

Sacramento, CA, City of

Municipal Market Disclosure Information Cover Sheet

Type of Filing: ANNUAL FINANCIAL INFORMATION & OPERATING DATA (RULE 15C2-12)

2024 Annual Continuing Disclosure Report - 2015 Refunding Revenue Bonds

Date of Filing: 03/21/2025

Certification Authorized by	Disclosure Dissemination Agent Contact
Name: Claudia Lara Title: Debt Analyst Entity: Sacramento, CA, City of Sacramento	DAC 315 East Robinson Street, Suite 300, Orlando, FL 32801-1674 407 515 - 1100 emmaagent@dacbond.com

This information is also available on DAC’s website: www.dacbond.com

Signature of Issuer: Claudia Lara /s/

The information set forth herein has been obtained from the obligated entity and other sources believed to be reliable, but such information is not guaranteed as to accuracy or completeness and is not to be construed as a promise or guarantee. This Annual Financial Information & Operating Data (Rule 15c2-12) may contain, in part, estimates and matters of opinion which are not intended as statements of fact, and no representation is made as to the correctness of such estimates and opinions, or that they may be realized. The information and expressions of opinion contained herein are subject to change without notice, and the delivery of this Annual Financial Information & Operating Data (Rule 15c2-12) will not, under any circumstances, create any implication that there have been no changes in the affairs of the entity, or other matters described.

This Filing Applies to:

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

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

Digital Assurance Certification

Filing Certificate

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

Transmission Details: P21447175

Date & Time Stamp:	03/21/2025
Document Name or Event Type:	Annual Financial Information & Operating Data (Rule 15c2-12)
Document Description:	2024 Annual Continuing Disclosure Report - 2015 Refunding Revenue Bonds
DAC Bond Coversheet:	Yes
Transmitted to:	MSRB-EMMA
Total CUSIPs associated with this Filing:	13
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

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

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

No missing CUSIPs for this bond issue

City of Sacramento
Annual Continuing Disclosure Report
Fiscal Year 2023-24

Issuer	Sacramento City Financing Authority
Issue	2015 Refunding Revenue Bonds (Master Lease Program Facilities)
Series	Not applicable
Par	\$ 183,380,000
Pricing	September 29, 2015
Closing	October 14, 2015
CUSIP Numbers	785849WG1 785849WH9 785849WJ5 785849WZ9 785849WK2 785849WL0 785849WM8 785849WN6 785849WP1 785849WQ9 785849WR7 785849WS5 785849WT3

Content of Annual Report

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

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

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

www.cityofsacramento.gov/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 the City's website at:

www.cityofsacramento.gov/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, 2024

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, 2023

See Exhibit F – GASB 68 Accounting Valuation Report – Safety Plan as of June 30, 2023

See Exhibit G – SCERS Actuarial Valuation as of June 30, 2024

(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 Revenue Bonds Debt Service Schedule

See Exhibit I – GASB 45 Actuarial Valuation Report - Retiree Healthcare Plan as of June 30, 2023

See Exhibit J – GASB 75 Actuarial Valuation Report - Retiree Healthcare Plan as of June 30, 2024

Exhibit A

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

(in thousands)

	Actual 2015-16	Actual 2016-17	Actual 2017-18	Actual 2018-19	Actual 2019-20	Actual 2020-21	Actual 2021-22	Actual 2022-23	Actual 2023-24
Revenues:									
Property taxes	\$ 150,424	\$ 143,656	\$ 153,346	\$ 164,412	\$ 177,193	\$ 189,315	\$ 200,758	\$ 216,220	\$ 229,713
Sales and use taxes	67,983	80,395	84,887	93,769	90,969	99,325	115,260	115,343	112,422
Utilities use tax	61,404	62,997	62,989	60,128	60,039	62,164	65,461	69,529	64,133
Other taxes	26,732	29,961	36,184	39,820	42,506	52,586	58,079	49,558	50,689
Intergovernmental	16,253	14,009	22,380	16,350	15,919	20,193	24,335	23,623	37,078
Charges for services	73,632	85,780	100,205	108,972	105,446	99,212	113,565	117,069	110,915
Fines, forfeitures and penalties	12,110	10,906	12,069	15,964	12,898	7,284	10,057	9,112	9,874
Interest, rents and concessions	3,002	2,679	1,195	7,810	6,423	887	(14,530)	5,785	20,282
Assessment levies	172	266	291	356	341	588	483	498	565
Contributions and donations	13	14	85	68	20	30	37	1	1
Other revenues	245	259	301	536	974	1,250	653	449	139
Total revenues	411,970	430,922	473,932	508,185	512,728	532,834	574,158	607,187	635,811
Expenditures:									
General government	28,909	36,584	48,694	56,498	54,949	60,257	65,855	69,337	67,011
Police	128,891	132,108	138,473	152,637	158,887	162,136	147,890	220,744	231,397
Fire	106,399	112,868	119,437	124,324	139,421	143,358	122,548	180,249	194,563
Public works	11,308	13,233	13,607	15,101	13,393	13,249	14,615	19,766	21,622
Convention and cultural services	4,637	4,972	5,620	5,723	6,485	5,462	1,485	5,538	2,517
Economic development	2,114	2,337	-	-	-	-	-	-	-
Youth, parks, and community enrichment	15,144	19,979	21,428	22,286	21,670	21,538	1,653	3,218	8,420
Community development	25,960	28,554	33,340	36,039	38,629	34,623	30,471	32,077	32,912
Community response	-	-	-	-	-	-	6,141	8,897	4,792
Library	7,130	7,130	8,380	9,380	10,130	12,266	-	-	-
Utilities	393	1,205	1,816	2,285	3,268	3,670	3,859	67	54
Citywide and community support	47,961	48,435	46,576	42,827	50,691	51,632	57,700	53,564	63,139
Capital outlay	12,577	19,276	21,513	19,392	17,589	22,592	45,776	25,810	43,970
Debt service	3,219	2,837	2,102	1,189	568	-	322	3,989	3,880
Total Expenditures	394,642	429,518	460,986	487,681	515,680	530,783	498,315	623,256	674,277
Excess (deficiency) of revenues over (under) expenditures	17,328	1,404	12,946	20,504	(2,952)	2,051	75,843	(16,069)	(38,466)
Other Financing Sources (uses):									
Transfers in	34,256	33,113	35,414	38,652	44,465	55,836	48,184	38,652	63,068
Transfers out	(25,032)	(28,959)	(31,545)	(27,919)	(26,680)	(43,133)	(36,010)	(39,178)	(26,211)
Issuance of long-term debt	-	-	-	-	-	-	-	5,549	3,578
Total other financing sources (uses)	9,224	4,154	3,869	10,733	17,785	12,503	12,174	12,538	40,435
Special items	-	-	-	7,000	-	-	-	-	-
Changes in fund balances	\$ 26,552	\$ 5,558	\$ 16,815	\$ 38,237	\$ 14,833	\$ 14,554	\$ 88,017	\$ (3,531)	\$ 1,969
Fund Balance, beginning of year	123,444	149,996	155,554	172,369	210,606	225,439	239,993	328,010	324,479
Fund Balance, end of year	\$ 149,996	\$ 155,554	\$ 172,369	\$ 210,606	\$ 225,439	\$ 239,993	\$ 328,010	\$ 324,479	\$ 326,448
Less reserves and commitments									
Nonspendable	\$ 2	\$ 3,812	\$ 3,845	\$ -	\$ 1,279	\$ 1,084	\$ 2,799	\$ 2,499	\$ 2,408
Restricted	2,962	17	-	-	-	-	-	-	-
Committed:									
Economic uncertainty	46,950	49,644	52,700	55,200	55,200	58,499	61,310	72,534	74,613
Capital projects	37,526	49,265	37,583	39,995	57,689	57,417	50,410	58,540	53,795
Community center theater renovation	8,500	-	-	-	-	-	-	-	-
Fire programs	5,720	1,386	6,189	9,568	5,635	7,438	8,426	14,999	25,088
Housing trust fund	-	-	-	-	-	-	1,000	1,000	-
Pension	-	-	5,000	13,500	-	-	-	-	-
OPEB	6,752	5,324	2,619	6,644	4,264	6,828	5,727	6,072	6,095
SCXEA labor for FY2020	-	-	-	4,256	-	-	-	-	-
Set-aside for FY25 Budget	-	-	-	-	-	5,500	20,891	26,500	10,443
Homeless programs	250	-	-	-	-	-	-	-	-
Gas tax	-	2,087	2,087	2,087	-	-	-	-	-
Other programs	13,953	19,280	37,325	46,052	49,405	72,809	133,367	131,163	123,702
Assigned:									
Unrealized investment gains	732	-	-	381	1,960	103	-	-	-
Unassigned	\$ 26,649	\$ 24,739	\$ 25,021	\$ 32,923	\$ 50,007	\$ 30,315	\$ 44,080	\$ 11,172	\$ 30,304

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

(in thousands)

Fiscal Year End June 30	Gross Assessed Value ⁽¹⁾				Exemptions	Net Assessed Taxable Value	Total Direct Tax Rate ⁽³⁾
	Real Property	Personal Property	Public Utility ⁽²⁾	Total			
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
2023	64,677,204	2,136,640	8,950	66,822,794	439,794	66,383,000	1.00
2024	69,335,897	2,468,674	10,448	71,815,019	436,558	71,378,461	1.00

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

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

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

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

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

Exhibit C

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

(in thousands)

Taxpayer	2024			2015		
	Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Sacramento Kings	\$ 352,617	1	0.49 %	-	-	-
BRE Depot Park LLC	271,195	2	0.38	-	-	-
SRI Eleven 621 Capitol Mall LLC	267,318	3	0.37	-	-	-
CA Sacramento Commons LLC	221,577	4	0.31	-	-	-
Oakmont Properties ALIRA LLC	218,255	5	0.31	-	-	-
Hancock SREIT Sacramento LLC	208,922	6	0.29	-	-	-
HP Hood LLC	195,125	7	0.27	\$ 84,970	9	0.22 %
Kaiser Foundation Health Plan INC.	185,825	8	0.26	-	-	-
Natomas Development Partners LLC	180,056	9	0.25	-	-	-
AB PR QOZB III Property LLC	166,927	10	0.23	-	-	-
Hines VAF II Sacramento	-	-	-	389,398	1	1.00
CIM Sacramento LLC	-	-	-	216,695	2	0.55
Arden Fair Associates	-	-	-	136,662	3	0.35
Verizon Wireless	-	-	-	135,889	4	0.35
621 Capitol Mall LLC	-	-	-	125,470	5	0.32
500 Capitol Mall LLC	-	-	-	118,033	6	0.30
300 Capitol Association NF LP	-	-	-	109,000	7	0.28
KW Captowers LLC	-	-	-	95,659	8	0.24
Target Corp	-	-	-	81,000	10	0.21
	<u>2,267,817</u>		<u>3.16</u>	<u>1,492,776</u>		<u>3.82</u>
All other taxpayers	<u>69,110,644</u>		<u>96.84</u>	<u>37,574,727</u>		<u>96.18</u>
Total	<u>\$ 71,378,461</u>		<u>100.00 %</u>	<u>\$ 39,067,503</u>		<u>100.00 %</u>

Source: County of Sacramento, Office of Auditor/Controller

Exhibit D

GENERAL FUND OBLIGATION DEBT SERVICE, AS OF JUNE 30, 2024

Fiscal Year	2016 Refunding H Street Complex	GF - 2016 Refunding H Street Complex (2002 COPs)	OFFSET - 2016 Refunding H Street Complex (2002 COPs)	2006 Capital Improvement Revenue Bonds, Series B ¹	2006 Capital Improvement Revenue Bonds, Series E ²	2015 Lease Revenue Bonds (Golden 1 Center) ³	2015 Revenue Refunding Bonds ⁴	Total Debt Service Obligations Amount	Gross Percentage of Budgeted Fiscal Year General Fund Revenues ⁵	Total Offset Debt Service Amount	Total General Fund Debt Service Amount	Net Percentage of Budgeted Fiscal Year General Fund Revenues
FY25	674,515	-	674,515.00	3,933,765	20,020,668.75	18,289,286	9,925,688	52,843,922	6.5%	36,014,190	16,829,732	2.1%
FY26	669,250	-	669,250.00	3,928,351	20,036,856.25	18,286,258	9,898,313	52,819,027	6.5%	35,992,339	16,826,688	2.1%
FY27	673,630	-	673,630.00	3,926,060	20,030,900.00	18,289,420	9,904,438	52,824,447	6.5%	35,992,936	16,831,511	2.1%
FY28	672,442	-	672,442.00	3,926,294	20,031,225.00	18,287,643	9,909,388	52,826,991	6.5%	35,998,479	16,828,512	2.1%
FY29	670,899	-	670,899.00	3,923,604	20,127,975.00	18,285,364	9,896,838	52,904,680	6.5%	36,010,744	16,893,936	2.1%
FY30	673,859	-	673,859.00	3,917,692	20,128,787.50	18,286,739	9,897,256	52,904,333	6.5%	36,000,349	16,903,984	2.1%
FY31	676,251	-	676,251.00	3,908,259	20,128,793.75	18,285,638	9,854,175	48,853,116	6.0%	32,972,981	15,880,136	2.0%
FY32	668,146	-	668,146.00	3,909,556	20,130,500.00	18,286,217	5,844,050	48,838,469	6.0%	32,962,011	15,876,459	2.0%
FY33	334,686	-	334,686.00	3,900,987	20,136,150.00	18,282,349	5,394,175	48,048,347	5.9%	32,614,224	15,434,123	1.9%
FY34	-	-	-	3,892,251	3,632,925.00	18,283,188	5,384,550	31,192,914	3.8%	20,901,927	10,290,987	1.3%
FY35	-	-	-	3,892,453	-	18,282,324	5,130,175	27,304,951	3.4%	19,384,515	7,920,437	1.0%
FY36	-	-	-	3,880,993	-	18,283,630	5,120,800	27,285,423	3.4%	19,382,366	7,903,057	1.0%
FY37	-	-	-	3,872,424	-	18,280,697	5,120,400	27,273,521	3.4%	19,377,540	7,895,981	1.0%
FY38	-	-	-	-	-	18,282,397	-	18,282,397	2.2%	18,282,397	-	0.0%
FY39	-	-	-	-	-	18,282,040	-	18,282,040	2.2%	18,282,040	-	0.0%
FY40	-	-	-	-	-	18,278,216	-	18,278,216	2.2%	18,278,216	-	0.0%
FY41	-	-	-	-	-	18,279,516	-	18,279,516	2.2%	18,279,516	-	0.0%
FY42	-	-	-	-	-	18,278,967	-	18,278,967	2.2%	18,278,967	-	0.0%
FY43	-	-	-	-	-	18,279,878	-	18,279,878	2.2%	18,279,878	-	0.0%
FY44	-	-	-	-	-	18,275,276	-	18,275,276	2.2%	18,275,276	-	0.0%
FY45	-	-	-	-	-	18,273,469	-	18,273,469	2.2%	18,273,469	-	0.0%
FY46	-	-	-	-	-	18,277,204	-	18,277,204	2.2%	18,277,204	-	0.0%
FY47	-	-	-	-	-	18,273,943	-	18,273,943	2.2%	18,273,943	-	0.0%
FY48	-	-	-	-	-	18,271,713	-	18,271,713	2.2%	18,271,713	-	0.0%
FY49	-	-	-	-	-	18,272,978	-	18,272,978	2.2%	18,272,978	-	0.0%
FY50	-	-	-	-	-	18,269,919	-	18,269,919	2.2%	18,269,919	-	0.0%
Total	5,713,678	-	-	50,812,686	184,404,781	475,304,269	97,280,244	813,515,657		631,200,117	182,315,541	
Offset	100.0%	0.0%	100.0%	28.32%	63.76%	100.0%	18.7%					

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, 36.2% General Fund, 7.9% North Natomas Fund, 1.1% RASA Master Lease (Stockton Boulevard), and 0.9% Culture and Leisure Fund.

⁽³⁾ 2015 Lease Revenue Bonds (Golden 1 Center): 66.8% Lease Rental Payments from the Sacramento Kings or its affiliates and the reasonable expectation of 33.2% Parking Fund. Given this debt issue is a general fund lease obligation, in the event there are insufficient funds from anticipated sources to meet the debt service payments, the General Fund may be required to cover the shortfall in meeting debt service in any year these bonds are outstanding.

⁽⁴⁾ 2015 Refunding Revenue Bonds: 81.3% General Fund, 9.6% Solid Waste Fund, and 9.1% Parking Fund.

⁽⁵⁾ Data based on forecasted Fiscal Year 2024-25 Net General Fund Revenue of \$813,707,000.

Source: City of Sacramento



GASB 68 Accounting Report

CalPERS ID: 7903930500
Valuation Rate Plan Identifier: 1209

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

Measurement Date of June 30, 2023

Table of Contents

Actuarial Certification	3
Introduction	4
Changes in Net Pension Liability	5
Pension Expense/(Income) for the Measurement Period Ended June 30, 2023	6
Deferred Outflows and Deferred Inflows of Resources Related to Pensions	7
Schedules of Required Supplementary Information	8

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

Schedule of Changes of Assumptions	A-1
Deferred Outflows of Resources and Deferred Inflows of Resources Arising From Changes of Assumptions	A-2
Schedule of Differences Between Expected and Actual Experience	A-3
Deferred Outflows of Resources and Deferred Inflows of Resources Arising From Differences Between Expected and Actual Experience	A-4
Schedule of Differences Between Projected and Actual Earnings on Pension Plan Investments	A-5
Deferred Outflows of Resources and Deferred Inflows of Resources Arising From Differences Between Projected and Actual Earnings on Pension Plan Investments	A-6
Summary of Recognized Deferred Outflows of Resources and Deferred Inflows of Resources	A-7

Appendix B – Interest and Total Projected Earnings

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

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, 2023.

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, 2022 annual funding valuation for the Plan. The census data and benefit provisions underlying the liabilities were prepared as of June 30, 2022 and certified as part of the annual funding valuation by the CalPERS Actuarial Office. The June 30, 2022 liabilities, which were rolled forward to June 30, 2023 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 Actuary, CalPERS

Introduction

This is the GASB 68 accounting report for the measurement date June 30, 2023. Notes to the Agent Multiple-Employer Defined Benefit Pension Plan GASB 68 accounting reports are in a separate document, which may be accessed on the CalPERS website at www.calpers.ca.gov.

