245,467	14.9%	320,534	76.6%

⁹ The valuations for 6/30/07 through the 6/30/11 are based on a 4.25% discount rate. The 6/30/13 & 6/30/15 valuations are based on a 4.50% discount rate. The 6/30/17 valuation is based on a 3.95% discount rate, and the 6/30/19 valuation is based on a 6.75% discount rate.



July 30, 2020



RESULTS

Actuarially Determined Contribution (ADC)

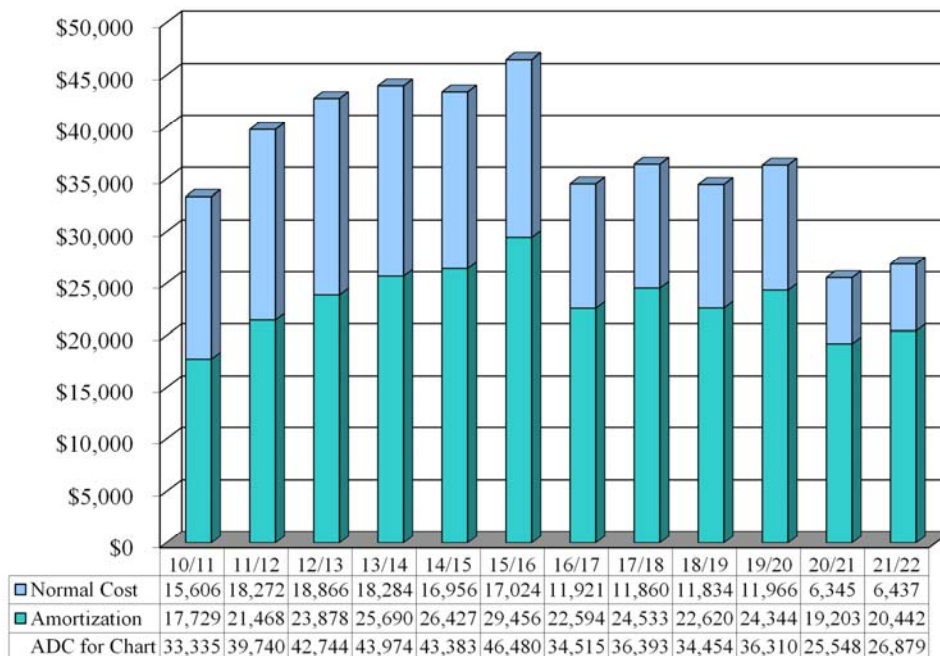
(Amounts in 000's)

	6/30/17 Valuation		6/30/19 Valuation	
	2018/19	2019/20	2020/21	2021/22
■ ADC - \$				
• Normal Cost	\$ 11,834	\$ 11,966	\$ 6,345	\$ 6,437
• UAAL Amortization	<u>22,620</u>	<u>24,344</u>	<u>19,203</u>	<u>20,442</u>
• ADC (End of Year)	34,454	36,310	25,548	26,879
■ Projected Payroll	303,345	312,446	330,150	340,055
■ ADC - % Total Payroll				
• Normal Cost	3.9%	3.8%	1.9%	1.9%
• UAAL Amortization	<u>7.5%</u>	<u>7.8%</u>	<u>5.8%</u>	<u>6.0%</u>
• ADC	11.4%	11.6%	7.7%	7.9%

RESULTS

Historical Actuarially Determined Contributions

(Amounts in 000's)



RESULTS

Actuarial Obligations by Cash/Implied Subsidy

June 30, 2019

(Amounts in 000's)

	Cash Subsidy	Implied Subsidy	Total
■ Present Value of Benefits			
• Actives	\$ 91,383	\$ 70,473	\$ 161,856
• Retirees	<u>126,047</u>	<u>55,806</u>	<u>181,853</u>
• Total	217,430	126,279	343,709
■ Actuarial Accrued Liability			
• Actives	60,167	46,379	106,546
• Retirees	<u>126,047</u>	<u>55,806</u>	<u>181,853</u>
• Total	186,214	102,185	288,399
■ Actuarial Value of Assets¹⁰	<u>(42,932)</u>	-	<u>(42,932)</u>
■ Unfunded AAL	143,282	102,185	245,467
■ AVA Funded Ratio	23.1%	n/a	14.9%
■ Normal Cost 2020/21	3,653	2,692	6,345
■ Pay-As-You-Go 2020/21	11,216	4,785	16,001

¹⁰ All assets allocated to cash subsidy.

RESULTS

Actuarially Determined Contribution (ADC) by Cash/Implied Subsidy

2020/21 Fiscal Year

(Amounts in 000's)

	Cash Subsidy	Implied Subsidy	Total
■ ADC - \$			
• Normal Cost	\$ 3,653	\$ 2,692	\$ 6,345
• UAAL Amortization	<u>10,732</u>	<u>8,471</u>	<u>19,203</u>
• Total	14,385	11,163	25,548
■ Projected Payroll	330,150	330,150	330,150
■ ADC - %			
• Normal Cost	1.1%	0.8%	1.9%
• UAAL Amortization	<u>3.3%</u>	<u>2.6%</u>	<u>5.8%</u>
• Total	4.4%	3.4%	7.7%

RESULTS

Actuarial Obligations by Group

(Amounts in 000's)

	Misc	Police	Fire	Total
■ Present Value of Benefits				
• Actives	\$ 56,035	\$ 28,268	\$ 77,553	\$ 161,856
• Retirees	<u>72,105</u>	<u>35,463</u>	<u>74,285</u>	<u>181,853</u>
• Total	128,140	63,731	151,838	343,709
■ Actuarial Accrued Liability				
• Actives	41,436	18,503	46,607	106,546
• Retirees	<u>72,105</u>	<u>35,463</u>	<u>74,285</u>	<u>181,853</u>
• Total	113,541	53,966	120,892	288,399
■ Actuarial Value of Assets¹¹	<u>(15,830)</u>	<u>(7,524)</u>	<u>(19,578)</u>	<u>(42,932)</u>
■ Unfunded AAL	97,711	46,442	101,314	245,467
■ Funded Ratio	13.9%	13.9%	16.2%	14.9%
■ Normal Cost 2020/21	1,992	1,143	3,210	6,345
■ Pay-As-You-Go 2020/21	7,678	2,864	5,459	16,001

¹¹ Fire Assets allocated to Fire group, remaining assets allocated to Misc/Fire/Police in proportion to liability.



July 30, 2020



RESULTS

Actuarially Determined Contribution (ADC) by Group

2020/21 Fiscal Year

(Amounts in 000's)

	Misc	Police	Fire	Total
■ ADC - \$				
• Normal Cost	\$ 1,992	\$ 1,143	\$ 3,210	\$ 6,345
• UAAL Amortization	<u>7,539</u>	<u>3,644</u>	<u>8,020</u>	<u>19,203</u>
• Total	9,531	4,787	11,230	25,548
■ Projected Payroll	204,687	66,925	58,539	330,150
■ ADC - %				
• Normal Cost	1.0%	1.7%	5.5%	1.9%
• UAAL Amortization	<u>3.7%</u>	<u>5.4%</u>	<u>13.7%</u>	<u>5.8%</u>
• Total	4.7%	7.2%	19.2%	7.7%



July 30, 2020



RESULTS

Actuarially Determined Contribution (ADC) by Group

2021/22 Fiscal Year

(Amounts in 000's)

	Misc	Police	Fire	Total
■ ADC - \$				
• Normal Cost	\$ 2,035	\$ 1,165	\$ 3,237	\$ 6,437
• UAAL Amortization	<u>8,026</u>	<u>3,879</u>	<u>8,537</u>	<u>20,442</u>
• Total	10,061	5,044	11,774	26,879
■ Projected Payroll	210,827	68,933	60,295	340,055
■ ADC - %				
• Normal Cost	1.0%	1.7%	5.4%	1.9%
• UAAL Amortization	<u>3.8%</u>	<u>5.6%</u>	<u>14.2%</u>	<u>6.0%</u>
• Total	4.8%	7.3%	19.5%	7.9%

RESULTS

10-Year Projection Illustration

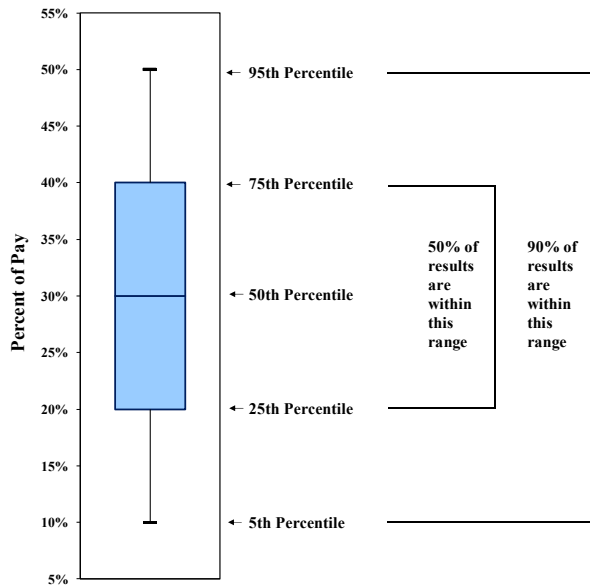
(Amounts in 000's)

FYE June 30,	ADC	Benefit Payments			Pre- Fund ¹²	Total Contrib	Payroll	ADC as % of Payroll	Contrib as % of Payroll
		Cash Subsidy	Implied Subsidy	Total					
2021	\$25,548	\$11,216	\$4,785	\$16,001	\$1,500	\$17,501	\$330,150	7.7%	5.3%
2022	26,879	11,607	5,183	16,790	1,500	18,290	340,055	7.9%	5.4%
2023	28,308	12,049	5,487	17,536	1,500	19,036	350,256	8.1%	5.4%
2024	29,870	12,468	6,100	18,568	1,500	20,068	360,764	8.3%	5.6%
2025	31,554	12,877	6,699	19,576	1,500	21,076	371,587	8.5%	5.7%
2026	33,391	13,292	7,304	20,596	1,500	22,096	382,734	8.7%	5.8%
2027	35,427	13,724	7,909	21,633	1,500	23,133	394,216	9.0%	5.9%
2028	37,716	14,134	8,476	22,610	1,500	24,110	406,043	9.3%	5.9%
2029	40,349	14,483	9,089	23,572	1,500	25,072	418,224	9.6%	6.0%
2030	43,432	14,870	9,821	24,691	1,500	26,191	430,771	10.1%	6.1%

¹² Assumes the City contributes \$1.5 million per year into trust.

