



# Municipal Market Disclosure Information Cover Sheet

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**This Filing Applies to:**

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

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**TYPE OF FILING:**

If information is also available on the Internet, give URL: [www.dacbond.com](http://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)  
2022 - 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))

### **Disclosure Dissemination Agent Contact:**

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Suite 300

City: Orlando

State: FL

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Telephone: 407 515 - 1100

Fax: 407 515 - 6513

Email Address: emmaagent@dacbond.com

Relationship to Issuer: Dissemination Agent

### **Authorized By:**

Name: Claudia Lara

Title: Debt Analyst

Entity: Sacramento, CA, City of Sacramento

**Digital Assurance Certification**

## Filing Certificate

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**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: P21273199

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Date & Time Stamp:	03/16/2023
Document Name or Event Type:	Annual Financial Information & Operating Data (Rule 15c2-12)
Document Description:	2022 - Annual Continuing Disclosure Report - 2015 Refunding Revenue Bonds
DAC Bond Coversheet:	Yes
Transmitted to:	MSRB-EMMA
Total CUSIPs associated with this Filing:	15
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

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

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

No missing CUSIPs for this bond issue

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**City of Sacramento**  
**Annual Continuing Disclosure Report**  
**Fiscal Year 2021-22**

**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** 785849WE6  
785849WF3  
785849WG1  
785849WH9  
785849WJ5  
785849WZ9  
785849WK2  
785849WL0  
785849WM8  
785849WN6  
785849WP1  
785849WQ9  
785849WR7  
785849WS5  
785849WT3

**Note:** *The City is migrating from using a .org domain extension to a .gov domain extension. During the migration the hyperlinks below will be re-routed to the .gov domain extension. In the event, the hyperlinks below are no longer accessible, please type in the URL in your internet browser using the .gov domain extension.*

## 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 will be available on the City's website in the second quarter of calendar 2023 at:

[www.cityofsacramento.org/Finance/Accounting/Reporting](http://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](http://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, 2022

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, 2021

See Exhibit F – GASB 68 Accounting Valuation Report – Safety Plan as of June 30, 2021

See Exhibit G – SCERS Actuarial Valuation as of June 30, 2022

**(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, 2021

See Exhibit J – GASB 75 Retiree Healthcare Plan as of June 30, 2022

Exhibit A

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

(in thousands)

	<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>	<u>Actual 2021-22</u>
<b>Revenues:</b>						
Property taxes	\$ 143,656	\$ 153,346	\$ 164,412	\$ 177,193	\$ 189,315	\$ 200,758
Sales and use taxes	80,395	84,887	93,769	90,969	99,325	115,260
Utilities use tax	62,997	62,989	60,128	60,039	62,164	65,461
Other taxes	29,961	36,184	39,820	42,506	52,586	58,079
Intergovernmental	14,009	22,380	16,350	15,919	20,193	24,335
Charges for services	85,780	100,205	108,972	105,446	99,212	113,565
Fines, forfeitures and penalties	10,906	12,069	15,964	12,898	7,284	10,057
Interest, rents and concessions	2,679	1,195	7,810	6,423	887	(14,530)
Assessment levies	266	291	356	341	588	483
Contributions and donations	14	85	68	20	30	37
Other revenues	259	301	536	974	1,250	653
<b>Total revenues</b>	<u>430,922</u>	<u>473,932</u>	<u>508,185</u>	<u>512,728</u>	<u>532,834</u>	<u>574,158</u>
<b>Expenditures:</b>						
General government	36,584	48,694	56,498	54,949	60,257	65,855
Police	132,108	138,473	152,637	158,887	162,136	147,890
Fire	112,868	119,437	124,324	139,421	143,358	122,548
Public works	13,233	13,607	15,101	13,393	13,249	14,615
Convention and cultural services	4,972	5,620	5,723	6,485	5,462	1,485
Economic development	2,337	-	-	-	-	-
Youth, parks, and community enrichment	19,979	21,428	22,286	21,670	21,538	1,653
Community development	28,554	33,340	36,039	38,629	34,623	30,471
Community response	-	-	-	-	-	6,141
Library	7,130	8,380	9,380	10,130	12,266	-
Utilities	1,205	1,816	2,285	3,268	3,670	3,859
Citywide and community support	48,435	46,576	42,827	50,691	51,632	57,700
Capital outlay	19,276	21,513	19,392	17,589	22,592	45,776
Debt service	2,837	2,102	1,189	568	-	322
<b>Total Expenditures</b>	<u>429,518</u>	<u>460,986</u>	<u>487,681</u>	<u>515,680</u>	<u>530,783</u>	<u>498,315</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,404</u>	<u>12,946</u>	<u>20,504</u>	<u>(2,952)</u>	<u>2,051</u>	<u>75,843</u>
<b>Other Financing Sources (uses):</b>						
Transfers in	33,113	35,414	38,652	44,465	55,636	48,184
Transfers out	(28,959)	(31,545)	(27,919)	(26,680)	(43,133)	(36,010)
<b>Total other financing sources (uses)</b>	<u>4,154</u>	<u>3,869</u>	<u>10,733</u>	<u>17,785</u>	<u>12,503</u>	<u>12,174</u>
Special items	-	-	7,000	-	-	-
<b>Changes in fund balances</b>	<u>\$ 5,558</u>	<u>\$ 16,815</u>	<u>\$ 38,237</u>	<u>\$ 14,833</u>	<u>\$ 14,554</u>	<u>\$ 88,017</u>
Fund Balance, beginning of year	149,996	155,554	172,369	210,606	225,439	239,993
Fund Balance, end of year	<u>\$ 155,554</u>	<u>\$ 172,369</u>	<u>\$ 210,606</u>	<u>\$ 225,439</u>	<u>\$ 239,993</u>	<u>\$ 328,010</u>
<b>Less reserves and commitments</b>						
Nonspendable	\$ 3,812	\$ 3,845	\$ -	\$ 1,279	\$ 1,084	\$ 2,799
Restricted	17	-	-	-	-	-
<b>Committed:</b>						
Economic uncertainty	49,644	52,700	55,200	55,200	58,499	61,310
Capital projects	49,265	37,583	39,995	57,689	57,417	50,410
Community center theater renovation	-	-	-	-	-	-
Fire programs	1,386	6,189	9,568	5,635	7,438	8,426
Housing trust fund	-	-	-	-	-	1,000
Pension	-	5,000	13,500	-	-	-
OPEB	5,324	2,619	6,644	4,264	6,828	5,727
SCXEA labor for FY2020	-	-	4,256	-	-	-
Set-aside for FY23 Budget	-	-	-	-	5,500	20,891
Homeless programs	-	-	-	-	-	-
Gas tax	2,087	2,087	2,087	-	-	-
Other programs	19,280	37,325	46,052	49,405	72,809	133,367
Assigned:						
Unrealized investment gains	-	-	381	1,960	103	-
Unassigned	<u>\$ 24,739</u>	<u>\$ 25,021</u>	<u>\$ 32,923</u>	<u>\$ 50,007</u>	<u>\$ 30,315</u>	<u>\$ 44,080</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 <sup>(1)</sup>				Exemptions	Net Assessed Taxable Value	Total Direct Tax Rate <sup>(3)</sup>
	Real Property	Personal Property	Public Utility <sup>(2)</sup>	Total			
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
2022	60,043,995	1,951,987	9,069	62,005,051	444,556	61,560,495	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.

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

(in thousands)

Taxpayer	2022			2013		
	Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Sacramento Kings	\$ 320,347	1	0.52 %	-	-	-
Oakmont Properties LLC	209,780	2	0.34	-	-	-
Hancock SREIT Sacramento LLC	200,809	3	0.33	-	-	-
Pac West Office Equities LP	191,766	4	0.31	-	-	-
M/H Realty Partners VI LP	186,407	5	0.30	-	-	-
Natomas Development Partners LLC	173,065	6	0.28	-	-	-
SRI Eleven 621 Capitol Mall LLC	169,240	7	0.27	-	-	-
Prime US-Park Tower LLC	167,215	8	0.27	-	-	-
Arden Fair Associates	154,832	9	0.25	\$ 134,668	4	0.38 %
HP Hood LLC	153,717	10	0.25	78,083	10	0.22
Hines VAF II Sacramento	-	-	-	394,930	1	1.11
CIM Sacramento LLC	-	-	-	231,013	2	0.65
Verizon	-	-	-	152,482	3	0.43
621 Capitol Mall LLC	-	-	-	117,394	5	0.33
300 Capitol Association NF LP	-	-	-	109,000	6	0.31
Comcast Sacramento	-	-	-	105,943	7	0.30
CLPF Promenade LP	-	-	-	83,028	8	0.23
Target Corp	-	-	-	80,789	9	0.23
	<u>1,927,178</u>		<u>3.12</u>	<u>1,487,330</u>		<u>4.19</u>
All other taxpayers	<u>59,633,317</u>		<u>96.88</u>	<u>34,007,481</u>		<u>95.81</u>
Total	<u>\$ 61,560,495</u>		<u>100.00 %</u>	<u>\$ 35,494,811</u>		<u>100.00 %</u>

Source: County of Sacramento, Office of Auditor/Controller

**GENERAL FUND OBLIGATION DEBT SERVICE, AS OF JUNE 30, 2022**

Forecasted Fiscal Year Net General Fund Revenues (FY2022-23) 743,069,000											
Fiscal Year	2016 Refunding H Street Complex	2006 Capital Improvement Revenue Bonds, Series B <sup>1</sup>	2006 Capital Improvement Revenue Bonds, Series E <sup>2</sup>	2015 Lease Revenue Bonds (Golden 1 Center) <sup>3</sup>	2015 Revenue Refunding Bonds <sup>4</sup>	Total General Fund-related Leases & Loans Amount <sup>5</sup>	Total Debt Service Obligations Amount	Gross Percentage of Budgeted Fiscal Year General Fund Revenues <sup>6</sup>	Total Offset Debt Service Amount	Total General Fund Debt Service Amount	Net Percentage of Budgeted Fiscal Year General Fund Revenues
FY23	673,696	3,940,606	20,588,900.00	18,289,067	9,928,813	69,330	53,490,411	7.2%	36,576,657	16,913,754	2.3%
FY24	669,283	3,937,750	20,121,668.75	18,289,067	9,922,438	-	52,940,206	7.1%	36,050,050	16,890,157	2.3%
FY25	674,515	3,933,765	20,020,668.75	18,289,286	9,925,688	-	52,843,922	7.1%	36,014,190	16,829,732	2.3%
FY26	669,250	3,928,351	20,036,856.25	18,286,258	9,898,313	-	52,819,027	7.1%	35,992,339	16,826,688	2.3%
FY27	673,630	3,926,060	20,030,900.00	18,289,420	9,904,438	-	52,824,447	7.1%	35,992,936	16,831,511	2.3%
FY28	672,442	3,926,294	20,031,225.00	18,287,643	9,909,388	-	52,826,991	7.1%	35,998,479	16,828,512	2.3%
FY29	670,899	3,923,604	20,127,975.00	18,285,364	9,896,838	-	52,904,680	7.1%	36,010,744	16,893,936	2.3%
FY30	673,859	3,917,692	20,128,787.50	18,286,739	9,897,256	-	52,904,333	7.1%	36,000,349	16,903,984	2.3%
FY31	676,251	3,908,259	20,128,793.75	18,285,638	5,854,175	-	48,853,116	6.6%	32,972,981	15,880,136	2.1%
FY32	668,146	3,909,556	20,130,500.00	18,286,217	5,844,050	-	48,838,469	6.6%	32,962,011	15,876,459	2.1%
FY33	334,686	3,900,987	20,136,150.00	18,282,349	5,394,175	-	48,048,347	6.5%	32,614,224	15,434,123	2.1%
FY34	-	3,892,251	3,632,925.00	18,283,188	5,384,550	-	31,192,914	4.2%	20,901,927	10,290,987	1.4%
FY35	-	3,892,453	-	18,282,324	5,130,175	-	27,304,951	3.7%	19,384,515	7,920,437	1.1%
FY36	-	3,880,993	-	18,283,630	5,120,800	-	27,285,423	3.7%	19,382,366	7,903,057	1.1%
FY37	-	3,872,424	-	18,280,697	5,120,400	-	27,273,521	3.7%	19,377,540	7,895,981	1.1%
FY38	-	-	-	18,282,397	-	-	18,282,397	2.5%	18,282,397	-	0.0%
FY39	-	-	-	18,282,040	-	-	18,282,040	2.5%	18,282,040	-	0.0%
FY40	-	-	-	18,278,216	-	-	18,278,216	2.5%	18,278,216	-	0.0%
FY41	-	-	-	18,279,516	-	-	18,279,516	2.5%	18,279,516	-	0.0%
FY42	-	-	-	18,278,967	-	-	18,278,967	2.5%	18,278,967	-	0.0%
FY43	-	-	-	18,279,878	-	-	18,279,878	2.5%	18,279,878	-	0.0%
FY44	-	-	-	18,275,276	-	-	18,275,276	2.5%	18,275,276	-	0.0%
FY45	-	-	-	18,273,469	-	-	18,273,469	2.5%	18,273,469	-	0.0%
FY46	-	-	-	18,277,204	-	-	18,277,204	2.5%	18,277,204	-	0.0%
FY47	-	-	-	18,273,943	-	-	18,273,943	2.5%	18,273,943	-	0.0%
FY48	-	-	-	18,271,713	-	-	18,271,713	2.5%	18,271,713	-	0.0%
FY49	-	-	-	18,272,978	-	-	18,272,978	2.5%	18,272,978	-	0.0%
FY50	-	-	-	18,269,919	-	-	18,269,919	2.5%	18,269,919	-	0.0%
<b>Total</b>	<b>7,056,657</b>	<b>58,691,042</b>	<b>225,115,350</b>	<b>511,882,403</b>	<b>117,131,494</b>	<b>69,330</b>	<b>919,946,275</b>		<b>703,826,824</b>	<b>216,119,451</b>	
Offset	100.0%	28.3%	63.9%	100.0%	20.8%	100.0%					

The figures above do not reflect the release of respective reserves for final debt service payment if cash reserves are held.

(1) 2006 Capital Improvement Revenue Bonds, Series B: 71.7% General Fund and 28.3% RASA Master Lease (65th Street, Army Depot, North Sacramento, River District)

(2) 2006 Capital Improvement Revenue Bonds, Series E: 53.9% Water Fund, 36.1% General Fund, 7.8% North Natomas Fund, 1.1% RASA Master Lease (Stockton Boulevard), 0.9% Culture and Leisure Fund, and 0.2% Fleet Management Fund

(3) 2015 Lease Revenue Bonds (Golden 1 Center): 65.1% Lease Rental Payments from the Sacramento Kings or its affiliates and 34.9% Parking Fund.

(4) 2015 Refunding Revenue Bonds: 79.2% General Fund, 10.7% Solid Waste Fund, and 10.1% Parking Fund.

(5) Total leases and loans: 100% Culture and Leisure Fund.

(6) Data based on forecasted Fiscal Year 2022-23 Net General Fund Revenue of \$743,069,000.

Source: City of Sacramento



# **GASB 68 Accounting Report**

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**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, 2021**

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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, 2021.

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, 2020 annual funding valuation for the Plan. The census data and benefit provisions underlying the liabilities were prepared as of June 30, 2020 and certified as part of the annual funding valuation by the CalPERS Actuarial Office. The June 30, 2020 liabilities, which were rolled forward to June 30, 2021 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 who satisfies the Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States with regard to pensions.



MAY SHUANG YU, ASA, MAAA

Senior Pension Actuary, CalPERS

## Introduction

This is the GASB 68 accounting report for the measurement date June 30, 2021. 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](http://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, 2020
Measurement Date	June 30, 2021
Measurement Period	July 1, 2020 to June 30, 2021

### **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)
<b>Balance at: 06/30/2020</b>	<b>\$1,481,334,536</b>	<b>\$1,076,422,106</b>	<b>\$404,912,430</b>
<b>Beginning of Year Adjustment</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Adjusted Balance at: 06/30/2020</b>	<b>\$1,481,334,536</b>	<b>\$1,076,422,106</b>	<b>\$404,912,430</b>
<b>Changes Recognized for the Measurement Period:</b>			
Service Cost	31,307,149		31,307,149
Interest on Total Pension Liability	105,037,410		105,037,410
Changes of Benefit Terms	0		0
Changes of Assumptions	0		0
Differences Between Expected and Actual Experience	3,742,809		3,742,809
Net Plan to Plan Resource Movement		0	0
Contributions – Employer		43,929,699	(43,929,699)
Contributions – Employees		15,898,937	(15,898,937)
Net Investment Income		244,522,362	(244,522,362)
Benefit Payments, Including Refunds of Employee Contributions	(63,352,488)	(63,352,488)	0
Administrative Expense		(1,075,280)	1,075,280
Other Miscellaneous (Income)/Expense		0	0
<b>Net Changes During 2020-21</b>	<b>\$76,734,880</b>	<b>\$239,923,230</b>	<b>(\$163,188,350)</b>
<b>Balance at: 06/30/2021</b>	<b>\$1,558,069,416</b>	<b>\$1,316,345,336</b>	<b>\$241,724,080</b>

### 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)	\$457,462,698	\$241,724,080	\$64,044,141



## **Pension Expense/(Income) for Measurement Period Ended June 30, 2021**

<b>Description</b>	<b>Amount</b>
Service Cost	\$31,307,149
Interest on Total Pension Liability	105,037,410
Changes of Benefit Terms	0
Recognized Changes of Assumptions	0
Recognized Differences Between Expected and Actual Experience	6,258,602
Net Plan to Plan Resource Movement	0
Employee Contributions	(15,898,937)
Projected Earnings on Pension Plan Investments	(76,706,947)
Recognized Differences Between Projected and Actual Earnings on Plan Investments	(37,315,219)
Administrative Expense	1,075,280
Other Miscellaneous (Income)/Expense	0
<b>Total Pension Expense/(Income)</b>	<b>\$13,757,338</b>

## 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, 2021. 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	3,213,135	0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	(121,620,021)
<b>Total</b>	<b>\$3,213,135</b>	<b>(\$121,620,021)</b>

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
2022	(\$28,522,219)
2023	(27,110,749)
2024	(29,210,835)
2025	(33,563,083)
2026	0
Thereafter	0

### Expected Average Remaining Service Lifetime (EARSL)

The EARSL for the Plan for the measurement period ending June 30, 2021 is 2.8 years, which was obtained by dividing the total service years of 28,851 (the sum of remaining service lifetimes of the active employees) by 10,194 (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	2021	2020	2019	2018	2017
<b>TOTAL PENSION LIABILITY:</b>					
Service Cost	\$31,307,149	\$30,235,662	\$29,053,385	\$28,403,688	\$27,795,727
Interest on Total Pension Liability	105,037,410	99,809,812	94,760,263	89,060,339	84,334,185
Changes of Benefit Terms	0	0	0	0	0
Changes of Assumptions	0	0	0	(7,898,485)	75,969,675
Difference Between Expected and Actual Experience	3,742,809	2,600,474	12,969,987	6,909,054	(837,981)
Benefit Payments, Including Refunds of Employee Contributions	(63,352,488)	(59,069,059)	(53,695,328)	(48,383,999)	(42,304,813)
<b>Net Change in Total Pension Liability</b>	<b>\$76,734,880</b>	<b>\$73,576,889</b>	<b>\$83,088,307</b>	<b>\$68,090,597</b>	<b>\$144,956,793</b>
Total Pension Liability – Beginning	1,481,334,536	1,407,757,647	1,324,669,340	1,256,578,743	1,111,621,950
<b>Total Pension Liability – Ending (a)</b>	<b>\$1,558,069,416</b>	<b>\$1,481,334,536</b>	<b>\$1,407,757,647</b>	<b>\$1,324,669,340</b>	<b>\$1,256,578,743</b>
<b>PLAN FIDUCIARY NET POSITION</b>					
Contributions – Employer	\$43,929,699	\$39,117,681	\$34,101,948	\$29,514,351	\$28,719,315
Contributions – Employee	15,898,937	15,017,980	14,288,578	12,633,667	12,190,145
Net Investment Income	244,522,362	51,631,631	64,092,297	76,765,652	91,481,199
Benefit Payments, Including Refunds of Employee Contributions	(63,352,488)	(59,069,059)	(53,695,328)	(48,383,999)	(42,304,813)
Net Plan to Plan Resource Movement	0	0	494	(1,746)	73,647
Administrative Expense	(1,075,280)	(1,453,707)	(694,412)	(1,412,810)	(1,207,275)
Other Miscellaneous Income/(Expense) <sup>1</sup>	0	0	2,256	(2,682,950)	0
<b>Net Change in Fiduciary Net Position</b>	<b>\$239,923,230</b>	<b>\$45,244,526</b>	<b>\$58,095,833</b>	<b>\$66,432,165</b>	<b>\$88,952,218</b>
Plan Fiduciary Net Position – Beginning <sup>2</sup>	\$1,076,422,106	\$1,031,177,580	\$973,081,747	\$906,649,582	\$817,697,364
Plan Fiduciary Net Position – Ending (b)	1,316,345,336	1,076,422,106	1,031,177,580	973,081,747	906,649,582
<b>Plan Net Pension Liability/(Asset) – (a)-(b)</b>	<b>\$241,724,080</b>	<b>\$404,912,430</b>	<b>\$376,580,067</b>	<b>\$351,587,593</b>	<b>\$349,929,161</b>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>					
Covered Payroll <sup>3</sup>	\$203,029,503	\$195,700,077	\$185,822,739	\$181,331,004	\$176,795,109
<b>Plan Net Pension Liability/(Asset) as a Percentage of Covered-Employee Payroll</b>	<b>84.49%</b>	<b>72.67%</b>	<b>73.25%</b>	<b>73.46%</b>	<b>72.15%</b>
	<b>119.06%</b>	<b>206.90%</b>	<b>202.66%</b>	<b>193.89%</b>	<b>197.93%</b>

<sup>1</sup> 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).

<sup>2</sup> Includes any beginning of year adjustment.

<sup>3</sup> Includes one year's payroll growth using 2.75% payroll growth assumption for fiscal years ended June 30, 2018-21; 3.00% payroll growth assumption for fiscal years ended June 30, 2014-17.