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

Valuation Date	June 30, 2022
Measurement Date	June 30, 2023
Measurement Period	July 1, 2022 to June 30, 2023

Pension Plan Fiduciary Net Position

The plan fiduciary net position disclosed in the GASB 68 accounting report may differ from the plan assets reported in the funding 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 the funding valuation.

Subsequent Events

During the time period between the valuation date and the publication of this report, price inflation has been higher than the assumed rate of 2.3% per annum. Since inflation influences cost of living adjustments for retirees and beneficiaries and active member pay increases, higher inflation is likely to put at least some upward pressure on the pension expense and the net pension liability in future valuations. The actual impact of higher inflation on future valuation results will depend on, among other factors, how long higher inflation persists. At this time, we continue to believe the long-term price inflation assumption of 2.3% per annum is appropriate.

Changes in the Net Pension Liability

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

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (c) = (a) – (b)
Balance at: 06/30/2022	\$1,688,414,489	\$1,209,531,432	\$478,883,057
Beginning of Year Adjustment	\$0	\$0	\$0
Adjusted Balance at: 06/30/2022	\$1,688,414,489	\$1,209,531,432	\$478,883,057
Changes Recognized for the Measurement Period:			
Service Cost	35,816,947		35,816,947
Interest on Total Pension Liability	115,990,627		115,990,627
Changes of Benefit Terms	2,151,043		2,151,043
Changes of Assumptions	0		0
Differences Between Expected and Actual Experience	10,581,620		10,581,620
Net Plan to Plan Resource Movement		0	0
Contributions – Employer		53,644,569	(53,644,569)
Contributions – Employees		17,787,535	(17,787,535)
Net Investment Income		75,395,057	(75,395,057)
Benefit Payments, Including Refunds of Employee Contributions	(76,064,120)	(76,064,120)	0
Administrative Expense		(889,433)	889,433
Other Miscellaneous (Income)/Expense		0	0
Net Changes During 2022-23	\$88,476,117	\$69,873,608	\$18,602,509
Balance at: 06/30/2023	\$1,776,890,606	\$1,279,405,040	\$497,485,566

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

	Discount Rate -1% 5.90%	Current Discount Rate 6.90%	Discount Rate + 1% 7.90%
Plan's Net Pension Liability/(Asset)	\$747,009,355	\$497,485,566	\$292,712,909

Pension Expense/(Income) for Measurement Period Ended June 30, 2023

Description	Amount
Service Cost	\$35,816,947
Interest on Total Pension Liability	115,990,627
Changes of Benefit Terms	2,151,043
Recognized Changes of Assumptions	20,797,067
Recognized Differences Between Expected and Actual Experience	3,673,710
Net Plan to Plan Resource Movement	0
Employee Contributions	(17,787,535)
Projected Earnings on Pension Plan Investments	(83,199,771)
Recognized Differences Between Projected and Actual Earnings on Plan Investments	11,411,594
Administrative Expense	889,433
Other Miscellaneous (Income)/Expense	0
Total Pension Expense/(Income)	\$89,743,115

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, 2023. 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	\$16,637,653	\$0
Differences Between Expected and Actual Experience	6,802,470	(939,849)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	57,562,170	0
Total	\$81,002,293	(\$939,849)

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
2024	\$29,857,835
2025	9,051,953
2026	39,591,714
2027	1,560,942
2028	0
Thereafter	0

Expected Average Remaining Service Lifetime (EARSL)

The EARSL for the Plan for the measurement period ending June 30, 2023 is 2.8 years, which was obtained by dividing the total service years of 29,565 (the sum of remaining service lifetimes of the active employees) by 10,651 (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	2023	2022	2021	2020	2019
TOTAL PENSION LIABILITY:					
Service Cost	\$35,816,947	\$34,966,707	\$31,307,149	\$30,235,662	\$29,053,385
Interest on Total Pension Liability	115,990,627	110,100,729	105,037,410	99,809,812	94,760,263
Changes of Benefit Terms	2,151,043	0	0	0	0
Changes of Assumptions	0	58,231,787	0	0	0
Difference Between Expected and Actual Experience	10,581,620	(3,289,475)	3,742,809	2,600,474	12,969,987
Benefit Payments, Including Refunds of Employee Contributions	(76,064,120)	(69,664,675)	(63,352,488)	(59,069,059)	(53,695,328)
Net Change in Total Pension Liability	\$88,476,117	\$130,345,073	\$76,734,880	\$73,576,889	\$83,088,307
Total Pension Liability – Beginning	1,688,414,489	1,558,069,416	1,481,334,536	1,407,757,647	1,324,669,340
Total Pension Liability – Ending (a)	\$1,776,890,606	\$1,688,414,489	\$1,558,069,416	\$1,481,334,536	\$1,407,757,647
PLAN FIDUCIARY NET POSITION					
Contributions – Employer	\$53,644,569	\$47,273,126	\$43,929,699	\$39,117,681	\$34,101,948
Contributions – Employee	17,787,535	16,051,723	15,898,937	15,017,980	14,288,578
Net Investment Income	75,395,057	(99,651,774)	244,522,362	51,631,631	64,092,297
Benefit Payments, Including Refunds of Employee Contributions	(76,064,120)	(69,664,675)	(63,352,488)	(59,069,059)	(53,695,328)
Net Plan to Plan Resource Movement	0	(2,299)	0	0	494
Administrative Expense	(889,433)	(820,005)	(1,075,280)	(1,453,707)	(694,412)
Other Miscellaneous Income/(Expense) ¹	0	0	0	0	2,256
Net Change in Fiduciary Net Position	\$69,873,608	(\$106,813,904)	\$239,923,230	\$45,244,526	\$58,095,833
Plan Fiduciary Net Position – Beginning ²	\$1,209,531,432	\$1,316,345,336	\$1,076,422,106	\$1,031,177,580	\$973,081,747
Plan Fiduciary Net Position – Ending (b)	1,279,405,040	1,209,531,432	1,316,345,336	1,076,422,106	1,031,177,580
Plan Net Pension Liability/(Asset) – (a)-(b)	\$497,485,566	\$478,883,057	\$241,724,080	\$404,912,430	\$376,580,067
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	72.00%	71.64%	84.49%	72.67%	73.25%
Covered Payroll ³	\$211,684,086	\$206,536,958	\$203,029,503	\$195,700,077	\$185,822,739
Plan Net Pension Liability/(Asset) as a Percentage of Covered-Employee Payroll	235.01%	231.86%	119.06%	206.90%	202.66%

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

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

² Includes any beginning of year adjustment.

³ Includes one year's payroll growth using 2.80% payroll growth assumption for fiscal years ended in 2022 and 2023; 2.75% payroll growth assumption for fiscal years ended in 2018 through 2021; 3.00% payroll growth assumption for fiscal years ended in 2014 through 2017.

Schedules of Required Supplementary Information (continued)

Measurement Period	2018	2017	2016	2015	2014
TOTAL PENSION LIABILITY:					
Service Cost	\$28,403,688	\$27,795,727	\$23,374,624	\$22,342,045	\$23,109,946
Interest on Total Pension Liability	89,060,339	84,334,185	79,514,856	74,834,991	70,942,490
Changes of Benefit Terms	0	0	0	0	0
Changes of Assumptions	(7,898,485)	75,969,675	0	(20,152,867)	0
Difference Between Expected and Actual Experience	6,909,054	(837,981)	(333,340)	(8,865,289)	0
Benefit Payments, Including Refunds of Employee Contributions	(48,383,999)	(42,304,813)	(37,980,223)	(34,390,309)	(30,239,753)
Net Change in Total Pension Liability	\$68,090,597	\$144,956,793	\$64,575,917	\$33,768,571	\$63,812,683
Total Pension Liability – Beginning	1,256,578,743	1,111,621,950	1,047,046,033	1,013,277,462	949,464,779
Total Pension Liability – Ending (a)	\$1,324,669,340	\$1,256,578,743	\$1,111,621,950	\$1,047,046,033	\$1,013,277,462
PLAN FIDUCIARY NET POSITION					
Contributions – Employer	\$29,514,351	\$28,719,315	\$25,962,718	\$22,826,829	\$21,613,131
Contributions – Employee	12,633,667	12,190,145	11,991,032	11,302,316	11,670,231
Net Investment Income	76,765,652	91,481,199	4,260,663	18,046,623	118,325,674
Benefit Payments, Including Refunds of Employee Contributions	(48,383,999)	(42,304,813)	(37,980,223)	(34,390,309)	(30,239,753)
Net Plan to Plan Resource Movement	(1,746)	73,647	530,976	(3,066,289)	0
Administrative Expense	(1,412,810)	(1,207,275)	(495,742)	(921,940)	0
Other Miscellaneous Income/(Expense) ¹	(2,682,950)	0	0	0	0
Net Change in Fiduciary Net Position	\$66,432,165	\$88,952,218	\$4,269,424	\$13,797,230	\$121,369,283
Plan Fiduciary Net Position – Beginning ²	\$906,649,582	\$817,697,364	\$813,427,940	\$799,630,710	\$678,261,427
Plan Fiduciary Net Position – Ending (b)	973,081,747	906,649,582	817,697,364	813,427,940	799,630,710
Plan Net Pension Liability/(Asset) – (a)-(b)	\$351,587,593	\$349,929,161	\$293,924,586	\$233,618,093	\$213,646,752
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	73.46%	72.15%	73.56%	77.69%	78.92%
Covered Payroll ³	\$181,331,004	\$176,795,109	\$166,402,958	\$157,449,221	\$156,032,311
Plan Net Pension Liability/(Asset) as a Percentage of Covered-Employee Payroll	193.89%	197.93%	176.63%	148.38%	136.92%

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

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

² Includes any beginning of year adjustment.

³ Includes one year's payroll growth using 2.80% payroll growth assumption for fiscal years ended in 2022 and 2023; 2.75% payroll growth assumption for fiscal years ended in 2018 through 2021; 3.00% payroll growth assumption for fiscal years ended in 2014 through 2017.

Schedules of Required Supplementary Information (continued)

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

Changes of Benefit Terms: 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.

In 2022, SB 1168 increased the standard retiree lump sum death benefit from \$500 to \$2,000 for any death occurring on or after July 1, 2023. The impact, if any, is included in the changes of benefit terms.

Changes of Assumptions: There were no assumption changes in 2023. Effective with the June 30, 2021 valuation date (June 30, 2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. In addition, demographic assumptions and the price inflation assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. The accounting discount rate was 7.15% for measurement dates June 30, 2017 through June 30, 2021, 7.65% for measurement dates June 30, 2015 through June 30, 2016, and 7.50% for measurement date June 30, 2014.

Schedule of Plan Contributions for the Fiscal Years Ended June 30¹

Employer Fiscal Year End	2023	2022	2021	2020	2019
Actuarially Determined Contribution ²	\$53,644,569	\$47,273,126	\$43,929,699	\$39,117,681	\$34,101,948
Contributions in Relation to the Actuarially Determined Contribution ²	(53,644,569)	(47,273,126)	(43,929,699)	(39,117,681)	(34,101,948)
Contribution Deficiency (Excess)	\$0	\$0	\$0	\$0	\$0
Covered Payroll ³	\$211,684,086	\$206,536,958	\$203,029,503	\$195,700,077	\$185,822,739
Contributions as a Percentage of Covered Payroll ³	25.34%	22.89%	21.64%	19.99%	18.35%

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

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

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

³ Includes one year's payroll growth using 2.80% payroll growth assumption for fiscal years ended in 2022 and 2023; 2.75% payroll growth assumption for fiscal years ended in 2018 through 2021; 3.00% payroll growth assumption for fiscal years ended in 2014 through 2017.

Schedules of Required Supplementary Information (continued)

Notes to Schedule of Plan Contributions:

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2022-23 were derived from the June 30, 2020 funding valuation report.

Actuarial Cost Method	Entry Age Actuarial Cost Method
Amortization Method/Period	For details, see June 30, 2020 Funding Valuation Report.
Asset Valuation Method	Fair Value of Assets. For details, see June 30, 2020 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. 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	Recognition Period (Years)	Increase (Decrease) in Pension Expense Arising From the Recognition of the Effects of Changes of Assumptions							
			2023	2024	2025	2026	2027	2028	Thereafter	
2014	\$0	0.0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2015	(20,152,867)	2.9	0	0	0	0	0	0	0	0
2016	0	0.0	0	0	0	0	0	0	0	0
2017	75,969,675	2.8	0	0	0	0	0	0	0	0
2018	(7,898,485)	2.9	0	0	0	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
2022	58,231,787	2.8	20,797,067	16,637,653	0	0	0	0	0	0
2023	0	0.0	0	0	0	0	0	0	0	0
Net Increase (Decrease) in Pension Expense			\$20,797,067	\$16,637,653	\$0	\$0	\$0	\$0	\$0	\$0

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

Measurement Date	Increase in Total Pension Liability (a)	Decrease in Total Pension Liability (b)	Amounts Recognized in Pension Expense Through June 30, 2023 (c)	Balances at June 30, 2023	
				Deferred Outflows of Resources (a) – (c)	Deferred Inflows of Resources (b) – (c)
2014	\$0	\$0	\$0	\$0	\$0
2015	0	(20,152,867)	(20,152,867)	0	0
2016	0	0	0	0	0
2017	75,969,675	0	75,969,675	0	0
2018	0	(7,898,485)	(7,898,485)	0	0
2019	0	0	0	0	0
2020	0	0	0	0	0
2021	0	0	0	0	0
2022	58,231,787	0	41,594,134	16,637,653	0
2023	0	0	0	0	0
				\$16,637,653	\$0

Schedule of Differences Between Expected and Actual Experience

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

Measurement Date	Differences Between Expected and Actual Experience	Recognition Period (Years)	Increase (Decrease) in Pension Expense Arising From the Recognition of the Effects of Differences Between Expected and Actual Experience							
			2023	2024	2025	2026	2027	2028	Thereafter	
2014	\$0	0.0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2015	(8,865,289)	2.9	0	0	0	0	0	0	0	0
2016	(333,340)	3.0	0	0	0	0	0	0	0	0
2017	(837,981)	2.8	0	0	0	0	0	0	0	0
2018	6,909,054	2.9	0	0	0	0	0	0	0	0
2019	12,969,987	2.9	0	0	0	0	0	0	0	0
2020	2,600,474	2.9	0	0	0	0	0	0	0	0
2021	3,742,809	2.8	1,069,373	0	0	0	0	0	0	0
2022	(3,289,475)	2.8	(1,174,813)	(939,849)	0	0	0	0	0	0
2023	10,581,620	2.8	3,779,150	3,779,150	3,023,320	0	0	0	0	0
Net Increase (Decrease) in Pension Expense			\$3,673,710	\$2,839,301	\$3,023,320	\$0	\$0	\$0	\$0	\$0

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

Measurement Date	Experience Losses (a)	Experience Gains (b)	Amounts Recognized in Pension Expense Through June 30, 2023 (c)	Balances at June 30, 2023	
				Deferred Outflows of Resources (a) – (c)	Deferred Inflows of Resources (b) – (c)
2014	\$0	\$0	\$0	\$0	\$0
2015	0	(8,865,289)	(8,865,289)	0	0
2016	0	(333,340)	(333,340)	0	0
2017	0	(837,981)	(837,981)	0	0
2018	6,909,054	0	6,909,054	0	0
2019	12,969,987	0	12,969,987	0	0
2020	2,600,474	0	2,600,474	0	0
2021	3,742,809	0	3,742,809	0	0
2022	0	(3,289,475)	(2,349,626)	0	(939,849)
2023	10,581,620	0	3,779,150	6,802,470	0
				\$6,802,470	(\$939,849)

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	Recognition Period (Years)	Increase (Decrease) in Pension Expense Arising From the Recognition of the Differences Between Projected and Actual Earnings on Pension Plan Investments						
			2023	2024	2025	2026	2027	2028	Thereafter
2014	(\$67,539,546)	5.0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2015	42,768,440	5.0	0	0	0	0	0	0	0
2016	57,793,697	5.0	0	0	0	0	0	0	0
2017	(33,246,191)	5.0	0	0	0	0	0	0	0
2018	(12,429,291)	5.0	0	0	0	0	0	0	0
2019	5,153,560	5.0	1,030,712	0	0	0	0	0	0
2020	21,761,244	5.0	4,352,249	4,352,248	0	0	0	0	0
2021	(167,815,415)	5.0	(33,563,083)	(33,563,083)	(33,563,083)	0	0	0	0
2022	190,153,863	5.0	38,030,773	38,030,773	38,030,773	38,030,771	0	0	0
2023	7,804,714	5.0	1,560,943	1,560,943	1,560,943	1,560,943	1,560,942	0	0
Net Increase (Decrease) in Pension Expense			\$11,411,594	\$10,380,881	\$6,028,633	\$39,591,714	\$1,560,942	\$0	\$0

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

Measurement Date	Investment Earnings Less Than Projected (a)	Investment Earnings Greater Than Projected (b)	Amounts Recognized in Pension Expense Through June 30, 2023 (c)	Balances at June 30, 2023	
				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)	(12,429,291)	0	0
2019	5,153,560	0	5,153,560	0	0
2020	21,761,244	0	17,408,996	4,352,248	0
2021	0	(167,815,415)	(100,689,249)	0	(67,126,166)
2022	190,153,863	0	76,061,546	114,092,317	0
2023	7,804,714	0	1,560,943	6,243,771	0
				\$124,688,336	(\$67,126,166)
				Net Deferred Outflows/(Inflows) of Resources	
				(d) + (e)	
				\$57,562,170	

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						
	2023	2024	2025	2026	2027	2028	Thereafter
Changes of Assumptions	\$20,797,067	\$16,637,653	\$0	\$0	\$0	\$0	\$0
Differences Between Expected and Actual Experience	3,673,710	2,839,301	3,023,320	0	0	0	0
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	11,411,594	10,380,881	6,028,633	39,591,714	1,560,942	0	0
Grand Total	\$35,882,371	\$29,857,835	\$9,051,953	\$39,591,714	\$1,560,942	\$0	\$0

Appendix B

Interest and Total Projected Earnings

- Interest on Total Pension Liability and Total Projected Earnings

Interest on Total Pension Liability and Total Projected Earnings

Interest on Total Pension Liability	Amount for Period (a)	Portion of Period (b)	Interest Rate (c)	Interest on the Total Pension Liability (a) X (b) X (c)
Beginning Total Pension Liability	\$1,688,414,489	100%	6.90%	\$116,500,600
Changes of Benefit Terms	2,151,043	100%	6.90%	148,422
Changes of Assumptions	0	100%	6.90%	0
Difference Between Expected and Actual Experience	10,581,620	100%	6.90%	730,132
Service Cost	35,816,947	50%	6.90%	1,235,685
Benefit Payments, Including Refunds of Employee Contributions	(76,064,120)	50%	6.90%	(2,624,212)
Total Interest on Total Pension Liability				\$115,990,627

Projected Earnings on Pension Plan Investments	Amount for Period (a)	Portion of Period (b)	Projected Rate of Return (c)	Projected Earnings (a) X (b) X (c)
Beginning Plan Fiduciary Net Position Excluding Receivables ¹	\$1,208,459,613	100%	6.90%	\$83,383,713
Net Plan to Plan Resource Movement	0	50%	6.90%	0
Employer Contributions	53,644,569	50%	6.90%	1,850,738
Employee Contributions ²	17,977,304	50%	6.90%	620,217
Benefit Payments, Including Refunds of Employee Contributions	(76,064,120)	50%	6.90%	(2,624,212)
Administrative Expense	(889,433)	50%	6.90%	(30,685)
Other Miscellaneous Income/(Expense)	0	50%	6.90%	0
Total Projected Earnings				\$83,199,771

¹ Includes any beginning of year adjustment. Contribution receivables for employee service buybacks, totaling \$1,071,819 as of June 30, 2022, were excluded for purposes of calculating projected earnings on pension plan investments.