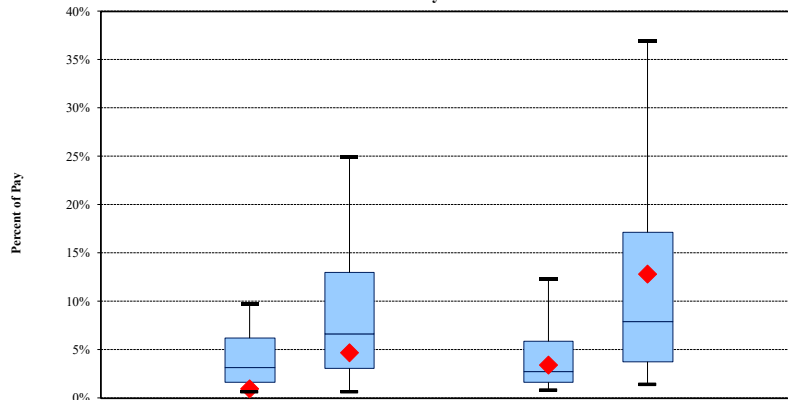
BARTEL ASSOCIATES OPEB DATABASE

**Bartel Associates OPEB Database
Sample Percentile Graph**



BARTEL ASSOCIATES OPEB DATABASE

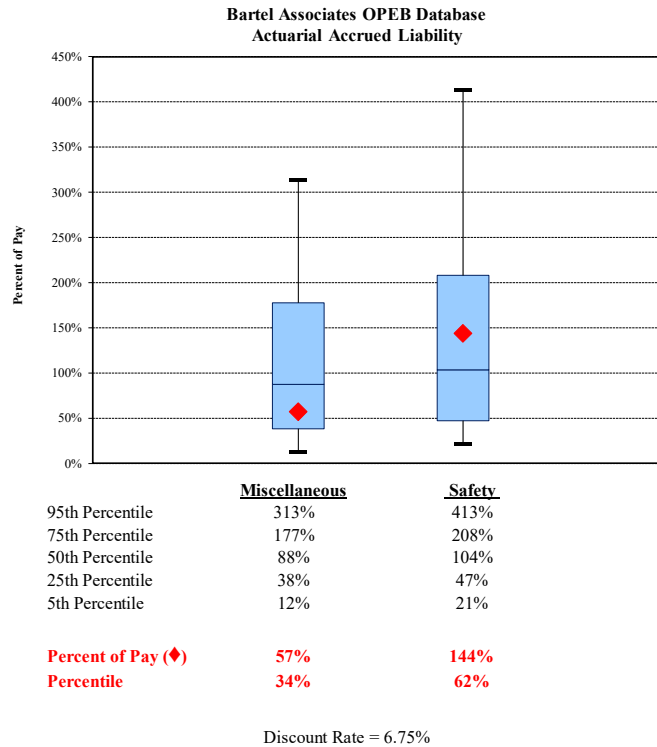
**Bartel Associates OPEB Database
Normal Cost & Actuarially Determined Contribution**



	<u>Miscellaneous</u>		<u>Safety</u>	
	<u>NC</u>	<u>ADC</u>	<u>NC</u>	<u>ADC</u>
95th Percentile	9.7%	24.9%	12.4%	36.9%
75th Percentile	6.2%	13.0%	5.9%	17.1%
50th Percentile	3.2%	6.7%	2.8%	7.9%
25th Percentile	1.6%	3.1%	1.6%	3.8%
5th Percentile	0.6%	0.6%	0.8%	1.4%
Percent of Pay (♦)	1.0%	4.7%	3.5%	12.8%
Percentile	10%	40%	58%	64%

Discount Rate = 6.75%, Average Amortization Period = 18.0 Years

BARTEL ASSOCIATES OPEB DATABASE



ACTUARIAL CERTIFICATION

This report presents the City of Sacramento Retiree Healthcare Plan (“Plan”) June 30, 2019 actuarial valuation. The purpose of this valuation is to:

- Determine the Plan’s June 30, 2019 Funded Status and
- Calculate the 2020/21 and 2021/22 Actuarially Determined Contributions.

Information provided in this report may be useful to the City for the Plan’s financial management. Future valuations may differ significantly if the Plan’s experience differs from our assumptions or if there are changes in Plan design, actuarial methods, or actuarial assumptions. The project scope did not include an analysis of this potential variation.

The valuation is based on Plan provisions, participant data, and asset information provided by the City as summarized in this report, which we relied on and did not audit. We reviewed the participant data for reasonableness.

To the best of our knowledge, this report is complete and accurate and has been conducted using generally accepted actuarial principles and practices. As members of the American Academy of Actuaries meeting the Academy Qualification Standards, we certify the actuarial results and opinions herein.

Respectfully submitted,



Mary Beth Redding, FSA, EA, MAAA, FCA
Vice President
Bartel Associates, LLC
July 30, 2020



Catherine A. Wandro, ASA, MAAA, FCA
Assistant Vice President
Bartel Associates, LLC
July 30, 2020

EXHIBITS

Topic	Page
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Actuarial Assumptions	E-20
Definitions	E-30

EXHIBITS

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PREMIUMS

2019 Monthly Medical Premiums
Actives and Non Medicare Retirees

Medical Plan	Single	2-Party	Family
Kaiser HMO - \$25 Co-Pay	\$ 739.48	\$ 1,478.94	\$ 1,967.00
Kaiser HMO - \$40 Co-Pay	729.12	1,458.22	1,939.44
Kaiser HMO - ABHP (actives only)	601.74	1,203.48	1,600.64
Western Health Advantage - \$25 Co-Pay	756.04	1,512.04	2,011.06
Western Health Advantage - \$40 Co-Pay	743.16	1,486.32	1,976.82
Western Health Advantage - ABHP (actives only)	580.22	1,160.44	1,543.88
Sutter Health Plus - \$25 Co-Pay	758.90	1,517.72	2,019.88
Sutter Health Plus - \$40 Co-Pay	731.10	1,462.14	1,945.94
Sutter Health Plus - ABHP (actives only)	621.34	1,242.52	1,652.78

PREMIUMS

2019 Monthly Medical Premiums
Medicare Retirees

Medical Plan	Single	2-Party	Family
Kaiser Senior Advantage – \$20 Co-Pay	\$ 333.36	\$ 633.54	\$ 999.48
UHC Group Medicare Advantage PPO - \$15 Co-Pay	354.96	709.92	n/a

PREMIUMS

2019 Monthly Dental & Vision Premiums
Actives and Retirees

Dental Plan	Single	2-Party	Family
Delta Dental DPO	\$ 57.08	\$ 108.42	\$144.36
DeltaCare USA (DMO)	27.86	52.92	70.44

Vision Plan	Single	2-Party	Family
VSP - Basic	\$ 8.04	\$ 11.56	\$ 20.68
VSP - Enhanced	10.86	15.60	27.90

PREMIUMS

2020 Monthly Medical Premiums
Actives and Non Medicare Retirees

Medical Plan	Single	2-Party	Family
Kaiser HMO - \$25 Co-Pay	\$ 769.84	\$1,539.68	\$2,047.80
Kaiser HMO - \$40 Co-Pay	759.04	1,518.08	2,019.06
Kaiser HMO - ABHP (actives only)	626.42	1,252.84	1,666.28
Western Health Advantage - \$25 Co-Pay	785.34	1,570.62	2,088.96
Western Health Advantage - \$40 Co-Pay	771.94	1,543.90	2,053.40
Western Health Advantage - ABHP (actives only)	602.70	1,205.40	1,603.16
Sutter Health Plus - \$25 Co-Pay	781.72	1,563.38	2,080.80
Sutter Health Plus - \$40 Co-Pay	753.10	1,506.16	2,004.68
Sutter Health Plus - ABHP (actives only)	639.70	1,279.20	1,701.60