## Schedules of Required Supplementary Information (continued)

Measurement Period	2016	2015	2014
<b>TOTAL PENSION LIABILITY:</b>			
Service Cost	\$23,374,624	\$22,342,045	\$23,109,946
Interest on Total Pension Liability	79,514,856	74,834,991	70,942,490
Changes of Benefit Terms	0	0	0
Changes of Assumptions	0	(20,152,867)	0
Difference Between Expected and Actual Experience	(333,340)	(8,865,289)	0
Benefit Payments, Including Refunds of Employee Contributions	(37,980,223)	(34,390,309)	(30,239,753)
<b>Net Change in Total Pension Liability</b>	<b>\$64,575,917</b>	<b>\$33,768,571</b>	<b>\$63,812,683</b>
Total Pension Liability – Beginning	1,047,046,033	1,013,277,462	949,464,779
<b>Total Pension Liability – Ending (a)</b>	<b>\$1,111,621,950</b>	<b>\$1,047,046,033</b>	<b>\$1,013,277,462</b>
<b>PLAN FIDUCIARY NET POSITION</b>			
Contributions – Employer	\$25,962,718	\$22,826,829	\$21,613,131
Contributions – Employee	11,991,032	11,302,316	11,670,231
Net Investment Income	4,260,663	18,046,623	118,325,674
Benefit Payments, Including Refunds of Employee Contributions	(37,980,223)	(34,390,309)	(30,239,753)
Net Plan to Plan Resource Movement	530,976	(3,066,289)	0
Administrative Expense	(495,742)	(921,940)	0
Other Miscellaneous Income/(Expense) <sup>1</sup>	0	0	0
<b>Net Change in Fiduciary Net Position</b>	<b>\$4,269,424</b>	<b>\$13,797,230</b>	<b>\$121,369,283</b>
Plan Fiduciary Net Position – Beginning <sup>2</sup>	\$813,427,940	\$799,630,710	\$678,261,427
Plan Fiduciary Net Position – Ending (b)	817,697,364	813,427,940	799,630,710
<b>Plan Net Pension Liability/(Asset) – (a)-(b)</b>	<b>\$293,924,586</b>	<b>\$233,618,093</b>	<b>\$213,646,752</b>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	<b>73.56%</b>	<b>77.69%</b>	<b>78.92%</b>
Covered Payroll <sup>3</sup>	\$166,402,958	\$157,449,221	\$156,032,311
<b>Plan Net Pension Liability/(Asset) as a Percentage of Covered-Employee Payroll</b>	<b>176.63%</b>	<b>148.38%</b>	<b>136.92%</b>

<sup>1</sup> 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).

<sup>2</sup> Includes any beginning of year adjustment.

<sup>3</sup> Includes one year's payroll growth using 2.75% payroll growth assumption for fiscal years ended June 30, 2018-21; 3.00% 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 generally include any liability impact that may have resulted from voluntary benefit changes that occurred on or before the Measurement Date. However, offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes) that occurred after the 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 - 2021. 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% to 7.15%. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5% (net of administrative expense) to 7.65% (without a reduction for pension plan administrative expense). In 2014, amounts reported were based on the 7.5% discount rate.

### Schedule of Plan Contributions for the Fiscal Years Ended June 30<sup>1</sup>

Employer Fiscal Year End	2021	2020	2019	2018	2017
Actuarially Determined Contribution <sup>2</sup>	\$43,929,699	\$39,117,681	\$34,101,948	\$29,514,351	\$28,719,315
Contributions in Relation to the Actuarially Determined Contribution <sup>2</sup>	(43,929,699)	(39,117,681)	(34,101,948)	(29,514,351)	(28,719,315)
Contribution Deficiency (Excess)	\$0	\$0	\$0	\$0	\$0
Covered Payroll <sup>3</sup>	\$203,029,503	\$195,700,077	\$185,822,739	\$181,331,004	\$176,795,109
Contributions as a Percentage of Covered Payroll <sup>3</sup>	21.64%	19.99%	18.35%	16.28%	16.24%

Employer Fiscal Year End	2016	2015	2014
Actuarially Determined Contribution <sup>2</sup>	\$25,962,718	\$22,826,829	\$21,613,131
Contributions in Relation to the Actuarially Determined Contribution <sup>2</sup>	(25,962,718)	(22,826,829)	(21,613,131)
Contribution Deficiency (Excess)	\$0	\$0	\$0
Covered Payroll <sup>3</sup>	\$166,402,958	\$157,449,221	\$156,032,311
Contributions as a Percentage of Covered Payroll <sup>3</sup>	15.60%	14.50%	13.85%

<sup>1</sup> 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.

<sup>2</sup> 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.

<sup>3</sup> Includes one year's payroll growth using 2.75% payroll growth assumption for fiscal years ended June 30, 2018-21; 3.00% 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 2020-21 were derived from the June 30, 2018 funding valuation report.

Actuarial Cost Method	Entry Age Normal
Amortization Method/Period	For details, see June 30, 2018 Funding Valuation Report.
Asset Valuation Method	Fair Value of Assets. For details, see June 30, 2018 Funding Valuation Report.
Inflation	2.5%
Salary Increases	Varies by Entry Age and Service
Payroll Growth	2.75%
Investment Rate of Return	7.00% 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
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- Schedule of Differences Between Projected and Actual Earnings on Pension Plan Investments
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- 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)	2021	2022	2023	2024	2025	2026	Thereafter
			\$0	\$0	\$0	\$0	\$0	\$0	\$0
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)	0.0	0	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
2021	0	0.0	0	0	0	0	0	0	0
<b>Net Increase (Decrease) in Pension Expense</b>			<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

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

Measurement Date	Balances at June 30, 2021			Amounts Recognized in Pension Expense Through June 30, 2021 (c)	Deferred Outflows of Resources (a) – (c)	Deferred Inflows of Resources (b) – (c)
	Increase in Total Pension Liability (a)	Decrease in Total Pension Liability (b)	Deferred Outflows of Resources (a) – (c)			
2014	\$0	\$0	\$0	\$0	\$0	\$0
2015	0	(20,152,867)	(20,152,867)		0	0
2016	0	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	0
2020	0	0	0	0	0	0
2021	0	0	0	0	0	0
					<b>\$0</b>	<b>\$0</b>

**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)	2021	2022	2023	2024	2025	2026	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	0.0	0	0	0	0	0	0	0
2019	12,969,987	0.9	4,025,169	0	0	0	0	0	0
2020	2,600,474	1.9	896,715	807,044	0	0	0	0	0
2021	3,742,809	2.8	1,336,718	1,336,718	1,069,373	0	0	0	0
<b>Net Increase (Decrease) in Pension Expense</b>			<b>\$6,258,602</b>	<b>\$2,143,762</b>	<b>\$1,069,373</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

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

Measurement Date	Balances at June 30, 2021			
	Experience Losses (a)	Experience Gains (b)	Amounts Recognized in Pension Expense Through June 30, 2021 (c)	Deferred Inflows of Resources (b) – (c)
2014	\$0	\$0	\$0	\$0
2015	0	(8,865,289)	(8,865,289)	0
2016	0	(333,340)	(333,340)	0
2017	0	(837,981)	(837,981)	0
2018	6,909,054	0	6,909,054	0
2019	12,969,987	0	12,969,987	0
2020	2,600,474	0	1,793,430	807,044
2021	3,742,809	0	1,336,718	2,406,091
				<b>\$3,213,135</b>
				<b>\$0</b>

**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							
			2021	2022	2023	2024	2025	2026	Thereafter	
2014	(\$67,539,546)	0.0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2015	42,768,440	0.0	0	0	0	0	0	0	0	0
2016	57,793,697	0.0	0	0	0	0	0	0	0	0
2017	(33,246,191)	1.0	(6,649,239)	0	0	0	0	0	0	0
2018	(12,429,291)	2.0	(2,485,858)	(2,485,859)	0	0	0	0	0	0
2019	5,153,560	3.0	1,030,712	1,030,712	1,030,712	0	0	0	0	0
2020	21,761,244	4.0	4,352,249	4,352,249	4,352,249	4,352,248	0	0	0	0
2021	(167,815,415)	5.0	(33,563,083)	(33,563,083)	(33,563,083)	(33,563,083)	(33,563,083)	(33,563,083)	0	0
<b>Net Increase (Decrease) in Pension Expense</b>			<b>(\$37,315,219)</b>	<b>(\$30,665,981)</b>	<b>(\$28,180,122)</b>	<b>(\$29,210,835)</b>	<b>(\$33,563,083)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

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

Measurement Date	Balances at June 30, 2021				
	Investment Earnings Less Than Projected (a)	Investment Earnings Greater Than Projected (b)	Amounts Recognized in Pension Expense Through June 30, 2021 (c)	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)	(33,246,191)	0	0
2018	0	(12,429,291)	(9,943,432)	0	(2,485,859)
2019	5,153,560	0	3,092,136	2,061,424	0
2020	21,761,244	0	8,704,498	13,056,746	0
2021	0	(167,815,415)	(33,563,083)	0	(134,252,332)
				<b>\$15,118,170</b>	<b>(\$136,738,191)</b>
				<b>Net Deferred Outflows/(Inflows) of Resources</b>	
				<b>(d) + (e)</b>	
				<b>(\$121,620,021)</b>	

**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						
	2021	2022	2023	2024	2025	2026	Thereafter
Changes of Assumptions	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Differences Between Expected and Actual Experience	6,258,602	2,143,762	1,069,373	0	0	0	0
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	(37,315,219)	(30,665,981)	(28,180,122)	(29,210,835)	(33,563,083)	0	0
<b>Grand Total</b>	<b>(\$31,056,617)</b>	<b>(\$28,522,219)</b>	<b>(\$27,110,749)</b>	<b>(\$29,210,835)</b>	<b>(\$33,563,083)</b>	<b>\$0</b>	<b>\$0</b>

## **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**

<b>Interest on Total Pension Liability</b>	<b>Amount for Period (a)</b>	<b>Portion of Period (b)</b>	<b>Interest Rate (c)</b>	<b>Interest on the Total Pension Liability (a) X (b) X (c)</b>
Beginning Total Pension Liability	\$1,481,334,536	100%	7.15%	\$105,915,419
Changes of Benefit Terms	0	100%	7.15%	0
Changes of Assumptions	0	100%	7.15%	0
Difference Between Expected and Actual Experience	3,742,809	100%	7.15%	267,611
Service Cost	31,307,149	50%	7.15%	1,119,231
Benefit Payments, Including Refunds of Employee Contributions	(63,352,488)	50%	7.15%	(2,264,851)
<b>Total Interest on Total Pension Liability</b>				<b>\$105,037,410</b>

**Projected Earnings on Pension Plan Investments**

	<b>Amount for Period (a)</b>	<b>Portion of Period (b)</b>	<b>Projected Rate of Return (c)</b>	<b>Projected Earnings (a) X (b) X (c)</b>
Beginning Plan Fiduciary Net Position Excluding Receivables <sup>1</sup>	\$1,075,033,654	100%	7.15%	\$76,864,906
Net Plan to Plan Resource Movement	0	50%	7.15%	0
Employer Contributions	43,929,699	50%	7.15%	1,570,487
Employee Contributions <sup>2</sup>	16,079,608	50%	7.15%	574,846
Benefit Payments, Including Refunds of Employee Contributions	(63,352,488)	50%	7.15%	(2,264,851)
Administrative Expense	(1,075,280)	50%	7.15%	(38,441)
Other Miscellaneous Income/(Expense)	0	50%	7.15%	0
<b>Total Projected Earnings</b>				<b>\$76,706,947</b>

<sup>1</sup> Includes any beginning of year adjustment. Contribution receivables for employee service buybacks, totaling \$1,388,452 as of June 30, 2020, were excluded for purposes of calculating projected earnings on pension plan investments.

<sup>2</sup> The increase/(decrease) in contribution receivables for employee service buybacks, totaling (\$180,671) during fiscal year 2020-21, were excluded for purposes of calculating projected earnings on pension plan investments.



# **GASB 68 Accounting Report**

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**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, 2021**

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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 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, 2021.

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, 2020 annual funding valuation for the Plan. The census data and benefit provisions underlying the liabilities were prepared as of June 30, 2020 and certified as part of the annual funding valuation by the CalPERS Actuarial Office. The June 30, 2020 liabilities, which were rolled forward to June 30, 2021 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 who satisfies the Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States with regard to pensions.



MAY SHUANG YU, ASA, MAAA

Senior Pension Actuary, CalPERS

## Introduction

This is the GASB 68 accounting report for the measurement date June 30, 2021. 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](http://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, 2020
Measurement Date	June 30, 2021
Measurement Period	July 1, 2020 to June 30, 2021

### **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)
<b>Balance at: 06/30/2020</b>	<b>\$2,129,490,486</b>	<b>\$1,435,924,062</b>	<b>\$693,566,424</b>
<b>Beginning of Year Adjustment</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Adjusted Balance at: 06/30/2020</b>	<b>\$2,129,490,486</b>	<b>\$1,435,924,062</b>	<b>\$693,566,424</b>
<b>Changes Recognized for the Measurement Period:</b>			
Service Cost	44,415,037		44,415,037
Interest on Total Pension Liability	151,131,373		151,131,373
Changes of Benefit Terms	0		0
Changes of Assumptions	0		0
Differences Between Expected and Actual Experience	12,440,770		12,440,770
Net Plan to Plan Resource Movement		0	0
Contributions – Employer		67,242,162	(67,242,162)
Contributions – Employees		25,903,510	(25,903,510)
Net Investment Income		327,345,196	(327,345,196)
Benefit Payments, Including Refunds of Employee Contributions	(100,826,561)	(100,826,561)	0
Administrative Expense		(1,434,401)	1,434,401
Other Miscellaneous (Income)/Expense		0	0
<b>Net Changes During 2020-21</b>	<b>\$107,160,619</b>	<b>\$318,229,906</b>	<b>(\$211,069,287)</b>
<b>Balance at: 06/30/2021</b>	<b>\$2,236,651,105</b>	<b>\$1,754,153,968</b>	<b>\$482,497,137</b>

### 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)	\$793,646,460	\$482,497,137	\$227,714,842

## **Pension Expense/(Income) for Measurement Period Ended June 30, 2021**

<b>Description</b>	<b>Amount</b>
Service Cost	\$44,415,037
Interest on Total Pension Liability	151,131,373
Changes of Benefit Terms	0
Recognized Changes of Assumptions	16,944,222
Recognized Differences Between Expected and Actual Experience	11,691,588
Net Plan to Plan Resource Movement	0
Employee Contributions	(25,903,510)
Projected Earnings on Pension Plan Investments	(102,266,068)
Recognized Differences Between Projected and Actual Earnings on Plan Investments	(50,494,817)
Administrative Expense	1,434,401
Other Miscellaneous (Income)/Expense	0
<b>Total Pension Expense/(Income)</b>	<b>\$46,952,226</b>

## 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, 2021. 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	\$6,059,211	(\$4,229,092)
Differences Between Expected and Actual Experience	38,596,202	(853,950)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	(163,434,789)
<b>Total</b>	<b>\$44,655,413</b>	<b>(\$168,517,831)</b>

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
2022	(\$25,407,203)
2023	(25,364,090)
2024	(31,523,782)
2025	(42,271,538)
2026	704,195
Thereafter	0

### Expected Average Remaining Service Lifetime (EARSL)

The EARSL for the Plan for the measurement period ending June 30, 2021 is 5.3 years, which was obtained by dividing the total service years of 16,544 (the sum of remaining service lifetimes of the active employees) by 3,147 (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	2021	2020	2019	2018	2017
<b>TOTAL PENSION LIABILITY:</b>					
Service Cost	\$44,415,037	\$42,306,347	\$40,221,149	\$38,385,859	\$37,372,520
Interest on Total Pension Liability	151,131,373	143,878,049	136,322,857	127,930,127	123,131,887
Changes of Benefit Terms	0	0	0	0	0
Changes of Assumptions	0	0	0	(17,241,688)	107,046,066
Difference Between Expected and Actual Experience	12,440,770	20,245,556	35,990,497	3,954,107	(15,086,475)
Benefit Payments, Including Refunds of Employee Contributions	(100,826,561)	(95,642,311)	(88,687,941)	(82,998,648)	(78,231,814)
<b>Net Change in Total Pension Liability</b>	<b>\$107,160,619</b>	<b>\$110,787,641</b>	<b>\$123,846,562</b>	<b>\$70,029,757</b>	<b>\$174,232,184</b>
Total Pension Liability – Beginning	2,129,490,486	2,018,702,845	1,894,856,283	1,824,826,526	1,650,594,342
<b>Total Pension Liability – Ending (a)</b>	<b>\$2,236,651,105</b>	<b>\$2,129,490,486</b>	<b>\$2,018,702,845</b>	<b>\$1,894,856,283</b>	<b>\$1,824,826,526</b>
<b>PLAN FIDUCIARY NET POSITION</b>					
Contributions – Employer	\$67,242,162	\$58,583,694	\$49,875,203	\$41,588,489	\$40,608,891
Contributions – Employee	25,903,510	23,832,448	22,751,971	21,563,568	18,980,493
Net Investment Income	327,345,196	69,226,226	86,281,951	104,660,890	125,585,855
Benefit Payments, Including Refunds of Employee Contributions	(100,826,561)	(95,642,311)	(88,687,941)	(82,998,648)	(78,231,814)
Net Plan to Plan Resource Movement	0	0	(494)	(3,555)	(73,647)
Administrative Expense	(1,434,401)	(1,948,101)	(936,689)	(1,921,893)	(1,665,625)
Other Miscellaneous Income/(Expense) <sup>1</sup>	0	0	3,046	(3,649,707)	0
<b>Net Change in Fiduciary Net Position</b>	<b>\$318,229,906</b>	<b>\$54,051,956</b>	<b>\$69,287,047</b>	<b>\$79,239,144</b>	<b>\$105,204,153</b>
Plan Fiduciary Net Position – Beginning <sup>2</sup>	\$1,435,924,062	\$1,381,872,106	\$1,312,585,059	\$1,233,345,915	\$1,128,141,762
Plan Fiduciary Net Position – Ending (b)	1,754,153,968	1,435,924,062	1,381,872,106	1,312,585,059	1,233,345,915
<b>Plan Net Pension Liability/(Asset) – (a)-(b)</b>	<b>\$482,497,137</b>	<b>\$693,566,424</b>	<b>\$636,830,739</b>	<b>\$582,271,224</b>	<b>\$591,480,611</b>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	<b>78.43%</b>	<b>67.43%</b>	<b>68.45%</b>	<b>69.27%</b>	<b>67.59%</b>
Covered Payroll <sup>3</sup>	\$157,332,756	\$147,408,874	\$138,717,533	\$132,205,472	\$126,437,920
<b>Plan Net Pension Liability/(Asset) as a Percentage of Covered-Employee Payroll</b>	<b>306.67%</b>	<b>470.51%</b>	<b>459.08%</b>	<b>440.43%</b>	<b>467.80%</b>

<sup>1</sup> 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).

<sup>2</sup> Includes any beginning of year adjustment.

<sup>3</sup> Includes one year's payroll growth using 2.75% payroll growth assumption for fiscal years ended June 30, 2018-21; 3.00% payroll growth assumption for fiscal years ended June 30, 2014-17.

## Schedules of Required Supplementary Information (continued)

Measurement Period	2016	2015	2014
<b>TOTAL PENSION LIABILITY:</b>			
Service Cost	\$31,672,063	\$29,653,042	\$29,538,887
Interest on Total Pension Liability	118,821,553	112,331,793	107,188,618
Changes of Benefit Terms	0	0	0
Changes of Assumptions	0	(28,604,249)	0
Difference Between Expected and Actual Experience	14,397,639	(592,555)	0
Benefit Payments, Including Refunds of Employee Contributions	(74,572,323)	(70,544,699)	(66,215,114)
<b>Net Change in Total Pension Liability</b>	<b>\$90,318,932</b>	<b>\$42,243,332</b>	<b>\$70,512,391</b>
Total Pension Liability – Beginning	1,560,275,410	1,518,032,078	1,447,519,687
<b>Total Pension Liability – Ending (a)</b>	<b>\$1,650,594,342</b>	<b>\$1,560,275,410</b>	<b>\$1,518,032,078</b>
<b>PLAN FIDUCIARY NET POSITION</b>			
Contributions – Employer	\$36,000,897	\$30,798,271	\$27,934,662
Contributions – Employee	18,465,310	15,564,873	16,094,362
Net Investment Income	4,971,102	25,341,704	171,794,710
Benefit Payments, Including Refunds of Employee Contributions	(74,572,323)	(70,544,699)	(66,215,114)
Net Plan to Plan Resource Movement	(340)	533	0
Administrative Expense	(697,193)	(1,287,544)	0
Other Miscellaneous Income/(Expense) <sup>1</sup>	0	0	0
<b>Net Change in Fiduciary Net Position</b>	<b>(\$15,832,547)</b>	<b>(\$126,862)</b>	<b>\$149,608,620</b>
Plan Fiduciary Net Position – Beginning <sup>2</sup>	\$1,143,974,309	\$1,144,101,171	\$994,492,551
Plan Fiduciary Net Position – Ending (b)	1,128,141,762	1,143,974,309	1,144,101,171
<b>Plan Net Pension Liability/(Asset) – (a)-(b)</b>	<b>\$522,452,580</b>	<b>\$416,301,101</b>	<b>\$373,930,907</b>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	<b>68.35%</b>	<b>73.32%</b>	<b>75.37%</b>
Covered Payroll <sup>3</sup>	\$120,120,082	\$112,067,431	\$107,176,397
<b>Plan Net Pension Liability/(Asset) as a Percentage of Covered-Employee Payroll</b>	<b>434.94%</b>	<b>371.47%</b>	<b>348.89%</b>

<sup>1</sup> 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).

<sup>2</sup> Includes any beginning of year adjustment.

<sup>3</sup> Includes one year's payroll growth using 2.75% payroll growth assumption for fiscal years ended June 30, 2018-21; 3.00% 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 generally include any liability impact that may have resulted from voluntary benefit changes that occurred on or before the Measurement Date. However, offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes) that occurred after the 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 - 2021. 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% to 7.15%. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5% (net of administrative expense) to 7.65% (without a reduction for pension plan administrative expense). In 2014, amounts reported were based on the 7.5% discount rate.

### Schedule of Plan Contributions for the Fiscal Years Ended June 30<sup>1</sup>

Employer Fiscal Year End	2021	2020	2019	2018	2017
Actuarially Determined Contribution <sup>2</sup>	\$67,242,162	\$58,583,694	\$49,875,203	\$41,588,489	\$40,608,891
Contributions in Relation to the Actuarially Determined Contribution <sup>2</sup>	(67,242,162)	(58,583,694)	(49,875,203)	(41,588,489)	(40,608,891)
Contribution Deficiency (Excess)	\$0	\$0	\$0	\$0	\$0
Covered Payroll <sup>3</sup>	\$157,332,756	\$147,408,874	\$138,717,533	\$132,205,472	\$126,437,920
Contributions as a Percentage of Covered Payroll <sup>3</sup>	42.74%	39.74%	35.95%	31.46%	32.12%

Employer Fiscal Year End	2016	2015	2014		
Actuarially Determined Contribution <sup>2</sup>	\$36,000,897	\$30,798,271	\$27,934,662		
Contributions in Relation to the Actuarially Determined Contribution <sup>2</sup>	(36,000,897)	(30,798,271)	(27,934,662)		
Contribution Deficiency (Excess)	\$0	\$0	\$0		
Covered Payroll <sup>3</sup>	\$120,120,082	\$112,067,431	\$107,176,397		
Contributions as a Percentage of Covered Payroll <sup>3</sup>	29.97%	27.48%	26.06%		

<sup>1</sup> 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.