² The increase/(decrease) in contribution receivables for employee service buybacks, totaling (\$189,769) during fiscal year 2022-23, was excluded for purposes of calculating projected earnings on pension plan investments.



GASB 68 Accounting Report

CalPERS ID: 7903930500
Valuation Rate Plan Identifier: 1210

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

Measurement Date of June 30, 2023

Table of Contents

Actuarial Certification	3
Introduction	4
Changes in Net Pension Liability	5
Pension Expense/(Income) for the Measurement Period Ended June 30, 2023	6
Deferred Outflows and Deferred Inflows of Resources Related to Pensions	7
Schedules of Required Supplementary Information	8

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

Schedule of Changes of Assumptions	A-1
Deferred Outflows of Resources and Deferred Inflows of Resources Arising From Changes of Assumptions	A-2
Schedule of Differences Between Expected and Actual Experience	A-3
Deferred Outflows of Resources and Deferred Inflows of Resources Arising From Differences Between Expected and Actual Experience	A-4
Schedule of Differences Between Projected and Actual Earnings on Pension Plan Investments	A-5
Deferred Outflows of Resources and Deferred Inflows of Resources Arising From Differences Between Projected and Actual Earnings on Pension Plan Investments	A-6
Summary of Recognized Deferred Outflows of Resources and Deferred Inflows of Resources	A-7

Appendix B – Interest and Total Projected Earnings

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

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, 2023.

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, 2022 annual funding valuation for the Plan. The census data and benefit provisions underlying the liabilities were prepared as of June 30, 2022 and certified as part of the annual funding valuation by the CalPERS Actuarial Office. The June 30, 2022 liabilities, which were rolled forward to June 30, 2023 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 Actuary, CalPERS

Introduction

This is the GASB 68 accounting report for the measurement date June 30, 2023. Notes to the Agent Multiple-Employer Defined Benefit Pension Plan GASB 68 accounting reports are in a separate document, which may be accessed on the CalPERS website at www.calpers.ca.gov.

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

Valuation Date	June 30, 2022
Measurement Date	June 30, 2023
Measurement Period	July 1, 2022 to June 30, 2023

Pension Plan Fiduciary Net Position

The plan fiduciary net position disclosed in the GASB 68 accounting report may differ from the plan assets reported in the funding 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 the funding valuation.

Subsequent Events

During the time period between the valuation date and the publication of this report, price inflation has been higher than the assumed rate of 2.3% per annum. Since inflation influences cost of living adjustments for retirees and beneficiaries and active member pay increases, higher inflation is likely to put at least some upward pressure on the pension expense and the net pension liability in future valuations. The actual impact of higher inflation on future valuation results will depend on, among other factors, how long higher inflation persists. At this time, we continue to believe the long-term price inflation assumption of 2.3% per annum is appropriate.

Changes in the Net Pension Liability

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

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (c) = (a) – (b)
Balance at: 06/30/2022	\$2,423,500,425	\$1,611,383,222	\$812,117,203
Beginning of Year Adjustment	\$0	\$0	\$0
Adjusted Balance at: 06/30/2022	\$2,423,500,425	\$1,611,383,222	\$812,117,203
Changes Recognized for the Measurement Period:			
Service Cost	50,781,883		50,781,883
Interest on Total Pension Liability	166,573,591		166,573,591
Changes of Benefit Terms	798,293		798,293
Changes of Assumptions	0		0
Differences Between Expected and Actual Experience	23,382,576		23,382,576
Net Plan to Plan Resource Movement		0	0
Contributions – Employer		82,171,687	(82,171,687)
Contributions – Employees		27,327,343	(27,327,343)
Net Investment Income		100,457,530	(100,457,530)
Benefit Payments, Including Refunds of Employee Contributions	(117,924,437)	(117,924,437)	0
Administrative Expense		(1,184,936)	1,184,936
Other Miscellaneous (Income)/Expense		0	0
Net Changes During 2022-23	\$123,611,906	\$90,847,187	\$32,764,719
Balance at: 06/30/2023	\$2,547,112,331	\$1,702,230,409	\$844,881,922

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

	Discount Rate -1% 5.90%	Current Discount Rate 6.90%	Discount Rate + 1% 7.90%
Plan's Net Pension Liability/(Asset)	\$1,205,411,323	\$844,881,922	\$551,055,928

Pension Expense/(Income) for Measurement Period Ended June 30, 2023

Description	Amount
Service Cost	\$50,781,883
Interest on Total Pension Liability	166,573,591
Changes of Benefit Terms	798,293
Recognized Changes of Assumptions	14,228,449
Recognized Differences Between Expected and Actual Experience	18,965,492
Net Plan to Plan Resource Movement	0
Employee Contributions	(27,327,343)
Projected Earnings on Pension Plan Investments	(110,795,099)
Recognized Differences Between Projected and Actual Earnings on Plan Investments	15,062,171
Administrative Expense	1,184,936
Other Miscellaneous (Income)/Expense	0
Total Pension Expense/(Income)	\$129,472,373

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, 2023. 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	\$50,174,492	\$0
Differences Between Expected and Actual Experience	32,978,818	0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	76,563,870	0
Total	\$159,717,180	\$0

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

Measurement Periods Ended June 30:	Deferred Outflows/(Inflows) of Resources
2024	\$42,096,420
2025	31,348,664
2026	74,324,396
2027	11,489,219
2028	458,481
Thereafter	0

Expected Average Remaining Service Lifetime (EARSL)

The EARSL for the Plan for the measurement period ending June 30, 2023 is 5.1 years, which was obtained by dividing the total service years of 16,935 (the sum of remaining service lifetimes of the active employees) by 3,296 (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	2023	2022	2021	2020	2019
TOTAL PENSION LIABILITY:					
Service Cost	\$50,781,883	\$51,607,745	\$44,415,037	\$42,306,347	\$40,221,149
Interest on Total Pension Liability	166,573,591	158,263,230	151,131,373	143,878,049	136,322,857
Changes of Benefit Terms	798,293	0	0	0	0
Changes of Assumptions	0	80,583,276	0	0	0
Difference Between Expected and Actual Experience	23,382,576	4,868,446	12,440,770	20,245,556	35,990,497
Benefit Payments, Including Refunds of Employee Contributions	(117,924,437)	(108,473,377)	(100,826,561)	(95,642,311)	(88,687,941)
Net Change in Total Pension Liability	\$123,611,906	\$186,849,320	\$107,160,619	\$110,787,641	\$123,846,562
Total Pension Liability – Beginning	2,423,500,425	2,236,651,105	2,129,490,486	2,018,702,845	1,894,856,283
Total Pension Liability – Ending (a)	\$2,547,112,331	\$2,423,500,425	\$2,236,651,105	\$2,129,490,486	\$2,018,702,845
PLAN FIDUCIARY NET POSITION					
Contributions – Employer	\$82,171,687	\$74,644,892	\$67,242,162	\$58,583,694	\$49,875,203
Contributions – Employee	27,327,343	25,718,073	25,903,510	23,832,448	22,751,971
Net Investment Income	100,457,530	(133,569,900)	327,345,196	69,226,226	86,281,951
Benefit Payments, Including Refunds of Employee Contributions	(117,924,437)	(108,473,377)	(100,826,561)	(95,642,311)	(88,687,941)
Net Plan to Plan Resource Movement	0	2,299	0	0	(494)
Administrative Expense	(1,184,936)	(1,092,733)	(1,434,401)	(1,948,101)	(936,689)
Other Miscellaneous Income/(Expense) ¹	0	0	0	0	3,046
Net Change in Fiduciary Net Position	\$90,847,187	(\$142,770,746)	\$318,229,906	\$54,051,956	\$69,287,047
Plan Fiduciary Net Position – Beginning ²	\$1,611,383,222	\$1,754,153,968	\$1,435,924,062	\$1,381,872,106	\$1,312,585,059
Plan Fiduciary Net Position – Ending (b)	1,702,230,409	1,611,383,222	1,754,153,968	1,435,924,062	1,381,872,106
Plan Net Pension Liability/(Asset) – (a)-(b)	\$844,881,922	\$812,117,203	\$482,497,137	\$693,566,424	\$636,830,739
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	66.83%	66.49%	78.43%	67.43%	68.45%
Covered Payroll ³	\$167,210,677	\$168,487,578	\$157,332,756	\$147,408,874	\$138,717,533
Plan Net Pension Liability/(Asset) as a Percentage of Covered-Employee Payroll	505.28%	482.00%	306.67%	470.51%	459.08%

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

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

² Includes any beginning of year adjustment.

³ Includes one year's payroll growth using 2.80% payroll growth assumption for fiscal years ended in 2022 and 2023; 2.75% payroll growth assumption for fiscal years ended in 2018 through 2021; 3.00% payroll growth assumption for fiscal years ended in 2014 through 2017.

Schedules of Required Supplementary Information (continued)

Measurement Period	2018	2017	2016	2015	2014
TOTAL PENSION LIABILITY:					
Service Cost	\$38,385,859	\$37,372,520	\$31,672,063	\$29,653,042	\$29,538,887
Interest on Total Pension Liability	127,930,127	123,131,887	118,821,553	112,331,793	107,188,618
Changes of Benefit Terms	0	0	0	0	0
Changes of Assumptions	(17,241,688)	107,046,066	0	(28,604,249)	0
Difference Between Expected and Actual Experience	3,954,107	(15,086,475)	14,397,639	(592,555)	0
Benefit Payments, Including Refunds of Employee Contributions	(82,998,648)	(78,231,814)	(74,572,323)	(70,544,699)	(66,215,114)
Net Change in Total Pension Liability	\$70,029,757	\$174,232,184	\$90,318,932	\$42,243,332	\$70,512,391
Total Pension Liability – Beginning	1,824,826,526	1,650,594,342	1,560,275,410	1,518,032,078	1,447,519,687
Total Pension Liability – Ending (a)	\$1,894,856,283	\$1,824,826,526	\$1,650,594,342	\$1,560,275,410	\$1,518,032,078
PLAN FIDUCIARY NET POSITION					
Contributions – Employer	\$41,588,489	\$40,608,891	\$36,000,897	\$30,798,271	\$27,934,662
Contributions – Employee	21,563,568	18,980,493	18,465,310	15,564,873	16,094,362
Net Investment Income	104,660,890	125,585,855	4,971,102	25,341,704	171,794,710
Benefit Payments, Including Refunds of Employee Contributions	(82,998,648)	(78,231,814)	(74,572,323)	(70,544,699)	(66,215,114)
Net Plan to Plan Resource Movement	(3,555)	(73,647)	(340)	533	0
Administrative Expense	(1,921,893)	(1,665,625)	(697,193)	(1,287,544)	0
Other Miscellaneous Income/(Expense) ¹	(3,649,707)	0	0	0	0
Net Change in Fiduciary Net Position	\$79,239,144	\$105,204,153	(\$15,832,547)	(\$126,862)	\$149,608,620
Plan Fiduciary Net Position – Beginning ²	\$1,233,345,915	\$1,128,141,762	\$1,143,974,309	\$1,144,101,171	\$994,492,551
Plan Fiduciary Net Position – Ending (b)	1,312,585,059	1,233,345,915	1,128,141,762	1,143,974,309	1,144,101,171
Plan Net Pension Liability/(Asset) – (a)-(b)	\$582,271,224	\$591,480,611	\$522,452,580	\$416,301,101	\$373,930,907
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	69.27%	67.59%	68.35%	73.32%	75.37%
Covered Payroll ³	\$132,205,472	\$126,437,920	\$120,120,082	\$112,067,431	\$107,176,397
Plan Net Pension Liability/(Asset) as a Percentage of Covered-Employee Payroll	440.43%	467.80%	434.94%	371.47%	348.89%

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

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

² Includes any beginning of year adjustment.

³ Includes one year's payroll growth using 2.80% payroll growth assumption for fiscal years ended in 2022 and 2023; 2.75% payroll growth assumption for fiscal years ended in 2018 through 2021; 3.00% payroll growth assumption for fiscal years ended in 2014 through 2017.

Schedules of Required Supplementary Information (continued)

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

Changes of Benefit Terms: 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.

In 2022, SB 1168 increased the standard retiree lump sum death benefit from \$500 to \$2,000 for any death occurring on or after July 1, 2023. The impact, if any, is included in the changes of benefit terms.

Changes of Assumptions: There were no assumption changes in 2023. Effective with the June 30, 2021 valuation date (June 30, 2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. In addition, demographic assumptions and the price inflation assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. The accounting discount rate was 7.15% for measurement dates June 30, 2017 through June 30, 2021, 7.65% for measurement dates June 30, 2015 through June 30, 2016, and 7.50% for measurement date June 30, 2014.

Schedule of Plan Contributions for the Fiscal Years Ended June 30¹

Employer Fiscal Year End	2023	2022	2021	2020	2019
Actuarially Determined Contribution ²	\$82,171,687	\$74,644,892	\$67,242,162	\$58,583,694	\$49,875,203
Contributions in Relation to the Actuarially Determined Contribution ²	(82,171,687)	(74,644,892)	(67,242,162)	(58,583,694)	(49,875,203)
Contribution Deficiency (Excess)	\$0	\$0	\$0	\$0	\$0
Covered Payroll ³	\$167,210,677	\$168,487,578	\$157,332,756	\$147,408,874	\$138,717,533
Contributions as a Percentage of Covered Payroll ³	49.14%	44.30%	42.74%	39.74%	35.95%

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

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

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

³ Includes one year's payroll growth using 2.80% payroll growth assumption for fiscal years ended in 2022 and 2023; 2.75% payroll growth assumption for fiscal years ended in 2018 through 2021; 3.00% payroll growth assumption for fiscal years ended in 2014 through 2017.

Schedules of Required Supplementary Information (continued)

Notes to Schedule of Plan Contributions:

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2022-23 were derived from the June 30, 2020 funding valuation report.