PREMIUMS

2020 Monthly Medical Premiums
Medicare Retirees

Medical Plan	Single	2-Party	Family
Kaiser Senior Advantage – \$20 Co-Pay	\$ 348.10	\$ 661.56	\$ 1,043.70
UHC Group Medicare Advantage PPO - \$15 Co-Pay	365.00	730.00	n/a

PREMIUMS

2020 Monthly Dental & Vision Premiums
Actives and Retirees

Dental Plan	Single	2-Party	Family
Delta Dental DPO	\$ 62.06	\$ 117.86	\$ 156.92
DeltaCare USA (DMO)	27.86	52.92	70.44

Vision Plan	Single	2-Party	Family
VSP - Basic	\$ 8.44	\$ 12.14	\$ 21.72
VSP - Enhanced	13.02	18.68	33.44

DATA SUMMARY

Medical Plan Participation
Non-Waived Participants
June 30, 2019

Plan	Actives	Retirees	
		< 65	≥ 65
Kaiser HMO - \$25 Co-Pay (\$20 Co-Pay Post 65)	45%	49%	41%
Kaiser HMO - \$40 Co-Pay (\$20 Co-Pay Post 65)	9%	9%	28%
Kaiser HMO - ABHP	9%	0%	0%
Western Health Advantage - \$25 Co-Pay	7%	15%	1%
Western Health Advantage - \$40 Co-Pay	1%	3%	0%
Western Health Advantage - ABHP	3%	0%	0%
Sutter Health Plus - \$25 Co-Pay	14%	13%	2%
Sutter Health Plus - \$40 Co-Pay	10%	9%	0%
Sutter Health Plus - ABHP	2%	0%	0%
UHC Group Medicare Advantage PPO	0%	3%	28%
Total	100%	100%	100%

DATA SUMMARY

Current Active Medical Coverage
June 30, 2019

Medical Plan	Single	2-Party	Family	Waived	Total
Kaiser HMO - \$25 Co-Pay	831	181	442	-	1,454
Kaiser HMO - \$40 Co-Pay	155	33	89	-	277
Kaiser HMO - ABHP	139	33	132	-	304
Western Health Adv. - \$25 Co-Pay	115	35	82	-	232
Western Health Adv. - \$40 Co-Pay	24	2	14	-	40
Western Health Adv. - ABHP	56	11	42	-	109
Sutter Health Plus - \$25 Co-Pay	212	63	163	-	438
Sutter Health Plus - \$40 Co-Pay	133	50	130	-	313
Sutter Health Plus - ABHP	36	8	30	-	74
Waived	-	-	-	651	651
Total	1,701	416	1,124	651	3,892

DATA SUMMARY

Current Retiree Medical Coverage – Pre 65

Medical Plan	Single	2-Party	Family	Waived	Total
Kaiser HMO - \$25 Co-Pay	152	35	14	-	201
Kaiser HMO - \$40 Co-Pay	15	16	7	-	38
Kaiser Senior Advantage	18	5	-	-	23
Western Health Adv. HMO- \$25 Co-Pay	50	15	3	-	68
Western Health Adv. HMO - \$40 Co-Pay	6	4	2	-	12
Sutter Health Plus HMO - \$25 Co-Pay	45	12	3	-	60
Sutter Health Plus HMO - \$40 Co-Pay	21	10	8	-	39
UHC Group Medicare Advantage PPO	12	-	-	-	12
In Lieu Reimbursement	-	-	-	64	64
Waived	-	-	-	423	423
Total	319	97	37	487	940

DATA SUMMARY

Current Retiree Medical Coverage – Post 65

Medical Plan	Single	2-Party	Family	Waived	Total
Kaiser HMO - \$25 Co-Pay	40	7	-	-	47
Kaiser HMO - \$40 Co-Pay	4	-	-	-	4
Kaiser Colorado HMO	4	-	-	-	4
Kaiser Hawaii HMO	1	1	-	-	2
Kaiser Oregon HMO	7	3	-	-	10
Kaiser Senior Advantage	549	281	6	-	836
Western Health Adv. HMO - \$25 Co-Pay	14	2	1	-	17
Western Health Adv. HMO- \$40 Co-Pay	-	-	-	-	-
Sutter Health Plus HMO - \$25 Co-Pay	15	6	-	-	21
Sutter Health Plus HMO - \$40 Co-Pay	2	-	-	-	2
UHC Group Medicare Advantage PPO	272	102	-	-	374
In Lieu Reimbursement	-	-	-	231	231
Waived	-	-	-	673	673
Total	908	402	7	904	2,221

DATA SUMMARY

Dental Coverage

June 30, 2019

Actives

Dental Plan	Single	2-Party	Family	Waived	Total
Delta Dental DPPO	1,246	492	1,120	-	2,858
DeltaCare USA (DMO)	202	74	138	-	414
Waived	-	-	-	620	620
Total	1,448	566	1,258	620	3,892

Retirees

Dental Plan	Single	2-Party	Family	Waived	Total
Delta Dental DPPO	1,200	1,132	213	-	2,545
DeltaCare USA (DMO)	76	46	5	-	127
Waived	-	-	-	489	489
Total	1,276	1,178	218	489	3,161

DATA SUMMARY

Vision Coverage

June 30, 2019

Actives

Vision Plan	Single	2-Party	Family	Waived	Total
VSP - Basic	673	331	474	-	1,478
VSP - Enhanced	408	234	306	-	948
Waived	-	-	-	1,466	1,466
Total	1,081	565	780	1,466	3,892

Retirees

Vision Plan	Single	2-Party	Family	Waived	Total
VSP - Basic	334	293	51	-	678
VSP - Enhanced	245	377	112	-	734
Waived	-	-	0	1,749	1,749
Total	579	670	163	1,749	3,161

DATA SUMMARY

Retiree Medical and Dental Participation

Valuation Date	Medical Only	Dental Only	Both Medical & Dental	Neither Medical nor Dental	Total
6/30/2009	188	549	1,686	350	2,773
6/30/2011	309	592	1,478	431	2,810
6/30/2013	220	785	1,645	417	3,067
6/30/2015	214	863	1,601	446	3,124
6/30/2017	196	922	1,651	467	3,236
6/30/2019	195	1,097	1,575	294	3,161

DATA SUMMARY

Retiree Medical Plan Coverage by Age

June 30, 2019

Miscellaneous

Age	Single	2-Party	Family	Waived	Total
Under 50	1	1	-	3	5
50-54	5	1	2	18	26
55-59	48	20	7	94	169
60-64	120	25	2	168	315
65-69	190	64	3	201	458
70-74	149	65	-	192	406
75-80	107	46	-	88	241
80-85	96	37	2	79	214
85 & Over	96	26	-	67	189
Total	812	285	16	910	2,023
Average Age	72.8	73.0	63.1	70.2	71.6

DATA SUMMARY

Retiree Medical Plan Coverage by Age

June 30, 2019

Police

Age	Single	2-Party	Family	Waived	Total
Under 50	5	-	-	24	29
50-54	9	4	4	34	51
55-59	30	6	4	61	101
60-64	20	18	1	49	88
65-69	17	6	-	47	70
70-74	31	9	-	89	129
75-80	27	11	-	50	88
80-85	11	6	-	26	43
85 & Over	8	4	-	17	29
Total	158	64	9	397	628
Average Age	68.4	69.6	56.7	66.9	67.4



July 30, 2020

E-15

City of
SACRAMENTO

DATA SUMMARY

Retiree Medical Plan Coverage by Age

June 30, 2019

Fire

Age	Single	2-Party	Family	Waived	Total
Under 50	2	-	1	4	7
50-54	14	2	4	7	27
55-59	32	8	10	11	61
60-64	33	12	2	14	61
65-69	48	21	1	8	78
70-74	42	35	1	9	87
75-80	33	35	-	11	79
80-85	22	24	-	10	56
85 & Over	31	13	-	10	54
Total	257	150	19	84	510
Average Age	70.7	74.1	56.9	69.4	71.0



July 30, 2020

E-16

City of
SACRAMENTO

DATA SUMMARY

Actives by Age and Service

June 30, 2019

Miscellaneous

Age	City Service							Total
	< 1	1-4	5-9	10-14	15-19	20-24	≥ 25	
< 25	37	45	3	-	-	-	-	85
25-29	75	152	15	2	-	-	-	244
30-34	62	170	50	14	6	-	-	302
35-39	48	165	60	59	25	6	-	363
40-44	36	113	61	61	47	23	1	342
45-49	22	89	41	73	76	27	28	356
50-54	18	58	40	64	82	48	59	369
55-59	9	37	35	52	57	41	91	322
60-64	2	20	13	39	42	28	47	191
≥ 65	2	10	10	12	14	5	9	62
Total	311	859	328	376	349	178	235	2,636

DATA SUMMARY

Actives by Age and Service

June 30, 2019

Police

Age	City Service							Total
	< 1	1-4	5-9	10-14	15-19	20-24	≥ 25	
< 25	13	26	-	-	-	-	-	39
25-29	18	111	16	-	-	-	-	145
30-34	3	45	28	14	2	-	-	92
35-39	4	12	15	65	18	1	-	115
40-44	-	2	2	32	58	26	1	121
45-49	-	-	2	12	37	53	19	123
50-54	-	1	-	4	9	17	15	46
55-59	-	-	-	1	-	1	2	4
60-64	-	-	-	-	-	1	-	1
≥ 65	-	-	-	-	-	-	1	1
Total	38	197	63	128	124	99	38	687