<sup>2</sup> 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.

<sup>3</sup> Includes one year's payroll growth using 2.75% payroll growth assumption for fiscal years ended June 30, 2018-21; 3.00% 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 2020-21 were derived from the June 30, 2018 funding valuation report.

Actuarial Cost Method	Entry Age Normal
Amortization Method/Period	For details, see June 30, 2018 Funding Valuation Report.
Asset Valuation Method	Fair Value of Assets. For details, see June 30, 2018 Funding Valuation Report.
Inflation	2.5%
Salary Increases	Varies by Entry Age and Service
Payroll Growth	2.75%
Investment Rate of Return	7.00% 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							
			2021	2022	2023	2024	2025	2026	Thereafter	
2014	\$0	0.0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2015	(28,604,249)	0.0	0	0	0	0	0	0	0	0
2016	0	0.0	0	0	0	0	0	0	0	0
2017	107,046,066	1.3	20,197,371	6,059,211	0	0	0	0	0	0
2018	(17,241,688)	2.3	(3,253,149)	(3,253,149)	(975,943)	0	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
2021	0	0.0	0	0	0	0	0	0	0	0
<b>Net Increase (Decrease) in Pension Expense</b>			<b>\$16,944,222</b>	<b>\$2,806,062</b>	<b>(\$975,943)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**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, 2021 (c)	Balances at June 30, 2021	
				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	100,986,855	6,059,211	0
2018	0	(17,241,688)	(13,012,596)	0	(4,229,092)
2019	0	0	0	0	0
2020	0	0	0	0	0
2021	0	0	0	0	0
				<b>\$6,059,211</b>	<b>(\$4,229,092)</b>



**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							
			2021	2022	2023	2024	2025	2026	Thereafter	
2014	\$0	0.0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2015	(592,555)	0.0	0	0	0	0	0	0	0	0
2016	14,397,639	0.2	553,754	0	0	0	0	0	0	0
2017	(15,086,475)	1.3	(2,846,505)	(853,950)	0	0	0	0	0	0
2018	3,954,107	2.3	746,058	746,058	223,817	0	0	0	0	0
2019	35,990,497	3.2	6,921,249	6,921,249	6,921,249	1,384,252	0	0	0	0
2020	20,245,556	4.1	3,969,717	3,969,717	3,969,717	3,969,717	396,971	0	0	0
2021	12,440,770	5.3	2,347,315	2,347,315	2,347,315	2,347,315	2,347,315	704,195	0	0
<b>Net Increase (Decrease) in Pension Expense</b>			<b>\$11,691,588</b>	<b>\$13,130,389</b>	<b>\$13,462,098</b>	<b>\$7,701,284</b>	<b>\$2,744,286</b>	<b>\$704,195</b>	<b>\$0</b>	<b>\$0</b>

**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, 2021 (c)	Balances at June 30, 2021	
				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	14,397,639	0	0
2017	0	(15,086,475)	(14,232,525)	0	(853,950)
2018	3,954,107	0	2,984,232	969,875	0
2019	35,990,497	0	20,763,747	15,226,750	0
2020	20,245,556	0	7,939,434	12,306,122	0
2021	12,440,770	0	2,347,315	10,093,455	0
				<b>\$38,596,202</b>	<b>(\$853,950)</b>

**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						
			2021	2022	2023	2024	2025	2026	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	0.0	0	0	0	0	0	0	0
2017	(45,755,815)	1.0	(9,151,163)	0	0	0	0	0	0
2018	(17,467,045)	2.0	(3,493,409)	(3,493,409)	0	0	0	0	0
2019	6,874,115	3.0	1,374,823	1,374,823	1,374,823	0	0	0	0
2020	28,953,792	4.0	5,790,758	5,790,758	5,790,758	5,790,760	0	0	0
2021	(225,079,128)	5.0	(45,015,826)	(45,015,826)	(45,015,826)	(45,015,826)	(45,015,824)	0	0
<b>Net Increase (Decrease) in Pension Expense</b>			<b>(\$50,494,817)</b>	<b>(\$41,343,654)</b>	<b>(\$37,850,245)</b>	<b>(\$39,225,066)</b>	<b>(\$45,015,824)</b>	<b>\$0</b>	<b>\$0</b>

**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, 2021 (c)	Balances at June 30, 2021	
				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)	(45,755,815)	0	0
2018	0	(17,467,045)	(13,973,636)	0	(3,493,409)
2019	6,874,115	0	4,124,469	2,749,646	0
2020	28,953,792	0	11,581,516	17,372,276	0
2021	0	(225,079,128)	(45,015,826)	0	(180,063,302)
				<b>\$20,121,922</b>	<b>(\$183,556,711)</b>
				<b>Net Deferred Outflows/(Inflows) of Resources (d) + (e)</b>	
				<b>(\$163,434,789)</b>	

**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**

	<b>Net Increase (Decrease) in Pension Expense</b>						
	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>Thereafter</b>
Changes of Assumptions	\$16,944,222	\$2,806,062	(\$975,943)	\$0	\$0	\$0	\$0
Differences Between Expected and Actual Experience	11,691,588	13,130,389	13,462,098	7,701,284	2,744,286	704,195	0
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	(50,494,817)	(41,343,654)	(37,850,245)	(39,225,066)	(45,015,824)	0	0
<b>Grand Total</b>	<b>(\$21,859,007)</b>	<b>(\$25,407,203)</b>	<b>(\$25,364,090)</b>	<b>(\$31,523,782)</b>	<b>(\$42,271,538)</b>	<b>\$704,195</b>	<b>\$0</b>

## **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**

<b>Interest on Total Pension Liability</b>	<b>Amount for Period (a)</b>	<b>Portion of Period (b)</b>	<b>Interest Rate (c)</b>	<b>Interest on the Total Pension Liability (a) X (b) X (c)</b>
Beginning Total Pension Liability	\$2,129,490,486	100%	7.15%	\$152,258,570
Changes of Benefit Terms	0	100%	7.15%	0
Changes of Assumptions	0	100%	7.15%	0
Difference Between Expected and Actual Experience	12,440,770	100%	7.15%	889,515
Service Cost	44,415,037	50%	7.15%	1,587,838
Benefit Payments, Including Refunds of Employee Contributions	(100,826,561)	50%	7.15%	(3,604,550)
<b>Total Interest on Total Pension Liability</b>				<b>\$151,131,373</b>

<b>Projected Earnings on Pension Plan Investments</b>	<b>Amount for Period (a)</b>	<b>Portion of Period (b)</b>	<b>Projected Rate of Return (c)</b>	<b>Projected Earnings (a) X (b) X (c)</b>
Beginning Plan Fiduciary Net Position Excluding Receivables <sup>1</sup>	\$1,434,773,189	100%	7.15%	\$102,586,283
Net Plan to Plan Resource Movement	0	50%	7.15%	0
Employer Contributions	67,242,162	50%	7.15%	2,403,907
Employee Contributions <sup>2</sup>	26,061,755	50%	7.15%	931,708
Benefit Payments, Including Refunds of Employee Contributions	(100,826,561)	50%	7.15%	(3,604,550)
Administrative Expense	(1,434,401)	50%	7.15%	(51,280)
Other Miscellaneous Income/(Expense)	0	50%	7.15%	0
<b>Total Projected Earnings</b>				<b>\$102,266,068</b>

<sup>1</sup> Includes any beginning of year adjustment. Contribution receivables for employee service buybacks, totaling \$1,150,873 as of June 30, 2020, were excluded for purposes of calculating projected earnings on pension plan investments.

<sup>2</sup> The increase/(decrease) in contribution receivables for employee service buybacks, totaling (\$158,245) during fiscal year 2020-21, were excluded for purposes of calculating projected earnings on pension plan investments.



## **City of Sacramento**

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# **Sacramento City Employees' Retirement System**

**June 30, 2022  
Actuarial Valuation**

December 8, 2022



**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, 2022 actuarial valuation of the Sacramento City Employees' Retirement System (SCERS).

The purpose of this valuation is to:


- Determine the System's June 30, 2022 Funded Status, and
- Calculate the fiscal year 2023/24 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 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 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,

  
Mary Elizabeth Redding, FSA, MAAA, EA  
Senior Consulting Actuary

  
Drew Ballard, ASA, MAAA, EA  
Senior Consulting Actuary

  
Katherine Moore, ASA, MAAA  
Consulting Actuary

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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, 2021 valuation are provided for comparative purposes.

	<i>-----amounts in \$000's-----</i>		
	June 30, 2021	June 30, 2022	% change
<b>■ Participant Counts</b>			
• Actives	3	2	-33.3%
• Terminated Vesteds & Reciprocals	5	5	0.0%
• Service Retirees	473	447	-5.5%
• Disableds	89	82	-7.9%
• Beneficiaries	306	292	-4.6%
• Total	876	828	-5.5%
<b>■ Actuarial Liabilities</b>			
• Present Value of Projected Benefits	\$ 282,371	\$ 270,548	-4.2%
• Actuarial Accrued Liability	282,359	270,541	-4.2%
<b>■ Assets</b>			
• Market Value of Assets	311,133	254,171	-18.3%
• Approximate Annual Rate of Return	29.2%	-10.8%	
• Actuarial Value of Assets	275,724	262,645	-4.7%
• Approximate Annual Rate of Return	13.5%	4.4%	
<b>■ Plan Funded Status</b>			
• Actuarial Accrued Liability	282,359	270,541	-4.2%
• Actuarial Value of Plan Assets	275,724	262,645	-4.7%
• Unfunded Actuarial Accrued Liability	6,635	7,896	19.0%
• Funded Ratio	97.7%	97.1%	-0.6%
• Funded Ratio, Market Value Basis	110.2%	93.9%	-14.8%
	<b>2022/23</b>	<b>2023/24</b>	<b>% change</b>
<b>■ Annual Cost<sup>1</sup></b>	\$0	\$1,399	N/A
<b>■ Annual Cost (% Proj. Plan Payroll)<sup>1</sup></b>	0.0%	933.2%	
<b>■ Annual Cost (% Proj. City Payroll)</b>	0.0%	0.3%	

<sup>1</sup> See page 12 for details.



# SECTION 1

## EXECUTIVE SUMMARY

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### **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 2 active members (out of a total plan membership of 828) remain.

Since the last valuation, the plan experienced overall losses on liabilities and market assets. Plan liabilities increased more than expected, by \$0.3 million. This was mostly due to a larger COLA than expected<sup>2</sup> (\$1.6 million), but was offset by a gain due to retirees and beneficiaries not living as long as expected (\$1.4 million). Market value return on assets was less than expected, about negative 10.8% for the year which resulted in a loss of \$4.2 million on the actuarial (smoothed) value of assets. Lower benefit payments than expected resulted in a \$0.3 million gain to the assets.

Since the last valuation, the plan's asset allocation was changed to be slightly more conservative. Based on discussions, the discount rate used in the valuation has not changed. We believe 6.0% is a reasonable discount rate for this plan.

A few assumptions were changed since the prior valuation.

- The mortality improvement projection was updated to a more recent Society of Actuaries' table, MP-2021. This increased liabilities by \$0.9 million.
- The mortality tables were updated to the CalPERS 2000-2019 experience study rates. This decreased liabilities by \$0.7 million.

After these assumption changes, the July 1, 2022 total plan unfunded actuarial accrued liability (UAAL) is \$7.9 million, as compared to an expected UAAL of \$3.4 million.

The plan's funded ratio on an actuarial value of assets basis is 97.1%, a decrease from 97.7% in the prior valuation. The plan's funded ratio using market value of assets basis is 93.9%, a decrease from 110.2% in the prior valuation.

In the prior valuation, the plan was projected to be overfunded on June 30, 2022. The City's contribution was \$0 million for fiscal year 2022/23 and projected to be \$0 million for 2023/24. Due to the experience losses and assumption changes discussed above, the plan is projected to be underfunded on June 30, 2023 on an actuarial value of assets basis and the recommended City contribution is \$1.399 million for fiscal year 2023/24.

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<sup>2</sup> The CPI used for COLA increases was 3.2%. 3% COLA was paid and COLA banks were increased. The prior valuation assumed CPI of 2.75%. (Index used is CPI-U for San Francisco/Oakland/Hayward area.)



# SECTION 1

## EXECUTIVE SUMMARY

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The average life expectancy of the plan's retirees is now 10.9 years, down from 11.1 years as of June 30, 2021. We recommend keeping the amortization at a rolling 11-year period for the 2023/24 recommended contribution.



# SECTION 1

## EXECUTIVE SUMMARY

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### 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, 2021	June 30, 2022
<b>■ Maturity Ratios</b>		
• Inactive AAL/total AAL	99.7%	99.8%
• Inactive participant count/total count	99.7%	99.8%
• Benefit payments/market value of assets	9.3%	11.1%
• Benefit payments/employer contributions	758.6%	809.0%

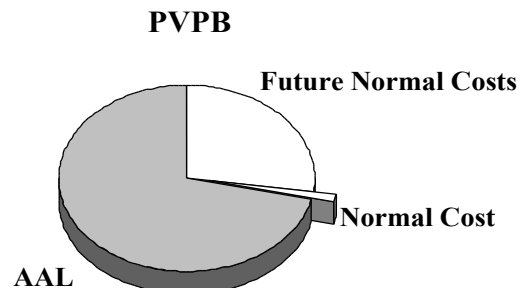
A very mature pension plan presents unique risks. The plan has negative cash flow (benefit payments exceed contributions), and benefit payments are relatively large compared to the asset value. The plan's investment manager must carefully manage the plan's liquidity needs as the plan "winds down" over 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, 2021	June 30, 2022
<b>Present Value of Projected Benefits</b>		
■ Active Employees	\$ 986	\$ 481
■ Vested Terminated & Reciprocals	430	403
■ Service Retirees	201,090	193,774
■ Disabled Participants	26,645	24,697
■ Beneficiaries	53,221	51,193
■ Total	282,371	270,548

#### Actuarial Accrued Liability

■ Active Employees	\$ 974	\$ 474
■ Vested Terminated & Reciprocals	430	403
■ Service Retirees	201,090	193,774
■ Disabled Participants	26,645	24,697
■ Beneficiaries	53,221	51,193
■ Total	282,359	270,541

2021/22

2022/23

#### Normal Cost

■ Employer Normal Cost (beginning of year)	\$ 0	\$ 0
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June 30, 2021

June 30, 2022

#### Plan Funded Status

■ Total Actuarial Accrued Liability	\$ 282,359	\$ 270,541
■ Actuarial Value of Plan Assets	275,724	262,645
■ Unfunded Actuarial Accrued Liability	6,635	7,896
■ Funded Ratio	97.7%	97.1%
■ Market Value of Assets	311,133	254,171
■ Funded Ratio – Market Value Basis	110.2%	93.9%



## SECTION 2

### LIABILITY INFORMATION & FUNDED STATUS

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Details of the June 30, 2022 Present Value of Benefits, Actuarial Accrued Liability and Employer Normal Cost by employee category:

(amounts in \$000's)

	Safety	Miscellaneous	Total
<b>Present Value of Projected Benefits</b>			
■ Active Employees	\$ 0	\$ 481	\$ 481
■ Vested Terminated & Reciprocals	0	403	403
■ Service Retirees	9,256	184,517	193,774
■ Disabled Participants	9,716	14,981	24,697
■ Beneficiaries	14,059	37,134	51,193
■ Total	33,030	237,518	270,548

#### Actuarial Accrued Liability

■ Active Employees	0	474	474
■ Vested Terminated & Reciprocals	0	403	403
■ Service Retirees	9,256	184,517	193,774
■ Disabled Participants	9,716	14,981	24,697
■ Beneficiaries	14,059	37,134	51,193
■ Total	33,030	237,511	270,541

	Safety	Miscellaneous	Total
<b>Normal Cost</b>			
■ Employer Normal Cost (on June 30, 2022)	\$ 0	\$ 0	\$ 0





## SECTION 2

### LIABILITY INFORMATION & FUNDED STATUS

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Details of the June 30, 2022 Present Value of Benefits, Actuarial Accrued Liability and Employer Normal Cost by benefit section:

(amounts in \$000's)

	Section 175	Sections 302 & 399	Total
<b>Present Value of Projected Benefits</b>			
■ Active Employees	\$ 0	\$ 481	\$ 481
■ Vested Terminated & Reciprocal	52	351	403
■ Service Retirees	4,204	189,570	193,774
■ Disabled Participants	547	24,150	24,697
■ Beneficiaries	3,792	47,401	51,193
■ Total	<u>8,595</u>	<u>261,953</u>	<u>270,548</u>

#### Actuarial Accrued Liability

■ Active Employees	0	474	474
■ Vested Terminated & Reciprocal	52	351	403
■ Service Retirees	4,204	189,570	193,774
■ Disabled Participants	547	24,150	24,697
■ Beneficiaries	3,792	47,401	51,193
■ Total	<u>8,595</u>	<u>261,946</u>	<u>270,541</u>

	Section 175	Sections 302 & 399	Total
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#### Normal Cost

■ Employer Normal Cost (on 6/30/22)	\$ 0	\$ 0	\$ 0
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## SECTION 3

### ASSET INFORMATION

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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, 2020 through June 30, 2021 and the June 30, 2021 through June 30, 2022 market value of assets. Numbers may not add due to rounding.

	(amounts in \$000's)	
	2020/21	2021/22
■ Beginning of Year Balance:	\$ 263,137	\$ 311,133
• Member Contributions	\$ 16	\$ 9
• City Contributions	3,822	3,479
• Investment Income	74,279	(31,084)
■ Total Additions	78,117	(27,596)
• Benefit Payments	28,992	28,145
• Member Refunds	-	-
• Investment Expenses	1,129	1,221
■ Total Deductions	30,121	29,366
■ Net Assets at End of Year	311,133	254,171
■ Approximate Return on Assets	29.2%	-10.8%



## SECTION 3

### ASSET INFORMATION

---

#### Asset Allocation – Market Value of Assets

The July 1, 2022 trust asset allocation is provided by the City of Sacramento and based on an allocation strategy of 32.5% fixed income and 67.5% equity. Details are shown below.

(amounts in \$000's)

	Market Value	Percentage
■ Cash & Short Term Investments	\$ 7,825	3.1%
■ Receivables	888	0.3%
■ Investments		
• US Agencies	\$ 745	0.3%
• US Treasury Bonds	1,569	0.6%
• Corporate Bonds	45,810	18.0%
• Equities	21,197	8.3%
• Exchange Traded Funds	149,073	58.7%
• Mortgage Loans	558	0.2%
• Municipal Bonds	<u>28,798</u>	11.3%
■ Total Investments	<u>247,750</u>	
■ Total Assets	256,463	
■ Other Liabilities Payable	<u>(2,292)</u>	<u>-0.9%</u>
■ Net Pension Benefit Trust Assets	254,171	100.0%

#### Target Allocation by Asset Class

The Administration, Investment and Fiscal Management Board of the Sacramento City Employees' Retirement System changed the asset allocation May 19, 2022. The fund is rebalanced each year.

	Current Allocation	Prior Allocation
■ Fixed Bonds/Real Estate	<u>32.5%</u>	<u>30.0%</u>
Total Fixed	32.5%	30.0%
■ Large Cap Growth	32.5%	35.0%
■ Equity Income	30.0%	27.5%
■ International Equities	<u>5.0%</u>	7.5%
Total Equity	<u>67.5%</u>	<u>70.0%</u>
Total Fixed & Equity	100.0%	100.0%



## SECTION 3

### ASSET INFORMATION

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#### 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)
	2021/22
<ul style="list-style-type: none"> <li>■ <b>Actuarial Value of Assets, Beginning of Year</b></li> <li> <ul style="list-style-type: none"> <li>● Contributions</li> <li>● Expected Earnings</li> <li>● Benefit Payments</li> </ul> </li> </ul>	\$ 275,724 3,488 15,815 <u>(28,145)</u>
■ Expected Actuarial Value of Assets, End of Year	266,882
■ Market Value of Assets, End of Year	254,171
■ Difference between MVA & Expected AVA	(12,711)
<ul style="list-style-type: none"> <li>■ <b>Preliminary Actuarial Value of Assets, End of Year</b>  <i>(Expected AVA + 1/3 Difference)</i></li> </ul>	
<ul style="list-style-type: none"> <li>■ Actuarial Value of Assets Corridor</li> <li> <ul style="list-style-type: none"> <li>● Cap: 115% of Market Value</li> <li>● Min: 85% of Market Value</li> </ul> </li> </ul>	262,645 292,297 216,045
<ul style="list-style-type: none"> <li>■ <b>Actuarial Value of Assets, End of Year</b>  <i>(No greater than Cap, not less than Min)</i></li> </ul>	262,645
■ Approximate Annual Rate of Return	4.4%



## SECTION 4

### CONTRIBUTION DEVELOPMENT

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#### Actuarially Determined Contribution

Following is the development of the 2023/24 Actuarially Determined Contribution. The 2022/23 Actuarially Determined Contribution was calculated in the June 30, 2021 actuarial valuation and is shown for comparison.

	(amounts in \$000's)	
<b>Contribution Year</b>	2022/23	2023/24
■ Actuarially Determined Contribution		
• Employer Normal Cost	\$ 0	\$ 0
• UAAL Amortization <sup>4</sup>	(1,116)	1,399
• Total Cost (not less than zero)	0	1,399
■ Projected Plan Payroll	145	150
■ Actuarially Determined Contribution (as a percent of plan payroll)		
• Employer Normal Cost	0.0%	0.0%
• UAAL Amortization	0.0%	933.2%
• Total Contribution	0.0%	933.2%
■ Projected Total City Payroll	398,930	419,060
■ Actuarially Determined Contribution (as a percent of total City payroll)		
• Employer Normal Cost	0.0%	0.0%
• UAAL Amortization	0.0%	0.3%
• Total Contribution	0.0%	0.3%

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<sup>4</sup> 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 11-year period for 2022/23 and 2023/24. 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 6/30/23 and subsequent market value of assets earn 5.75% and assuming the Actuarially Determined Contribution is contributed each year. These contributions are designed to achieve 100% funding of the system.

Year Ending <sup>5</sup>	Member Contributions	City Contributions	Benefit Payments
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 <sup>6</sup>	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	9,000	3,479,000	28,145,000
6/30/2023	6,000	0	27,779,000
6/30/2024	4,000	1,399,000	27,288,000
6/30/2025	2,000	1,566,000	26,642,000
6/30/2026	1,000	1,646,000	25,939,000
6/30/2027	0	1,666,000	25,180,000

<sup>5</sup> Information prior to 6/30/2006 valuation is taken from prior actuary's valuation report. Member contributions and benefit payments for years ending 6/30/2023 and later are estimated.