Actuarial Cost Method	Entry Age Actuarial Cost Method
Amortization Method/Period	For details, see June 30, 2020 Funding Valuation Report.
Asset Valuation Method	Fair Value of Assets. For details, see June 30, 2020 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. 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	Recognition Period (Years)	Increase (Decrease) in Pension Expense Arising From the Recognition of the Effects of Changes of Assumptions							
			2023	2024	2025	2026	2027	2028	Thereafter	
2014	\$0	0.0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2015	(28,604,249)	5.3	0	0	0	0	0	0	0	0
2016	0	0.0	0	0	0	0	0	0	0	0
2017	107,046,066	5.3	0	0	0	0	0	0	0	0
2018	(17,241,688)	5.3	(975,943)	0	0	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
2022	80,583,276	5.3	15,204,392	15,204,392	15,204,392	15,204,392	15,204,392	4,561,316	0	0
2023	0	0.0	0	0	0	0	0	0	0	0
Net Increase (Decrease) in Pension Expense			\$14,228,449	\$15,204,392	\$15,204,392	\$15,204,392	\$15,204,392	\$4,561,316	\$0	\$0

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

Measurement Date	Increase in Total Pension Liability (a)	Decrease in Total Pension Liability (b)	Amounts Recognized in Pension Expense Through June 30, 2023 (c)	Balances at June 30, 2023	
				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	107,046,066	0	0
2018	0	(17,241,688)	(17,241,688)	0	0
2019	0	0	0	0	0
2020	0	0	0	0	0
2021	0	0	0	0	0
2022	80,583,276	0	30,408,784	50,174,492	0
2023	0	0	0	0	0
				\$50,174,492	\$0

Schedule of Differences Between Expected and Actual Experience

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

Measurement Date	Differences Between Expected and Actual Experience	Recognition Period (Years)	Increase (Decrease) in Pension Expense Arising From the Recognition of the Effects of Differences Between Expected and Actual Experience							
			2023	2024	2025	2026	2027	2028	Thereafter	
2014	\$0	0.0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2015	(592,555)	5.3	0	0	0	0	0	0	0	0
2016	14,397,639	5.2	0	0	0	0	0	0	0	0
2017	(15,086,475)	5.3	0	0	0	0	0	0	0	0
2018	3,954,107	5.3	223,817	0	0	0	0	0	0	0
2019	35,990,497	5.2	6,921,249	1,384,252	0	0	0	0	0	0
2020	20,245,556	5.1	3,969,717	3,969,717	396,971	0	0	0	0	0
2021	12,440,770	5.3	2,347,315	2,347,315	2,347,315	704,195	0	0	0	0
2022	4,868,446	5.3	918,575	918,575	918,575	918,575	275,571	0	0	0
2023	23,382,576	5.1	4,584,819	4,584,819	4,584,819	4,584,819	4,584,819	458,481	0	0
Net Increase (Decrease) in Pension Expense			\$18,965,492	\$13,204,678	\$8,247,680	\$6,207,589	\$4,860,390	\$458,481	\$0	\$0

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

Measurement Date	Experience Losses (a)	Experience Gains (b)	Amounts Recognized in Pension Expense Through June 30, 2023 (c)	Balances at June 30, 2023	
				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)	(15,086,475)	0	0
2018	3,954,107	0	3,954,107	0	0
2019	35,990,497	0	34,606,245	1,384,252	0
2020	20,245,556	0	15,878,868	4,366,688	0
2021	12,440,770	0	7,041,945	5,398,825	0
2022	4,868,446	0	1,837,150	3,031,296	0
2023	23,382,576	0	4,584,819	18,797,757	0
				\$32,978,818	\$0

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

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

Measurement Date	Differences Between Projected and Actual Earnings on Pension Plan Investments	Recognition Period (Years)	Increase (Decrease) in Pension Expense Arising From the Recognition of the Differences Between Projected and Actual Earnings on Pension Plan Investments						
			2023	2024	2025	2026	2027	2028	Thereafter
2014	(\$98,188,251)	5.0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2015	61,061,962	5.0	0	0	0	0	0	0	0
2016	81,619,456	5.0	0	0	0	0	0	0	0
2017	(45,755,815)	5.0	0	0	0	0	0	0	0
2018	(17,467,045)	5.0	0	0	0	0	0	0	0
2019	6,874,115	5.0	1,374,823	0	0	0	0	0	0
2020	28,953,792	5.0	5,790,758	5,790,760	0	0	0	0	0
2021	(225,079,128)	5.0	(45,015,826)	(45,015,826)	(45,015,824)	0	0	0	0
2022	254,224,509	5.0	50,844,902	50,844,902	50,844,902	50,844,901	0	0	0
2023	10,337,569	5.0	2,067,514	2,067,514	2,067,514	2,067,514	2,067,513	0	0
Net Increase (Decrease) in Pension Expense			\$15,062,171	\$13,687,350	\$7,896,592	\$52,912,415	\$2,067,513	\$0	\$0

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

Measurement Date	Investment Earnings Less Than Projected (a)	Investment Earnings Greater Than Projected (b)	Amounts Recognized in Pension Expense Through June 30, 2023 (c)	Balances at June 30, 2023	
				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)	(17,467,045)	0	0
2019	6,874,115	0	6,874,115	0	0
2020	28,953,792	0	23,163,032	5,790,760	0
2021	0	(225,079,128)	(135,047,478)	0	(90,031,650)
2022	254,224,509	0	101,689,804	152,534,705	0
2023	10,337,569	0	2,067,514	8,270,055	0
				\$166,595,520	(\$90,031,650)
				Net Deferred Outflows/(Inflows) of Resources	
				(d) + (e)	
				\$76,563,870	

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						
	2023	2024	2025	2026	2027	2028	Thereafter
Changes of Assumptions	\$14,228,449	\$15,204,392	\$15,204,392	\$15,204,392	\$4,561,316	\$0	\$0
Differences Between Expected and Actual Experience	18,965,492	13,204,678	8,247,680	6,207,589	4,860,390	458,481	0
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	15,062,171	13,687,350	7,896,592	52,912,415	2,067,513	0	0
Grand Total	\$48,256,112	\$42,096,420	\$31,348,664	\$74,324,396	\$11,489,219	\$458,481	\$0

Appendix B

Interest and Total Projected Earnings

- Interest on Total Pension Liability and Total Projected Earnings

Interest on Total Pension Liability and Total Projected Earnings

Interest on Total Pension Liability	Amount for Period (a)	Portion of Period (b)	Interest Rate (c)	Interest on the Total Pension Liability (a) X (b) X (c)
Beginning Total Pension Liability	\$2,423,500,425	100%	6.90%	\$167,221,529
Changes of Benefit Terms	798,293	100%	6.90%	55,082
Changes of Assumptions	0	100%	6.90%	0
Difference Between Expected and Actual Experience	23,382,576	100%	6.90%	1,613,398
Service Cost	50,781,883	50%	6.90%	1,751,975
Benefit Payments, Including Refunds of Employee Contributions	(117,924,437)	50%	6.90%	(4,068,393)
Total Interest on Total Pension Liability				\$166,573,591

Projected Earnings on Pension Plan Investments	Amount for Period (a)	Portion of Period (b)	Projected Rate of Return (c)	Projected Earnings (a) X (b) X (c)
Beginning Plan Fiduciary Net Position Excluding Receivables ¹	\$1,610,503,828	100%	6.90%	\$111,124,764
Net Plan to Plan Resource Movement	0	50%	6.90%	0
Employer Contributions	82,171,687	50%	6.90%	2,834,923
Employee Contributions ²	27,382,181	50%	6.90%	944,685
Benefit Payments, Including Refunds of Employee Contributions	(117,924,437)	50%	6.90%	(4,068,393)
Administrative Expense	(1,184,936)	50%	6.90%	(40,880)
Other Miscellaneous Income/(Expense)	0	50%	6.90%	0
Total Projected Earnings				\$110,795,099

¹ Includes any beginning of year adjustment. Contribution receivables for employee service buybacks, totaling \$879,394 as of June 30, 2022, were excluded for purposes of calculating projected earnings on pension plan investments.

² The increase/(decrease) in contribution receivables for employee service buybacks, totaling (\$54,838) during fiscal year 2022-23, was excluded for purposes of calculating projected earnings on pension plan investments.



City of Sacramento



**Sacramento City Employees'
Retirement System**

**June 30, 2024
Actuarial Valuation**

October 18, 2024

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, 2024 actuarial valuation of the Sacramento City Employees' Retirement System (SCERS).

The purpose of this valuation is to:

- Determine the System's June 30, 2024 Funded Status, and
- Calculate the fiscal year 2025/26 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,



Drew Ballard, FSA, MAAA, EA
Senior Consulting Actuary



Braelen Ballard, ASA, MAAA, EA
Consulting Actuary



Katherine Moore, ASA, MAAA
Consulting Actuary

TABLE OF CONTENTS

SECTION	PAGE
1. Executive Summary	1
2. Liability Information & Funded Status	5
3. Asset Information	8
4. Contribution Development	11
5. Schedule of Future Contributions	12
6. Actuarial Gain/Loss Analysis	13
7. Sensitivity Analysis	14
8. Headcount & Benefit Payment Projection	15
9. Plan Provisions	17
10. Methods and Assumptions	20
11. Participant Data	24

SECTION 1

EXECUTIVE SUMMARY

Following are the valuation results. See notes following the table for a description of terms. Results from the June 30, 2023 valuation are provided for comparative purposes.

	<i>-----amounts in \$000's-----</i>		
	June 30, 2023	June 30, 2024	% change
■ Participant Counts			
• Actives	1	1	0.0%
• Terminated Vesteds & Reciprocals	5	3	-40.0%
• Service Retirees	429	396	-7.7%
• Disableds	80	74	-7.5%
• Beneficiaries	265	265	0.0%
• Total	780	739	-5.3%
■ Actuarial Liabilities			
• Present Value of Projected Benefits	\$ 261,810	\$ 249,411	-4.7%
• Actuarial Accrued Liability	261,807	249,409	-4.7%
■ Assets			
• Market Value of Assets	249,966	253,497	1.4%
• Approximate Annual Rate of Return	9.7%	12.3%	
• Actuarial Value of Assets	250,051	243,646	-2.6%
• Approximate Annual Rate of Return	6.0%	8.1%	
■ Plan Funded Status			
• Actuarial Accrued Liability	261,807	249,409	-4.7%
• Actuarial Value of Plan Assets	250,051	243,646	-2.6%
• Unfunded Actuarial Accrued Liability	11,756	5,763	-51.0%
• Funded Ratio	95.5%	97.7%	2.3%
• Funded Ratio, Market Value Basis	95.5%	101.6%	6.4%
	2024/25	2025/26	% change
■ Annual Cost¹	\$1,362	\$163	-88.0%
■ Annual Cost (% Proj. Plan Payroll)¹	1,640.0%	185.0%	
■ Annual Cost (% Proj. City Payroll)	0.3%	0.0%	

¹ See page 11 for details.



SECTION 1

EXECUTIVE SUMMARY

Purpose of Actuarial Valuation

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

Summary Information & Results

The Sacramento City Employees' Retirement System (SCERS) is a closed defined benefit pension plan. It has not accepted new members since January 28, 1977, and only 1 active member (out of a total plan membership of 739) remain.

Since the last valuation, the plan experienced overall gains on liabilities and assets. Plan liabilities decreased more than expected, by \$0.2 million. This was due to retirees and beneficiaries not living as long as expected (\$1.5 million), but was offset by a larger COLA than expected² (\$1.3 million). Market value return on assets was greater than expected, about 12.3% for the year which resulted in a gain of \$4.9 million on the actuarial (smoothed) value of assets. Lower benefit payments than expected resulted in a \$0.1 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.

No assumptions were changed since the prior valuation.

The July 1, 2024 total plan unfunded actuarial accrued liability (UAAL) is \$5.8 million, as compared to an expected UAAL of \$11.0 million.

The plan's funded ratio on an actuarial value of assets basis is 97.7%, an increase from 95.5% in the prior valuation. The plan's funded ratio using market value of assets basis is 101.6%, an increase from 95.5% in the prior valuation.

The City's contribution has decreased from \$1.362 million for fiscal year 2024/25 to \$0.163 million for fiscal year 2025/26.

The average life expectancy of the plan's retirees is now 10.2 years, down from 10.5 years as of June 30, 2023. We recommend dropping the amortization period from a rolling 11-year period to a rolling 10-year period for the 2025/26 recommended contribution.

² The CPI used for COLA increases was 3.7%. 3% COLA was paid and COLA banks were increased. (Index used is CPI-U for San Francisco/Oakland/Hayward area.)



SECTION 1

EXECUTIVE SUMMARY

Discussion of Plan Risks

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

This plan is considered a very mature pension plan since almost all of its liabilities are for retirees, and there is one remaining active employee with very little associated payroll. The following table presents various measures illustrating the plan's maturity:

	June 30, 2023	June 30, 2024
■ Maturity Ratios		
• Inactive AAL/total AAL	99.9%	99.9%
• Inactive participant count/total count	99.9%	99.9%
• Benefit payments/market value of assets	11.0%	10.6%
• Benefit payments/employer contributions	N/A	1,928.4%

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

Low Default-Risk Obligation Measure

Actuarial Standards of Practice ("ASOP") No. 4, Measuring Pension Obligations and Determining Pension Plan Costs or Contributions, was revised as of December 2021 to include communication of a "low-default-risk obligation measure" (LDROM). This liability measure is consistent with the determination of the actuarial accrued liability shown on page 5 in terms of member data, plan provisions, and assumptions/methods, including the use of the Entry Age Normal Cost Method, except that the discount rate is tied to low-default-risk fixed income securities. The S&P Municipal Bond 20 Year High Grade Rate Index (daily rate closest to, but not later than, the measurement date of June 30, 2024) was selected to represent a current market rate of low risk but longer-term investments that could be included in a low-risk asset portfolio. The discount rate used in this LDROM valuation was 4.21%, resulting in an LDROM of \$284 million. The LDROM should not be considered the "correct" liability measurement; it simply shows a possible outcome if the Board elected to hold a very low risk asset portfolio. Given that plan benefits are paid over time through the combination of contributions and investment returns, prudent investments selected by the Board help to balance asset accumulation through these two sources.

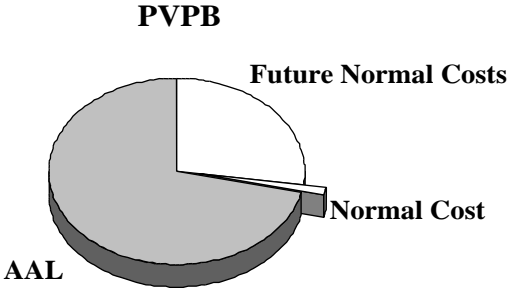


SECTION 1

EXECUTIVE SUMMARY

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, 2023	June 30, 2024
Present Value of Projected Benefits		
■ Active Employees	\$ 236	\$ 235
■ Vested Terminated & Reciprocals	382	308
■ Service Retirees	188,363	175,234
■ Disabled Participants	24,605	22,550
■ Beneficiaries	48,224	51,084
■ Total	261,810	249,411

Actuarial Accrued Liability

■ Active Employees	\$ 233	\$ 233
■ Vested Terminated & Reciprocals	382	308
■ Service Retirees	188,363	175,234
■ Disabled Participants	24,605	22,550
■ Beneficiaries	48,224	51,084
■ Total	261,807	249,409

2023/24

2024/25

Normal Cost

■ Employer Normal Cost (beginning of year)	\$ 1	\$ 1
--	------	------

June 30, 2023

June 30, 2024

Plan Funded Status

■ Total Actuarial Accrued Liability	\$ 261,807	\$ 249,409
■ Actuarial Value of Plan Assets	250,051	243,646
■ Unfunded Actuarial Accrued Liability	11,756	5,763
■ Funded Ratio	95.5%	97.7%
■ Market Value of Assets	249,966	253,497
■ Funded Ratio – Market Value Basis	95.5%	101.6%



SECTION 2

LIABILITY INFORMATION & FUNDED STATUS

Details of the June 30, 2024 Present Value of Benefits, Actuarial Accrued Liability and Employer Normal Cost by employee category:

(amounts in \$000's)

	Safety	Miscellaneous	Total
Present Value of Projected Benefits			
■ Active Employees	\$ -	\$ 235	\$ 235
■ Vested Terminated & Reciprocals	-	308	308
■ Service Retirees	5,866	169,368	175,234
■ Disabled Participants	8,004	14,546	22,550
■ Beneficiaries	13,088	37,995	51,084
■ Total	26,958	222,453	249,411

Actuarial Accrued Liability

■ Active Employees	-	233	233
■ Vested Terminated & Reciprocals	-	308	308
■ Service Retirees	5,866	169,368	175,234
■ Disabled Participants	8,004	14,546	22,550
■ Beneficiaries	13,088	37,995	51,084
■ Total	26,958	222,451	249,409

	Safety	Miscellaneous	Total
Normal Cost			
■ Employer Normal Cost (on June 30, 2024)	\$ 0	\$ 1	\$ 1



SECTION 2

LIABILITY INFORMATION & FUNDED STATUS

Details of the June 30, 2024 Present Value of Benefits, Actuarial Accrued Liability and Employer Normal Cost by benefit section:

(amounts in \$000's)

	Section 175	Sections 302 & 399	Total
Present Value of Projected Benefits			
■ Active Employees	\$ -	\$ 235	\$ 235
■ Vested Terminated & Reciprocal	-	308	308
■ Service Retirees	3,987	171,247	175,234
■ Disabled Participants	344	22,206	22,550
■ Beneficiaries	3,328	47,755	51,084
■ Total	<u>7,659</u>	<u>241,752</u>	<u>249,411</u>

Actuarial Accrued Liability

■ Active Employees	-	233	233
■ Vested Terminated & Reciprocal	-	308	308
■ Service Retirees	3,987	171,247	175,234
■ Disabled Participants	344	22,206	22,550
■ Beneficiaries	3,328	47,755	51,084
■ Total	<u>7,659</u>	<u>241,750</u>	<u>249,409</u>

Normal Cost

	Section 175	Sections 302 & 399	Total
■ Employer Normal Cost (on 6/30/24)	\$ 0	\$ 1	\$ 1



SECTION 3

ASSET INFORMATION

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

Asset Reconciliation – Market Value of Assets

Following reconciles the June 30, 2022 through June 30, 2023 and the June 30, 2023 through June 30, 2024 market value of assets. Numbers may not add due to rounding.

	(amounts in \$000's)	
	2022/23	2023/24
■ Beginning of Year Balance:	\$ 254,171	\$ 249,966
• Member Contributions	\$ 3	\$ 1
• City Contributions	-	1,399
• Investment Income	24,292	30,135
■ Total Additions	24,295	31,535
• Benefit Payments	27,501	26,933
• Member Refunds	-	45
• Investment Expenses	999	1,026
■ Total Deductions	28,500	28,004
■ Net Assets at End of Year	249,966	253,497
■ Approximate Return on Assets	9.7%	12.3%



SECTION 3

ASSET INFORMATION

Asset Allocation – Market Value of Assets

The July 1, 2024 trust asset allocation is provided by the City of Sacramento and based on an allocation strategy of 37.5% fixed income and 62.5% equity. Details are shown below.

(amounts in \$000's)

	Market Value	Percentage
■ Cash & Short Term Investments	\$ 2,547	1.0%
■ Receivables	1,070	0.4%
■ Investments		
• US Agencies	\$ 2,759	1.1%
• US Treasury Bonds	4,153	1.6%
• Corporate Bonds	58,326	23.0%
• Equities	16,714	6.6%
• Exchange Traded Funds	140,595	55.5%
• Investment Trust of California	1,644	0.6%
• Money Market Mutual Funds	4,882	1.9%
• Municipal Bonds	<u>22,999</u>	9.1%
■ Total Investments	<u>252,072</u>	
■ Total Assets	255,689	
■ Other Liabilities Payable	<u>(2,192)</u>	-0.9%
■ Net Pension Benefit Trust Assets	253,497	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 16, 2024. The fund is rebalanced each year.

	Current Allocation	Prior Allocation
■ Fixed Bonds/Real Estate	<u>37.5%</u>	<u>35.0%</u>
Total Fixed	37.5%	35.0%
■ Large Cap Growth	30.0%	30.0%
■ Equity Income	30.0%	30.0%
■ International Equities	<u>2.5%</u>	<u>5.0%</u>
Total Equity	<u>62.5%</u>	<u>65.0%</u>
Total Fixed & Equity	100.0%	100.0%



SECTION 3

ASSET INFORMATION

Development of Actuarial Value of Assets

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

(amounts in \$000's)

	2023/24
■ Actuarial Value of Assets, Beginning of Year	\$ 250,051
• Contributions	1,400
• Expected Earnings	14,247
• Benefit Payments & Refunds	(26,978)
■ Expected Actuarial Value of Assets, End of Year	238,720
■ Market Value of Assets, End of Year	253,497
■ Difference between MVA & Expected AVA	14,777
■ Preliminary Actuarial Value of Assets, End of Year <i>(Expected AVA + 1/3 Difference)</i>	243,646
■ Actuarial Value of Assets Corridor	
• Cap: 115% of Market Value	291,522
• Min: 85% of Market Value	215,472
■ Actuarial Value of Assets, End of Year <i>(No greater than Cap, not less than Min)</i>	243,646
■ Approximate Annual Rate of Return	8.1%



SECTION 4

CONTRIBUTION DEVELOPMENT

Actuarially Determined Contribution

Following is the development of the 2025/26 Actuarially Determined Contribution. The 2024/25 Actuarially Determined Contribution was calculated in the June 30, 2023 actuarial valuation and is shown for comparison.