DATA SUMMARY

Actives by Age and Service

June 30, 2019

Fire

Age	City Service							Total
	< 1	1-4	5-9	10-14	15-19	20-24	≥ 25	
< 25	4	-	-	-	-	-	-	4
25-29	7	34	1	-	-	-	-	42
30-34	6	50	27	4	-	-	-	87
35-39	3	21	17	39	15	-	-	95
40-44	2	8	5	36	46	6	-	103
45-49	-	3	2	24	53	31	4	117
50-54	-	-	1	4	28	33	23	89
55-59	1	-	-	3	4	8	10	26
60-64	-	1	-	1	-	-	4	6
≥ 65	-	-	-	-	-	-	-	-
Total	23	117	53	111	146	78	41	569

ACTUARIAL ASSUMPTIONS

	June 30, 2017 Valuation	June 30, 2019 Valuation
■ Valuation Date	<ul style="list-style-type: none"> ■ June 30, 2017 ■ Fiscal Years 2018/19 & 2019/20 	<ul style="list-style-type: none"> ■ June 30, 2019 ■ Fiscal Years 2020/21 & 2021/22
■ Discount Rate	<ul style="list-style-type: none"> ■ 3.95% ■ Based on closed group crossover analysis following GASBS 75 methodology: <ul style="list-style-type: none"> • Projected City contributions of \$1.5 million per year • 6.75% rate for full ADC pre-funding and S&P 20-year bond index rate (3.13% as of 6/30/17) for pay-go pre-funding ■ CERBT asset allocation strategy #1 (57% global equity, 27% fixed income, 5% TIPS, 8% REITs, 3% commodities) 	<ul style="list-style-type: none"> ■ 6.75% ■ Based on closed group crossover analysis following GASBS 75 methodology: <ul style="list-style-type: none"> • Projected City contributions of \$1.5 million per year • 6.75% rate for full ADC pre-funding and S&P 20-year bond index rate (2.79% as of 6/30/19) for pay-go pre-funding ■ CERBT asset allocation strategy #1 (59% global equity, 25% fixed income, 5% TIPS, 8% REITs, 3% commodities)

ACTUARIAL ASSUMPTIONS

	June 30, 2017 Valuation	June 30, 2019 Valuation
■ General Inflation	■ 2.75%	■ Same
■ Aggregate Payroll Increases	■ 3.00%	■ Same
■ Mortality, Termination, Disability	<ul style="list-style-type: none"> ■ CalPERS – 1997-2011 Experience Study ■ SCERS – 6/30/17 Valuation Assumptions (limited applicability) ■ Mortality projected fully generational with Scale MP-16 	<ul style="list-style-type: none"> ■ CalPERS – 1997-2015 Experience Study ■ SCERS – 6/30/19 Valuation Assumptions (limited applicability) ■ Mortality projected fully generational with Scale MP-19

ACTUARIAL ASSUMPTIONS

	June 30, 2017 Valuation	June 30, 2019 Valuation																																										
■ Service Retirement	<ul style="list-style-type: none"> ■ CalPERS 1997-2011 Experience Study <table border="0" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th align="center">Level</th> <th align="center">Exp. Ret. Age</th> </tr> </thead> <tbody> <tr> <td>Fire</td> <td align="center">3%@55</td> <td align="center">56</td> </tr> <tr> <td>Police</td> <td align="center">3%@50</td> <td align="center">53</td> </tr> <tr> <td>Misc</td> <td align="center">2%@55</td> <td align="center">59</td> </tr> <tr> <td>Fire PEPRAs</td> <td align="center">2.7%@57</td> <td align="center">58</td> </tr> <tr> <td>Police PEPRAs</td> <td align="center">2.7%@57</td> <td align="center">56</td> </tr> <tr> <td>Misc PEPRAs</td> <td align="center">2%@62</td> <td align="center">61</td> </tr> </tbody> </table> <ul style="list-style-type: none"> ■ SCERS – 6/30/17 Valuation Assumptions 		Level	Exp. Ret. Age	Fire	3%@55	56	Police	3%@50	53	Misc	2%@55	59	Fire PEPRAs	2.7%@57	58	Police PEPRAs	2.7%@57	56	Misc PEPRAs	2%@62	61	<ul style="list-style-type: none"> ■ CalPERS 1997-2015 Experience Study <table border="0" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th align="center">Level</th> <th align="center">Exp. Ret. Age</th> </tr> </thead> <tbody> <tr> <td>Fire</td> <td align="center">3%@55</td> <td align="center">57</td> </tr> <tr> <td>Police</td> <td align="center">3%@50</td> <td align="center">54</td> </tr> <tr> <td>Misc</td> <td align="center">2%@55</td> <td align="center">59</td> </tr> <tr> <td>Fire PEPRAs</td> <td align="center">2.7%@57</td> <td align="center">58</td> </tr> <tr> <td>Police PEPRAs</td> <td align="center">2.7%@57</td> <td align="center">56</td> </tr> <tr> <td>Misc PEPRAs</td> <td align="center">2%@62</td> <td align="center">61</td> </tr> </tbody> </table> <ul style="list-style-type: none"> ■ SCERS – 6/30/19 Valuation Assumptions (limited applicability) 		Level	Exp. Ret. Age	Fire	3%@55	57	Police	3%@50	54	Misc	2%@55	59	Fire PEPRAs	2.7%@57	58	Police PEPRAs	2.7%@57	56	Misc PEPRAs	2%@62	61
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Police PEPRAs	2.7%@57	56																																										
Misc PEPRAs	2%@62	61																																										
■ CalPERS Service	■ City service plus ½ service between age 30 and City hire date	■ Same																																										

ACTUARIAL ASSUMPTIONS

	June 30, 2017 Valuation			June 30, 2019 Valuation		
■ Medical Trend (Increase in health care costs for all reasons except aging)		<u>Increase from Prior Year</u>			<u>Increase from Prior Year</u>	
	<u>Year</u>	<u>Non-Medicare</u>	<u>Medicare</u>	<u>Year</u>	<u>Non-Medicare</u>	<u>Medicare</u>
	2017	Actual 2017 Premiums		2017	n/a	
	2018	Actual 2018 Premiums		2018	n/a	
	2019	7.50%	6.50%	2019	Actual 2019 Premiums	
	2020	7.50%	6.50%	2020	Actual 2020 Premiums	
	2021	7.25%	6.30%	2021	7.25%	6.30%
	2022	7.00%	6.10%	2022	7.00%	6.10%
	2023	6.75%	5.90%	2023	6.75%	5.90%
	2024	6.50%	5.70%	2024	6.50%	5.70%
	2025	6.25%	5.50%	2025	6.25%	5.50%
	2026	6.00%	5.30%	2026	6.00%	5.30%
	2027	5.80%	5.15%	2027	5.80%	5.15%
	2028	5.60%	5.00%	2028	5.60%	5.00%
	2029	5.40%	4.85%	2029	5.40%	4.85%
	2030	5.20%	4.70%	2030	5.20%	4.70%
	2031-35	5.05%	4.60%	2031-35	5.05%	4.60%
	2036-45	4.90%	4.50%	2036-45	4.90%	4.50%
	2046-55	4.75%	4.45%	2046-55	4.75%	4.45%
	2056-65	4.60%	4.40%	2056-65	4.60%	4.40%
2066-75	4.30%	4.20%	2066-75	4.30%	4.20%	
2076+	4.00%	4.00%	2076+	4.00%	4.00%	

ACTUARIAL ASSUMPTIONS

	June 30, 2017 Valuation	June 30, 2019 Valuation
■ Dental & Vision Trend	■ 2.75%	■ Same
■ Cap Increase Rates	■ Fire hired <1/14/15: <ul style="list-style-type: none"> • Lowest cost \$25 co-pay medical premium – medical trend • Lowest cost PPO dental premium – dental trend ■ All Misc, All Police, and Fire hired ≥ 1/14/15: 0%	■ Fire hired <1/14/15: <ul style="list-style-type: none"> • Lowest cost \$25 co-pay medical premium – medical trend • Lowest cost PPO dental premium – dental trend ■ Misc and Police: 0%
■ Affordable Care Act (ACA) Excise Tax	■ 2% liability load on cash subsidy to estimate impact	■ None ■ Repealed December 2019