<sup>6</sup> 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
■ <b>June 30, 2021 Actual Value</b>	\$ 282,359	\$ 275,724	\$ 6,635
■ <b>June 30, 2022 Expected Value<sup>7</sup></b>	270,067	266,620	3,447
■ COLA more than expected	1,648		
■ Demographic (Gain)/Loss <sup>8</sup>	(1,392)		
■ Investment Loss on Actuarial Value of Assets Basis		(4,236)	
■ Benefit payments less than expected		264	
■ Member contributions less than expected		(2)	
■ Total (Gain)/Loss	270,323	262,645	4,231
■ <b>June 30, 2022 Prior to Changes in Assumptions</b>	270,323	262,645	7,678
■ Change in mortality improvement assumption	933		
■ Change to CalPERS 2000-2019 Experience Study mortality tables	(715)		
■ Total (Gain)/Loss from Assumption Changes	270,541	262,645	7,896
■ <b>June 30, 2022 Actual Value</b>	270,541	262,645	7,896

<sup>7</sup> Based on expected 2021/22 benefit payments and contributions.

<sup>8</sup> Primarily due to more retiree and beneficiary deaths than expected.



## SECTION 7

### SENSITIVITY ANALYSIS

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The Plan's June 30, 2022 funded status and 2023/24 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	\$ 291,425	\$ 270,548	\$ 252,260
■ Funded Status			
• Actuarial Accrued Liability	291,415	270,541	252,255
• Actuarial Value of Assets	<u>262,645</u>	<u>262,645</u>	<u>262,645</u>
• Unfunded Actuarial Accrued Liability	28,770	7,896	(10,390)
■ Funded Ratio	90.1%	97.1%	104.1%
■ 2023/24 Actuarially Determined Contribution			
• Employer Normal Cost	1	0	0
• UAAL Amortization (11 years)	<u>3,898</u>	<u>1,399</u>	<u>(1,044)</u>
• Total Contribution	3,898	1,399	0
• Total Employer Contribution (as a percent of Plan payroll)	2599.7%	933.2%	0.0%
• Total Employer Contribution (as a percent of total City payroll)	0.9%	0.3%	0.0%





## SECTION 8

### HEADCOUNT AND BENEFIT PAYMENT PROJECTION

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#### Headcount and Benefit Payment Projection

Fiscal Year Ending June 30,	Active Count	Term Vested Count	Retiree Count	Annual Benefit Payments (000's)
2023	2	5	821	\$ 27,779
2024	1	5	793	27,288
2025	0	5	763	26,642
2026	0	5	730	25,939
2027	0	5	697	25,180
2028	0	5	663	24,378
2029	0	5	629	23,535
2030	0	5	595	22,656
2031	0	5	561	21,744
2032	0	5	527	20,801
2033	0	5	494	19,828
2034	0	4	461	18,824
2035	0	4	428	17,790
2036	0	4	396	16,731
2037	0	4	365	15,649
2038	0	4	335	14,551
2039	0	4	305	13,442
2040	0	3	276	12,328
2041	0	3	249	11,221
2042	0	3	222	10,131
2043	0	3	197	9,072
2044	0	2	173	8,052
2045	0	2	151	7,082
2046	0	2	131	6,167
2047	0	1	112	5,316
2048	0	1	96	4,534
2049	0	1	81	3,827
2050	0	1	67	3,196
2051	0	1	56	2,642
2052	0	0	46	2,162



**SECTION 8**  
**HEADCOUNT AND BENEFIT PAYMENT PROJECTION**

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Fiscal Year Ending June 30,	Active Count	Term Vested Count	Retiree Count	Annual Benefit Payments (000's)
2053	0	0	37	\$ 1,754
2054	0	0	30	1,411
2055	0	0	24	1,127
2056	0	0	19	897
2057	0	0	15	713
2058	0	0	12	568
2059	0	0	10	455
2060	0	0	8	367
2061	0	0	7	300
2062	0	0	5	248
2063	0	0	4	209
2064	0	0	4	178
2065	0	0	3	155
2066	0	0	3	136
2067	0	0	2	121
2068	0	0	2	108
2069	0	0	2	98
2070	0	0	2	90
2071	0	0	1	82
2072	0	0	1	76



## SECTION 9 PLAN PROVISIONS

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**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

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### 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

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### **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

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#### **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 (2023/24). The June 30, 2021 valuation generated a contribution for fiscal year 2022/23.

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 7/1/2022. 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 2000-2019 experience study, since that study is based on populations similar to this plan. Mortality improvement is the Society of Actuaries Scale MP-2021. 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. The 6.00% discount rate was selected by the Board. Foster & Foster estimates that a passively managed portfolio with a similar asset allocation would exceed that selected rate about 45% of the time. We believe the 6.00% discount rate is reasonable.

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 expenses<sup>9</sup>.  
Selected by the Board.
- **Inflation**  
2.5%
- **Salary Scale**  
2.5% CPI  
0.50% Merit
- **Social Security Wage Base**  
2.75%
- **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

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<sup>9</sup> Administrative expenses are not paid from plan assets.



## SECTION 10

### METHODS AND ASSUMPTIONS

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- **Healthy Mortality**

CalPERS 2000-2019 Pre-Retirement Mortality table for males and females and CalPERS 2000-2019 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	0.13%	0.08%	0.27%	0.20%
60	0.29%	0.18%	0.57%	0.46%
70	0.59%	0.40%	1.34%	1.00%
80	1.03%	0.76%	4.38%	3.40%
90	n/a	n/a	14.54%	11.09%
100	n/a	n/a	36.20%	31.58%

Prior valuation used CalPERS 1997-2015 tables.

- **Post-Retirement Disabled Mortality**

For Miscellaneous retirees, CalPERS 2000-2019 Non-Work-Related Disability table for males and females. For Safety retirees, CalPERS 2000-2019 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	1.73%	1.44%	0.44%	0.31%
60	2.68%	1.96%	0.94%	0.87%
70	4.06%	2.91%	2.19%	1.86%
80	8.04%	6.11%	5.93%	5.18%
90	16.77%	14.40%	16.74%	12.43%
100	36.20%	31.58%	36.20%	31.58%

Prior valuation used CalPERS 1997-2015 tables.

- **Mortality Improvement Projection**

Post-retirement mortality projected fully generational with Society of Actuaries Scale MP-2021.

Prior valuation used mortality projected fully generational with Society of Actuaries Scale MP-2020.

- **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

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### Data Summary

Following summarizes participant demographic information for the June 30, 2021 and June 30, 2022 actuarial valuations.

	June 30, 2021	June 30, 2022
<b>■ Participant Counts</b>		
• Actives	3	2
• Terminated Vesteds	4	4
• Reciprocal	1	1
• Service Retirees	473	447
• Disableds	89	82
• Beneficiaries <sup>10</sup>	306	292
• Total	876	828
<b>■ Actives</b>		
• Average Age	66.5	68.4
• Average Service	45.1	45.2
• Salary		
> Total	\$ 218,098	\$ 149,951
> Average	72,699	74,976
• Overall City Payroll	376,030,000	395,004,000
<b>■ Terminated Vesteds &amp; Reciprocal</b>		
• Average Age	70.7	71.7
<b>■ Retirees, Disableds &amp; Beneficiaries</b>		
• Average Age	79.5	79.9
• Average Monthly Benefit	\$ 2,772	\$ 2,871
• Life expectancy	11.1	10.9

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<sup>10</sup> The June 30, 2021 valuation and June 30, 2022 valuation include 4 and 5 respectively, 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, 2022 Participant Data

Following summarizes participant demographic information for the June 30, 2022 actuarial valuation, broken out by employee category and benefit section.

	Safety		Miscellaneous		Total
	Section 175	Section 302 & 399	Section 175	Section 302 & 399	
<b>■ Actives</b>					
• Count	-	-	-	2	2
• Average Age	n/a	n/a	n/a	68.4	68.4
• Average Service	n/a	n/a	n/a	45.2	45.2
• Projected Salary					
➤ Average	\$ -	\$ -	\$ -	\$ 74,976	\$ 74,976
➤ Total (000's)	-	-	-	150	150
<b>■ Vested Terms &amp; Reciprocals</b>					
• Count	-	-	1	4	5
• Average Age	n/a	n/a	71.6	71.7	71.7
<b>■ All Inactives</b>					
• Count	16	110	21	674	821
• Average Age	86.5	83.9	82.3	79.1	79.9
• Avg. Monthly Benefit	\$ 2,389	\$ 3,177	\$ 2,368	\$ 2,848	\$ 2,871
<b>■ Service Retirees</b>					
• Count	5	22	9	411	447
• Average Age	91.4	88.1	81.5	78.1	78.8
• Average Retirement Age	54.1	54.1	63.3	59.6	59.3
• Avg. Monthly Benefit	\$ 3,094	\$ 5,200	\$ 3,005	\$ 3,504	\$ 3,573
<b>■ Disabled Retirees</b>					
• Count	-	29	4	49	82
• Average Age	n/a	80.0	86.3	76.5	78.2
• Average Retirement Age	n/a	41.1	50.0	48.7	46.1
• Avg. Monthly Benefit	n/a	\$ 3,072	\$ 1,496	\$ 2,429	\$ 2,611
<b>■ Beneficiaries</b>					
• Count	11	59	8	214	292
• Average Age	84.3	84.2	81.3	81.4	82.1
• Avg. Monthly Benefit	\$ 2,068	\$ 2,474	\$ 2,088	\$ 1,686	\$ 1,870



## SECTION 11 PARTICIPANT DATA

---

### Data Reconciliation 6/30/2021 to 6/30/2022

	Actives	Terminated		Receiving Payments			Total
		Vested	Reciprocal	Disabled	Benefic.	Retirees	
■ <b>June 30, 2021</b>	3	4	1	89	306	473	876
• New Hires	-	-	-	-	-	-	-
• Disabled	-	-	-	-	-	-	-
• Terminated	-	-	-	-	-	-	-
• Deceased	-	-	-	(7)	(26)	(27)	(60)
• New Beneficiaries	-	-	-	-	11	-	11
• Retired	(1)	-	-	-	-	1	-
• Adjustment/Cash Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1</u>	<u>-</u>	<u>1</u>
■ <b>June 30, 2022</b>	2	4	1	82	292	447	828



## SECTION 11 PARTICIPANT DATA

---

### 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	
<b>Under 25</b>	-	-	-	-	-	-	-	-
<b>25-29</b>	-	-	-	-	-	-	-	-
<b>30-34</b>	-	-	-	-	-	-	-	-
<b>35-39</b>	-	-	-	-	-	-	-	-
<b>40-44</b>	-	-	-	-	-	-	-	-
<b>45-49</b>	-	-	-	-	-	-	-	-
<b>50-54</b>	-	-	-	-	-	-	-	-
<b>55-59</b>	-	-	-	-	-	-	-	-
<b>60-64</b>	-	-	-	-	-	-	-	-
<b>65 &amp; Over</b>	-	-	-	-	-	-	2	2
<b>Total</b>	-	-	-	-	-	-	2	2



## SECTION 11 PARTICIPANT DATA

---

### 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	-	-	-	-
	Avg. Benefit	-	-	-	-
65-69	Count	-	-	2	2
	Avg. Benefit	-	-	1,977	1,977
70-74	Count	1	2	6	9
	Avg. Benefit	4,875	2,921	1,686	2,315
75-79	Count	3	15	13	31
	Avg. Benefit	4,449	3,167	2,319	2,935
80-84	Count	3	5	15	23
	Avg. Benefit	3,295	2,359	2,745	2,733
85 & Over	Count	20	7	34	61
	Avg. Benefit	5,088	3,419	2,451	3,427
Total	Count	27	29	70	126
	Avg. Benefit	4,810	3,072	2,410	3,077



## SECTION 11 PARTICIPANT DATA

---

### Miscellaneous

Age		Service Retirees	Disability Retirees	Beneficiaries	Total
<b>Under 50</b>	Count	-	-	-	-
	Avg. Benefit	-	-	-	-
<b>50-54</b>	Count	-	-	-	-
	Avg. Benefit	-	-	-	-
<b>55-59</b>	Count	-	-	3	3
	Avg. Benefit	-	-	1,659	1,659
<b>60-64</b>	Count	2	1	4	7
	Avg. Benefit	4,258	3,472	998	2,283
<b>65-69</b>	Count	48	12	20	80
	Avg. Benefit	3,539	2,461	1,395	2,841
<b>70-74</b>	Count	106	14	35	155
	Avg. Benefit	3,459	2,803	1,706	3,004
<b>75-79</b>	Count	110	6	38	154
	Avg. Benefit	3,530	2,154	1,725	3,031
<b>80-84</b>	Count	76	9	40	125
	Avg. Benefit	3,307	2,568	1,825	2,780
<b>85 &amp; Over</b>	Count	78	11	82	171
	Avg. Benefit	3,619	1,521	1,735	2,581
<b>Total</b>	Count	420	53	222	695
	Avg. Benefit	3,493	2,359	1,700	2,834



**Exhibit H  
Current Debt Service Schedule  
As of 12/29/2022**

**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

Call Information	"On or after" Date	Call Price (% of Par)
	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	\$ -	-	\$ 6,800,000.00	\$ 1,634,156.26	\$ 8,434,156.26	\$ 10,068,312.52	
Jun 01, 2026	-	\$ -	\$ -	-	\$ -	\$ 1,464,156.26	\$ 1,464,156.26		\$ 9,898,312.52
Dec 01, 2026	5.00%	\$ 7,155,000.00	\$ -	-	\$ 7,155,000.00	\$ 1,464,156.26	\$ 8,619,156.26	\$ 10,083,312.52	
Jun 01, 2027	-	\$ -	\$ -	-	\$ -	\$ 1,285,281.26	\$ 1,285,281.26		\$ 9,904,437.52
Dec 01, 2027	**	\$ 7,505,000.00	\$ -	-	\$ 7,505,000.00	\$ 1,285,281.26	\$ 8,790,281.26	\$ 10,075,562.52	
Jun 01, 2028	-	\$ -	\$ -	-	\$ -	\$ 1,119,106.26	\$ 1,119,106.26		\$ 9,909,387.52
Dec 01, 2028	5.00%	\$ 7,855,000.00	\$ -	-	\$ 7,855,000.00	\$ 1,119,106.26	\$ 8,974,106.26	\$ 10,093,212.52	
Jun 01, 2029	-	\$ -	\$ -	-	\$ -	\$ 922,731.26	\$ 922,731.26		\$ 9,896,837.52
Dec 01, 2029	3.38%	\$ 8,190,000.00	\$ -	-	\$ 8,190,000.00	\$ 922,731.26	\$ 9,112,731.26	\$ 10,035,462.52	
Jun 01, 2030	-	\$ -	\$ -	-	\$ -	\$ 784,525.00	\$ 784,525.00		\$ 9,897,256.26
Dec 01, 2030	5.00%	\$ 4,395,000.00	\$ -	-	\$ 4,395,000.00	\$ 784,525.00	\$ 5,179,525.00	\$ 5,964,050.00	
Jun 01, 2031	-	\$ -	\$ -	-	\$ -	\$ 674,650.00	\$ 674,650.00		\$ 5,854,175.00
Dec 01, 2031	5.00%	\$ 4,610,000.00	\$ -	-	\$ 4,610,000.00	\$ 674,650.00	\$ 5,284,650.00	\$ 5,959,300.00	
Jun 01, 2032	-	\$ -	\$ -	-	\$ -	\$ 559,400.00	\$ 559,400.00		\$ 5,844,050.00
Dec 01, 2032	5.00%	\$ 4,385,000.00	\$ -	-	\$ 4,385,000.00	\$ 559,400.00	\$ 4,944,400.00	\$ 5,503,800.00	
Jun 01, 2033	-	\$ -	\$ -	-	\$ -	\$ 449,775.00	\$ 449,775.00		\$ 5,394,175.00
Dec 01, 2033	5.00%	\$ 4,600,000.00	\$ -	-	\$ 4,600,000.00	\$ 449,775.00	\$ 5,049,775.00	\$ 5,499,550.00	
Jun 01, 2034	-	\$ -	\$ -	-	\$ -	\$ 334,775.00	\$ 334,775.00		\$ 5,384,550.00
Dec 01, 2034	5.00%	\$ 4,575,000.00	\$ -	-	\$ 4,575,000.00	\$ 334,775.00	\$ 4,909,775.00	\$ 5,244,550.00	
Jun 01, 2035	-	\$ -	\$ -	-	\$ -	\$ 220,400.00	\$ 220,400.00		\$ 5,130,175.00
Dec 01, 2035	5.00%	\$ 4,800,000.00	\$ -	-	\$ 4,800,000.00	\$ 220,400.00	\$ 5,020,400.00	\$ 5,240,800.00	
Jun 01, 2036	-	\$ -	\$ -	-	\$ -	\$ 100,400.00	\$ 100,400.00		\$ 5,120,800.00
Dec 01, 2036	4.00%	\$ 5,020,000.00	\$ -	-	\$ 5,020,000.00	\$ 100,400.00	\$ 5,120,400.00	\$ 5,220,800.00	\$ 5,120,400.00
<b>TOTALS</b>		<b>\$ 183,380,000.00</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 183,380,000.00</b>	<b>\$ 71,757,664.13</b>	<b>\$ 255,137,664.13</b>	<b>\$ 255,137,664.13</b>	<b>\$ 255,137,664.13</b>





## **RETIREE HEALTHCARE PLAN**

June 30, 2021 Actuarial Valuation

Final Results

### **Bartel Associates, LLC**

Mary Beth Redding, Vice President & Actuary

Catherine Wandro, Assistant Vice President & Actuary

Daniel Park, Actuarial Analyst

June 3, 2022

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## BENEFIT SUMMARY

	Fire	Police & Miscellaneous									
<ul style="list-style-type: none"> <li>■ Eligibility</li> </ul>	<ul style="list-style-type: none"> <li>■ Retire directly from the City:                             <ul style="list-style-type: none"> <li>● Age 50 &amp; 10 years City service, or</li> <li>● 30 years City service, or</li> <li>● Industrial disability, or</li> <li>● Death in line of duty</li> </ul> </li> </ul>										
<ul style="list-style-type: none"> <li>■ Benefit for Hires before Plan Change Date</li> </ul> <p>Medical, Dental &amp; Vision</p>	<ul style="list-style-type: none"> <li>■ Retire before 1/1/20:                             <ul style="list-style-type: none"> <li>● 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</li> </ul> </li> <li>■ Retire on or after 1/1/20:                             <ul style="list-style-type: none"> <li>● Exclude 5.28% multiplier</li> </ul> </li> <li>■ Monthly Fire Caps:                             <table border="1" style="margin-left: 20px; width: 100%;"> <thead> <tr> <th style="text-align: center;">Fire Caps</th> <th style="text-align: center;">2021</th> <th style="text-align: center;">2022</th> </tr> </thead> <tbody> <tr> <td>DOR &lt; 1/1/20</td> <td style="text-align: right;">\$856.00</td> <td style="text-align: right;">\$888.89</td> </tr> <tr> <td>DOR &gt; 1/1/20</td> <td style="text-align: right;">\$817.44</td> <td style="text-align: right;">\$848.68</td> </tr> </tbody> </table> </li> </ul>	Fire Caps	2021	2022	DOR < 1/1/20	\$856.00	\$888.89	DOR > 1/1/20	\$817.44	\$848.68	<ul style="list-style-type: none"> <li>■ Retiree only - \$300/mo</li> <li>■ Retiree + Dependents - \$365/mo</li> </ul>
Fire Caps	2021	2022									
DOR < 1/1/20	\$856.00	\$888.89									
DOR > 1/1/20	\$817.44	\$848.68									

## BENEFIT SUMMARY

	Fire	Police & Miscellaneous										
<ul style="list-style-type: none"> <li>■ Vesting Schedule</li> </ul>	<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left; border-bottom: 1px solid black;"><u>Service</u></th> <th style="text-align: left; border-bottom: 1px solid black;"><u>% of Cap</u></th> </tr> </thead> <tbody> <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&amp;D Disability</td> <td>100%</td> </tr> </tbody> </table>	<u>Service</u>	<u>% of Cap</u>	10	50%	15	75%	20+	100%	ID&D Disability	100%	<ul style="list-style-type: none"> <li>■ Same</li> </ul>
<u>Service</u>	<u>% of Cap</u>											
10	50%											
15	75%											
20+	100%											
ID&D Disability	100%											
<ul style="list-style-type: none"> <li>■ Medical Plans</li> </ul>	<ul style="list-style-type: none"> <li>■ Retiree may participate in City medical plans or purchase outside plans and be reimbursed by the City up to the cap</li> </ul>											
<ul style="list-style-type: none"> <li>■ Benefit for Hires after Plan Change Date</li> </ul>	<ul style="list-style-type: none"> <li>■ 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"> <li>● 6/30/12 - Exempt Employees and Stationary Engineers Units</li> <li>● 7/20/12 - Unrepresented Employees</li> <li>● 9/3/13 - Police</li> <li>● 11/15/14 - Plumbers and Pipe Fitters</li> <li>● 1/1/20 - Fire</li> <li>● 6/30/13 - All other bargaining units</li> </ul> </li> </ul>											

**BENEFIT SUMMARY**

	<b>Fire</b>	<b>Police &amp; Miscellaneous</b>
■ 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	■ CERBT Sub-account ■ 6/27/15 – effective date ■ 12/31/19 – Contributions discontinued ■ 4/28/21 Sub-account closed and assets combined with City’s assets	■ n/a

**BENEFIT SUMMARY**

	<b>Fire</b>		<b>Police &amp; Miscellaneous</b>	
■ Pay-As-You-Go Costs (\$000’s)	<u>Fiscal Year</u>	<u>Cash</u>	<u>Implied Subsidy</u>	<u>Total</u>
	■ FY 2020/21	\$10,840	\$4,785	\$15,625
	■ FY 2019/20	\$10,832	\$4,932	\$15,764
	■ 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																					
<p>■ Implied Subsidy</p>	<p>■ Non-Medicare retirees pay blended rates instead of actual cost</p> <p>■ Active employee premiums subsidize non-Medicare retiree cost</p> <div style="text-align: center;"> <p>2021 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>\$730</td> <td>\$730</td> <td>\$730</td> <td>\$730</td> <td>\$730</td> <td>\$730</td> </tr> <tr> <td>● Estimated Cost</td> <td>\$424</td> <td>\$541</td> <td>\$701</td> <td>\$908</td> <td>\$1,161</td> <td>\$1,440</td> </tr> </tbody> </table> </div> <p>■ GASB OPEB includes active “implied subsidy” with retiree cost</p> <p>■ Medical:</p> <ul style="list-style-type: none"> <li>● Value to age 65 for Medicare eligible retirees</li> <li>● Value for life for non-Medicare eligible retirees</li> </ul> <p>■ Dental &amp; vision: no implied subsidy valued</p>			Age 40	Age 45	Age 50	Age 55	Age 60	Age 65	▲ Active/Early Retiree Premium	\$730	\$730	\$730	\$730	\$730	\$730	● Estimated Cost	\$424	\$541	\$701	\$908	\$1,161	\$1,440
	Age 40	Age 45	Age 50	Age 55	Age 60	Age 65																	
▲ Active/Early Retiree Premium	\$730	\$730	\$730	\$730	\$730	\$730																	
● Estimated Cost	\$424	\$541	\$701	\$908	\$1,161	\$1,440																	

## BENEFIT SUMMARY

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**PARTICIPANT STATISTICS**

**Participant Statistics – June 30, 2021**

	Misc	Police	Fire	Total
■ Actives				
• Count	2,560	732	607	3,899
• Average Age	44.9	37.2	41.9	43.0
• Average City Service	10.4	11.2	13.2	11.0
• Average PERSable Salary	\$ 79,994	\$ 100,408	\$ 98,999	\$ 86,785
• Total Salary (\$000's)	204,784	73,499	60,092	338,375
■ Pre 1/1/91 Inactive Vested				
• Count	5	-	-	5
• Average Age	70.7	-	-	70.7
■ Retirees				
• Count - Medical	1,096	243	420	1,759
• Count - Dental	1,701	547	476	2,724
• Count - Vision	1,006	345	320	1,671
• Count - In Lieu	187	126	25	338
• Count - Total	2,202	645	522	3,369
• Average Age	72.1	68.5	71.3	71.3
• Average Retirement Age	59.0	51.4	55.1	57.0



June 3, 2022



**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



June 3, 2022



**PARTICIPANT STATISTICS**

**Participant Reconciliation – Actives**

Actives Participants	Misc	Police	Fire	Total
■ <b>June 30, 2019 Valuation</b>	2,636	687	569	3,892
• New Hires	398	98	73	569
• Departures	(297)	(29)	(14)	(340)
• New Retirements	(142)	(47)	(33)	(222)
• Adjustments	(35)	23	12	-
■ <b>June 30, 2021 Valuation</b>	2,560	732	607	3,899

**PARTICIPANT STATISTICS**

**Participant Reconciliation – Retirees**

Retired Participants	Misc	Police	Fire	Total
■ <b>June 30, 2019 Valuation</b>	2,023	628	510	3,161
• Departures	(159)	(42)	(46)	(247)
• New Retirements	142	47	33	222
• Adjustments <sup>1</sup>	196	12	25	233
■ <b>June 30, 2021 Valuation</b>	2,202	645	522	3,369

<sup>1</sup> 187 have waived medical coverage, and 169 of those are not receiving a cash in lieu benefit.