Contribution Year	(amounts in \$000's)	
	2024/25	2025/26
■ Actuarially Determined Contribution		
• Employer Normal Cost	\$ 1	\$ 1
• UAAL Amortization ³	1,361	162
• Total Cost	1,362	163
■ Projected Plan Payroll	83	88
■ Actuarially Determined Contribution (as a percent of plan payroll)		
• Employer Normal Cost	1.1%	1.2%
• UAAL Amortization	1,638.9%	183.8%
• Total Contribution	1,640.0%	185.0%
■ Projected Total City Payroll	437,440	469,362
■ Actuarially Determined Contribution (as a percent of total City payroll)		
• Employer Normal Cost	0.0%	0.0%
• UAAL Amortization	0.3%	0.0%
• Total Contribution	0.3%	0.0%

³ 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 2024/25 and a rolling 10-year period for 2025/26. 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 6/30/2027 and later are estimated assuming 6/30/25 and subsequent market value of assets earn 6.00% and assuming the Actuarially Determined Contribution is contributed each year. These contributions are designed to achieve 100% funding of the system.

Year Ending ⁴	Member Contributions	City Contributions	Benefit Payments
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 ⁵	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	3,000	0	27,501,000
6/30/2024	1,000	1,399,000	26,978,000
6/30/2025	<i>1,000</i>	1,362,000	<i>26,385,000</i>
6/30/2026	<i>1,000</i>	163,000	<i>25,865,000</i>
6/30/2027	<i>0</i>	<i>0</i>	<i>25,259,000</i>
6/30/2028	<i>0</i>	<i>0</i>	<i>24,590,000</i>
6/30/2029	<i>0</i>	<i>0</i>	<i>23,866,000</i>

⁴ Information prior to 6/30/2006 valuation is taken from prior actuary's valuation report. Member contributions and benefit payments for years ending 6/30/2025 and later are estimated.

⁵ Shown as a negative 1.367 million by prior actuary.



SECTION 6

ACTUARIAL (GAIN)/LOSS ANALYSIS

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

(amounts in \$000's)

	Actuarial Accrued Liability (Gain)/Loss	Actuarial Value of Assets Gain/(Loss)	Unfunded Actuarial Accrued Liability (Gain)/Loss
■ June 30, 2023 Actual Value	\$ 261,807	\$ 250,051	\$ 11,756
■ June 30, 2024 Expected Value⁶	249,624	238,601	11,023
■ COLA more than expected	1,297		
■ Demographic (Gain)/Loss ⁷	(1,512)		
■ Investment gain on Actuarial Value of Assets basis		4,926	
■ Benefit payments less than expected		119	
■ Member contributions less than expected		(1)	
■ Total (Gain)/Loss	_____	_____	(5,260)
■ June 30, 2024 Actual Value	249,409	243,646	5,763

⁶ Based on expected 2023/24 benefit payments and contributions.

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



SECTION 7

SENSITIVITY ANALYSIS

The Plan's June 30, 2024 funded status and 2025/26 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	\$ 267,785	\$ 249,411	\$ 233,226
■ Funded Status			
• Actuarial Accrued Liability	267,782	249,409	233,224
• Actuarial Value of Assets	<u>243,646</u>	<u>243,646</u>	<u>243,646</u>
• Unfunded Actuarial Accrued Liability	24,136	5,763	(10,422)
■ Funded Ratio	91.0%	97.7%	104.5%
■ 2025/26 Actuarially Determined Contribution			
• Employer Normal Cost	2	1	1
• UAAL Amortization (10 years)	<u>2,591</u>	<u>162</u>	<u>(2,212)</u>
• Total Contribution (not less than 0)	2,593	163	0
• Total Employer Contribution (as a percent of Plan payroll)	2,945.1%	185.0%	0.0%
• Total Employer Contribution (as a percent of total City payroll)	0.6%	0.0%	0.0%



SECTION 8

HEADCOUNT AND BENEFIT PAYMENT PROJECTION

Headcount and Benefit Payment Projection

Fiscal Year Ending June 30,	Active Count	Term Vested Count	Retiree Count	Annual Benefit Payments (000's)
2025	1	3	735	\$ 26,385
2026	1	3	707	25,865
2027	0	3	677	25,259
2028	0	3	645	24,590
2029	0	3	613	23,866
2030	0	3	581	23,094
2031	0	3	548	22,278
2032	0	3	515	21,418
2033	0	3	483	20,442
2034	0	3	451	19,413
2035	0	3	419	18,353
2036	0	3	388	17,265
2037	0	2	358	16,152
2038	0	2	328	15,018
2039	0	2	299	13,871
2040	0	2	271	12,718
2041	0	2	243	11,571
2042	0	2	217	10,442
2043	0	2	193	9,343
2044	0	1	169	8,286
2045	0	1	148	7,280
2046	0	1	128	6,333
2047	0	1	110	5,453
2048	0	1	93	4,645
2049	0	0	78	3,915
2050	0	0	65	3,265
2051	0	0	54	2,696
2052	0	0	44	2,204
2053	0	0	36	1,786
2054	0	0	29	1,436



SECTION 8

HEADCOUNT AND BENEFIT PAYMENT PROJECTION

Fiscal Year Ending June 30,	Active Count	Term Vested Count	Retiree Count	Annual Benefit Payments (000's)
2055	0	0	23	\$ 1,147
2056	0	0	19	913
2057	0	0	15	727
2058	0	0	12	580
2059	0	0	10	465
2060	0	0	8	376
2061	0	0	6	308
2062	0	0	5	256
2063	0	0	4	216
2064	0	0	4	185
2065	0	0	3	161
2066	0	0	3	142
2067	0	0	2	126
2068	0	0	2	113
2069	0	0	2	103
2070	0	0	2	94
2071	0	0	1	86
2072	0	0	1	79
2073	0	0	1	74
2074	0	0	1	69



SECTION 9 PLAN PROVISIONS

A. Plan Effective Date

Originally established effective April 1, 1935.

B. Plan Year

July 1 to June 30.

C. Participation

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

D. Eligibility to Retire

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

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

E. Vesting

100% vesting with five years of participation.

F. Average Monthly Compensation

Average monthly salary for the 36 months prior to termination.

G. Employee Contributions

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

H. Service Retirement Benefit

Section 175:

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

Sections 302 and 399:

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

Benefit Factors at sample ages:

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



SECTION 9 PLAN PROVISIONS

I. Vested Termination Benefit

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

J. Non-Industrial (Ordinary) Disability Benefit

Eligibility is ten years of service.

Section 175:

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

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

Sections 302 and 399:

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

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

K. Industrial Disability Benefit

Sections 302 and 399:

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

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

L. Death Benefit – Pre Retirement Eligibility

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

M. Death Benefit – Post Retirement Eligibility

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

N. Death Benefit – Post Retirement Death

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



SECTION 9 PLAN PROVISIONS

O. Social Security Reduction at age 62

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

P. Reduction Account

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

Q. Cost of Living

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

R. Benefit Forms

Section 175:

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

Section 302 and 399:

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



SECTION 10

METHODS AND ASSUMPTIONS

Actuarial Methods

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

We recommend amortizing the current unfunded AAL over an 10-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 (2025/26). The June 30, 2023 valuation generated a contribution for fiscal year 2024/25.

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 7/1/2024. 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 the remaining employee. 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 expenses⁸.
Selected by the Board.
- **Inflation**
2.5%
- **Salary Scale**
2.5% CPI
0.50% Merit
- **Social Security Wage Base**
2.75%
- **Termination**
None assumed. The one remaining active is retirement-eligible.
- **Retirement**
Rates vary based on age. Sample rates follow:

<u>Age</u>	<u>Non Sec 175</u>
69	33%
70	100%

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

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

⁸ Administrative expenses are not paid from plan assets.



SECTION 10

METHODS AND ASSUMPTIONS

- **Healthy Mortality**

CalPERS 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%

- **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%

- **Mortality Improvement Projection**

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

- **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.

- **COLA**

2.5% CPI

Future benefits increased with CPI up to 3.0% per year with actual COLA banks.

- **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.



SECTION 11 PARTICIPANT DATA

Data Summary

Following summarizes participant demographic information for the June 30, 2023 and June 30, 2024 actuarial valuations.

	June 30, 2023	June 30, 2024
■ Participant Counts		
• Actives	1	1
• Terminated Vesteds	4	2
• Reciprocals	1	1
• Service Retirees	429	396
• Disableds	80	74
• Beneficiaries	265	265
• Total	780	739
■ Actives		
• Average Age	68.5	69.5
• Average Service	46.3	47.3
• Salary		
> Total	\$83,054	\$88,038
> Average	83,054	88,038
• Overall City Payroll	412,329,000	442,419,000
■ Terminated Vesteds & Reciprocals		
• Average Age	72.7	73.7
■ Retirees, Disableds & Beneficiaries		
• Average Age	80.5	81.0
• Average Monthly Benefit	\$2,974	\$3,052
• Life expectancy	10.5	10.2



SECTION 11 PARTICIPANT DATA

June 30, 2024 Participant Data

Following summarizes participant demographic information for the June 30, 2024 actuarial valuation, broken out by employee category and benefit section.

	Safety		Miscellaneous		Total
	Section 175	Section 302 & 399	Section 175	Section 302 & 399	
■ Actives					
• Count	-	-	-	1	1
• Average Age	n/a	n/a	n/a	69.5	69.5
• Average Service	n/a	n/a	n/a	47.3	47.3
• Projected Salary					
➤ Average	\$ -	\$ -	\$ -	\$88,038	\$88,038
➤ Total (000's)	-	-	-	88	88
■ Vested Terms & Reciprocals					
• Count	-	-	-	3	3
• Average Age	n/a	n/a	n/a	73.7	73.7
■ All Inactives					
• Count	14	91	19	611	735
• Average Age	87.3	85.3	84.5	80.1	81.0
• Avg. Monthly Benefit	\$2,571	\$3,334	\$2,514	\$3,038	\$3,052
■ Service Retirees					
• Count	4	14	9	369	396
• Average Age	93.8	89.6	83.5	79.3	79.9
• Average Retirement Age	55.1	54.6	63.3	59.6	59.5
• Avg. Monthly Benefit	\$3,584	\$5,509	\$3,188	\$3,673	\$3,726
■ Disabled Retirees					
• Count	-	25	3	46	74
• Average Age	n/a	81.8	90.5	78.1	79.9
• Average Retirement Age	n/a	41.1	49.9	48.9	46.3
• Avg. Monthly Benefit	n/a	\$3,223	\$1,513	\$2,649	\$2,797
■ Beneficiaries					
• Count	10	52	7	196	265
• Average Age	84.7	85.8	83.2	82.2	83.0
• Avg. Monthly Benefit	\$2,166	\$2,802	\$2,076	\$1,934	\$2,117



SECTION 11 PARTICIPANT DATA

Data Reconciliation 6/30/2023 to 6/30/2024

	Actives	Terminated		Receiving Payments			Total
		Vested	Reciprocal	Disabled	Benefic.	Retirees	
■ June 30, 2023	1	4	1	80	265	429	780
• New Hires	-	-	-	-	-	-	-
• Disabled	-	-	-	-	-	-	-
• Terminated	-	-	-	-	-	-	-
• Cashed Out	-	(1)	-	-	-	-	(1)
• Deceased	-	(1)	-	(6)	(17)	(33)	(57)
• New Beneficiaries	-	-	-	-	17	-	17
• Retired	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
■ June 30, 2024	1	2	1	74	265	396	739



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	
Under 25	-	-	-	-	-	-	-	-
25-29	-	-	-	-	-	-	-	-
30-34	-	-	-	-	-	-	-	-
35-39	-	-	-	-	-	-	-	-
40-44	-	-	-	-	-	-	-	-
45-49	-	-	-	-	-	-	-	-
50-54	-	-	-	-	-	-	-	-
55-59	-	-	-	-	-	-	-	-
60-64	-	-	-	-	-	-	-	-
65 & Over	-	-	-	-	-	-	1	1
Total	-	-	-	-	-	-	1	1



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	-	-	1	1
	Avg. Benefit	-	-	2,101	2,101
70-74	Count	1	1	2	4
	Avg. Benefit	5,172	2,133	2,271	2,962
75-79	Count	1	12	12	25
	Avg. Benefit	8,258	3,562	2,356	3,171
80-84	Count	2	5	14	21
	Avg. Benefit	1,976	2,597	2,598	2,538
85 & Over	Count	14	7	33	54
	Avg. Benefit	5,292	3,243	2,912	3,572
Total	Count	18	25	62	105
	Avg. Benefit	5,082	3,223	2,700	3,233



SECTION 11 PARTICIPANT DATA

Miscellaneous

Age		Service Retirees	Disability Retirees	Beneficiaries	Total
Under 50	Count	-	-	-	-
	Avg. Benefit	-	-	-	-
50-54	Count	-	-	-	-
	Avg. Benefit	-	-	-	-
55-59	Count	-	-	2	2
	Avg. Benefit	-	-	1,896	1,896
60-64	Count	-	-	2	2
	Avg. Benefit	-	-	837	837
65-69	Count	21	5	13	39
	Avg. Benefit	3,752	2,953	1,375	2,857
70-74	Count	80	15	22	117
	Avg. Benefit	3,727	2,855	1,939	3,279
75-79	Count	125	11	48	184
	Avg. Benefit	3,787	2,746	1,888	3,230
80-84	Count	74	3	31	108
	Avg. Benefit	3,370	2,526	2,232	3,020
85 & Over	Count	78	15	85	178
	Avg. Benefit	3,646	2,067	1,973	2,714
Total	Count	378	49	203	630
	Avg. Benefit	3,662	2,579	1,939	3,022



Exhibit H
Current Debt Service Schedule
As of 2/10/2025

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
TOTALS		\$ 183,380,000.00	\$ -	\$ -	\$ 183,380,000.00	\$ 71,757,664.13	\$ 255,137,664.13	\$ 255,137,664.13	\$ 255,137,664.13



RETIREE HEALTHCARE PLAN

June 30, 2023 Actuarial Valuation

Foster & Foster, Inc.
Drew Ballard, FSA, EA, MAAA
Catherine Wandro, ASA, MAAA
Tak Frazita, FSA, EA, MAAA

September 9, 2024

Contents

<u>Topic</u>	<u>Page</u>
Benefit Summary	1
Participant Statistics	6
Actuarial Assumption Highlights	11
Actuarial Methods	17
Assets	19
Results	23
Foster & Foster OPEB Database	35
Actuarial Certification	38
Exhibits	39



BENEFIT SUMMARY

	Fire	Police & Miscellaneous									
<ul style="list-style-type: none"> ■ Eligibility 	<ul style="list-style-type: none"> ■ Hired before plan change dates and retire directly from the City: <ul style="list-style-type: none"> ● Age 50 & 10 years City service, or ● 30 years City service, or ● Industrial disability, or ● Death in line of duty 										
<ul style="list-style-type: none"> ■ Benefit for Hires before Plan Change Date <p>Medical, Dental & Vision</p>	<ul style="list-style-type: none"> ■ Retire before 1/1/20: <ul style="list-style-type: none"> ● Retiree only - lowest cost \$25 co-pay medical plan premium plus additional 5.28% of cost plus lowest cost PPO dental plan premium, plus \$25 ■ Retire on or after 1/1/20: <ul style="list-style-type: none"> ● Exclude 5.28% multiplier ■ 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;">2023</th> <th style="text-align: center;">2024</th> </tr> </thead> <tbody> <tr> <td>DOR < 1/1/20</td> <td style="text-align: right;">\$899.91</td> <td style="text-align: right;">\$987.02</td> </tr> <tr> <td>DOR > 1/1/20</td> <td style="text-align: right;">\$859.14</td> <td style="text-align: right;">\$941.82</td> </tr> </tbody> </table> 	Fire Caps	2023	2024	DOR < 1/1/20	\$899.91	\$987.02	DOR > 1/1/20	\$859.14	\$941.82	<ul style="list-style-type: none"> ■ Retiree only - \$300/mo ■ Retiree + Dependents - \$365/mo
Fire Caps	2023	2024									
DOR < 1/1/20	\$899.91	\$987.02									
DOR > 1/1/20	\$859.14	\$941.82									



BENEFIT SUMMARY

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



BENEFIT SUMMARY

	Fire	Police & Miscellaneous
<ul style="list-style-type: none"> ■ Pre 1/1/91 Deferred Retirement 	<ul style="list-style-type: none"> ■ None 	<ul style="list-style-type: none"> ■ Eligibility: Age 50 & 10 years ■ Benefit: Pre-plan change benefit ■ <u>Service</u> <u>%</u> 10 50% 20+ 100%
<ul style="list-style-type: none"> ■ Surviving Spouse Benefit 	<ul style="list-style-type: none"> ■ Same benefit continues to surviving spouse 	
<ul style="list-style-type: none"> ■ Other OPEB 	<ul style="list-style-type: none"> ■ No City contribution for life insurance or Medicare Part B premiums 	



BENEFIT SUMMARY

	Fire		Police & Miscellaneous	
<ul style="list-style-type: none"> ■ Pay-As-You-Go Costs (\$000's) 	<u>Fiscal Year</u>	<u>Cash</u>	<u>Implicit Subsidy</u>	<u>Total</u>
	■ FY 2022/23	\$11,003	\$4,318	\$15,321
	■ FY 2021/22	\$10,865	\$5,183	\$16,048
	■ 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																					
<ul style="list-style-type: none"> ■ Implicit Subsidy 	<ul style="list-style-type: none"> ■ Non-Medicare retirees pay blended rates instead of actual cost ■ Active employee premiums subsidize non-Medicare retiree cost <div style="text-align: center; margin: 10px 0;"> <p>2023 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>\$772</td> <td>\$772</td> <td>\$772</td> <td>\$772</td> <td>\$772</td> <td>\$772</td> </tr> <tr> <td>Estimated Cost</td> <td>\$468</td> <td>\$588</td> <td>\$764</td> <td>\$997</td> <td>\$1,286</td> <td>\$1,619</td> </tr> </tbody> </table> </div> <ul style="list-style-type: none"> ■ GASB OPEB includes active “implicit subsidy” with retiree cost ■ Medical: <ul style="list-style-type: none"> ● Value to age 65 for Medicare eligible retirees ● Value for life for non-Medicare eligible retirees ■ Dental & vision: no implicit subsidy valued 			Age 40	Age 45	Age 50	Age 55	Age 60	Age 65	Active/Early Retiree Premium	\$772	\$772	\$772	\$772	\$772	\$772	Estimated Cost	\$468	\$588	\$764	\$997	\$1,286	\$1,619
	Age 40	Age 45	Age 50	Age 55	Age 60	Age 65																	
Active/Early Retiree Premium	\$772	\$772	\$772	\$772	\$772	\$772																	
Estimated Cost	\$468	\$588	\$764	\$997	\$1,286	\$1,619																	



September 9, 2024

5

City of
SACRAMENTO

PARTICIPANT STATISTICS

Participant Statistics by Cash Benefit Eligibility - June 30, 2023

	Eligible for Cash Benefit	Not Eligible for Cash Benefit ¹	Total
■ Actives			
• Count	1,666	2,307	3,973
• Average Age	48.6	38.7	42.9
• Average City Service	19.0	4.3	10.4
• Average PERSable Salary	\$ 108,095	\$ 82,606	\$ 93,294
• Total Salary (\$000's)	180,087	190,571	370,658
■ Pre 1/1/91 Inactive Vested			
• Count	3	2	5
• Average Age	72.4	73.2	72.7
■ Retirees			
• Count	3,229	175	3,404
• Average Age	71.3	72.6	71.3
• Average Retirement Age	56.3	60.0	56.5

¹ For actives, reflects those hired after plan change date. For retirees and pre 1/1/91 inactive vested, reflects those with a 0% City contribution percent in the data.