ACTUARIAL ASSUMPTIONS

	June 30, 2017 Valuation	June 30, 2019 Valuation																																												
<p>■ Participation at Retirement</p>	<p>■ Based on retirements during fiscal years 2015 to 2017, varies by % of cash benefit earned at retirement:</p> <table border="1"> <thead> <tr> <th rowspan="2">Plan</th> <th colspan="4">% of Benefit Earned</th> </tr> <tr> <th>0%</th> <th>50%</th> <th>75%</th> <th>100%</th> </tr> </thead> <tbody> <tr> <td>M&D&V</td> <td>10%</td> <td>23%</td> <td>30%</td> <td>35%</td> </tr> <tr> <td>D & V</td> <td>10%</td> <td>40%</td> <td>35%</td> <td>30%</td> </tr> <tr> <td>M & D</td> <td>0%</td> <td>10%</td> <td>14%</td> <td>20%</td> </tr> <tr> <td>M & V</td> <td>0%</td> <td>3%</td> <td>0%</td> <td>4%</td> </tr> <tr> <td>M Only</td> <td>10%</td> <td>12%</td> <td>9.5%</td> <td>7%</td> </tr> <tr> <td>D Only</td> <td>10%</td> <td>3%</td> <td>1.5%</td> <td>0.5%</td> </tr> <tr> <td>V Only</td> <td>0%</td> <td>0%</td> <td>1%</td> <td>0.5%</td> </tr> </tbody> </table> <p>M = Medical, D = Dental, V = Vision</p>	Plan	% of Benefit Earned				0%	50%	75%	100%	M&D&V	10%	23%	30%	35%	D & V	10%	40%	35%	30%	M & D	0%	10%	14%	20%	M & V	0%	3%	0%	4%	M Only	10%	12%	9.5%	7%	D Only	10%	3%	1.5%	0.5%	V Only	0%	0%	1%	0.5%	<p>■ Same</p>
Plan	% of Benefit Earned																																													
	0%	50%	75%	100%																																										
M&D&V	10%	23%	30%	35%																																										
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M & V	0%	3%	0%	4%																																										
M Only	10%	12%	9.5%	7%																																										
D Only	10%	3%	1.5%	0.5%																																										
V Only	0%	0%	1%	0.5%																																										
<p>■ Pre 1/1/91 Inactive Vested Ret. Age</p>	<p>■ SCERS:</p> <ul style="list-style-type: none"> • Sect 399 – Age 62 • Sect 175 – Age 65 	<p>■ Same</p>																																												

ACTUARIAL ASSUMPTIONS

	June 30, 2017 Valuation				June 30, 2019 Valuation			
<p>■ Estimated Monthly Age-Based Claims Cost per Retiree</p>		FY 2017/18				FY 2020/21		
	Medical Plan	Age	M	F	Medical Plan	Age	M	F
	Kaiser HMO	50	\$676	\$738	Kaiser HMO	50	\$781	\$852
		55	876	883		55	1,012	1,019
		60	1,120	1,053		60	1,294	1,215
		65	1,390	1,249		65	1,604	1,442
	Sutter Health	50	695	758	Sutter Health	50	805	879
		55	901	907		55	1,044	1,051
		60	1,152	1,082		60	1,334	1,254
		65	1,428	1,284		65	1,655	1,487
	Western Health	50	652	711	Western Health	50	700	764
		55	844	850		55	907	914
		60	1,079	1,014		60	1,160	1,090
65		1,339	1,203		65	1,439	1,293	

ACTUARIAL ASSUMPTIONS

	June 30, 2017 Valuation	June 30, 2019 Valuation
<ul style="list-style-type: none"> ■ Medical Plan at Retirement 	<ul style="list-style-type: none"> ■ Currently covered – Same as active elections: <ul style="list-style-type: none"> • Pre-Medicare – same as current active elections with Account Based Plans => \$25 Co-Pay Plans • Post-Medicare: <ul style="list-style-type: none"> ➢ Kaiser => Kaiser SA ➢ Sutter Health and Western Health => UHC PPO ■ Currently waived – Kaiser HMO Premium Plan 	<ul style="list-style-type: none"> ■ Same
<ul style="list-style-type: none"> ■ Waived Retiree Re-Election 	<ul style="list-style-type: none"> ■ Retirees < 65 – 30% re-elect at age 65 ■ Retirees ≥ 65 – 0% re-elect 	<ul style="list-style-type: none"> ■ Same

ACTUARIAL ASSUMPTIONS

	June 30, 2017 Valuation	June 30, 2019 Valuation
<ul style="list-style-type: none"> ■ Medicare Eligible Rate 	<ul style="list-style-type: none"> ■ Hired before 4/1/86: <ul style="list-style-type: none"> • Misc – 90% • Safety – 80% ■ Hired on or after 4/1/86: 100% ■ Retirees under age 65: <ul style="list-style-type: none"> • Misc – 95% • Safety – 90% 	<ul style="list-style-type: none"> ■ Same
<ul style="list-style-type: none"> ■ Marital Status at Retirement 	<ul style="list-style-type: none"> ■ Actives: <ul style="list-style-type: none"> • Currently covered – current marital status • Not currently covered – 85% married ■ Retirees – current marital status 	<ul style="list-style-type: none"> ■ Same

ACTUARIAL ASSUMPTIONS

	June 30, 2017 Valuation	June 30, 2019 Valuation
<ul style="list-style-type: none"> ■ Spouse Age 	<ul style="list-style-type: none"> ■ Actives – Males 3 years older than females ■ Retirees – Males 3 years older than females if spouse birth date not available 	<ul style="list-style-type: none"> ■ Same
<ul style="list-style-type: none"> ■ Surviving Spouse Participation 	<ul style="list-style-type: none"> ■ 100% 	<ul style="list-style-type: none"> ■ Same
<ul style="list-style-type: none"> ■ Dependents at Retirement 	<ul style="list-style-type: none"> ■ Pre-65: <ul style="list-style-type: none"> • Actives <ul style="list-style-type: none"> ➢ Misc – 10% ➢ Safety – 20% • Retirees – same as current coverage ■ Post-65 – 0% 	<ul style="list-style-type: none"> ■ Same

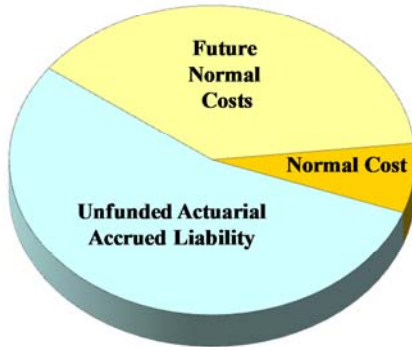
DEFINITIONS

<ul style="list-style-type: none"> ■ OPEB Actuarial Valuation 	<ul style="list-style-type: none"> ■ Project future employer-provided benefit cash flows for current active employees and current retirees ■ Discount projected cash flow to valuation date using discount rate (assumed return on assets used to pay benefits) and other actuarial assumptions to determine present value of projected future benefits (PVB) ■ Allocate PVB to past, current, and future periods using the actuarial cost method ■ Actuarial cost method used for this valuation is the Entry Age Normal Cost method which determines Normal Cost as a level percentage of payroll (same method used by CalPERS) ■ Normal Cost is amount allocated to current fiscal year ■ Actuarial Accrued Liability (AAL) is amount allocated to prior service with employer ■ Unfunded AAL (UAAL) is AAL less plan assets pre-funded in a segregated and restricted trust
<ul style="list-style-type: none"> ■ PayGo Cost 	<ul style="list-style-type: none"> ■ Cash subsidy is the pay-as-you-go employer benefit payments for retirees ■ Implied subsidy is the difference between the actual cost of retiree benefits and retiree premiums subsidized by active employee premiums

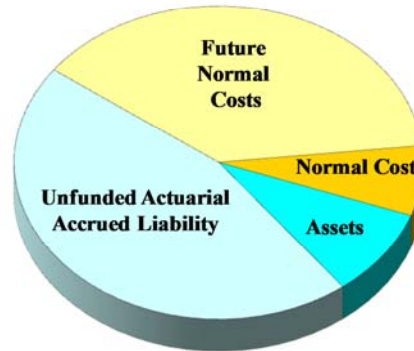
DEFINITIONS

Present Value of Benefits

**Present Value of Benefits
(Without Plan Assets)**



**Present Value of Benefits
(With Plan Assets)**



DEFINITIONS

■ Acronyms
Used in
Report

- AAL - Actuarial Accrued Liability
- ADC - Actuarially Determined Contribution
- ARC - Annual Required Contribution
- AVA - Actuarial Value of Assets
- EAN - Entry Age Normal Cost Method
- GASBS 75 - Governmental Accounting Standards Board Statement No. 75
- MVA – Market Value of Assets
- NC - Normal cost
- OPEB - Other (than pensions) Post-Employment Benefits
- PVB - Present Value of Projected Benefits
- UAAL - Unfunded Actuarial Accrued Liability



**City of Sacramento
Retiree Healthcare Plan**

June 30, 2021 GASBS 75 Accounting Information
As of Measurement Date June 30, 2020
Based on the June 30, 2019 Actuarial Valuation

Mary Elizabeth Redding, Vice President
Catherine A. Wandro, Assistant Vice President
Joseph Herm, Senior Actuarial Analyst
Bartel Associates, LLC

September 15, 2021

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Applicable Dates

Applicable Dates and Periods

	Fiscal Year Ended June 30, 2021
■ Measurement date	June 30, 2020
■ Measurement period	July 1, 2019 to June 30, 2020
■ Actuarial valuation date	June 30, 2019

Update procedures were used to roll forward the Total OPEB Liability from the valuation date (June 30, 2019) to the measurement date (June 30, 2020).