## ACTUARIAL ASSUMPTIONS HIGHLIGHTS

	June 30, 2019 Valuation	June 30, 2021 Valuation
<ul style="list-style-type: none"> <li>■ Valuation Date</li> </ul>	<ul style="list-style-type: none"> <li>■ June 30, 2019</li> <li>■ Fiscal Years 2020/21 &amp; 2021/22</li> </ul>	<ul style="list-style-type: none"> <li>■ June 30, 2021</li> <li>■ Fiscal Years 2022/23 &amp; 2023/24</li> </ul>
<ul style="list-style-type: none"> <li>■ Discount Rate</li> </ul>	<ul style="list-style-type: none"> <li>■ 6.75%</li> <li>■ Based on closed group crossover analysis following GASBS 75 methodology:                             <ul style="list-style-type: none"> <li>● Projected City contributions of \$1.5 million each year</li> <li>● 6.75% rate for funded benefits and S&amp;P 20-year bond index rate (2.79% as of 6/30/19) for pay-go only</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>■ 6.25%</li> <li>■ Based on closed group crossover analysis following GASBS 75 methodology:                             <ul style="list-style-type: none"> <li>● Projected City contributions of \$1.5 million each year</li> <li>● 6.25% rate for funded benefits and S&amp;P 20-year bond index rate (2.18% as of 6/30/21) for pay-go only</li> </ul> </li> </ul>
<ul style="list-style-type: none"> <li>■ Long Term Rate of Return on Plan Assets</li> </ul>	<ul style="list-style-type: none"> <li>■ 2018 CERBT asset allocation strategy #1 (59% global equity, 25% fixed income, 5% TIPS, 8% REITs, 3% commodities)</li> </ul>	<ul style="list-style-type: none"> <li>■ 2022 CERBT asset allocation strategy #1 (49% global equity, 23% fixed income, 5% TIPS, 20% REITs, 3% commodities)</li> </ul>

## ACTUARIAL ASSUMPTIONS HIGHLIGHTS

	June 30, 2019 Valuation	June 30, 2021 Valuation
<ul style="list-style-type: none"> <li>■ Inflation</li> </ul>	<ul style="list-style-type: none"> <li>■ 2.75% per year</li> <li>■ Used for economic assumptions</li> </ul>	<ul style="list-style-type: none"> <li>■ 2.50% per year</li> <li>■ Used for economic assumptions</li> </ul>
<ul style="list-style-type: none"> <li>■ Retirement, Mortality, Termination, Disability</li> </ul>	<ul style="list-style-type: none"> <li>■ CalPERS – 1997-2015 Experience Study</li> <li>■ SCERS – 6/30/19 Valuation Assumptions (limited applicability)</li> <li>■ Mortality projected fully generational with Scale MP-19</li> </ul>	<ul style="list-style-type: none"> <li>■ CalPERS – 2000-2019 Experience Study</li> <li>■ SCERS – 6/30/21 Valuation Assumptions (limited applicability)</li> <li>■ Mortality projected fully generational with Scale MP-21</li> </ul>

**ACTUARIAL ASSUMPTIONS HIGHLIGHTS**

	<b>June 30, 2019 Valuation</b>	<b>June 30, 2021 Valuation</b>																																												
<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&amp;D&amp;V</td> <td>10%</td> <td>23%</td> <td>30%</td> <td>35%</td> </tr> <tr> <td>D &amp; V</td> <td>10%</td> <td>40%</td> <td>35%</td> <td>30%</td> </tr> <tr> <td>M &amp; D</td> <td>0%</td> <td>10%</td> <td>14%</td> <td>20%</td> </tr> <tr> <td>M &amp; 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%																																										
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**

	<b>June 30, 2019 Valuation</b>			<b>June 30, 2021 Valuation</b>			
<p>■ Medical Trend (Increase in health care costs for all reasons except aging)</p>		<u>Increase from Prior Year</u>			<u>Increase from Prior Year</u>		
	<u>Year</u>	<u>Non-Medicare</u>	<u>Medicare</u>		<u>Non-Medicare</u>	<u>Medicare</u>	
		<u>All Plans</u>	<u>All Plans</u>	<u>Year</u>	<u>All Plans</u>	Non- <u>Kaiser</u> <u>Kaiser</u>	
	2019	Actual 2019 Premiums	Actual 2019 Premiums	2019	N/A	N/A	
	2020	Actual 2020 Premiums	Actual 2020 Premiums	2020	N/A	N/A	
	2021	7.25%	6.30%	2021	Actual Premiums/Claims		
	2022	7.00%	6.10%	2022	Actual Premiums/Claims		
	2023	6.75%	5.90%	2023	6.50%	5.65%	4.60%
	2024	6.50%	5.70%	2024	6.25%	5.45%	4.45%
	2025	6.25%	5.50%	2025	6.00%	5.25%	4.35%
	2026	6.00%	5.30%	2026	5.75%	5.05%	4.25%
	2027	5.80%	5.15%	2027	5.55%	4.90%	4.20%
	2028	5.60%	5.00%	2028	5.35%	4.75%	4.15%
	2029	5.40%	4.85%	2029	5.15%	4.60%	4.10%
	2030	5.20%	4.70%	2030	4.95%	4.45%	4.05%
	2031-35	5.05%	4.60%	2031-35	4.80%	4.35%	4.00%
	2036-45	4.90%	4.50%	2036-45	4.65%	4.25%	3.95%
	2046-55	4.75%	4.45%	2046-55	4.50%	4.20%	3.90%
	2056-65	4.60%	4.40%	2056-65	4.35%	4.15%	3.85%
	2066-75	4.30%	4.20%	2066-75	4.05%	3.95%	3.80%
	2076+	4.00%	4.00%	2076+	3.75%	3.75%	3.75%



**ACTUARIAL ASSUMPTIONS HIGHLIGHTS**

	<b>June 30, 2019 Valuation</b>	<b>June 30, 2021 Valuation</b>
■ Dental & Vision Trend	■ 2.75%	■ 2.50%
■ Cap Increase Rates	<ul style="list-style-type: none"> <li>■ Fire hired before 1/14/15:                             <ul style="list-style-type: none"> <li>• Lowest cost \$25 co-pay medical premium – medical trend</li> <li>• Lowest cost PPO dental premium – dental trend</li> </ul> </li> <li>■ Misc and Police: 0%</li> </ul>	■ Same

**ACTUARIAL ASSUMPTIONS HIGHLIGHTS**

	<b>June 30, 2019 Valuation</b>	<b>June 30, 2021 Valuation</b>
■ Basis for Assumptions	<ul style="list-style-type: none"> <li>■ 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.</li> <li>■ CalPERS 2000-2019 experience study was used for participants in the CalPERS plan, SCERS 6/30/21 Valuation assumptions for participants in the SCERS plan (limited applicability)</li> <li>■ Mortality improvement is based on Society of Actuaries tables</li> <li>■ Inflation is based on our estimate for the Plan’s long-term time horizon</li> <li>■ Age-based claims for the June 30, 2021 valuation are based on factors published by the Society of Actuaries.</li> <li>■ 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.</li> <li>■ Spouse participation based in part on Plan experience</li> </ul>	

**ACTUARIAL METHODS**

Method	June 30, 2019 Valuation	June 30, 2021 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	■ Investment gains/losses spread over 5-year rolling period ■ Not less than 80% nor more than 120% of market value	
■ Amortization Method	■ Level percent of payroll (payments escalate 3% per year)	■ Level percent of payroll (payments escalate 2.75% per year)
■ Amortization Period	■ 18 year closed amortization of 6/30/20 UAAL	■ 16 year closed amortization of 6/30/22 UAAL

**ACTUARIAL METHODS**

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ASSETS

**Market Value of Plan Assets**

(Amounts in 000's)

	2019/20			2020/21		
	City	Fire Unit Trust	Total	City	Fire Unit Trust	Total
■ <b>Market Value (MVA)</b> (Beginning of Year)	\$40,548	\$2,747	\$43,294	\$50,324	\$3,158	\$53,482
• Contributions	8,834	310	9,144	6,062	-	6,062
• Transfers	-	-	-	3,930	(3,930)	-
• Benefit Payment	-	-	-	-	-	-
• Admin. Expenses	(22)	(1)	(23)	(30)	(2)	(32)
• Investment Expenses	(16)	(1)	(17)	(22)	(1)	(23)
• Investment Return	<u>980</u>	<u>103</u>	<u>1,084</u>	<u>14,561</u>	<u>775</u>	<u>15,336</u>
■ <b>Market Value</b> (End of Year)	50,324	3,158	53,482	74,825	-	74,825
■ <b>Approximate Return</b>			2.3%			27.0%

ASSETS

**Market Value of Plan Assets**

(Amounts in 000's)

	Projected 21/22 <sup>2</sup>
■ <b>Market Value</b> (Beginning of Year)	\$74,825
• Contributions <sup>3</sup>	19,492
• Benefit Payments	(11,607)
• Admin. Expenses	(47)
• Investment Expenses	(35)
• Investment Return	<u>975</u>
■ <b>Market Value</b> (End of Year)	83,603
■ <b>Projected Annual Return</b>	1.0%

<sup>2</sup> Actual assets as of the 12/31/21 quarterly CERBT statement, projected to 6/30/22 based the actual 3/31/22 CERBT #1 quarterly return (-4.3%), the expected 6.25% annual investment return for the quarter ending 6/30/22, and the expected reimbursement for benefit payments.

<sup>3</sup> Based on actual assets as of 12/31/21, with no additional contributions projected through 6/30/22.

ASSETS

**Actuarial (Smoothed) Value of Plan Assets**

(Amounts in 000's)

	2019/20			2020/21		
	City	Fire	Total	City	Fire	Total
■ AVA (Beginning of Year)	\$40,208	\$2,724	\$42,932	\$51,648	\$3,214	\$54,862
• Contributions	8,834	310	9,144	6,062	-	6,062
• Transfers				3,930	(3,930)	-
• Benefit Payments	-	-	-	-	-	-
• Expected Investment Return <sup>4</sup>	<u>2,937</u>	<u>194</u>	<u>3,131</u>	<u>3,719</u>	<u>716</u>	<u>4,435</u>
■ Expected AVA (End of Year)	51,979	3,228	55,207	65,359	-	65,359
■ MVA (End of Year)	50,324	3,158	53,482	74,825	-	74,825
■ 1/5 of (MVA – Expected AVA)	(331)	(14)	(345)	1,893	-	1,893
■ Preliminary AVA <sup>5</sup>	51,648	3,214	54,862	67,252	-	67,252
• Minimum AVA (80% of MVA)	40,259	2,526	42,785	59,860	-	59,860
• Maximum AVA (120% of MVA)	60,389	3,789	64,178	89,790	-	89,790
■ AVA (End of Year)	51,648	3,214	54,862	67,252	-	67,252
■ Approximate Annual Return			6.0%			10.9%

<sup>4</sup> Expected investment return of 6.75%. Balancing item for Fire 2020/21.

<sup>5</sup> Expected AVA plus 20% of the difference between the MVA and expected AVA.

ASSETS

**Actuarial (Smoothed) Value of Plan Assets**

(Amounts in 000's)

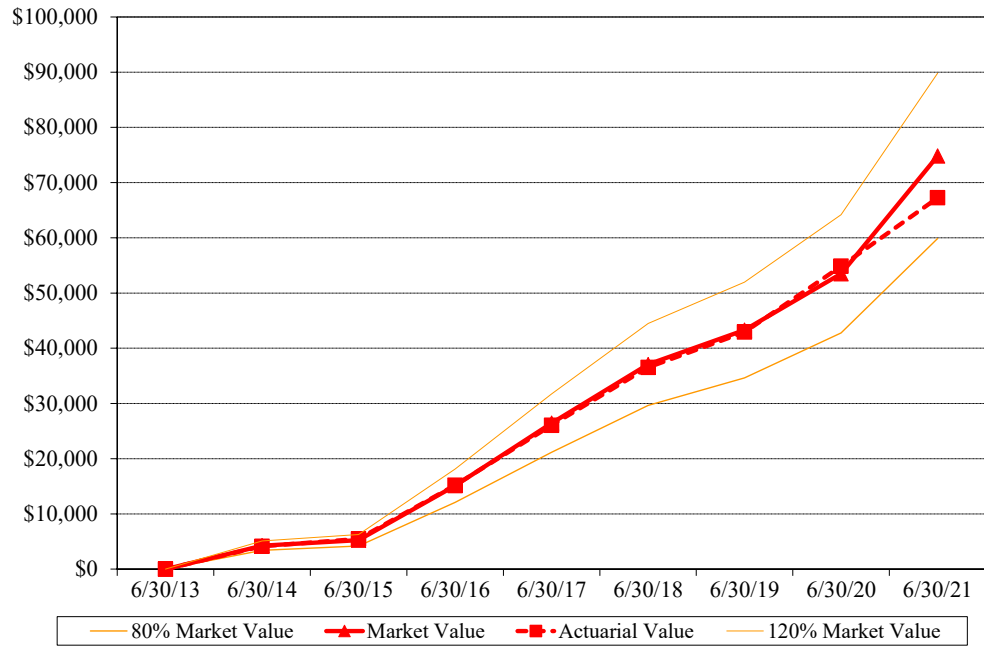
	Projected 2021/22
■ AVA (Beginning of Year)	\$67,252
• Employer/Employee Contribution	19,492
• Benefit Payments	(11,607)
• Expected Investment Return <sup>6</sup>	<u>5,226</u>
■ Expected AVA (End of Year)	80,363
■ MVA (End of Year)	83,603
■ 1/5 of (MVA – Expected AVA)	648
■ Preliminary AVA <sup>7</sup>	81,011
• Minimum AVA (80% of MVA)	66,882
• Maximum AVA (120% of MVA)	100,324
■ AVA (End of Year)	81,011
■ Approximate Annual Return	7.1%

<sup>6</sup> Expected investment return of 6.25%.

<sup>7</sup> Expected AVA plus 20% of the difference between the MVA and expected AVA.

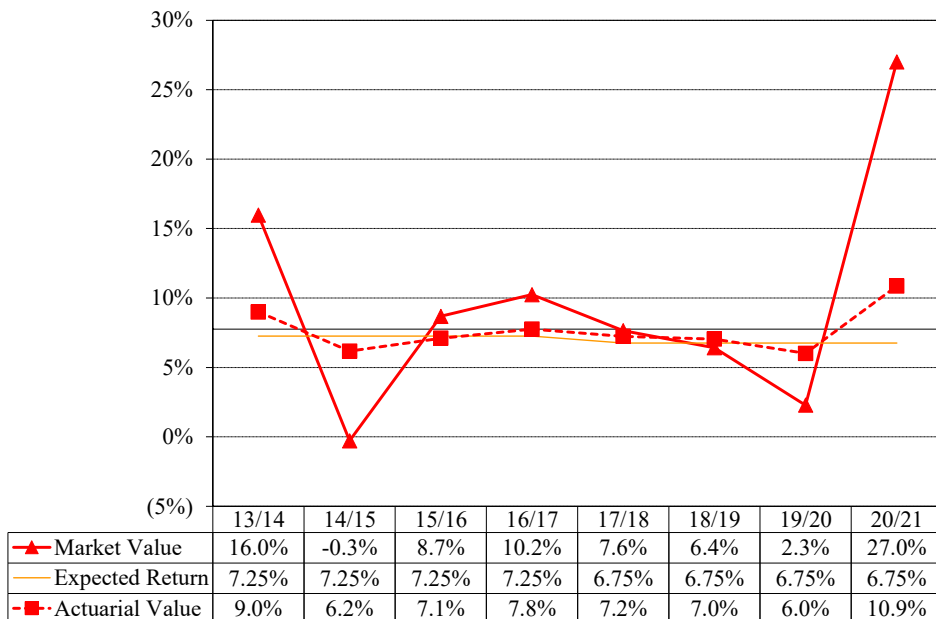
## ASSETS

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



## ASSETS

### Historical Asset Returns



## RESULTS

### Actuarial Obligations

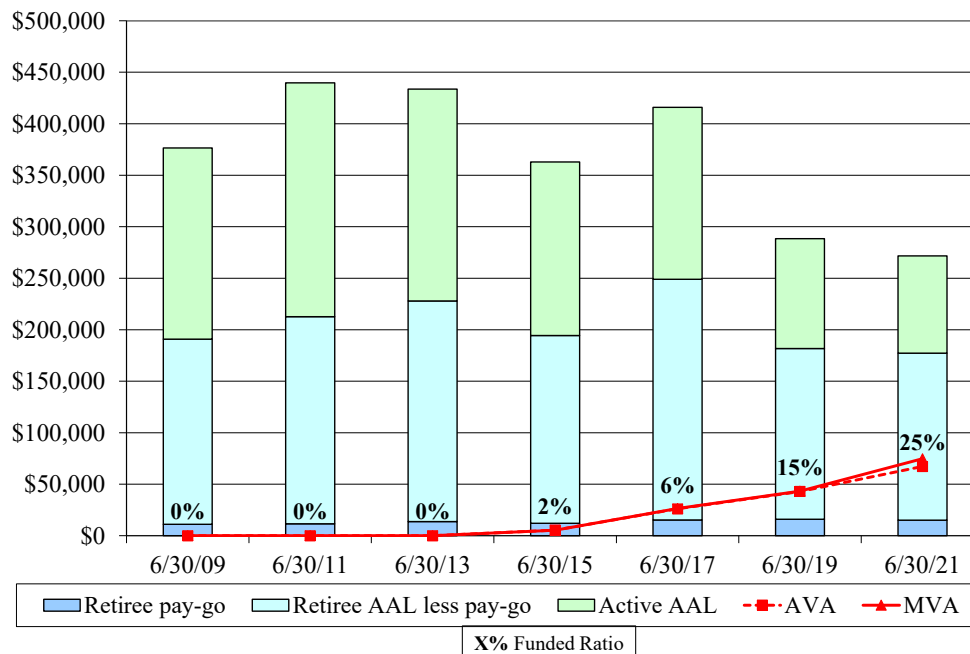
(Amounts in 000's)

Discount Rate	6/30/19 Valuation		6/30/21 Valuation	
	6.75%		6.25%	
	6/30/19	Projected to 6/30/20	6/30/21	Projected to 6/30/22
<b>■ Present Value of Benefits</b> <ul style="list-style-type: none"> <li>• Actives (future retirees)</li> <li>• Retirees</li> <li>• Total</li> </ul>	\$ 161,856		\$ 149,206	
	<u>181,853</u>		<u>177,208</u>	
	343,709		326,414	
<b>■ Actuarial Accrued Liability</b> <ul style="list-style-type: none"> <li>• Actives (future retirees)</li> <li>• Retirees</li> <li>• Total</li> </ul>	106,546		94,404	
	<u>181,853</u>		<u>177,208</u>	
	288,399	\$ 298,341	271,612	\$278,638
<b>■ Actuarial Value of Assets</b>	<u>(42,932)</u>	<u>(55,281)</u>	<u>(67,252)</u>	<u>(81,011)</u>
<b>■ Unfunded AAL</b>	245,467	243,060	204,360	197,627
<b>■ AVA Funded Ratio</b>	14.9%		24.8%	
<b>■ Normal Cost</b>		6,345		5,734
<b>■ Pay-As-You-Go Cost</b>		16,001		15,433

## RESULTS

### Historical Actuarial Accrued Liability

(Amounts in 000's)



## RESULTS

### Estimated Actuarial Gain/Loss Analysis

(Amounts in 000's)

	Actuarial Accrued Liability
■ Actual on 6/30/19	\$ 288,399
■ Expected on 6/30/21	305,258
■ Experience (Gains)/Losses:	
• Premiums/Claims different than expected	(29,538)
• Demographic differences	(8,086) <sup>8</sup>
■ Assumption Changes:	
• Kaiser Medicare Trend lowered	(1,892)
• CalPERS 2000-2019 Experience Study – new rates	(2,873)
• Update to Mortality Improvement Scale MP-2021	(1,094)
• 25 basis point reduction in inflation, trend, and discount rate (expected return on assets)	2,643
• Discount Rate – additional 25 basis point reduction	7,194
■ Total (Gains)/Losses	(33,646)
■ Actual on 6/30/21	271,612

<sup>8</sup> Mainly due to changes in medical plan and/or coverage, and post-65 retirees moving to Medicare-eligible plans.



June 3, 2022

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City of  
SACRAMENTO

## RESULTS

### Schedule of Funding Progress

(Amounts in 000's)

Actuarial Valuation Date <sup>9</sup>	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%
6/30/21	67,252	271,612	204,360	24.8%	347,681	58.8%

<sup>9</sup> 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, the 6/30/19 valuation is based on a 6.75% discount rate, and the 6/30/21 valuation is based on a 6.25% discount rate.