September 9, 2024

6

City of
SACRAMENTO

PARTICIPANT STATISTICS

Participant Statistics by Group – June 30, 2023

	Misc	Police	Fire	Total
■ Actives				
• Count	2,696	696	581	3,973
• Average Age	44.5	37.2	42.3	42.9
• Average City Service	9.5	11.4	13.4	10.4
• Average PERSable Salary	\$ 84,466	\$ 111,890	\$ 111,983	\$ 93,294
• Total Salary (\$000's)	227,721	77,875	65,062	370,658
■ Pre 1/1/91 Inactive Vested				
• Count	5	-	-	5
• Average Age	72.7	-	-	72.7
■ Retirees				
• Count - Medical	1,069	242	431	1,742
• Count - Dental	1,686	559	496	2,741
• Count - Vision	1,065	374	351	1,790
• Count - In Lieu	174	121	36	331
• Count - Total	2,190	665	549	3,404
• Average Age	72.3	68.3	71.2	71.3
• Average Retirement Age	58.7	50.9	54.7	56.5



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



PARTICIPANT STATISTICS

Participant Reconciliation – Actives

Actives Participants	Misc	Police	Fire	Total
■ June 30, 2021 Valuation	2,560	732	607	3,899
• New Hires	611	52	47	710
• Departures	(311)	(50)	(29)	(390)
• New Retirements	(197)	(44)	(46)	(287)
• Adjustments	33	6	2	41
■ June 30, 2023 Valuation	2,696	696	581	3,973



September 9, 2024

9

City of
SACRAMENTO

PARTICIPANT STATISTICS

Participant Reconciliation – Retirees

Retired Participants	Misc	Police	Fire	Total
■ June 30, 2021 Valuation	2,202	645	522	3,369
• Departures	(259)	(31)	(23)	(313)
• New Retirements	197	44	46	287
• Adjustments ²	50	7	4	61
■ June 30, 2023 Valuation	2,190	665	549	3,404

² 28 have waived medical coverage, and 24 of those are not receiving a cash in lieu benefit.



September 9, 2024

10

City of
SACRAMENTO

ACTUARIAL ASSUMPTIONS HIGHLIGHTS

	June 30, 2021 Valuation	June 30, 2023 Valuation
■ Valuation Date	<ul style="list-style-type: none"> ■ June 30, 2021 ■ Fiscal Years 2022/23 & 2023/24 	<ul style="list-style-type: none"> ■ June 30, 2023 ■ Fiscal Years 2024/25 & 2025/26
■ Discount Rate	<ul style="list-style-type: none"> ■ 6.25% ■ Based on closed group crossover analysis following GASBS 75 methodology: <ul style="list-style-type: none"> ● Projected City contributions of \$1.5 million each year ● 6.25% rate for funded benefits and S&P 20-year bond index rate (2.18% as of 6/30/21) for pay-go only ■ 2022 CERBT asset allocation strategy #1 (49% global equity, 23% fixed income, 5% TIPS, 20% REITs, 3% commodities) 	<ul style="list-style-type: none"> ■ 6.25% ■ Based on closed group crossover analysis following GASBS 75 methodology: <ul style="list-style-type: none"> ● Projected City contributions of \$7.8 million each year (average of last 5 years) ● 6.25% rate for funded benefits and S&P 20-year bond index rate (4.13% as of 6/30/23) for pay-go only ■ CERBT asset allocation strategy #1 (49% global equity, 23% fixed income, 5% TIPS, 20% REITs, 3% commodities)



ACTUARIAL ASSUMPTIONS HIGHLIGHTS

	June 30, 2021 Valuation	June 30, 2023 Valuation
■ General Inflation	<ul style="list-style-type: none"> ■ 2.50% per year ■ Used for economic assumptions 	<ul style="list-style-type: none"> ■ Same
■ Retirement, Mortality, Termination, Disability	<ul style="list-style-type: none"> ■ CalPERS – 2000-2019 Experience Study ■ SCERS – 6/30/21 Valuation Assumptions (limited applicability) ■ Mortality projected fully generational with Scale MP-21 	<ul style="list-style-type: none"> ■ CalPERS – 2000-2019 Experience Study ■ SCERS – 6/30/23 Valuation Assumptions (limited applicability) ■ Mortality projected fully generational with Scale MP-21



ACTUARIAL ASSUMPTIONS HIGHLIGHTS

	June 30, 2021 Valuation	June 30, 2023 Valuation																																												
<p>■ Participation at Retirement</p>	<p>■ Based on retirements during fiscal years 2015 to 2017, varies by % of cash benefit earned at retirement:</p> <table border="1" style="margin-left: auto; margin-right: auto; border-collapse: collapse;"> <thead> <tr> <th rowspan="2">Plan</th> <th colspan="4">% of Benefit Earned</th> </tr> <tr> <th>0%</th> <th>50%</th> <th>75%</th> <th>100%</th> </tr> </thead> <tbody> <tr> <td>M&D&V</td> <td>10%</td> <td>23%</td> <td>30%</td> <td>35%</td> </tr> <tr> <td>D & V</td> <td>10%</td> <td>40%</td> <td>35%</td> <td>30%</td> </tr> <tr> <td>M & D</td> <td>0%</td> <td>10%</td> <td>14%</td> <td>20%</td> </tr> <tr> <td>M & V</td> <td>0%</td> <td>3%</td> <td>0%</td> <td>4%</td> </tr> <tr> <td>M Only</td> <td>10%</td> <td>12%</td> <td>9.5%</td> <td>7%</td> </tr> <tr> <td>D Only</td> <td>10%</td> <td>3%</td> <td>1.5%</td> <td>0.5%</td> </tr> <tr> <td>V Only</td> <td>0%</td> <td>0%</td> <td>1%</td> <td>0.5%</td> </tr> </tbody> </table> <p>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>■ No change</p> <p>■ Assumption was reviewed using 2023 valuation data and is still reasonable</p>
Plan	% of Benefit Earned																																													
	0%	50%	75%	100%																																										
M&D&V	10%	23%	30%	35%																																										
D & V	10%	40%	35%	30%																																										
M & D	0%	10%	14%	20%																																										
M & V	0%	3%	0%	4%																																										
M Only	10%	12%	9.5%	7%																																										
D Only	10%	3%	1.5%	0.5%																																										
V Only	0%	0%	1%	0.5%																																										



ACTUARIAL ASSUMPTIONS HIGHLIGHTS

	June 30, 2021 Valuation	June 30, 2023 Valuation																																																																																																																																																										
<p>■ Medical Trend (Increase in health care costs for all reasons except aging)</p>	<table border="1" style="margin-left: auto; margin-right: auto; border-collapse: collapse;"> <thead> <tr> <th rowspan="2">Calendar Year</th> <th colspan="3">Increase from Prior Year</th> </tr> <tr> <th>Pre-Medicare</th> <th>Post-Medicare Other</th> <th>Post-Medicare Kaiser</th> </tr> </thead> <tbody> <tr> <td>2021</td> <td colspan="3" style="text-align: center;">Actual Premiums</td> </tr> <tr> <td>2022</td> <td colspan="3" style="text-align: center;">Actual Premiums</td> </tr> <tr> <td>2023</td> <td>6.50%</td> <td>5.65%</td> <td>4.60%</td> </tr> <tr> <td>2024</td> <td>6.25%</td> <td>5.45%</td> <td>4.45%</td> </tr> <tr> <td>2025</td> <td>6.00%</td> <td>5.25%</td> <td>4.35%</td> </tr> <tr> <td>2026</td> <td>5.75%</td> <td>5.05%</td> <td>4.25%</td> </tr> <tr> <td>2027</td> <td>5.55%</td> <td>4.90%</td> <td>4.20%</td> </tr> <tr> <td>2028</td> <td>5.35%</td> <td>4.75%</td> <td>4.15%</td> </tr> <tr> <td>2029</td> <td>5.15%</td> <td>4.60%</td> <td>4.10%</td> </tr> <tr> <td>2030</td> <td>4.95%</td> <td>4.45%</td> <td>4.05%</td> </tr> <tr> <td>2031-35</td> <td>4.80%</td> <td>4.35%</td> <td>4.00%</td> </tr> <tr> <td>2036-45</td> <td>4.65%</td> <td>4.25%</td> <td>3.95%</td> </tr> <tr> <td>2046-55</td> <td>4.50%</td> <td>4.20%</td> <td>3.90%</td> </tr> <tr> <td>2056-65</td> <td>4.35%</td> <td>4.15%</td> <td>3.85%</td> </tr> <tr> <td>2066-75</td> <td>4.05%</td> <td>3.95%</td> <td>3.80%</td> </tr> <tr> <td>2076+</td> <td>3.75%</td> <td>3.75%</td> <td>3.75%</td> </tr> </tbody> </table>	Calendar Year	Increase from Prior Year			Pre-Medicare	Post-Medicare Other	Post-Medicare Kaiser	2021	Actual Premiums			2022	Actual Premiums			2023	6.50%	5.65%	4.60%	2024	6.25%	5.45%	4.45%	2025	6.00%	5.25%	4.35%	2026	5.75%	5.05%	4.25%	2027	5.55%	4.90%	4.20%	2028	5.35%	4.75%	4.15%	2029	5.15%	4.60%	4.10%	2030	4.95%	4.45%	4.05%	2031-35	4.80%	4.35%	4.00%	2036-45	4.65%	4.25%	3.95%	2046-55	4.50%	4.20%	3.90%	2056-65	4.35%	4.15%	3.85%	2066-75	4.05%	3.95%	3.80%	2076+	3.75%	3.75%	3.75%	<table border="1" style="margin-left: auto; margin-right: auto; border-collapse: collapse;"> <thead> <tr> <th rowspan="2">Calendar Year</th> <th colspan="3">Increase from Prior Year</th> </tr> <tr> <th>Pre-Medicare</th> <th>Post-Medicare Other</th> <th>Post-Medicare Kaiser</th> </tr> </thead> <tbody> <tr> <td>2021</td> <td colspan="3" style="text-align: center;">n/a</td> </tr> <tr> <td>2022</td> <td colspan="3" style="text-align: center;">n/a</td> </tr> <tr> <td>2023</td> <td colspan="3" style="text-align: center;">Actual Premiums</td> </tr> <tr> <td>2024</td> <td colspan="3" style="text-align: center;">Actual Premiums</td> </tr> <tr> <td>2025</td> <td>8.50%</td> <td>7.50%</td> <td>6.25%</td> </tr> <tr> <td>2026</td> <td>7.90%</td> <td>6.90%</td> <td>5.65%</td> </tr> <tr> <td>2027</td> <td>7.35%</td> <td>6.50%</td> <td>5.45%</td> </tr> <tr> <td>2028</td> <td>6.75%</td> <td>6.10%</td> <td>5.25%</td> </tr> <tr> <td>2029</td> <td>6.20%</td> <td>5.70%</td> <td>5.05%</td> </tr> <tr> <td>2030</td> <td>5.60%</td> <td>5.25%</td> <td>4.85%</td> </tr> <tr> <td>2031</td> <td>5.05%</td> <td>4.85%</td> <td>4.65%</td> </tr> <tr> <td>2032-38</td> <td>4.45%</td> <td>4.45%</td> <td>4.45%</td> </tr> <tr> <td>2039-40</td> <td>4.35%</td> <td>4.35%</td> <td>4.35%</td> </tr> <tr> <td>2041</td> <td>4.30%</td> <td>4.30%</td> <td>4.30%</td> </tr> <tr> <td>2042-44</td> <td>4.25%</td> <td>4.25%</td> <td>4.25%</td> </tr> <tr> <td>2045-47</td> <td>4.20%</td> <td>4.20%</td> <td>4.20%</td> </tr> <tr> <td>2048-50</td> <td>4.15%</td> <td>4.15%</td> <td>4.15%</td> </tr> <tr> <td style="text-align: center;">↓</td> <td style="text-align: center;">↓</td> <td style="text-align: center;">↓</td> <td style="text-align: center;">↓</td> </tr> <tr> <td>2076+</td> <td>3.45%</td> <td>3.45%</td> <td>3.45%</td> </tr> </tbody> </table>	Calendar Year	Increase from Prior Year			Pre-Medicare	Post-Medicare Other	Post-Medicare Kaiser	2021	n/a			2022	n/a			2023	Actual Premiums			2024	Actual Premiums			2025	8.50%	7.50%	6.25%	2026	7.90%	6.90%	5.65%	2027	7.35%	6.50%	5.45%	2028	6.75%	6.10%	5.25%	2029	6.20%	5.70%	5.05%	2030	5.60%	5.25%	4.85%	2031	5.05%	4.85%	4.65%	2032-38	4.45%	4.45%	4.45%	2039-40	4.35%	4.35%	4.35%	2041	4.30%	4.30%	4.30%	2042-44	4.25%	4.25%	4.25%	2045-47	4.20%	4.20%	4.20%	2048-50	4.15%	4.15%	4.15%	↓	↓	↓	↓	2076+	3.45%	3.45%	3.45%
Calendar Year	Increase from Prior Year																																																																																																																																																											
	Pre-Medicare	Post-Medicare Other	Post-Medicare Kaiser																																																																																																																																																									
2021	Actual Premiums																																																																																																																																																											
2022	Actual Premiums																																																																																																																																																											
2023	6.50%	5.65%	4.60%																																																																																																																																																									
2024	6.25%	5.45%	4.45%																																																																																																																																																									
2025	6.00%	5.25%	4.35%																																																																																																																																																									
2026	5.75%	5.05%	4.25%																																																																																																																																																									
2027	5.55%	4.90%	4.20%																																																																																																																																																									
2028	5.35%	4.75%	4.15%																																																																																																																																																									
2029	5.15%	4.60%	4.10%																																																																																																																																																									
2030	4.95%	4.45%	4.05%																																																																																																																																																									
2031-35	4.80%	4.35%	4.00%																																																																																																																																																									
2036-45	4.65%	4.25%	3.95%																																																																																																																																																									
2046-55	4.50%	4.20%	3.90%																																																																																																																																																									
2056-65	4.35%	4.15%	3.85%																																																																																																																																																									
2066-75	4.05%	3.95%	3.80%																																																																																																																																																									
2076+	3.75%	3.75%	3.75%																																																																																																																																																									
Calendar Year	Increase from Prior Year																																																																																																																																																											
	Pre-Medicare	Post-Medicare Other	Post-Medicare Kaiser																																																																																																																																																									
2021	n/a																																																																																																																																																											
2022	n/a																																																																																																																																																											
2023	Actual Premiums																																																																																																																																																											
2024	Actual Premiums																																																																																																																																																											
2025	8.50%	7.50%	6.25%																																																																																																																																																									
2026	7.90%	6.90%	5.65%																																																																																																																																																									
2027	7.35%	6.50%	5.45%																																																																																																																																																									
2028	6.75%	6.10%	5.25%																																																																																																																																																									
2029	6.20%	5.70%	5.05%																																																																																																																																																									
2030	5.60%	5.25%	4.85%																																																																																																																																																									
2031	5.05%	4.85%	4.65%																																																																																																																																																									
2032-38	4.45%	4.45%	4.45%																																																																																																																																																									
2039-40	4.35%	4.35%	4.35%																																																																																																																																																									
2041	4.30%	4.30%	4.30%																																																																																																																																																									
2042-44	4.25%	4.25%	4.25%																																																																																																																																																									
2045-47	4.20%	4.20%	4.20%																																																																																																																																																									
2048-50	4.15%	4.15%	4.15%																																																																																																																																																									
↓	↓	↓	↓																																																																																																																																																									
2076+	3.45%	3.45%	3.45%																																																																																																																																																									



ACTUARIAL ASSUMPTIONS HIGHLIGHTS

	June 30, 2021 Valuation	June 30, 2023 Valuation
■ Dental & Vision Trend	■ 2.50%	■ Same
■ Cap Increase Rates	■ Fire hired before 1/14/15: <ul style="list-style-type: none"> • Lowest cost \$25 co-pay medical premium – medical trend • Lowest cost PPO dental premium – dental trend ■ Misc and Police: 0%	■ Same