Note Disclosures

Plan Information

	Fiscal Year Ended June 30, 2021
■ Plan type	Agent Multiple Employer
■ OPEB trust	Yes
■ Special funding situation	No
■ Nonemployer contributing entities	No



Note Disclosures

Expected Long-Term Rate of Return

	Target Allocation* CERBT-Strategy 1	Expected Real Rate of Return
■ Asset Class Component		
● Global Equity	59%	4.82%
● Fixed Income	25%	1.47%
● TIPS	5%	1.29%
● Commodities	3%	0.84%
● REITs	8%	3.76%
■ Assumed Long-Term Rate of Inflation		2.75%
■ Expected Long-Term Net Rate of Return, Rounded		6.75%

The long-term expected real rates of return are presented as geometric means.

* Policy target effective October 1, 2018.

Note Disclosures

Covered Participants*

At June 30, 2020, the measurement date, the following numbers of participants were covered by the benefit terms:

	Number of Covered Participants
■ Inactives currently receiving benefits	2,286
■ Inactives entitled to but not yet receiving benefits	257
■ Active employees	3,434
■ Total	5,977

* As reported by the City.

Note Disclosures

Net OPEB Liability/(Asset)

(Amounts in 000's)

	Fiscal Year Ended	
	6/30/20	6/30/21
	Measurement Date 6/30/19	Measurement Date 6/30/20
■ Total OPEB Liability (TOL)	\$ 292,174	\$ 297,704
■ Fiduciary Net Position (FNP)*	43,270	53,455
■ Net OPEB Liability (NOL)	248,904	244,249
■ Funded status (FNP/TOL)	14.8%	18.0%

* Asset information is from CalPERS' "CERBT Schedule of Changes in Fiduciary Net Position by Employer" for the year ended June 30, 2020.



Note Disclosures

Changes in Net OPEB Liability/(Asset)

(Amounts in 000's)

	Total OPEB Liability	Fiduciary Net Position	Net OPEB Liability
■ Balance at 6/30/20 (6/30/19 measurement date)	\$ 292,174	\$ 43,270	\$ 248,904
■ Changes for the year			
● Service Cost	5,809	-	5,809
● Interest	19,582	-	19,582
● Changes of benefit terms	-	-	-
● Actual vs. expected experience	-	-	-
● Assumption changes	(4,097)	-	(4,097)
● Contributions - employer*	-	24,598	(24,598)
● Contributions - employee	-	310	(310)
● Net investment income	-	1,064	(1,064)
● Benefit payments*	(15,764)	(15,764)	-
● Administrative expenses	-	(23)	23
■ Net Changes	5,530	10,185	(4,655)
■ Balance at 6/30/21 (6/30/20 measurement date)	\$ 297,704	\$ 53,455	\$ 244,249

* See the measurement period column on page 20 for details.



Note Disclosures

Sensitivity of Net OPEB Liability/(Asset)

(Amounts in 000's)

Changes in the Discount Rate

	Discount Rate		
	1% Decrease (5.75%)	Current Rate (6.75%)	1% Increase (7.75%)
■ Net OPEB Liability	\$ 280,079	\$ 244,249	\$ 214,243

Changes in the Healthcare Trend Rate

	Healthcare Trend Rate		
	1% Decrease	Current Trend	1% Increase
■ Net OPEB Liability	\$ 217,159	\$ 244,249	\$ 276,966

Note Disclosures

OPEB Expense/(Income) for Fiscal Year

(Amounts in 000's)

	2020/21
	Measurement Period 2019/20
■ OPEB Expense/(Income)*	\$ (7,082)

* See page 26 for OPEB expense/(income) detail, which is not a required disclosure.

Note Disclosures

Deferred Outflows/Inflows Balances at June 30, 2021

(Amounts in 000's)

	June 30, 2021	
	Deferred Outflows of Resources	Deferred Inflows of Resources
■ Differences between expected and actual experience	\$ -	\$ 19,610
■ Changes in assumptions	-	90,032
■ Net difference between projected and actual earnings on plan investments*	1,490	-
■ Employer contributions made subsequent to the measurement date**	21,687	-
■ Total	23,177	109,642

* Deferred Inflows and Outflows combined for footnote disclosure.

** See page 20 for details.



Note Disclosures

Recognition of Deferred Outflows and Inflows of Resources in Future OPEB Expense

(Amounts in 000's)

FYE June 30	Deferred Outflows/(Inflows) of Resources
■ 2022	\$ (29,030)
■ 2023	(28,888)
■ 2024	(25,231)
■ 2025	(20,300)
■ 2026	(4,572)
■ Thereafter	(131)



Note Disclosures

Significant Actuarial Assumptions Used for Total OPEB Liability

Actuarial Assumption	June 30, 2020 Measurement Date
■ Actuarial Valuation Date	■ June 30, 2019
■ Municipal Bond Rate	<ul style="list-style-type: none"> ■ 2.66% as of June 30, 2020 ■ 2.79% as of June 30, 2019 ■ Standard & Poors 20 Year High Grade Rate
■ Discount Rate and Long-Term Expected Rate of Return on Assets	<ul style="list-style-type: none"> ■ 6.75% at June 30, 2020 ■ 6.75% at June 30, 2019 ■ Expected City contributions projected to keep sufficient plan assets to pay all benefits from trust
■ General Inflation	■ 2.75% annually
■ Crossover Test Assumptions	<ul style="list-style-type: none"> ■ Assumed \$1.5 million annual contribution until assets equal Present Value of Benefits ■ Administrative expenses = 0.05% of assets ■ No crossover
■ Mortality, Retirement, Disability, Termination	<ul style="list-style-type: none"> ■ CalPERS 1997-2015 Experience Study ■ SCERS - 6/30/19 Valuation Assumptions (limited applicability)

Note Disclosures

Significant Actuarial Assumptions Used for Total OPEB Liability

Actuarial Assumption	June 30, 2020 Measurement Date
■ Mortality Improvement	■ Mortality projected fully generational with Scale MP-2019
■ Salary Increases	<ul style="list-style-type: none"> ■ Aggregate - 3% annually ■ Merit - CalPERS 1997-2015 Experience Study
■ Medical Trend	<ul style="list-style-type: none"> ■ Non-Medicare - 7.5% for 2020, decreasing to an ultimate rate of 4% in 2076 ■ Medicare - 6.5% for 2020, decreasing to an ultimate rate of 4% in 2076
■ Healthcare Participation for Future Retirees	<ul style="list-style-type: none"> ■ Medical, dental, and/or vision coverage - varies from 0% to 40% based on percent of benefit earned at retirement ■ Assumptions based on study of recent retiree experience

Note Disclosures

Changes Since June 30, 2019 Measurement Date

	June 30, 2020 Measurement Date
■ Changes of assumptions	■ PPACA high cost plan excise tax repealed
■ Changes of benefit terms	■ None

Required Supplementary Information

Schedule of Changes in Net OPEB Liability/(Asset) and Related Ratios

(Amounts in 000's)

	2020/21
	Measurement Period 2019/20
■ Changes in Total OPEB Liability	
● Service Cost	\$ 5,809
● Interest	19,582
● Changes of benefit terms	-
● Actual vs. expected experience	-
● Assumption changes	(4,097)
● Benefit payments	(15,764)
■ Net Changes	5,530
■ Total OPEB Liability (beginning of year)	292,174
■ Total OPEB Liability (end of year)	297,704

Required Supplementary Information

Schedule of Changes in Net OPEB Liability/(Asset) and Related Ratios

(Amounts in 000's)

	2020/21
	Measurement Period 2019/20
■ Changes in Plan Fiduciary Net Position	
● Contributions - employer	\$ 24,598
● Contributions - employee	310
● Net investment income	1,064
● Benefit payments	(15,764)
● Administrative expenses	(23)
● Other changes	-
● Net Changes	<u>10,185</u>
■ Plan Fiduciary Net Position (beginning of year)	<u>43,270</u>
■ Plan Fiduciary Net Position (end of year)	53,455



Required Supplementary Information

Schedule of Changes in Net OPEB Liability/(Asset) and Related Ratios

(Amounts in 000's)

	2020/21
■ Net OPEB Liability/(Asset)	\$ 244,249
■ Fiduciary Net Position as a percentage of the Total OPEB Liability	18.0%
■ Covered employee payroll*	261,187
■ Net OPEB Liability as a percentage of covered employee payroll	93.5%

* For the 12-month period ended on June 30, 2020 (Measurement Date).
As reported by the City.



Required Supplementary Information

Schedule of Employer Contributions

(Amounts in 000's)

	Fiscal Year 2020/21
■ Actuarially Determined Contribution (ADC)	\$ 25,548
■ Contributions in relation to the actuarially determined contribution*	21,687
■ Contribution deficiency/(excess)	3,861
■ Covered employee payroll**	249,162
■ Contributions as a percentage of covered employee payroll	8.7%

* See page 20 for details.

** For the 12-month period ended on June 30, 2021 (fiscal year end).

As reported by the City.