June 3, 2022

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City of  
SACRAMENTO

## RESULTS

### Actuarially Determined Contribution (ADC)

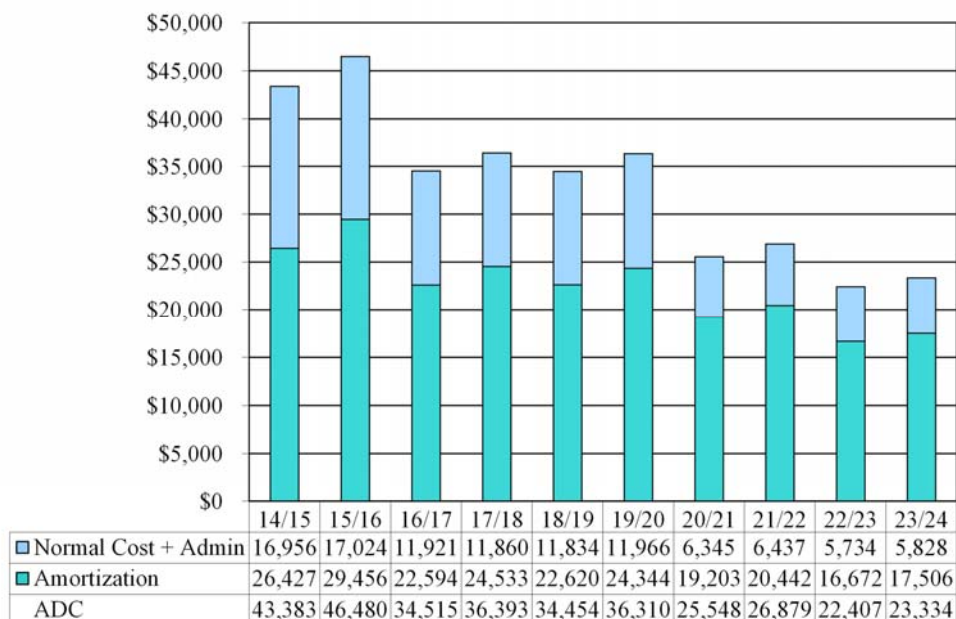
(Amounts in 000's)

	6/30/19 Valuation		6/30/21 Valuation	
	2020/21	2021/22	2022/23	2023/24
■ <b>ADC - \$</b>				
• Normal Cost	\$ 6,345	\$ 6,437	\$ 5,734	\$ 5,828
• UAAL Amortization	<u>19,203</u>	<u>20,442</u>	<u>16,672</u>	<u>17,506</u>
• ADC (End of Year)	25,548	26,879	22,407	23,334
■ <b>Projected Payroll</b>	330,150	340,055	357,242	367,066
■ <b>ADC - % Total Payroll</b>				
• Normal Cost	1.9%	1.9%	1.6%	1.6%
• UAAL Amortization	<u>5.8%</u>	<u>6.0%</u>	<u>4.7%</u>	<u>4.8%</u>
• ADC	7.7%	7.9%	6.3%	6.4%

## RESULTS

### Historical Actuarially Determined Contributions

(Amounts in 000's)





RESULTS

**Actuarial Obligations by Cash/Implied Subsidy**

**June 30, 2021**

(Amounts in 000's)

	Cash Subsidy	Implied Subsidy	Total
■ <b>Present Value of Benefits</b>			
• Actives (future retirees)	\$ 83,569	\$ 65,637	\$ 149,206
• Retirees	<u>126,935</u>	<u>50,273</u>	<u>177,208</u>
• Total	210,504	115,910	326,414
■ <b>Actuarial Accrued Liability</b>			
• Actives (future retirees)	53,288	41,116	94,404
• Retirees	<u>126,935</u>	<u>50,273</u>	<u>177,208</u>
• Total	180,223	91,389	271,612
■ <b>Actuarial Value of Assets<sup>10</sup></b>	<u>(67,252)</u>	-	<u>(67,252)</u>
■ <b>Unfunded AAL</b>	112,971	91,389	204,360
■ <b>AVA Funded Ratio</b>	37.3%	n/a	24.8%
■ <b>Normal Cost 2022/23</b>	3,266	2,468	5,734
■ <b>Pay-As-You-Go 2022/23</b>	11,115	4,318	15,433

<sup>10</sup> All assets allocated to cash subsidy.



June 3, 2022

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RESULTS

**Actuarially Determined Contribution (ADC) by Cash/Implied Subsidy**

**2022/23 Fiscal Year**

(Amounts in 000's)

	Cash Subsidy	Implied Subsidy	Total
■ <b>ADC - \$</b>			
• Normal Cost	\$ 3,266	\$ 2,468	\$ 5,734
• UAAL Amortization	<u>8,637</u>	<u>8,035</u>	<u>16,672</u>
• Total	11,903	10,503	22,407
■ <b>Projected Payroll</b>	357,242	357,242	357,242
■ <b>ADC - %</b>			
• Normal Cost	0.9%	0.7%	1.6%
• UAAL Amortization	<u>2.4%</u>	<u>2.2%</u>	<u>4.7%</u>
• Total	3.3%	2.9%	6.3%



June 3, 2022

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RESULTS

**Actuarial Obligations by Group**

(Amounts in 000's)

	Misc	Police	Fire	Total
<b>■ Present Value of Benefits</b>				
• Actives (future retirees)	\$ 49,325	\$ 27,805	\$ 72,075	\$ 149,206
• Retirees	<u>73,144</u>	<u>35,474</u>	<u>68,590</u>	<u>177,208</u>
• Total	122,469	63,279	140,665	326,414
<b>■ Actuarial Accrued Liability</b>				
• Actives (future retirees)	36,281	17,582	40,541	94,404
• Retirees	<u>73,144</u>	<u>35,474</u>	<u>68,590</u>	<u>177,208</u>
• Total	109,425	53,056	109,131	271,612
<b>■ Actuarial Value of Assets</b>	<u>(27,094)</u>	<u>(13,137)</u>	<u>(27,021)</u>	<u>(67,252)</u>
<b>■ Unfunded AAL</b>	82,331	39,919	82,110	204,360
<b>■ Funded Ratio</b>	24.8%	24.8%	24.8%	24.8%
<b>■ Normal Cost 2022/23</b>	1,654	1,131	2,949	5,734
<b>■ Pay-As-You-Go 2022/23</b>	7,422	2,876	5,136	15,433

RESULTS

**Actuarially Determined Contribution (ADC) by Group**

2022/23 Fiscal Year

(Amounts in 000's)

	Misc	Police	Fire	Total
<b>■ ADC - \$</b>				
• Normal Cost	\$ 1,654	\$ 1,131	\$ 2,949	\$ 5,734
• UAAL Amortization	<u>6,603</u>	<u>3,267</u>	<u>6,802</u>	<u>16,672</u>
• Total	8,257	4,398	9,752	22,407
<b>■ Projected Payroll</b>	216,202	77,597	63,443	357,242
<b>■ ADC - % of Payroll</b>				
• Normal Cost	0.8%	1.5%	4.6%	1.6%
• UAAL Amortization	<u>3.1%</u>	<u>4.2%</u>	<u>10.7%</u>	<u>4.7%</u>
• Total	3.8%	5.7%	15.4%	6.3%

**RESULTS**

**Actuarially Determined Contribution (ADC) by Group**

**2023/24 Fiscal Year**

(Amounts in 000's)

	Misc	Police	Fire	Total
<b>■ ADC - \$</b>				
• Normal Cost	\$ 1,682	\$ 1,149	\$ 2,997	\$ 5,828
• UAAL Amortization	<u>6,934</u>	<u>3,430</u>	<u>7,142</u>	<u>17,506</u>
• Total	8,615	4,579	10,139	23,334
<b>■ Projected Payroll</b>	222,148	79,731	65,187	367,066
<b>■ ADC - %</b>				
• Normal Cost	0.8%	1.4%	4.6%	1.6%
• UAAL Amortization	<u>3.1%</u>	<u>4.3%</u>	<u>11.0%</u>	<u>4.8%</u>
• Total	3.9%	5.7%	15.6%	6.4%

**RESULTS**

**10-Year Projection Illustration**

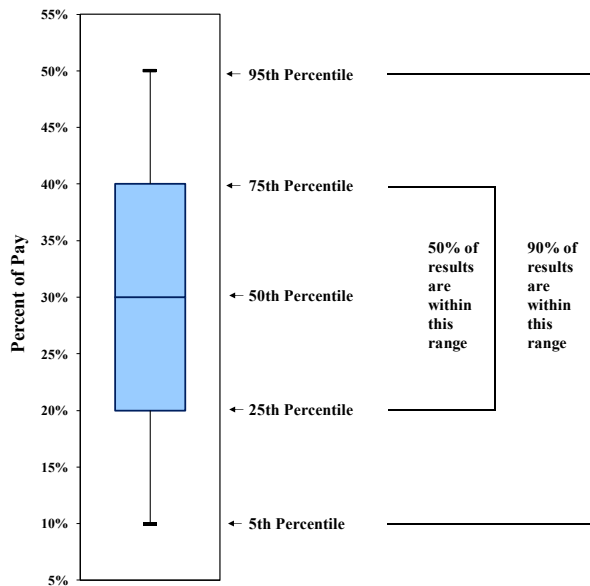
(Amounts in 000's)

FYE June 30,	ADC	Benefit Payments			Pre- Fund <sup>11</sup>	Total Contrib	Payroll	ADC as % of Payroll	Contrib as % of Payroll
		Cash Subsidy	Implied Subsidy	Total					
2023	\$22,407	\$11,115	\$4,318	\$15,433	\$ 1,500	\$16,933	\$357,242	6.3%	4.7%
2024	23,334	11,403	4,746	16,149	1,500	17,649	367,066	6.4%	4.8%
2025	24,271	11,679	5,099	16,778	1,500	18,278	377,160	6.4%	4.8%
2026	25,230	11,972	5,517	17,489	1,500	18,989	387,532	6.5%	4.9%
2027	26,206	12,279	5,954	18,233	1,500	19,733	398,189	6.6%	5.0%
2028	27,197	12,571	6,393	18,964	1,500	20,464	409,139	6.6%	5.0%
2029	28,198	12,829	6,878	19,709	1,500	21,209	420,391	6.7%	5.0%
2030	29,226	13,109	7,367	20,477	1,500	21,977	431,951	6.8%	5.1%
2031	30,273	13,417	8,027	21,446	1,500	22,946	443,830	6.8%	5.2%
2032	31,325	13,687	8,585	22,273	1,500	23,773	456,035	6.9%	5.2%

<sup>11</sup> Assumes the City contributes \$1.5 million per year into trust.

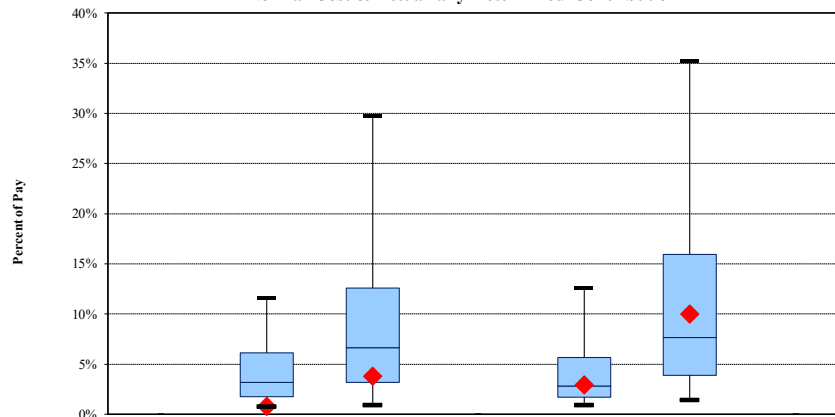
# BARTEL ASSOCIATES OPEB DATABASE

**Bartel Associates OPEB Database  
Sample Percentile Graph**



# BARTEL ASSOCIATES OPEB DATABASE

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

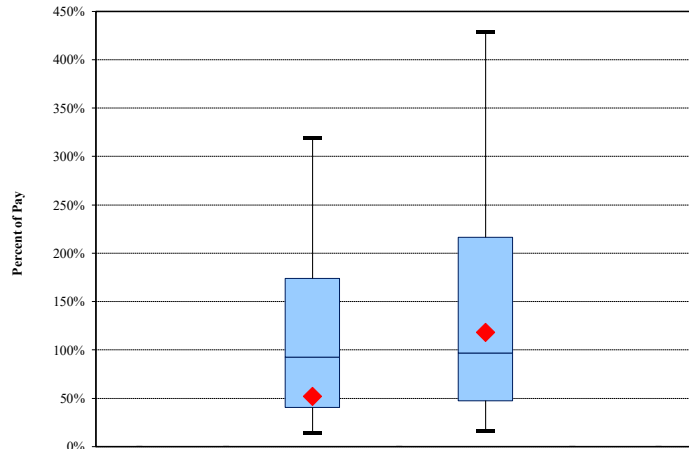


	Miscellaneous		Safety	
	NC	ADC	NC	ADC
95th Percentile	11.6%	29.7%	12.6%	35.2%
75th Percentile	6.1%	12.6%	5.7%	15.9%
50th Percentile	3.2%	6.6%	2.8%	7.6%
25th Percentile	1.8%	3.1%	1.7%	3.9%
5th Percentile	0.8%	0.9%	0.9%	1.4%
<b>Percent of Pay (♦)</b>	<b>0.8%</b>	<b>3.8%</b>	<b>2.9%</b>	<b>10.0%</b>
<b>Percentile</b>	<b>5%</b>	<b>33%</b>	<b>51%</b>	<b>63%</b>

Discount Rate = 6.25%, Average Amortization Period = 16.0 Years

# BARTEL ASSOCIATES OPEB DATABASE

**Bartel Associates OPEB Database  
Actuarial Accrued Liability**



	<u>Miscellaneous</u>	<u>Safety</u>
95th Percentile	319%	428%
75th Percentile	174%	217%
50th Percentile	92%	97%
25th Percentile	40%	47%
5th Percentile	14%	16%
<b>Percent of Pay (♦)</b>	<b>52%</b>	<b>118%</b>
<b>Percentile</b>	<b>31%</b>	<b>55%</b>

Discount Rate = 6.25%

## ACTUARIAL CERTIFICATION

This report presents the City of Sacramento Retiree Healthcare Plan (“Plan”) June 30, 2021 actuarial valuation. The purpose of this valuation is to:

- Determine the Plan’s June 30, 2021 Funded Status and
- Calculate the 2022/23 and 2023/24 Actuarially Determined Contributions.

The report provides information intended for funding the Plan, but may not be appropriate for other purposes. Information provided in this report may be useful for the Plan’s financial management. 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 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 Elizabeth Redding*

Mary Elizabeth Redding, FSA, EA, MAAA, FCA  
Vice President  
Bartel Associates, LLC  
June 3, 2022

*Catherine A. Wandro*

Catherine A. Wandro, ASA, MAAA, FCA  
Assistant Vice President  
Bartel Associates, LLC  
June 3, 2022

**EXHIBITS**

<b>Topic</b>	<b>Page</b>
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Data Summary	E- 7
Actuarial Assumptions	E-20
Definitions	E-32

**EXHIBITS**

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PREMIUMS

**2021 Monthly Medical Premiums**  
**Actives and Non Medicare Retirees**

<b>Medical Plan</b>	<b>Single</b>	<b>2-Party</b>	<b>Family</b>
Kaiser HMO - \$25 Co-Pay	\$ 730.38	\$ 1,460.76	\$ 1,942.80
Kaiser HMO - \$40 Co-Pay	720.14	1,440.28	1,915.58
Kaiser HMO – ABHP (actives only)	594.26	1,188.52	1,580.74
Western Health Advantage - \$25 Co-Pay	746.10	1,492.16	1,984.60
Western Health Advantage - \$40 Co-Pay	733.36	1,466.78	1,950.82
Western Health Advantage – ABHP (actives only)	572.58	1,145.18	1,523.08
Sutter Health Plus - \$25 Co-Pay	742.70	1,485.60	1,977.10
Sutter Health Plus - \$40 Co-Pay	715.50	1,431.20	1,904.70
Sutter Health Plus – ABHP (actives only)	607.30	1,214.60	1,615.40

PREMIUMS

**2021 Monthly Medical Premiums**  
**Medicare Retirees**

<b>Medical Plan</b>	<b>Single</b>	<b>2-Party</b>	<b>Family</b>
Kaiser Senior Advantage – \$20 Co-Pay	\$ 310.88	\$ 590.86	\$ 932.04
UHC Group Medicare Advantage PPO - \$15 Co-Pay	329.00	658.00	n/a

PREMIUMS

**2021 Monthly Dental & Vision Premiums**  
**Actives and Retirees**

<b>Dental Plan</b>	<b>Single</b>	<b>2-Party</b>	<b>Family</b>
Delta Dental PPO	\$ 62.06	\$ 117.86	\$ 156.92
DeltaCare USA (DMO)	27.86	52.92	70.44

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

PREMIUMS

**2022 Monthly Medical Premiums**  
**Actives and Non Medicare Retirees**

<b>Medical Plan</b>	<b>Single</b>	<b>2-Party</b>	<b>Family</b>
Kaiser HMO - \$25 Co-Pay	\$ 778.82	\$1,557.64	\$2,071.66
Kaiser HMO - \$40 Co-Pay	767.90	1,535.80	2,042.62
Kaiser HMO - ABHP (actives only)	633.78	1,267.54	1,685.84
Western Health Advantage - \$25 Co-Pay	761.62	1,523.20	2,025.88
Western Health Advantage - \$40 Co-Pay	746.00	1,491.96	1,984.34
Western Health Advantage - ABHP (actives only)	552.22	1,104.40	1,468.88
Sutter Health Plus - \$25 Co-Pay	771.70	1,543.60	2,054.20
Sutter Health Plus - \$40 Co-Pay	743.40	1,487.00	1,979.00
Sutter Health Plus - ABHP (actives only)	631.30	1,262.60	1,679.30



PREMIUMS

**2022 Monthly Medical Premiums**  
**Medicare Retirees**

Medical Plan	Single	2-Party	Family
Kaiser Senior Advantage – \$20 Co-Pay	\$ 289.94	\$ 551.06	\$ 869.22
UHC Group Medicare Advantage PPO - \$15 Co-Pay	322.42	644.84	n/a

PREMIUMS

**2022 Monthly Dental & Vision Premiums**  
**Actives and Retirees**

Dental Plan	Single	2-Party	Family
Delta Dental PPO	\$ 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, 2021**

Plan	Actives	Retirees	
		< 65	≥ 65
Kaiser HMO - \$25 Co-Pay (\$20 Co-Pay Post 65)	42%	46%	64%
Kaiser HMO - \$40 Co-Pay (\$20 Co-Pay Post 65)	12%	2%	3%
Kaiser HMO - ABHP	8%	0%	0%
Western Health Advantage - \$25 Co-Pay	7%	11%	1%
Western Health Advantage - \$40 Co-Pay	1%	3%	0%
Western Health Advantage - ABHP	3%	0%	0%
Sutter Health Plus - \$25 Co-Pay	14%	24%	2%
Sutter Health Plus - \$40 Co-Pay	11%	11%	0%
Sutter Health Plus - ABHP	2%	0%	0%
UHC Group Medicare Advantage PPO	0%	3%	30%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

**DATA SUMMARY**

**Current Active Medical Coverage**  
**June 30, 2021**

Medical Plan	Single	2-Party	Family	Waived	Total
Kaiser HMO - \$25 Co-Pay	780	210	430	-	1,420
Kaiser HMO - \$40 Co-Pay	191	65	142	-	398
Kaiser HMO - ABHP	129	26	119	-	274
Western Health Adv. - \$25 Co-Pay	107	34	84	-	225
Western Health Adv. - \$40 Co-Pay	14	4	16	-	34
Western Health Adv. - ABHP	48	10	41	-	99
Sutter Health Plus - \$25 Co-Pay	221	68	161	-	450
Sutter Health Plus - \$40 Co-Pay	121	61	174	-	356
Sutter Health Plus - ABHP	42	6	29	-	77
Waived	-	-	-	566	566
<b>Total</b>	<b>1,653</b>	<b>484</b>	<b>1,196</b>	<b>566</b>	<b>3,899</b>

**DATA SUMMARY**

**Current Retiree Medical Coverage – Pre 65**

Medical Plan	Single	2-Party	Family	Waived	Total
Kaiser HMO - \$25 Co-Pay	132	32	12	-	176
Kaiser HMO - \$40 Co-Pay	1	8	-	-	9
Kaiser Senior Advantage	17	1	1	-	-
Western Health Adv. HMO- \$25 Co-Pay	33	11	2	-	46
Western Health Adv. HMO - \$40 Co-Pay	5	5	2	-	12
Sutter Health Plus HMO - \$25 Co-Pay	66	26	11	-	103
Sutter Health Plus HMO - \$40 Co-Pay	26	12	9	-	47
UHC Group Medicare Advantage PPO	10	1	-	-	11
In Lieu Reimbursement	-	-	-	81	81
Waived	-	-	-	430	430
<b>Total</b>	<b>290</b>	<b>96</b>	<b>37</b>	<b>511</b>	<b>934</b>

**DATA SUMMARY**

**Current Retiree Medical Coverage – Post 65**

Medical Plan	Single	2-Party	Family	Waived	Total
Kaiser HMO - \$25 Co-Pay	39	5	-	-	44
Kaiser HMO - \$40 Co-Pay	-	6	-	-	6
Kaiser Colorado HMO	2	1	-	-	3
Kaiser Hawaii HMO	-	-	-	-	-
Kaiser Oregon HMO	7	3	-	-	10
Kaiser Senior Advantage	556	268	6	-	830
Western Health Adv. HMO - \$25 Co-Pay	7	1	1	-	9
Western Health Adv. HMO- \$40 Co-Pay	-	-	-	-	-
Sutter Health Plus HMO - \$25 Co-Pay	18	4	-	-	22
Sutter Health Plus HMO - \$40 Co-Pay	2	-	-	-	2
UHC Group Medicare Advantage PPO	292	106	1	-	399
In Lieu Reimbursement	-	-	-	257	257
Waived	-	-	-	853	853
<b>Total</b>	<b>923</b>	<b>394</b>	<b>8</b>	<b>1,110</b>	<b>2,435</b>

**DATA SUMMARY**

**Dental Coverage**  
**June 30, 2021**

**Actives**

Dental Plan	Single	2-Party	Family	Waived	Total
Delta Dental PPO	1,228	517	1,182	-	2,927
DeltaCare USA (DMO)	222	86	142	-	450
Waived	-	-	-	522	522
<b>Total</b>	<b>1,450</b>	<b>603</b>	<b>1,324</b>	<b>522</b>	<b>3,899</b>