ACTUARIAL ASSUMPTIONS HIGHLIGHTS

	June 30, 2021 Valuation	June 30, 2023 Valuation
■ Basis for Assumptions	■ No experience study performed for this Plan with the exception of the participation at retirement assumption. ■ CalPERS 2000-2019 experience study was used for participants in the CalPERS plan, SCERS 6/30/23 valuation assumptions for participants in the SCERS plan (limited applicability) ■ Mortality improvement is based on Society of Actuaries tables ■ Inflation is based on our estimate for the Plan’s long time horizon ■ Capital market assumptions based on 2021 Foster & Foster stochastic analysis, taking into account capital market assumptions of investment advisory firms ■ Age-based claims for the June 30, 2023 valuation are based on factors published by the Society of Actuaries. ■ Medical trends were based on expectations over the short term blended into long term medical trends developed using the Society of Actuaries’ Getzen Model on Long-Run Medical Cost Trends ■ Spouse participation based in part on Plan experience	



ACTUARIAL METHODS

Method	June 30, 2021 Valuation	June 30, 2023 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 2.75% per year)	
■ Amortization Period	■ 16 year closed amortization of 6/30/22 UAAL	■ 14 year closed amortization of 6/30/24 UAAL



ACTUARIAL METHODS

This page intentionally blank



ASSETS

Market Value of Plan Assets (MVA)

(Amounts in 000's)

	2019/20	2020/21	2021/22	2022/23
■ MVA (Beginning of Year)	\$43,294	\$53,482	\$74,825	\$71,157
• Employer Contribution	9,144	6,062	19,492	18,849
• Benefit Payments	-	-	(10,865)	(11,003)
• Administrative Expenses	(23)	(32)	(43)	(42)
• Investment Expenses	(17)	(23)	(31)	(30)
• Investment Return	<u>1,084</u>	<u>15,336</u>	<u>(12,221)</u>	<u>5,870</u>
■ MVA (End of Year)	53,482	74,825	71,157	84,801
■ Approximate Annual Return	2.3%	27.0%	(13.9%)	7.1%



September 9, 2024

19

City of
SACRAMENTO

ASSETS

Actuarial (Smoothed) Value of Plan Assets (AVA)

(Amounts in 000's)

	2019/20	2020/21	2021/22 ³	2022/23
■ AVA (Beginning of Year)	\$42,932	\$54,862	\$67,252	\$78,933
• Employer Contribution	9,144	6,062	19,492	18,849
• Benefit Payments	-	-	(10,865)	(11,003)
• Administrative Expenses	n/a	n/a	(43)	(42)
• Expected Investment Return	<u>3,131</u>	<u>4,435</u>	<u>5,040</u>	<u>5,638</u>
■ Expected AVA (End of Year)	55,207	65,359	80,877	92,375
■ MVA (End of Year)	53,482	74,825	71,157	84,801
■ Preliminary AVA⁴	54,862	67,252	78,933	90,860
• Minimum AVA (80% of MVA)	42,785	59,860	56,926	67,841
• Maximum AVA (120% of MVA)	64,178	89,790	85,389	101,762
■ AVA (End of Year)	54,862	67,252	78,933	90,860
■ Approximate Annual Return	6.0%	10.9%	3.8%	4.6%

³ Revised from prior valuation based on actual 6/30/20 MVA, only for the purpose of calculating future AVAs.

⁴ Expected AVA plus 20% of the difference between the MVA and expected AVA.



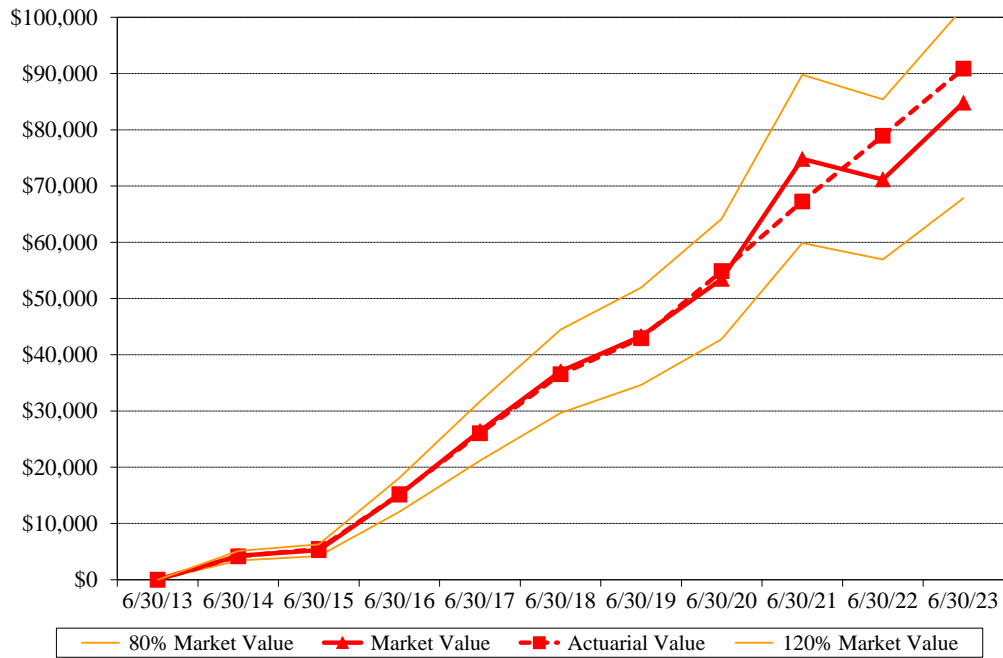
September 9, 2024

20

City of
SACRAMENTO

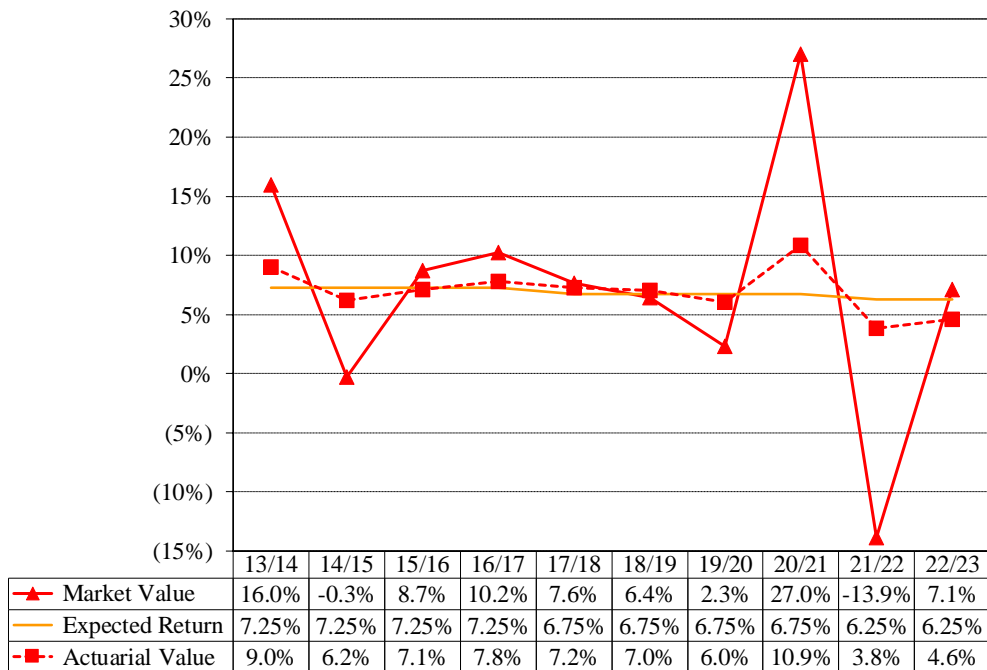
ASSETS

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



ASSETS

Historical Asset Returns



RESULTS

Actuarial Obligations

(Amounts in 000's)

	6/30/21 Valuation	6/30/23 Valuation
■ Discount Rate	6.25%	6.25%
■ Present Value of Benefits		
• Actives (future retirees)	\$ 149,206	\$160,828
• Retirees	<u>177,208</u>	<u>191,076</u>
• Total	326,414	351,904
■ Actuarial Accrued Liability		
• Actives (future retirees)	94,404	105,616
• Retirees	<u>177,208</u>	<u>191,076</u>
• Total	271,612	296,692
■ Actuarial Value of Assets	<u>(67,252)</u>	<u>(90,860)</u>
■ Unfunded AAL	204,360	205,832
■ AVA Funded Ratio	24.8%	30.6%
■ Normal Cost⁵ 2024/25	5,734	6,123
■ Pay-As-You-Go Cost 2024/25	15,433	16,333

⁵ Includes administrative fees.



September 9, 2024

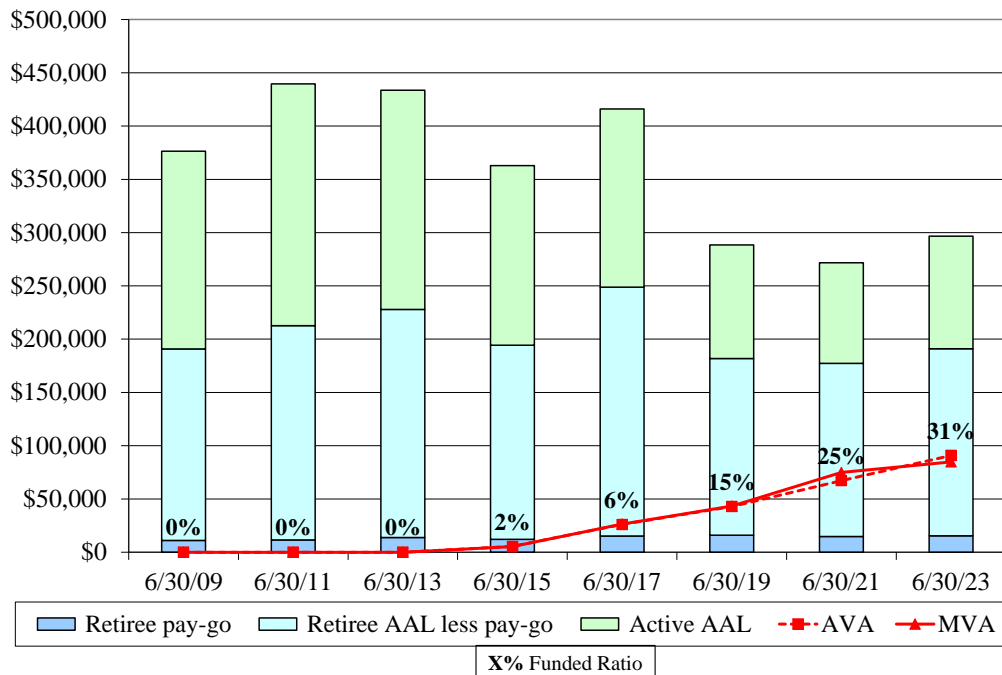
23

City of
SACRAMENTO

RESULTS

Historical Actuarial Accrued Liability

(Amounts in 000's)



September 9, 2024

24

City of
SACRAMENTO

RESULTS

Estimated Actuarial Gain/Loss Analysis

(Amounts in 000's)

	Actuarial Accrued Liability
■ Actual on 6/30/21	\$ 271,612
■ Expected on 6/30/23	285,837
■ Experience (Gains)/Losses:	
• Premiums/Claims different than expected	4,125
• Demographic differences	(4,395)
■ Assumption Changes:	
• Medical Trend Updated	11,125
■ Total (Gains)/Losses	10,855
■ Actual on 6/30/23	296,692



September 9, 2024

25

City of
SACRAMENTO

RESULTS

Schedule of Funding Progress

(Amounts in 000's)

Actuarial Valuation Date ⁶	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%
6/30/23	90,860	296,692	205,832	30.6%	380,851	54.0%

⁶ 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 and 6/30/23 valuations are based on a 6.25% discount rate.



September 9, 2024

26

City of
SACRAMENTO

RESULTS

Actuarially Determined Contribution (ADC)

(Amounts in 000's)

	6/30/21 Valuation		6/30/23 Valuation	
	2022/23	2023/24	2024/25	2025/26
■ ADC - \$ <ul style="list-style-type: none"> • Normal Cost⁷ • UAAL Amortization • ADC (End of Year) 				
	\$ 5,734	\$ 5,828	\$ 6,123	\$ 6,131
	<u>16,672</u>	<u>17,506</u>	<u>18,811</u>	<u>19,328</u>
	22,407	23,334	24,934	25,459
■ Projected Payroll	357,242	367,066	391,325	402,086
■ ADC - % Total Payroll <ul style="list-style-type: none"> • Normal Cost • UAAL Amortization • ADC 				
	1.6%	1.6%	1.6%	1.5%
	<u>4.7%</u>	<u>4.8%</u>	<u>4.8%</u>	<u>4.8%</u>
	6.3%	6.4%	6.4%	6.3%

⁷ Includes administrative fees.



September 9, 2024

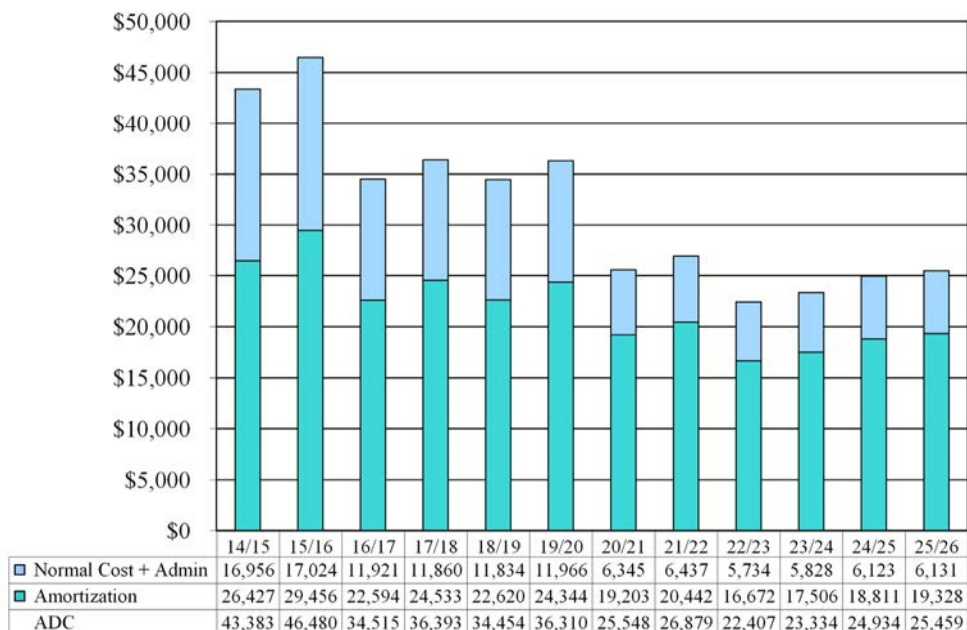
27

City of
SACRAMENTO

RESULTS

Historical Actuarially Determined Contributions

(Amounts in 000's)



September 9, 2024

28

City of
SACRAMENTO

RESULTS

Actuarial Obligations by Cash/Implicit Subsidy

June 30, 2023

(Amounts in 000's)

	Cash Subsidy	Implicit Subsidy	Total
■ Present Value of Benefits			
• Actives (future retirees)	\$ 82,568	\$ 78,260	\$ 160,828
• Retirees	<u>132,560</u>	<u>58,516</u>	<u>191,076</u>
• Total	215,128	136,776	351,904
■ Actuarial Accrued Liability			
• Actives (future retirees)	54,935	50,681	105,616
• Retirees	<u>132,560</u>	<u>58,516</u>	<u>191,076</u>
• Total	187,495	109,197	296,692
■ Actuarial Value of Assets⁸	<u>(90,860)</u>	-	<u>(90,860)</u>
■ Unfunded AAL	96,635	109,197	205,832
■ AVA Funded Ratio	48.5%	n/a	30.6%
■ Normal Cost 2024/25	3,087	3,036	6,123
■ Pay-As-You-Go 2024/25	11,244	5,089	16,333

⁸ All assets allocated to cash subsidy.



September 9, 2024

29

City of
SACRAMENTO

RESULTS

Actuarially Determined Contribution (ADC) by Cash/Implicit Subsidy

2024/25 Fiscal Year

(Amounts in 000's)

	Cash Subsidy	Implicit Subsidy	Total
■ ADC - \$			
• Normal Cost	\$ 3,087	\$ 3,036	\$ 6,123
• UAAL Amortization	<u>8,831</u>	<u>9,980</u>	<u>18,811</u>
• Total	11,918	13,016	24,934
■ Projected Payroll	391,325	391,325	391,325
■ ADC - %			
• Normal Cost	0.8%	0.8%	1.6%
• UAAL Amortization	<u>2.3%</u>	<u>2.5%</u>	<u>4.8%</u>
• Total	3.1%	3.3%	6.4%



September 9, 2024

30

City of
SACRAMENTO

RESULTS

Actuarial Obligations by Group

(Amounts in 000's)

	Misc	Police	Fire	Total
■ Present Value of Benefits				
• Actives (future retirees)	\$ 52,601	\$ 30,950	\$ 77,277	\$ 160,828
• Retirees	<u>73,022</u>	<u>35,969</u>	<u>82,085</u>	<u>191,076</u>
• Total	125,623	66,919	159,362	351,904
■ Actuarial Accrued Liability				
• Actives (future retirees)	38,194	21,442	45,980	105,616
• Retirees	<u>73,022</u>	<u>35,969</u>	<u>82,085</u>	<u>191,076</u>
• Total	111,216	57,411	128,065	296,692
■ Actuarial Value of Assets⁹	<u>(34,059)</u>	<u>(17,582)</u>	<u>(39,219)</u>	<u>(90,860)</u>
■ Unfunded AAL	77,157	39,829	88,846	205,832
■ Funded Ratio	30.6%	30.6%	30.6%	30.6%
■ Normal Cost 2024/25	1,832	1,232	3,060	6,123
■ Pay-As-You-Go 2024/25	7,684	2,793	5,856	16,333

⁹ Assets allocated in proportion to liability.