Required Supplementary Information

**Notes to Schedule of Employer Contribution
Methods and Assumptions for
2020/21 Actuarially Determined Contribution**

■ Valuation Date	■ June 30, 2019
■ Actuarial Cost Method	■ Entry Age Normal, Level % of pay
■ Amortization Method	■ Level % of pay
■ Amortization Period	■ 18-year fixed period for 2020/21
■ Asset Valuation Method	■ Investment gains and losses spread over 5-year rolling period
■ Discount Rate	■ 6.75%
■ General Inflation	■ 2.75%
■ Medical Trend	■ Non-Medicare - 7.5% for 2020, decreasing to an ultimate rate of 4% in 2076 ■ Medicare - 6.5% for 2020, decreasing to an ultimate rate of 4% in 2076
■ Mortality	■ CalPERS 1997-2015 experience study
■ Mortality Improvement	■ Mortality projected fully generational with Scale MP-2019

Actuarial Certification

This report presents the City of Sacramento Retiree Healthcare Plan 2020/21 disclosure under Governmental Accounting Standards Board Statement No. 75 (GASBS 75). This report may not be appropriate for other purposes, although it may be useful to the City for the Plan's financial management.

This report is based on information provided by the City which we relied on and did not audit. Additional information on the actuarial valuation can be found in the June 30, 2019 actuarial valuation report.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as: plan experience differing from that anticipated by the assumptions; changes in assumptions; changes expected as part of the natural progression of the plan; and changes in plan provisions or applicable law. Actuarial models necessarily rely on the use of estimates and are sensitive to changes. Small variations in estimates may lead to significant changes in actuarial measurements. Due to the limited scope of this assignment, we did not perform an analysis of the potential range of such measurements.

The Journal Entries in this report are provided for the City's convenience and are not an actuarial communication. Therefore, this actuarial certification does not apply to the Journal Entries.

To the best of our knowledge, this report is complete and accurate and has been conducted using generally accepted actuarial principles and practices and complies with applicable Actuarial Standards of Practice. Additionally, in our opinion, actuarial methods and assumptions comply with GASBS 75. As the actuary, we have recommended the assumptions used in this report, and we believe they are reasonable. As members of the American Academy of Actuaries meeting the Academy Qualification Standards, we certify the actuarial results and opinions herein.

Respectfully submitted,



Mary Elizabeth Redding, FSA, EA, FCA, MAAA
Vice President
Bartel Associates, LLC
September 15, 2021



Catherine A. Wandro, ASA, FCA, MAAA
Assistant Vice President
Bartel Associates, LLC
September 15, 2021



September 15, 2021

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City of Sacramento

Supporting Calculations

Employer Contributions

(Amounts in 000's)

	Measurement Period	Measurement Date to FYE	Prior Measurement Date to Prior FYE
	7/1/19 to 6/30/20	7/1/20 to 6/30/21	Same as Measurement Period
■ Cash benefit payments	\$ 10,832	\$ 10,840	\$ 10,832
■ Implied subsidy benefit payments	4,932	4,785	4,932
■ Total benefit payments	15,764	15,625	15,764
■ Trust reimbursements	-	-	-
■ Benefit payments paid outside of trust	15,764	15,625	15,764
■ Administrative expenses paid outside of trust	-	-	-
■ Trust contributions	8,834	6,062	8,834
■ Total employer contributions	24,598	21,687	24,598

Measurement period (7/1/19 to 6/30/20): \$24,598

Fiscal year (7/1/20 to 6/30/21): \$21,687



September 15, 2021

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GASBS 75

City of Sacramento

Supporting Calculations

Average of the Expected Remaining Service Lives

As of July 1, 2019 (beginning of the measurement period):

Valuation Date	Total expected remaining service lives	Covered participants	Average of the expected remaining service lives as of valuation date	Average of the expected remaining service lives as of 7/1/19 (not less than 1 yr)
6/30/19	44,130.0 years	7,061	6.2 years	6.2 years

Supporting Calculations

Recognition of Deferred Outflows/Inflows at June 30, 2021

Differences between Expected and Actual Experience

(Amounts in 000's)

Fiscal Year	Initial Amt	Initial Recog Period	Amount Recognized in OPEB Expense for FY							Deferred Balances June 30, 2021	
			20/21	21/22	22/23	23/24	24/25	25/26	26/27+	Outflows	(Inflows)
17/18	-	-	-	-	-	-	-	-	-	-	-
18/19	-	-	-	-	-	-	-	-	-	-	-
19/20	(28,948)	6.2	(4,669)	(4,669)	(4,669)	(4,669)	(4,669)	(934)	-	-	(19,610)
20/21	-	-	-	-	-	-	-	-	-	-	-
Total			(4,669)	(4,669)	(4,669)	(4,669)	(4,669)	(934)	-	-	(19,610)

Supporting Calculations

Recognition of Deferred Outflows/Inflows at June 30, 2021

Changes of Assumptions

(Amounts in 000's)

Fiscal Year	Initial Amt	Initial Recog Period	Amount Recognized in OPEB Expense for FY							Deferred Balances June 30, 2021	
			20/21	21/22	22/23	23/24	24/25	25/26	26/27+	Outflows	(Inflows)
17/18	(24,429)	6.1	(4,005)	(4,005)	(4,005)	(399)	-	-	-	-	(8,409)
18/19	(30,845)	6.1	(5,057)	(5,057)	(5,057)	(5,057)	(503)	-	-	-	(15,674)
19/20	(92,281)	6.2	(14,884)	(14,884)	(14,884)	(14,884)	(14,884)	(2,977)	-	-	(62,513)
20/21	(4,097)	6.2	(661)	(661)	(661)	(661)	(661)	(661)	(131)	-	(3,436)
Total			(24,607)	(24,607)	(24,607)	(21,001)	(16,048)	(3,638)	(131)	-	(90,032)



Supporting Calculations

Recognition of Deferred Outflows/Inflows at June 30, 2021

Projected Versus Actual Earnings on Investments

(Amounts in 000's)

Fiscal Year	Initial Amt	Initial Recog Period	Amount Recognized in OPEB Expense for FY							Deferred Balances June 30, 2021	
			20/21	21/22	22/23	23/24	24/25	25/26	26/27+	Outflows	(Inflows)
17/18	(701)	5.0	(140)	(141)	-	-	-	-	-	-	(141)
18/19	(269)	5.0	(54)	(54)	(53)	-	-	-	-	-	(107)
19/20	108	5.0	22	22	22	20	-	-	-	64	-
20/21	2,093	5.0	419	419	419	419	417	-	-	1,674	-
Total			247	246	388	439	417	-	-	1,738	(248)
Net Deferred Outflows/(Inflows)										1,490	-

Calculation of initial amount for 2020/21 (2019/20 measurement period):

Projected earnings on investments of \$3,157 (page 27), less

Actual earnings on investments of \$1,064 (net investment income, page 15)



Supporting Calculations

Recognition of Deferred Outflows/Inflows in Future OPEB Expense

(Amounts in 000's)

	21/22	22/23	23/24	24/25	25/26	Thereafter 26/27+
■ Differences between Expected and Actual Experience	(4,669)	(4,669)	(4,669)	(4,669)	(934)	-
■ Changes of Assumptions	(24,607)	(24,607)	(21,001)	(16,048)	(3,638)	(131)
■ Projected Versus Actual Earnings on Investments	246	388	439	417	-	-
■ Total	(29,030)	(28,888)	(25,231)	(20,300)	(4,572)	(131)



Supporting Calculations

Components of GASBS 75 OPEB Expense

(Amounts in 000's)

	2020/21
	Measurement Period 2019/20
■ Service Cost	\$ 5,809
■ Interest on Total OPEB Liability	19,582
■ Projected earnings on investments	(3,157)
■ Employee contributions	(310)
■ Administrative expense	23
■ Changes of benefit terms	-
■ Recognition of deferred outflows/(inflows)	
● Experience	(4,669)
● Assumptions	(24,607)
● Asset returns	247
■ OPEB Expense/(Income)	(7,082)



Supporting Calculations

Components of GASBS 75 OPEB Expense*
Calculation of Projected Earnings on Investments
 (Amounts in 000's)

	Dollar Amount	Expected Return	Portion of Year	Projected Earnings
■ Fiduciary Net Position (beginning of year)	\$ 43,270	6.75%	100%	\$ 2,921
■ Employer contributions	8,834	6.75%	37%	221
■ Employee contributions	310	6.75%	75%	16
■ Benefit payments	-	6.75%	0%	-
■ Administrative expenses	(23)	6.75%	50%	(1)
■ Projected earnings				<u>3,157</u>

* The items on this page reflect trust activity only.

Supporting Calculations

Components of GASBS 75 OPEB Expense
Calculation of Interest on Total OPEB Liability
 (Amounts in 000's)

	Dollar Amount	Discount Rate	Portion of Year	Interest
■ Total OPEB Liability	\$ 292,174	6.75%	100%	\$ 19,722
■ Service Cost	5,809	6.75%	100%	392
■ Changes of benefit terms	-	6.75%	0%	-
■ Experience	-	6.75%	0%	-
■ Assumption changes*	(4,097)	6.75%	0%	-
■ Benefit payments	(15,764)	6.75%	50%	(532)
■ Total interest				<u>19,582</u>

* Liability determined as of the end of the measurement period, so no interest charge is applicable.