**Retirees**

Dental Plan	Single	2-Party	Family	Waived	Total
Delta Dental PPO	1,217	1,175	199	-	2,591
DeltaCare USA (DMO)	83	46	4	-	133
Waived	-	-	-	645	645
<b>Total</b>	<b>1,300</b>	<b>1,221</b>	<b>203</b>	<b>645</b>	<b>3,369</b>

**DATA SUMMARY**

**Vision Coverage**  
**June 30, 2021**

**Actives**

Vision Plan	Single	2-Party	Family	Waived	Total
VSP - Basic	632	302	482	-	1,416
VSP - Enhanced	494	277	399	-	1,170
Waived	-	-	-	1,313	1,313
<b>Total</b>	<b>1,126</b>	<b>579</b>	<b>881</b>	<b>1,313</b>	<b>3,899</b>

**Retirees**

Vision Plan	Single	2-Party	Family	Waived	Total
VSP - Basic	381	258	38	-	677
VSP - Enhanced	344	526	124	-	994
Waived	-	-	-	1,698	1,698
<b>Total</b>	<b>725</b>	<b>784</b>	<b>162</b>	<b>1,698</b>	<b>3,369</b>

**DATA SUMMARY**

**Retiree Medical and Dental Participation**

<b>Valuation Date</b>	<b>Medical Only</b>	<b>Dental Only</b>	<b>Both Medical &amp; Dental</b>	<b>Neither Medical nor Dental</b>	<b>Total</b>
<b>6/30/2009</b>	188	549	1,686	350	2,773
<b>6/30/2011</b>	309	592	1,478	431	2,810
<b>6/30/2013</b>	220	785	1,645	417	3,067
<b>6/30/2015</b>	214	863	1,601	446	3,124
<b>6/30/2017</b>	196	922	1,651	467	3,236
<b>6/30/2019</b>	195	1,097	1,575	294	3,161
<b>6/30/2021</b>	181	1,146	1,577	465	3,369

**DATA SUMMARY**

**Retiree Medical Plan Coverage by Age**

**June 30, 2021  
Miscellaneous**

<b>Age</b>	<b>Single</b>	<b>2-Party</b>	<b>Family</b>	<b>Waived</b>	<b>Total</b>
Under 50	2	1	-	3	6
50-54	1	1	1	33	36
55-59	38	14	8	83	143
60-64	108	27	3	183	321
65-69	206	48	3	225	482
70-74	156	71	1	244	472
75-80	120	47	-	143	310
80-85	80	39	-	92	211
85 & Over	92	28	1	100	221
<b>Total</b>	<b>803</b>	<b>276</b>	<b>17</b>	<b>1,106</b>	<b>2,202</b>
<b>Average Age</b>	<b>72.9</b>	<b>73.6</b>	<b>62.2</b>	<b>71.2</b>	<b>72.1</b>

**DATA SUMMARY**

**Retiree Medical Plan Coverage by Age**

**June 30, 2021**

**Police**

<b>Age</b>	<b>Single</b>	<b>2-Party</b>	<b>Family</b>	<b>Waived</b>	<b>Total</b>
Under 50	3	-	-	21	24
50-54	12	3	1	36	52
55-59	28	8	5	61	102
60-64	21	15	1	50	87
65-69	19	10	-	38	67
70-74	27	8	-	65	100
75-80	29	10	-	71	110
80-85	17	11	-	35	63
85 & Over	11	4	-	25	40
<b>Total</b>	<b>167</b>	<b>69</b>	<b>7</b>	<b>402</b>	<b>645</b>
<b>Average Age</b>	<b>69.0</b>	<b>70.4</b>	<b>56.6</b>	<b>68.2</b>	<b>68.5</b>

**DATA SUMMARY**

**Retiree Medical Plan Coverage by Age**

**June 30, 2021**

**Fire**

<b>Age</b>	<b>Single</b>	<b>2-Party</b>	<b>Family</b>	<b>Waived</b>	<b>Total</b>
Under 50	1	-	1	3	5
50-54	12	1	1	10	24
55-59	27	14	14	11	66
60-64	37	13	2	16	68
65-69	38	23	2	8	71
70-74	40	37	1	13	91
75-80	46	30	-	11	87
80-85	22	18	-	12	52
85 & Over	27	13	-	18	58
<b>Total</b>	<b>250</b>	<b>149</b>	<b>21</b>	<b>102</b>	<b>522</b>
<b>Average Age</b>	<b>71.3</b>	<b>73.4</b>	<b>58.2</b>	<b>70.8</b>	<b>71.3</b>

**DATA SUMMARY**

**Actives by Age and Service**

**June 30, 2021**

**Miscellaneous**

Age	City Service							Total
	< 1	1-4	5-9	10-14	15-19	20-24	≥ 25	
< 25	14	45	2	-	-	-	-	61
25-29	31	151	28	-	-	-	-	210
30-34	40	195	70	10	2	-	-	317
35-39	36	141	105	29	33	7	-	351
40-44	20	126	99	27	59	23	3	357
45-49	12	76	81	33	72	45	11	330
50-54	10	50	68	46	84	65	60	383
55-59	8	51	42	28	57	47	70	303
60-64	5	20	21	18	42	28	48	182
≥ 65	-	6	18	8	15	8	11	66
<b>Total</b>	<b>176</b>	<b>861</b>	<b>534</b>	<b>199</b>	<b>364</b>	<b>223</b>	<b>203</b>	<b>2,560</b>

**DATA SUMMARY**

**Actives by Age and Service**

**June 30, 2021**

**Police**

Age	City Service							Total
	< 1	1-4	5-9	10-14	15-19	20-24	≥ 25	
< 25	14	23	4	-	-	-	-	41
25-29	10	115	36	-	-	-	-	161
30-34	7	60	58	-	2	-	-	127
35-39	1	14	38	34	23	2	-	112
40-44	1	6	8	17	65	25	2	124
45-49	-	1	2	2	41	50	14	110
50-54	-	1	-	3	10	18	21	53
55-59	-	-	-	-	-	1	3	4
60-64	-	-	-	-	-	-	-	-
≥ 65	-	-	-	-	-	-	-	-
<b>Total</b>	<b>33</b>	<b>220</b>	<b>146</b>	<b>56</b>	<b>141</b>	<b>96</b>	<b>40</b>	<b>732</b>

**DATA SUMMARY**

**Actives by Age and Service**  
**June 30, 2021**  
**Fire**

Age	City Service							Total
	< 1	1-4	5-9	10-14	15-19	20-24	≥ 25	
< 25	2	4	-	-	-	-	-	6
25-29	10	35	5	-	-	-	-	50
30-34	7	45	48	-	-	-	-	100
35-39	4	27	38	9	11	-	-	89
40-44	1	8	20	32	59	4	-	124
45-49	-	3	5	11	42	37	11	109
50-54	-	-	1	5	25	27	44	102
55-59	-	1	-	-	4	4	13	22
60-64	-	-	-	2	-	1	1	4
≥ 65	-	-	1	-	-	-	-	1
<b>Total</b>	<b>24</b>	<b>123</b>	<b>118</b>	<b>59</b>	<b>141</b>	<b>73</b>	<b>69</b>	<b>607</b>

**ACTUARIAL ASSUMPTIONS**

	June 30, 2019 Valuation	June 30, 2021 Valuation
■ Valuation Date	■ June 30, 2019 ■ Fiscal Years 2020/21 & 2021/22	■ June 30, 2021 ■ Fiscal Years 2022/23 & 2023/24
■ General Inflation	■ 2.75% per year ■ Used for economic assumptions	■ 2.50% per year ■ Used for economic assumptions



**ACTUARIAL ASSUMPTIONS**

	<b>June 30, 2019 Valuation</b>	<b>June 30, 2021 Valuation</b>
Discount Rate	<ul style="list-style-type: none"> <li>■ 6.75%</li> <li>■ Based on closed group crossover analysis following GASBS 75 methodology:</li> <li>■ Projected City contributions of \$1.5 million per year</li> <li>■ 6.75% rate for full ADC pre-funding and S&amp;P 20-year bond index rate (2.79% as of 6/30/19) for pay-go pre-funding</li> </ul>	<ul style="list-style-type: none"> <li>■ 6.25%</li> <li>■ Based on closed group crossover analysis following GASBS 75 methodology:                             <ul style="list-style-type: none"> <li>• Projected City contributions of \$1.5 million each year</li> <li>• 6.25% rate for funded benefits and S&amp;P 20-year bond index rate (2.18% as of 6/30/21) for pay-go pre-funding</li> </ul> </li> </ul>
<ul style="list-style-type: none"> <li>■ Long Term Rate of Return on Plan Assets</li> </ul>	<ul style="list-style-type: none"> <li>■ 2018 CERBT asset allocation strategy #1 (59% global equity, 25% fixed income, 5% TIPS, 8% REITs, 3% commodities)</li> </ul>	<ul style="list-style-type: none"> <li>■ 2022 CERBT asset allocation strategy #1 (49% global equity, 23% fixed income, 5% TIPS, 20% REITs, 3% commodities)</li> </ul>

**ACTUARIAL ASSUMPTIONS**

	<b>June 30, 2019 Valuation</b>	<b>June 30, 2021 Valuation</b>
<ul style="list-style-type: none"> <li>■ Aggregate Payroll Increases</li> </ul>	<ul style="list-style-type: none"> <li>■ 3.00%</li> </ul>	<ul style="list-style-type: none"> <li>■ 2.75%</li> </ul>
<ul style="list-style-type: none"> <li>■ Mortality, Termination, Disability</li> </ul>	<ul style="list-style-type: none"> <li>■ CalPERS – 1997-2015 Experience Study</li> <li>■ SCERS – 6/30/19 Valuation Assumptions (limited applicability)</li> <li>■ Mortality projected fully generational with Scale MP-19</li> </ul>	<ul style="list-style-type: none"> <li>■ CalPERS – 2000-2019 Experience Study</li> <li>■ SCERS – 6/30/21 Valuation Assumptions (limited applicability)</li> <li>■ Mortality projected fully generational with Scale MP-21</li> </ul>

**ACTUARIAL ASSUMPTIONS**

	<b>June 30, 2019 Valuation</b>	<b>June 30, 2021 Valuation</b>																																									
■ Service Retirement	■ CalPERS 1997-2015 Experience Study	■ CalPERS 2000-2019 Experience Study																																									
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■ CalPERS Service	■ City service plus ½ service between age 30 and City hire date	■ Same																																									

**ACTUARIAL ASSUMPTIONS**

	<b>June 30, 2019 Valuation</b>	<b>June 30, 2021 Valuation</b>																																																																																																																										
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**ACTUARIAL ASSUMPTIONS**

	<b>June 30, 2019 Valuation</b>	<b>June 30, 2021 Valuation</b>
■ Dental & Vision Trend	■ 2.75%	■ 2.50%
■ Cap Increase Rates	■ Fire hired <1/14/15: <ul style="list-style-type: none"> <li>• Lowest cost \$25 co-pay medical premium – medical trend</li> <li>• Lowest cost PPO dental premium – dental trend</li> </ul> ■ Misc and Police: 0%	■ Same
■ CERBT Admin. Fee	■ 0.05% of Market Value of Assets ■ Added to Normal Cost	■ Same

**ACTUARIAL ASSUMPTIONS**

	<b>June 30, 2019 Valuation</b>	<b>June 30, 2021 Valuation</b>																																												
■ Participation at Retirement	■ Based on retirements during fiscal years 2015 to 2017, varies by % of cash benefit earned at retirement: <table border="1" data-bbox="467 1423 901 1753"> <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&amp;D&amp;V</td> <td>10%</td> <td>23%</td> <td>30%</td> <td>35%</td> </tr> <tr> <td>D &amp; V</td> <td>10%</td> <td>40%</td> <td>35%</td> <td>30%</td> </tr> <tr> <td>M &amp; D</td> <td>0%</td> <td>10%</td> <td>14%</td> <td>20%</td> </tr> <tr> <td>M &amp; 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> M = Medical, D = Dental, V = Vision	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%	■ Same
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V Only	0%	0%	1%	0.5%																																										

**ACTUARIAL ASSUMPTIONS**

	<b>June 30, 2019 Valuation</b>				<b>June 30, 2021 Valuation</b>			
<ul style="list-style-type: none"> <li>■ Pre 1/1/91 Inactive Vested Ret. Age</li> </ul>	<ul style="list-style-type: none"> <li>■ SCERS:                             <ul style="list-style-type: none"> <li>• Sect 399 – Age 62</li> <li>• Sect 175 – Age 65</li> </ul> </li> </ul>				<ul style="list-style-type: none"> <li>■ Same</li> </ul>			
<ul style="list-style-type: none"> <li>■ Estimated Monthly Age-Based Claims Cost per Retiree</li> </ul>		FY 2020/21				FY 2022/23		
	Medical Plan	Age	M	F	Medical Plan	Age	M	F
	Kaiser HMO	50	\$781	\$852	Kaiser HMO	50	\$797	\$870
		55	1,012	1,019		55	1,033	1,041
		60	1,294	1,215		60	1,321	1,241
		65	1,604	1,442		65	1,638	1,472
	Sutter Health	50	805	879	Sutter Health	50	789	860
		55	1,044	1,051		55	1,022	1,029
		60	1,334	1,254		60	1,306	1,227
		65	1,655	1,487		65	1,620	1,456
	Western Health	50	700	764	Western Health	50	692	755
		55	907	914		55	897	903
		60	1,160	1,090		60	1,147	1,077
65		1,439	1,293	65		1,422	1,278	

**ACTUARIAL ASSUMPTIONS**

	<b>June 30, 2019 Valuation</b>	<b>June 30, 2021 Valuation</b>
<ul style="list-style-type: none"> <li>■ Medical Plan at Retirement</li> </ul>	<ul style="list-style-type: none"> <li>■ Currently covered – Same as active elections:                             <ul style="list-style-type: none"> <li>• Pre-Medicare – same as current active elections with Account Based Plans =&gt; \$25 Co-Pay Plans</li> <li>• Post-Medicare:                                     <ul style="list-style-type: none"> <li>➢ Kaiser =&gt; Kaiser SA</li> <li>➢ Sutter Health and Western Health =&gt; UHC PPO</li> </ul> </li> </ul> </li> <li>■ Currently waived – Kaiser HMO Premium Plan</li> </ul>	<ul style="list-style-type: none"> <li>■ Same</li> </ul>
<ul style="list-style-type: none"> <li>■ Waived Retiree Re-Election</li> </ul>	<ul style="list-style-type: none"> <li>■ Retirees &lt; 65 – 30% re-elect at age 65</li> <li>■ Retirees ≥ 65 – 0% re-elect</li> </ul>	<ul style="list-style-type: none"> <li>■ Same</li> </ul>

**ACTUARIAL ASSUMPTIONS**

	<b>June 30, 2019 Valuation</b>	<b>June 30, 2021 Valuation</b>
<ul style="list-style-type: none"> <li>■ Medicare Eligible Rate</li> </ul>	<ul style="list-style-type: none"> <li>■ Hired before 4/1/86:                             <ul style="list-style-type: none"> <li>• Misc – 90%</li> <li>• Safety – 80%</li> </ul> </li> <li>■ Hired on or after 4/1/86: 100%</li> <li>■ Retirees under age 65:                             <ul style="list-style-type: none"> <li>• Misc – 95%</li> <li>• Safety – 90%</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>■ Same</li> </ul>
<ul style="list-style-type: none"> <li>■ Marital Status at Retirement</li> </ul>	<ul style="list-style-type: none"> <li>■ Actives:                             <ul style="list-style-type: none"> <li>• Currently covered – current marital status</li> <li>• Not currently covered – 85% married</li> </ul> </li> <li>■ Retirees – current marital status</li> </ul>	<ul style="list-style-type: none"> <li>■ Same</li> </ul>

**ACTUARIAL ASSUMPTIONS**

	<b>June 30, 2019 Valuation</b>	<b>June 30, 2021 Valuation</b>
<ul style="list-style-type: none"> <li>■ Spouse Age</li> </ul>	<ul style="list-style-type: none"> <li>■ Actives – Males 3 years older than females</li> <li>■ Retirees – Males 3 years older than females if spouse birth date not available</li> </ul>	<ul style="list-style-type: none"> <li>■ Same</li> </ul>
<ul style="list-style-type: none"> <li>■ Surviving Spouse Participation</li> </ul>	<ul style="list-style-type: none"> <li>■ 100%</li> </ul>	<ul style="list-style-type: none"> <li>■ Same</li> </ul>
<ul style="list-style-type: none"> <li>■ Dependents at Retirement</li> </ul>	<ul style="list-style-type: none"> <li>■ Pre-65:                             <ul style="list-style-type: none"> <li>• Actives                                     <ul style="list-style-type: none"> <li>➢ Misc – 10%</li> <li>➢ Safety – 20%</li> </ul> </li> <li>• Retirees – same as current coverage</li> </ul> </li> <li>■ Post-65 – 0%</li> </ul>	<ul style="list-style-type: none"> <li>■ Same</li> </ul>

## ACTUARIAL ASSUMPTIONS

	June 30, 2019 Valuation	June 30, 2021 Valuation
<ul style="list-style-type: none"> <li>■ Actuarial Models</li> </ul>	<ul style="list-style-type: none"> <li>■ Our valuations were 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.</li> </ul>	
<ul style="list-style-type: none"> <li>■ Data Quality</li> </ul>	<ul style="list-style-type: none"> <li>■ Our valuations used census data provided by the City. 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</li> </ul>	
<ul style="list-style-type: none"> <li>■ COVID-19</li> </ul>	<ul style="list-style-type: none"> <li>■ No adjustments to the assumptions have been made for COVID-19 since there is not yet enough data to evaluate the future impacts</li> </ul>	

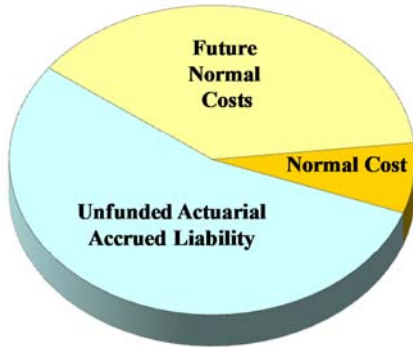
## DEFINITIONS

<ul style="list-style-type: none"> <li>■ OPEB Actuarial Valuation</li> </ul>	<ul style="list-style-type: none"> <li>■ Project future employer-provided benefit cash flows for current active employees and current retirees</li> <li>■ 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)</li> <li>■ Allocate PVB to past, current, and future periods using the actuarial cost method</li> <li>■ 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)</li> <li>■ Normal Cost is amount allocated to current fiscal year</li> <li>■ Actuarial Accrued Liability (AAL) is amount allocated to prior service with employer</li> <li>■ Unfunded AAL (UAAL) is AAL less plan assets pre-funded in a segregated and restricted trust</li> </ul>
<ul style="list-style-type: none"> <li>■ PayGo Cost</li> </ul>	<ul style="list-style-type: none"> <li>■ Cash subsidy is the pay-as-you-go employer benefit payments for retirees</li> <li>■ Implied subsidy is the difference between the actual cost of retiree benefits and retiree premiums subsidized by active employee premiums</li> </ul>

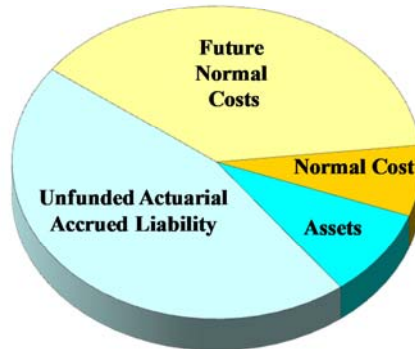
## DEFINITIONS

### 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, 2022 GASBS 75 Accounting Information**  
As of Measurement Date June 30, 2021  
Based on the June 30, 2021 Actuarial Valuation

Mary Elizabeth Redding, FSA, EA, FCA, MAAA  
Catherine A. Wandro, ASA, FCA, MAAA  
Daniel Park  
**Bartel Associates, LLC**

September 16, 2022

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**Applicable Dates**

**Applicable Dates and Periods**

	<b>Fiscal Year Ended June 30, 2022</b>
■ Measurement date	June 30, 2021
■ Measurement period	July 1, 2020 to June 30, 2021
■ Actuarial valuation date	June 30, 2021

**Note Disclosures**

**Plan Information**

	<b>Fiscal Year Ended June 30, 2022</b>
■ Plan type	Agent Multiple Employer
■ OPEB trust	Yes
■ Special funding situation	No
■ Nonemployer contributing entities	No

**Note Disclosures**

**Expected Long-Term Rate of Return**

	<b>Target Allocation* CERBT-Strategy 1</b>	<b>Expected Real Rate of Return</b>
■ Asset Class Component		
● Global Equity	59%	4.56%
● Fixed Income	25%	0.78%
● TIPS	5%	(0.08%)
● Commodities	3%	1.22%
● REITs	8%	4.06%
■ Assumed Long-Term Rate of Inflation		2.50%
■ Expected Long-Term Net Rate of Return, Rounded		6.25%

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

\* CalPERS approved new CERBT asset allocations in March 2022. This is not expected to impact the expected long-term rate of return assumption for CERBT Strategy 1.



**Note Disclosures**

**Covered Participants**

At June 30, 2021, the measurement date, the following numbers of participants were covered by the benefit terms:

	<b>Number of Covered Participants</b>
■ Inactives currently receiving benefits	2,991
■ Inactives entitled to but not yet receiving benefits	383
■ Active employees	3,899
■ Total	7,273



**Note Disclosures**

**Net OPEB Liability/(Asset)**

(Amounts in 000's)

	<b>Fiscal Year Ended</b>	
	<b>6/30/21</b>	<b>6/30/22</b>
	<b>Measurement Date 6/30/20</b>	<b>Measurement Date 6/30/21</b>
■ Total OPEB Liability (TOL)	\$ 297,704	\$ 271,612
■ Fiduciary Net Position (FNP)*	53,455	74,807
■ Net OPEB Liability (NOL)	244,249	196,805
■ Funded status (FNP/TOL)	18.0%	27.5%

\* Asset information is from CalPERS' "CERBT Schedule of Changes in Fiduciary Net Position by Employer" (audited asset statement) for the year ended June 30, 2021.