Supporting Calculations

GASBS 75 Balance Equation

(Amounts in 000's)

	Fiscal Year Ended	
	6/30/20	6/30/21
	Measurement Date 6/30/19	Measurement Date 6/30/20
■ Total OPEB Liability/(Asset)	\$ 292,174	\$ 297,704
■ Fiduciary Net Position	43,270	53,455
■ Net OPEB Liability/(Asset)	248,904	244,249
■ Deferred inflows of resources	135,177	109,642
■ Deferred (outflows) of resources	-	(1,490)
■ Balance Sheet	384,081	352,401

Check:

■ Balance Sheet 6/30/20	\$ 384,081
● OPEB Expense/(Income)	(7,082)
● Employer Contributions*	(24,598)
■ Balance Sheet 6/30/21	352,401

* See the measurement period column on page 20 for details.

Supporting Calculations

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Journal Entries

Employer Contributions

(Amounts in 000's)

The entries below assume cash benefit payments, Trust contributions, and administrative expenses have been charged to OPEB Expense when paid, and that no accounting entries have been made for the current year implied subsidy payment, which is recorded as a reduction to active employee health care costs. See page 20 for details.

Following records the impact of employer contributions as deferred outflows of resources and as a reduction to Net OPEB Liability.

	Debit	(Credit)
■ Net OPEB Liability - (for contributions paid 7/1/19 to 6/30/20)	\$ 24,598	\$ -
■ Deferred Outflow - 7/1/19 to 6/30/20 contributions	-	(24,598)
■ Deferred Outflow - 7/1/20 to 6/30/21 contributions	21,687	-
■ Active employee health care costs - (implied subsidy payments 7/1/20 to 6/30/21)	-	(4,785)
■ OPEB Expense - (for contributions paid 7/1/20 to 6/30/21)	-	(16,902)
<i>Check</i>	<i>46,285</i>	<i>(46,285)</i>

Journal Entries

Summary Journal Entries - OPEB Expense

(Amounts in 000's)

Following records the impact of current year OPEB expense

	Debit	(Credit)
■ Deferred Outflows*	\$ 1,490	\$ -
■ Deferred Inflows**	25,535	-
■ OPEB Expense/Credit	-	(7,082)
■ Net OPEB Liability	-	(19,943)

Check *27,025* *(27,025)*

* See page 34 ('Subtotal' row) for details.

** See page 35 for details.

Journal Entries

Ending Balances at June 30, 2021

(Amounts in 000's)

	Debit	(Credit)
■ Deferral: Differences between expected and actual experience	\$ -	\$ (19,610)
■ Deferral: Changes of assumptions	-	(90,032)
■ Deferral: Net differences between projected and actual earnings on plan investments	1,490	-
■ Total deferred outflow/inflow	1,490	(109,642)
■ Net OPEB Liability (NOL)	-	(244,249)
■ Contributions after the Measurement Date	21,687	-
■ Net Impact	330,714	-

Check: 353,891 (353,891)

■ Total OPEB expense/(income) for FYE 2021	-	(7,082)
--	---	---------

Journal Entries

Reconciliation of Deferred Outflows

Detail for page 32

(Amounts in 000's)

Deferred Outflows	Opening Balance - Debit	Journal Entry - Debit	Journal Entry - (Credit)	Ending Balance - Debit
■ Differences between actual and expected experience	\$ -	\$ -	\$ -	\$ -
■ Change in assumptions	-	-	-	-
■ Differences between projected and actual earnings on plan investments	-	1,490	-	1,490
■ Subtotal - actuarial deferrals	-	1,490	-	1,490
■ Contributions after the Measurement Date	24,598	21,687	(24,598)	21,687
■ Total Deferred Outflows	24,598	23,177	(24,598)	23,177

Journal Entries

Reconciliation of Deferred Inflows

Detail for page 32
(Amounts in 000's)

Deferred Inflows	Opening Balance - (Credit)	Journal Entry- (Credit)	Journal Entry - Debit	Ending Balance - (Credit)
■ Differences between actual and expected experience	\$ (24,279)	\$ -	\$ 4,669	\$ (19,610)
■ Change in assumptions	(110,542)	-	20,510	(90,032)
■ Differences between projected and actual earnings on plan investments	(356)	-	356	-
■ Total Deferred (Inflows)	(135,177)	-	25,535	(109,642)

Journal Entries

Reconciliation of Deferred Outflows/(Inflows)

Summary of Balances
(Amounts in 000's)

	Fiscal Year Ended	
	6/30/20	6/30/21
	Measurement Date 6/30/19	Measurement Date 6/30/20
■ Total OPEB (Liability)/Asset	\$ (292,174)	\$ (297,704)
■ Fiduciary Net Position	43,270	53,455
■ Net OPEB (Liability)/Asset	(248,904)	(244,249)
■ Deferred (inflows) of resources	(135,177)	(109,642)
■ Deferred outflows of resources	24,598	23,177
■ Balance Sheet Impact	(359,483)	(330,714)

Deferred Outflows include contributions after the measurement date.

Crossover Test

Discount Rate Crossover Test

Projection of Contributions

(Amounts in 000's)

Year	Payroll for Current Employees	Employer Contributions for Current Employees	Employee Contributions for Current Employees	Employer Contributions for Future Employees	Total Employer Contributions for Current Employees
1	\$ 316,145	\$ 17,301	\$ 0	\$ 0	\$ 17,301
2	311,866	17,886	0	0	17,886
3	307,329	18,421	0	0	18,421
4	302,270	19,231	0	0	19,231
5	296,569	20,002	0	0	20,002
6	289,474	20,760	0	0	20,760
7	282,057	21,526	0	0	21,526
8	273,744	22,215	0	0	22,215
9	264,831	22,875	0	0	22,875
10	254,765	23,670	0	0	23,670
*	*	*	*	*	*
25	101,767	24,662	0	0	24,662
26	90,850	23,784	0	0	23,784
27	79,768	22,651	0	0	22,651
28	68,494	21,121	0	0	21,121
29	57,696	20,085	0	0	20,085
*	*	*	*	*	*
85	0	0	0	0	0
86	0	0	0	0	0
87	0	0	0	0	0
88	0	0	0	0	0
89	0	0	0	0	0



Crossover Test

Discount Rate Crossover Test

Projection of Fiduciary Net Position

(Amounts in 000's)

Year	Projected Beginning Fiduciary Net Position	Projected Total Contributions	Projected Benefit Payments	Projected Admin Expense	Projected Investment Earnings	Projected Ending Fiduciary Net Position
1	\$ 55,577	\$ 17,301	\$ 16,001	\$ 28	\$ 3,150	\$ 59,999
2	59,999	17,886	16,790	30	3,404	64,469
3	64,469	18,421	17,536	32	3,738	69,060
4	69,060	19,231	18,568	35	4,048	73,736
5	73,736	20,002	19,576	37	4,297	78,422
6	78,422	20,760	20,596	39	4,595	83,142
7	83,142	21,526	21,633	42	4,870	87,864
8	87,864	22,215	22,610	44	5,210	92,635
9	92,635	22,875	23,572	46	5,530	97,422
10	97,422	23,670	24,691	49	5,815	102,167
*	*	*	*	*	*	*
25	158,936	24,662	31,317	79	9,741	161,943
26	161,943	23,784	30,884	81	9,956	164,718
27	164,718	22,651	30,206	82	10,163	167,243
28	167,243	21,121	29,144	84	10,366	169,503
29	169,503	20,085	28,577	85	10,536	171,461
*	*	*	*	*	*	*
85	32	0	15	0	2	18
86	18	0	9	0	1	10
87	10	0	6	0	0	5
88	5	0	3	0	0	2
89	2	0	1	0	0	1



Crossover Test

Discount Rate Crossover Test
Present Values of Projected Benefit Payments
 (Amounts in 000's)

Year	Projected Beginning Fiduciary Net Position	Projected Benefit Payments	"Funded" Portion of Benefit Payments	"Unfunded" Portion of Benefit Payments	PV of "Funded" Portion of Benefit Payments	PV of "Unfunded" Portion of Benefit Payments	PV of Benefit Payments @ 6.75%
1	\$ 55,577	\$ 16,001	\$ 16,001	\$ 0	\$ 14,508	\$ 0	\$ 14,508
2	59,999	16,790	16,790	0	14,260	0	14,260
3	64,469	17,536	17,536	0	13,952	0	13,952
4	69,060	18,568	18,568	0	13,839	0	13,839
5	73,736	19,576	19,576	0	13,668	0	13,668
6	78,422	20,596	20,596	0	13,471	0	13,471
7	83,142	21,633	21,633	0	13,254	0	13,254
8	87,864	22,610	22,610	0	12,977	0	12,977
9	92,635	23,572	23,572	0	12,674	0	12,674
10	97,422	24,691	24,691	0	12,436	0	12,436
*	*	*	*	*	*	*	*
25	158,936	31,317	31,317	0	5,921	0	5,921
26	161,943	30,884	30,884	0	5,470	0	5,470
27	164,718	30,206	30,206	0	5,012	0	5,012
28	167,243	29,144	29,144	0	4,530	0	4,530
29	169,503	28,577	28,577	0	4,161	0	4,161
*	*	*	*	*	*	*	*
85	32	15	15	0	0	0	0
86	18	9	9	0	0	0	0
87	10	6	6	0	0	0	0
88	5	3	3	0	0	0	0
89	2	1	1	0	0	0	0
*	*	*	*	*	*	*	*
Total					351,332	0	351,332

Crossover Test

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