**Note Disclosures**

**Changes in Net OPEB Liability/(Asset)**

(Amounts in 000's)

	<b>Total OPEB Liability</b>	<b>Fiduciary Net Position</b>	<b>Net OPEB Liability</b>
■ Balance at 6/30/21 (6/30/20 measurement date)	\$ 297,704	\$ 53,455	\$ 244,249
■ Changes for the year			
● Service Cost	5,919	-	5,919
● Interest	19,968	-	19,968
● Changes of benefit terms	-	-	-
● Actual vs. expected experience	(40,332)	-	(40,332)
● Assumption changes	3,978	-	3,978
● Contributions - employer*	-	21,687	(21,687)
● Contributions - employee	-	-	-
● Net investment income	-	15,311	(15,311)
● Benefit payments*	(15,625)	(15,625)	-
● Administrative expenses	-	(21)	21
■ Net Changes	(26,092)	21,352	(47,444)
■ Balance at 6/30/22 (6/30/21 measurement date)	\$ 271,612	\$ 74,807	\$ 196,805

\* 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**

	<b>Discount Rate</b>		
	<b>1% Decrease (5.25%)</b>	<b>Current Rate (6.25%)</b>	<b>1% Increase (7.25%)</b>
■ Net OPEB Liability	\$ 228,974	\$ 196,805	\$ 169,776

**Changes in the Healthcare Trend Rate**

	<b>Healthcare Trend Rate</b>		
	<b>1% Decrease</b>	<b>Current Trend</b>	<b>1% Increase</b>
■ Net OPEB Liability	\$ 174,884	\$ 196,805	\$ 223,251

**Note Disclosures**

**OPEB Expense/(Income) for Fiscal Year**

(Amounts in 000's)

	<b>2021/22</b>
	<b>Measurement Period 2020/21</b>
■ OPEB Expense/(Income)*	\$ (14,897)

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

**Note Disclosures**

**Deferred Outflows/Inflows Balances at June 30, 2022**

(Amounts in 000's)

	June 30, 2022	
	Deferred Outflows of Resources	Deferred Inflows of Resources
■ Differences between expected and actual experience	\$ -	\$ 48,971
■ Changes in assumptions	3,356	65,425
■ Net difference between projected and actual earnings on plan investments*	-	7,972
■ Employer contributions made subsequent to the measurement date**	24,675	-
■ Total	28,031	122,368

\* 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
■ 2023	\$ (36,872)
■ 2024	(33,215)
■ 2025	(28,284)
■ 2026	(12,556)
■ 2027	(5,811)
■ Thereafter	(2,274)

**Note Disclosures**

**Significant Actuarial Assumptions Used for Total OPEB Liability**

Actuarial Assumption	June 30, 2021 Measurement Date
■ Actuarial Valuation Date	■ June 30, 2021
■ Contribution Policy	■ City contributes ad hoc amounts
■ Municipal Bond Rate	<ul style="list-style-type: none"> <li>■ 2.18% as of June 30, 2021</li> <li>■ 2.66% as of June 30, 2020</li> <li>■ Standard &amp; Poors 20 Year High Grade Rate</li> </ul>
■ Discount Rate and Long-Term Expected Rate of Return on Assets	<ul style="list-style-type: none"> <li>■ 6.25% at June 30, 2021</li> <li>■ 6.75% at June 30, 2020</li> <li>■ Expected City contributions projected to keep sufficient plan assets to pay all benefits from trust</li> </ul>
■ General Inflation	■ 2.50% annually
■ Crossover Test Assumptions	<ul style="list-style-type: none"> <li>■ Assumed \$1.5 million annual contribution until assets equal Present Value of Benefits</li> <li>■ Administrative expenses = 0.05% of assets</li> <li>■ No crossover</li> </ul>
■ Mortality, Retirement, Disability, Termination	<ul style="list-style-type: none"> <li>■ CalPERS 2000-2019 Experience Study</li> <li>■ SCERS 6/30/21 Valuation Assumptions (limited applicability)</li> </ul>



**Note Disclosures**

**Significant Actuarial Assumptions Used for Total OPEB Liability**

Actuarial Assumption	June 30, 2021 Measurement Date
■ Mortality Improvement	■ Mortality projected fully generational with Scale MP-2021
■ Salary Increases	<ul style="list-style-type: none"> <li>■ Aggregate - 2.75% annually</li> <li>■ Merit - CalPERS 2000-2019 Experience Study</li> </ul>
■ Medical Trend	<ul style="list-style-type: none"> <li>■ Non-Medicare - 6.5% for 2023, decreasing to an ultimate rate of 3.75% in 2076</li> <li>■ Medicare (Non-Kaiser) - 5.65% for 2023, decreasing to an ultimate rate of 3.75% in 2076</li> <li>■ Medicare (Kaiser) - 4.60% for 2023, decreasing to an ultimate rate of 3.75% in 2076</li> </ul>
■ Healthcare Participation for Future Retirees	<ul style="list-style-type: none"> <li>■ Medical, dental, and/or vision coverage - varies from 0% to 40% based on percent of benefit earned at retirement</li> <li>■ Assumptions based on study of recent retiree experience</li> </ul>



**Note Disclosures**

**Changes Since June 30, 2020 Measurement Date**

	<b>June 30, 2021 Measurement Date</b>
<ul style="list-style-type: none"> <li>■ Changes of assumptions</li> </ul>	<ul style="list-style-type: none"> <li>■ Inflation lowered from 2.75% to 2.50%, decreasing the discount rate, aggregate payroll increases, and medical trend by 0.25%</li> <li>■ Discount rate lowered based on updated capital market assumptions and lower inflation assumption</li> <li>■ Newer CalPERS 2000-2019 Experience Study was used for demographic assumptions</li> <li>■ Decreased medical trend rate for Kaiser Senior Advantage</li> <li>■ Mortality improvement scale was updated to Scale MP-2021</li> </ul>
<ul style="list-style-type: none"> <li>■ Changes of benefit terms</li> </ul>	<ul style="list-style-type: none"> <li>■ None</li> </ul>
<ul style="list-style-type: none"> <li>■ Events subsequent to June 30, 2021 measurement date and before June 30, 2022</li> </ul>	<ul style="list-style-type: none"> <li>■ CalPERS approved new CERBT asset allocations in March 2022. This is not expected to impact the expected long-term rate of return assumption for CERBT Strategy 1.</li> </ul>

**Required Supplementary Information**

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

(Amounts in 000's)

	<b>2021/22</b>
	<b>Measurement Period 2020/21</b>
<ul style="list-style-type: none"> <li>■ Changes in Total OPEB Liability                             <ul style="list-style-type: none"> <li>● Service Cost</li> <li>● Interest</li> <li>● Changes of benefit terms</li> <li>● Actual vs. expected experience</li> <li>● Assumption changes</li> <li>● Benefit payments</li> </ul> </li> <li>■ Net Changes</li> <li>■ Total OPEB Liability (beginning of year)</li> <li>■ Total OPEB Liability (end of year)</li> </ul>	<ul style="list-style-type: none"> <li>\$ 5,919</li> <li>19,968</li> <li>-</li> <li>(40,332)</li> <li>3,978</li> <li>(15,625)</li> <li style="border-top: 1px solid black;">(26,092)</li> <li style="border-top: 1px solid black;">297,704</li> <li style="border-top: 1px solid black;">271,612</li> </ul>

**Required Supplementary Information**

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

(Amounts in 000's)

	<b>2021/22</b>
	<b>Measurement Period 2020/21</b>
■ Changes in Plan Fiduciary Net Position	
● Contributions - employer	\$ 21,687
● Contributions - employee	-
● Net investment income	15,311
● Benefit payments	(15,625)
● Administrative expenses	(21)
● Other changes	-
● Net Changes	<u>21,352</u>
■ Plan Fiduciary Net Position (beginning of year)	<u>53,455</u>
■ Plan Fiduciary Net Position (end of year)	74,807



**Required Supplementary Information**

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

(Amounts in 000's)

	<b>2021/22</b>
	<b>Measurement Date 6/30/21</b>
■ Net OPEB Liability/(Asset)	\$ 196,805
■ Fiduciary Net Position as a percentage of the Total OPEB Liability	27.5%
■ Covered employee payroll*	249,162
■ Net OPEB Liability as a percentage of covered employee payroll	79.0%

\* For the 12-month period ended on June 30, 2021 (Measurement Date).  
As reported by the City.





**Required Supplementary Information**

**Schedule of Employer Contributions**

(Amounts in 000's)

	<b>Fiscal Year 2021/22</b>
■ Actuarially Determined Contribution (ADC)	\$ 26,879
■ Contributions in relation to the actuarially determined contribution*	24,675
■ Contribution deficiency/(excess)	2,204
■ Covered employee payroll**	244,497
■ Contributions as a percentage of covered employee payroll	10.1%

\* See page 20 for details.

\*\* For the 12-month period ended on June 30, 2022 (fiscal year end).

As reported by the City.



**Required Supplementary Information**

**Notes to Schedule of Employer Contribution  
Methods and Assumptions for  
2021/22 Actuarially Determined Contribution**

■ Valuation Date	■ June 30, 2019
■ Actuarial Cost Method	■ Entry Age Normal, Level % of pay
■ Amortization Method	■ Level % of pay
■ Amortization Period	■ 17-year fixed period for 2021/22
■ 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 2021/22 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, 2021 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*

Mary Elizabeth Redding, FSA, EA, FCA, MAAA  
Bartel Associates, LLC  
September 16, 2022

*Catherine A. Wandro*

Catherine A. Wandro, ASA, FCA, MAAA  
Bartel Associates, LLC  
September 16, 2022



September 16, 2022

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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
	7/1/20 to 6/30/21	7/1/21 to 6/30/22	Same as Measurement Period
■ Cash benefit payments	\$ 10,840	\$ 10,865	\$ 10,840
■ Implied subsidy benefit payments	4,785	5,183	4,785
■ Total benefit payments	15,625	16,048	15,625
■ Benefit payments reimbursed from trust	-	-	-
■ Benefit payments paid outside of trust	15,625	16,048	15,625
■ Non-trust admin expenses	-	-	-
■ Non-trust admin expenses reimbursed from trust	-	-	-
■ Trust contributions	6,062	8,627	6,062
■ Total employer contributions	21,687	24,675	21,687

Measurement period (7/1/20 to 6/30/21): \$21,687

Fiscal year (7/1/21 to 6/30/22): \$24,675



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## Supporting Calculations

### Average of the Expected Remaining Service Lives

July 1, 2020 (beginning of the measurement period) was not a valuation date and no census data was available to the actuary as of that date. Therefore, the average of the expected remaining service lives was estimated as follows:

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 7/1/20 (not less than 1 yr)
6/30/21	44,751.3 years	6,878	6.5 years	6.4 years
6/30/19	44,130.0 years	7,061	6.2 years	

\* Participants with no liability excluded for the purpose of calculating the average.

## Supporting Calculations

### Recognition of Deferred Outflows/Inflows at June 30, 2022

**Differences between Expected and Actual Experience**  
(Amounts in 000's)

Fiscal Year	Initial Amount	Initial Recog Period	Amount Recognized in OPEB Expense for FY							Deferred Balances June 30, 2022	
			21/22	22/23	23/24	24/25	25/26	26/27	27/28+	Outflows	(Inflows)
17/18	-	-	-	-	-	-	-	-	-	-	-
18/19	-	-	-	-	-	-	-	-	-	-	-
19/20	(28,948)	6.2	(4,669)	(4,669)	(4,669)	(4,669)	(934)	-	-	-	(14,941)
20/21	-	-	-	-	-	-	-	-	-	-	-
21/22	(40,332)	6.4	(6,302)	(6,302)	(6,302)	(6,302)	(6,302)	(6,302)	(2,520)	-	(34,030)
<b>Total</b>			(10,971)	(10,971)	(10,971)	(10,971)	(7,236)	(6,302)	(2,520)	-	(48,971)

## Supporting Calculations

### Recognition of Deferred Outflows/Inflows at June 30, 2022

#### Changes of Assumptions

(Amounts in 000's)

Fiscal Year	Initial Amount	Initial Recog Period	Amount Recognized in OPEB Expense for FY							Deferred Balances June 30, 2022	
			21/22	22/23	23/24	24/25	25/26	26/27	27/28+	Outflows	(Inflows)
17/18	(24,429)	6.1	(4,005)	(4,005)	(399)	-	-	-	-	-	(4,404)
18/19	(30,845)	6.1	(5,057)	(5,057)	(5,057)	(503)	-	-	-	-	(10,617)
19/20	(92,281)	6.2	(14,884)	(14,884)	(14,884)	(14,884)	(2,977)	-	-	-	(47,629)
20/21	(4,097)	6.2	(661)	(661)	(661)	(661)	(661)	(131)	-	-	(2,775)
21/22	3,978	6.4	622	622	622	622	622	622	246	3,356	-
Total			(23,985)	(23,985)	(20,379)	(15,426)	(3,016)	491	246	3,356	(65,425)



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## Supporting Calculations

### Recognition of Deferred Outflows/Inflows at June 30, 2022

#### Projected Versus Actual Earnings on Investments

(Amounts in 000's)

Fiscal Year	Initial Amount	Initial Recog Period	Amount Recognized in OPEB Expense for FY							Deferred Balances June 30, 2022	
			21/22	22/23	23/24	24/25	25/26	26/27	27/28+	Outflows	(Inflows)
17/18	(701)	5.0	(141)	-	-	-	-	-	-	-	-
18/19	(269)	5.0	(54)	(53)	-	-	-	-	-	-	(53)
19/20	108	5.0	22	22	20	-	-	-	-	42	-
20/21	2,093	5.0	419	419	419	417	-	-	-	1,255	-
21/22	(11,520)	5.0	(2,304)	(2,304)	(2,304)	(2,304)	(2,304)	-	-	-	(9,216)
Total			(2,058)	(1,916)	(1,865)	(1,887)	(2,304)	-	-	1,297	(9,269)
Net Deferred Outflows/(Inflows)										-	(7,972)

Calculation of initial amount for 2021/22 (2020/21 measurement period):

Projected earnings on investments of \$3,791 (page 27), less

Actual earnings on investments of \$15,311 (net investment income, page 15)



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**Supporting Calculations**

**Recognition of Deferred Outflows/Inflows in Future OPEB Expense**

(Amounts in 000's)

	22/23	23/24	24/25	25/26	26/27	Thereafter 27/28+
■ Differences between Expected and Actual Experience	(10,971)	(10,971)	(10,971)	(7,236)	(6,302)	(2,520)
■ Changes of Assumptions	(23,985)	(20,379)	(15,426)	(3,016)	491	246
■ Projected Versus Actual Earnings on Investments	(1,916)	(1,865)	(1,887)	(2,304)	-	-
■ Total	(36,872)	(33,215)	(28,284)	(12,556)	(5,811)	(2,274)



**Supporting Calculations**

**Components of GASBS 75 OPEB Expense**

(Amounts in 000's)

	2021/22
	Measurement Period 2020/21
■ Service Cost	\$ 5,919
■ Interest on Total OPEB Liability	19,968
■ Projected earnings on investments	(3,791)
■ Employee contributions	-
■ Administrative expense	21
■ Changes of benefit terms	-
■ Recognition of deferred outflows/(inflows)	
● Experience	(10,971)
● Assumptions	(23,985)
● Asset returns	(2,058)
■ OPEB Expense/(Income)	(14,897)



**Supporting Calculations**

**Components of GASBS 75 OPEB Expense\***  
**Calculation of Projected Earnings on Investments**  
**2020/21 Measurement Period**  
 (Amounts in 000's)

	<b>Dollar Amount</b>	<b>Expected Return</b>	<b>Portion of Year</b>	<b>Projected Earnings</b>
■ Fiduciary Net Position (beginning of year)	\$ 53,455	6.75%	100%	\$ 3,608
■ Employer contributions	6,062	6.75%	45%	184
■ Employee contributions	-	6.75%	0%	-
■ Disbursements	-	6.75%	0%	-
■ Administrative expenses	(21)	6.75%	50%	(1)
■ Projected earnings				3,791

\* The items on this page reflect trust activity only.

**Supporting Calculations**

**Components of GASBS 75 OPEB Expense**  
**Calculation of Interest on Total OPEB Liability**  
**2020/21 Measurement Period**  
 (Amounts in 000's)

	<b>Dollar Amount</b>	<b>Discount Rate</b>	<b>Portion of Year</b>	<b>Interest</b>
■ Total OPEB Liability	\$ 297,704	6.75%	100%	\$ 20,095
■ Service Cost	5,919	6.75%	100%	400
■ Changes of benefit terms	-	6.75%	0%	-
■ Experience*	(40,332)	6.75%	0%	-
■ Assumption changes*	3,978	6.75%	0%	-
■ Benefit payments	(15,625)	6.75%	50%	(527)
■ Total interest				19,968

\* 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)

	<b>Fiscal Year Ended</b>	
	<b>6/30/21</b>	<b>6/30/22</b>
	Measurement Date 6/30/20	Measurement Date 6/30/21
■ Total OPEB Liability	\$ 297,704	\$ 271,612
■ Fiduciary Net Position	53,455	74,807
■ Net OPEB Liability/(Asset)	244,249	196,805
■ Deferred inflows of resources	109,642	122,368
■ Deferred (outflows) of resources	(1,490)	(3,356)
■ Balance Sheet	352,401	315,817

Check:

■ Balance Sheet 6/30/21	\$ 352,401
● OPEB Expense/(Income)	(14,897)
● Employer Contributions*	(21,687)
■ Balance Sheet 6/30/22	315,817

\* 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.

	<b>Debit</b>	<b>(Credit)</b>
■ Net OPEB Liability - (for contributions paid 7/1/20 to 6/30/21)	\$ 21,687	\$ -
■ Deferred Outflow - 7/1/20 to 6/30/21 contributions	-	(21,687)
■ Deferred Outflow - 7/1/21 to 6/30/22 contributions	24,675	-
■ Active employee health care costs - (implied subsidy payments 7/1/21 to 6/30/22)	-	(5,183)
■ OPEB Expense - (for contributions paid 7/1/21 to 6/30/22)	-	(19,492)
<i>Check</i>	<i>46,362</i>	<i>(46,362)</i>



**Journal Entries**

**Summary Journal Entries - OPEB Expense**

(Amounts in 000's)

Following records the impact of current year OPEB expense

	<b>Debit</b>	<b>(Credit)</b>
■ Deferred Outflows*	\$ 3,356	\$ (1,490)
■ Deferred Inflows**	24,607	(37,333)
■ OPEB Expense/Credit	-	(14,897)
■ Net OPEB Liability	25,757	-

*Check* *53,720* *(53,720)*

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

\*\* See page 35 for details.





**Journal Entries**

**Ending Balances at June 30, 2022**

(Amounts in 000's)

	<b>Debit</b>	<b>(Credit)</b>
■ Deferral: Differences between expected and actual experience	\$ -	\$ (48,971)
■ Deferral: Changes of assumptions	3,356	(65,425)
■ Deferral: Net differences between projected and actual earnings on plan investments	-	(7,972)
■ Total deferred outflow/inflow	3,356	(122,368)
■ Net OPEB Liability (NOL)	-	(196,805)
■ Contributions after the Measurement Date	24,675	-
■ Net Impact	291,142	-

*Check:* 319,173      (319,173)

■ Total OPEB expense/(income) for FYE 2022	-	(14,897)
--	---	----------



**Journal Entries**

**Reconciliation of Deferred Outflows**

**Detail for page 32**

(Amounts in 000's)

<b>Deferred Outflows</b>	<b>Opening Balance - Debit</b>	<b>Journal Entry - Debit</b>	<b>Journal Entry - (Credit)</b>	<b>Ending Balance - Debit</b>
■ Differences between actual and expected experience	\$ -	\$ -	\$ -	\$ -
■ Change in assumptions	-	3,356	-	3,356
■ Differences between projected and actual earnings on plan investments	1,490	-	(1,490)	-
■ Subtotal - actuarial deferrals	1,490	3,356	(1,490)	3,356
■ Contributions after the Measurement Date	21,687	24,675	(21,687)	24,675
■ Total Deferred Outflows	23,177	28,031	(23,177)	28,031



**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	\$ (19,610)	\$ (29,361)	\$ -	\$ (48,971)
■ Change in assumptions	(90,032)	-	24,607	(65,425)
■ Differences between projected and actual earnings on plan investments	-	(7,972)	-	(7,972)
■ Total Deferred (Inflows)	(109,642)	(37,333)	24,607	(122,368)

**Journal Entries**

**Reconciliation of Deferred Outflows/(Inflows)**

**Summary of Balances**

(Amounts in 000's)

	Fiscal Year Ended	
	6/30/21	6/30/22
	Measurement Date 6/30/20	Measurement Date 6/30/21
■ Total OPEB (Liability)	\$ (297,704)	\$ (271,612)
■ Fiduciary Net Position	53,455	74,807
■ Net OPEB (Liability)/Asset	(244,249)	(196,805)
■ Deferred (inflows) of resources	(109,642)	(122,368)
■ Deferred outflows of resources	23,177	28,031
■ Balance Sheet Impact	(330,714)	(291,142)

Deferred Outflows include contributions after the measurement date.

**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
2023	\$ 71,157	\$ 16,846	\$ 15,433	\$ 36	\$ 3,975	\$ 76,510
2024	76,510	17,474	16,149	38	4,289	82,086
2025	82,086	18,013	16,778	41	4,618	87,898
2026	87,898	18,625	17,489	44	4,960	93,950
2027	93,950	19,263	18,233	47	5,316	100,249
2028	100,249	19,881	18,964	50	5,689	106,804
2029	106,804	20,506	19,709	53	6,077	113,624
2030	113,624	21,144	20,477	57	6,479	120,714
2031	120,714	21,975	21,446	60	6,893	128,075
2032	128,075	22,659	22,273	64	7,327	135,725
*	*	*	*	*	*	*
2053	195,932	98	22,845	98	11,546	184,634
2054	184,634	92	21,953	92	10,866	173,547
2055	173,547	87	20,851	87	10,207	162,903
2056	162,903	81	19,888	81	9,571	152,586
2057	152,586	76	18,533	76	8,967	143,020
*	*	*	*	*	*	*
2103	29	0	14	0	1	16
2104	16	0	8	0	1	9
2105	9	0	5	0	0	5
2106	5	0	3	0	0	2
2107	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 @ 6.25%
2023	\$ 71,157	\$ 15,433	\$ 15,433	\$ 0	\$ 14,089	\$ 0	\$ 14,089
2024	76,510	16,149	16,149	0	13,874	0	13,874
2025	82,086	16,778	16,778	0	13,567	0	13,567
2026	87,898	17,489	17,489	0	13,310	0	13,310
2027	93,950	18,233	18,233	0	13,060	0	13,060
2028	100,249	18,964	18,964	0	12,783	0	12,783
2029	106,804	19,709	19,709	0	12,503	0	12,503
2030	113,624	20,477	20,477	0	12,227	0	12,227
2031	120,714	21,446	21,446	0	12,052	0	12,052
2032	128,075	22,273	22,273	0	11,781	0	11,781
*	*	*	*	*	*	*	*
2053	195,932	22,845	22,845	0	3,383	0	3,383
2054	184,634	21,953	21,953	0	3,060	0	3,060
2055	173,547	20,851	20,851	0	2,736	0	2,736
2056	162,903	19,888	19,888	0	2,456	0	2,456
2057	152,586	18,533	18,533	0	2,154	0	2,154
*	*	*	*	*	*	*	*
2103	29	14	14	0	0	0	0
2104	16	8	8	0	0	0	0
2105	9	5	5	0	0	0	0
2106	5	3	3	0	0	0	0
2107	2	1	1	0	0	0	0
*	*	*	*	*	*	*	*
Total					326,414	0	326,414