RESULTS

Actuarially Determined Contribution (ADC) by Group

2024/25 Fiscal Year

(Amounts in 000's)

	Misc	Police	Fire	Total
■ ADC - \$				
• Normal Cost	\$ 1,832	\$ 1,232	\$ 3,060	\$ 6,123
• UAAL Amortization	<u>7,051</u>	<u>3,640</u>	<u>8,120</u>	<u>18,811</u>
• Total	8,884	4,872	11,180	24,934
■ Projected Payroll	240,418	82,217	68,690	391,325
■ ADC - % of Payroll				
• Normal Cost	0.8%	1.5%	4.5%	1.6%
• UAAL Amortization	<u>2.9%</u>	<u>4.4%</u>	<u>11.8%</u>	<u>4.8%</u>
• Total	3.7%	5.9%	16.3%	6.4%



RESULTS

Actuarially Determined Contribution (ADC) by Group

2025/26 Fiscal Year

(Amounts in 000's)

	Misc	Police	Fire	Total
■ ADC - \$				
• Normal Cost	\$ 1,836	\$ 1,233	\$ 3,063	\$ 6,131
• UAAL Amortization	<u>7,245</u>	<u>3,740</u>	<u>8,343</u>	<u>19,328</u>
• Total	9,081	4,973	11,406	25,459
■ Projected Payroll	247,029	84,478	70,579	402,086
■ ADC - %				
• Normal Cost	0.7%	1.5%	4.3%	1.5%
• UAAL Amortization	<u>2.9%</u>	<u>4.4%</u>	<u>11.8%</u>	<u>4.8%</u>
• Total	3.7%	5.9%	16.2%	6.3%



RESULTS

10-Year Projection Illustration

(Amounts in 000's)

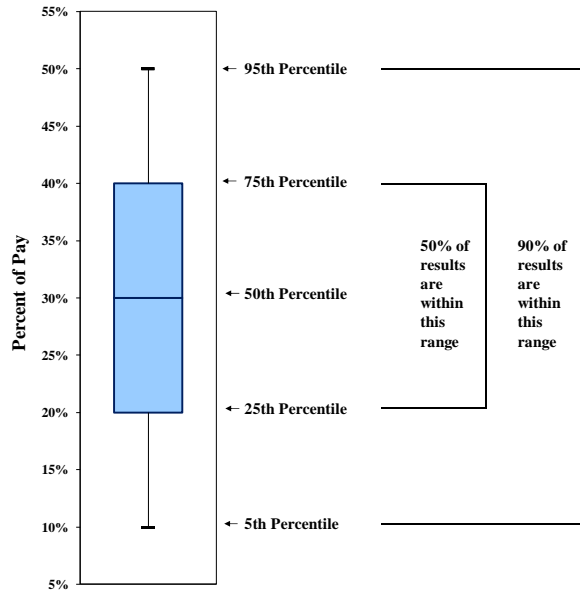
FYE June 30,	ADC	Benefit Payments			Pre- Fund ¹⁰	Total Contrib	Payroll	ADC as % of Payroll	Contrib as % of Payroll
		Cash Subsidy	Implicit Subsidy	Total					
2025	\$24,934	\$11,244	\$5,089	\$16,333	\$7,766	\$24,602	\$391,325	6.4%	6.3%
2026	25,459	11,638	5,747	17,385	7,766	25,686	402,086	6.3%	6.4%
2027	25,982	12,028	6,290	18,318	7,766	26,648	413,143	6.3%	6.5%
2028	26,508	12,397	6,839	19,236	7,766	27,594	424,505	6.2%	6.5%
2029	27,037	12,715	7,472	20,187	7,766	28,574	436,179	6.2%	6.6%
2030	27,573	13,051	8,090	21,141	7,766	29,558	448,174	6.2%	6.6%
2031	28,123	13,397	8,765	22,162	7,766	30,610	460,498	6.1%	6.6%
2032	28,681	13,674	9,351	23,025	7,766	31,500	473,162	6.1%	6.7%
2033	29,247	13,939	10,037	23,976	7,766	32,480	486,174	6.0%	6.7%
2034	29,831	14,158	10,494	24,652	7,766	33,177	499,544	6.0%	6.6%

¹⁰ Assumes the City contributes \$7.8 million per year into trust (average net trust contribution over the last 5 years).



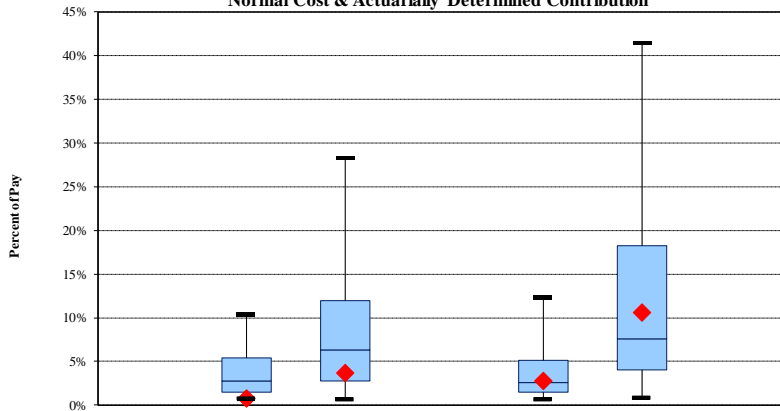
FOSTER & FOSTER OPEB DATABASE

**Foster & Foster California OPEB Database
Sample Percentile Graph**



FOSTER & FOSTER OPEB DATABASE

**Foster & Foster California OPEB Database
Normal Cost & Actuarially Determined Contribution**



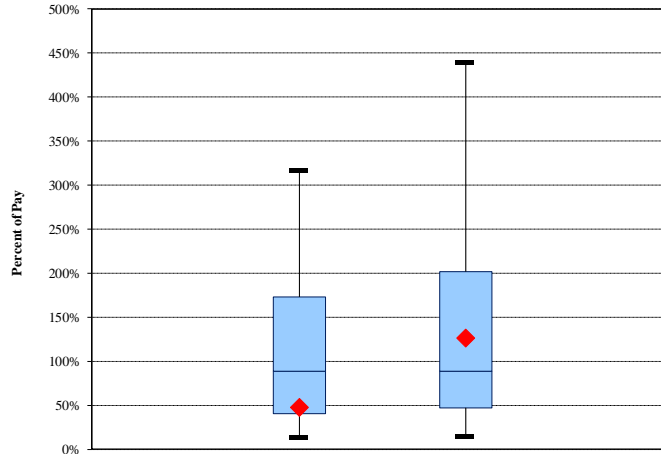
	<u>Miscellaneous</u>		<u>Safety</u>	
	<u>NC</u>	<u>ADC</u>	<u>NC</u>	<u>ADC</u>
95th Percentile	10.4%	28.3%	12.3%	41.5%
75th Percentile	5.4%	12.0%	5.1%	18.2%
50th Percentile	2.8%	6.4%	2.6%	7.6%
25th Percentile	1.5%	2.8%	1.5%	4.0%
5th Percentile	0.7%	0.7%	0.7%	0.9%
Percent of Pay (♦)	0.8%	3.7%	2.8%	10.6%
Percentile	6%	35%	61%	62%

Discount Rate = 6.25%, Average Amortization Period = 14.0 Years



FOSTER & FOSTER OPEB DATABASE

**Foster & Foster California OPEB Database
Actuarial Accrued Liability**



	<u>Miscellaneous</u>	<u>Safety</u>
95th Percentile	317%	440%
75th Percentile	173%	202%
50th Percentile	88%	89%
25th Percentile	40%	47%
5th Percentile	14%	15%
Percent of Pay (♦)	48%	126%
Percentile	30%	58%

Discount Rate = 6.25%



September 9, 2024



ACTUARIAL CERTIFICATION

This report presents the City of Sacramento Retiree Healthcare Plan (“Plan”) June 30, 2023 actuarial valuation. The purpose of this valuation is to:

- Determine the Plan’s June 30, 2023 Funded Status and
- Calculate the 2024/25 and 2025/26 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,

Drew Ballard, FSA, EA, MAAA
Foster & Foster, Inc.
September 9, 2024

Catherine A. Wandro, ASA, MAAA
Foster & Foster, Inc.
September 9, 2024



September 9, 2024



EXHIBITS

Topic	Page
Premiums	E- 1
Data Summary	E- 7
Actuarial Assumptions	E-20
Definitions	E-32



EXHIBITS

This page intentionally blank



PREMIUMS

2023 Monthly Medical Premiums
Actives and Non Medicare Retirees

Medical Plan	Single	2-Party	Family
Kaiser HMO - \$25 Co-Pay	\$ 772.08	\$ 1,544.16	\$ 2,053.74
Kaiser HMO - \$40 Co-Pay	761.26	1,522.52	2,024.96
Kaiser HMO – ABHP (actives only)	629.80	1,259.58	1,675.26
Western Health Advantage - \$25 Co-Pay	795.42	1,590.78	2,115.78
Western Health Advantage - \$40 Co-Pay	779.68	1,559.30	2,073.92
Western Health Advantage – ABHP (actives only)	538.50	1,076.96	1,432.38
Sutter Health Plus - \$25 Co-Pay	813.80	1,628.00	2,167.90
Sutter Health Plus - \$40 Co-Pay	783.80	1,568.00	2,088.20
Sutter Health Plus – ABHP (actives only)	667.20	1,334.40	1,774.80



September 9, 2024

E-1

City of
SACRAMENTO

PREMIUMS

2023 Monthly Medical Premiums
Medicare Retirees

Medical Plan	Single	2-Party	Family
Kaiser Senior Advantage – \$20 Co-Pay	\$ 259.52	\$ 493.26	\$ 777.96
UHC Group Medicare Advantage PPO - \$15 Co-Pay	330.48	660.96	n/a



September 9, 2024

E-2

City of
SACRAMENTO

PREMIUMS

2023 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



September 9, 2024

E-3

City of
SACRAMENTO

PREMIUMS

2024 Monthly Medical Premiums
Actives and Non Medicare Retirees

Medical Plan	Single	2-Party	Family
Kaiser HMO - \$25 Co-Pay	\$ 886.16	\$1,772.32	\$2,357.18
Kaiser HMO - \$40 Co-Pay	873.74	1,747.48	2,324.16
Kaiser HMO - ABHP (actives only)	722.84	1,445.68	1,922.76
Western Health Advantage - \$25 Co-Pay	865.28	1,730.48	2,301.60
Western Health Advantage - \$40 Co-Pay	848.32	1,696.60	2,256.52
Western Health Advantage - ABHP (actives only)	579.98	1,159.94	1,542.74
Sutter Health Plus - \$25 Co-Pay	856.00	1,712.10	2,277.00
Sutter Health Plus - \$40 Co-Pay	824.40	1,648.90	2,193.00
Sutter Health Plus - ABHP (actives only)	701.80	1,403.60	1,866.80



September 9, 2024

E-4

City of
SACRAMENTO

PREMIUMS

2024 Monthly Medical Premiums
Medicare Retirees

Medical Plan	Single	2-Party	Family
Kaiser Senior Advantage – \$20 Co-Pay	\$ 299.84	\$ 569.87	\$ 898.94
UHC Group Medicare Advantage PPO - \$15 Co-Pay	343.70	687.40	n/a



September 9, 2024

E-5

City of
SACRAMENTO

PREMIUMS

2024 Monthly Dental & Vision Premiums
Actives and Retirees

Dental Plan	Single	2-Party	Family
Delta Dental PPO	\$ 60.82	\$ 115.50	\$ 153.78
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



September 9, 2024

E-6

City of
SACRAMENTO

DATA SUMMARY

Medical Plan Participation
Non-Waived Participants
June 30, 2023

Plan	Actives	Retirees	
		< 65	≥ 65
Kaiser HMO - \$25 Co-Pay	42%	40%	2%
Kaiser HMO - \$40 Co-Pay	12%	15%	0%
Kaiser HMO - ABHP	8%	0%	0%
Kaiser Senior Advantage	0%	3%	62%
Western Health Advantage - \$25 Co-Pay	6%	12%	1%
Western Health Advantage - \$40 Co-Pay	1%	3%	0%
Western Health Advantage - ABHP	3%	0%	0%
Sutter Health Plus - \$25 Co-Pay	14%	11%	1%
Sutter Health Plus - \$40 Co-Pay	12%	14%	0%
Sutter Health Plus - ABHP	2%	0%	0%
UHC Group Medicare Advantage PPO	0%	3%	33%
Total	100%	100%	100%



DATA SUMMARY

Current Active Medical Coverage
June 30, 2023

Medical Plan	Single	2-Party	Family	Waived	Total
Kaiser HMO - \$25 Co-Pay	807	222	430	-	1,459
Kaiser HMO - \$40 Co-Pay	184	70	173	-	427
Kaiser HMO - ABHP	138	23	109	-	270
Western Health Adv. - \$25 Co-Pay	104	28	69	-	201
Western Health Adv. - \$40 Co-Pay	11	8	27	-	46
Western Health Adv. - ABHP	39	14	43	-	96
Sutter Health Plus - \$25 Co-Pay	246	75	158	-	479
Sutter Health Plus - \$40 Co-Pay	122	78	199	-	399
Sutter Health Plus - ABHP	36	7	27	-	70
Waived	-	-	-	526	526
Total	1,687	525	1,235	526	3,973



DATA SUMMARY

Current Retiree Medical Coverage – Pre 65

Medical Plan	Single	2-Party	Family	Waived	Total
Kaiser HMO - \$25 Co-Pay	131	30	12	-	173
Kaiser HMO - \$40 Co-Pay	36	21	9	-	66
Kaiser Senior Advantage	10	1	-	-	11
Western Health Adv. HMO- \$25 Co-Pay	40	9	4	-	53
Western Health Adv. HMO - \$40 Co-Pay	8	4	2	-	14
Sutter Health Plus HMO - \$25 Co-Pay	33	8	6	-	47
Sutter Health Plus HMO - \$40 Co-Pay	31	14	14	-	59
UHC Group Medicare Advantage PPO	11	-	-	-	11
In Lieu Reimbursement	-	-	-	84	84
Waived Medical ¹¹	-	-	-	431	431
Total	300	87	47	515	949

¹¹ 341 are in a dental and/or vision plan..



DATA SUMMARY

Current Retiree Medical Coverage – Post 65

Medical Plan	Single	2-Party	Family	Waived	Total
Kaiser HMO - \$25 Co-Pay	18	3	-	-	21
Kaiser HMO - \$40 Co-Pay	1	3	-	-	4
Kaiser Senior Advantage	551	257	5	-	813
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	13	4	-	-	17
Sutter Health Plus HMO - \$40 Co-Pay	5	-	-	-	5
UHC Group Medicare Advantage PPO	325	109	1	-	435
In Lieu Reimbursement	-	-	-	247	247
Waived Medical ¹²	-	-	-	904	904
Total	920	377	7	1,151	2,455

¹² 600 are in a dental and/or vision plan.



DATA SUMMARY

Dental Coverage
June 30, 2023

Actives

Dental Plan	Single	2-Party	Family	Waived	Total
Delta Dental PPO	1,242	543	1,179	-	2,964
DeltaCare USA (DMO)	241	94	145	-	480
Waived	-	-	-	529	529
Total	1,483	637	1,324	529	3,973

Retirees

Dental Plan	Single	2-Party	Family	Waived	Total
Delta Dental PPO	1,260	1,146	229	-	2,635
DeltaCare USA (DMO)	67	35	4	-	106
Waived	-	-	-	663	663
Total	1,327	1,181	233	663	3,404



DATA SUMMARY

Vision Coverage
June 30, 2023

Actives

Vision Plan	Single	2-Party	Family	Waived	Total
VSP - Basic	636	307	436	-	1,379
VSP - Enhanced	581	291	462	-	1,334
Waived	-	-	-	1,260	1,260
Total	1,217	598	898	1,260	3,973

Retirees

Vision Plan	Single	2-Party	Family	Waived	Total
VSP - Basic	370	249	36	-	655
VSP - Enhanced	417	571	147	-	1,135
Waived	-	-	-	1,614	1,614
Total	787	820	183	1,614	3,404



DATA SUMMARY

Retiree Medical and Dental Participation

Valuation Date	Medical Only	Dental Only	Both Medical & Dental	Neither Medical nor Dental	Total
6/30/2009	188	549	1,686	350	2,773
6/30/2011	309	592	1,478	431	2,810
6/30/2013	220	785	1,645	417	3,067
6/30/2015	214	863	1,601	446	3,124
6/30/2017	196	922	1,651	467	3,236
6/30/2019	195	1,097	1,575	294	3,161
6/30/2021	181	1,146	1,577	465	3,369
6/30/2023	211	1,123	1,618	452	3,404



DATA SUMMARY

Retiree Medical Plan Coverage by Age

June 30, 2023

Miscellaneous

Age	Single	2-Party	Family	Waived	Total
Under 50	2	-	-	3	5
50-54	7	1	1	43	52
55-59	37	17	4	74	132
60-64	115	23	3	168	309
65-69	199	45	2	225	471
70-74	150	51	2	204	407
75-80	113	46	-	196	355
80-85	85	40	-	95	220
85 & Over	102	24	-	113	239
Total	810	247	12	1,121	2,190
Average Age	72.8	73.7	62.7	71.6	72.3



DATA SUMMARY

Retiree Medical Plan Coverage by Age

June 30, 2023

Police

Age	Single	2-Party	Family	Waived	Total
Under 50	5	1	-	27	33
50-54	13	2	4	46	65
55-59	21	8	2	50	81
60-64	25	7	2	57	91
65-69	23	15	-	43	81
70-74	14	9	-	47	70
75-80	35	11	-	85	131
80-85	18	12	-	41	71
85 & Over	11	4	-	27	42
Total	165	69	8	423	665
Average Age	69.0	71.2	56.2	67.8	68.3



September 9, 2024

E-15

City of
SACRAMENTO

DATA SUMMARY

Retiree Medical Plan Coverage by Age

June 30, 2023

Fire

Age	Single	2-Party	Family	Waived	Total
Under 50	1	-	-	3	4
50-54	8	3	5	12	28
55-59	29	16	20	16	81
60-64	37	9	6	16	68
65-69	33	22	2	16	73
70-74	38	30	-	17	85
75-80	38	29	1	11	79
80-85	36	24	-	13	73
85 & Over	25	15	-	18	58
Total	245	148	34	122	549
Average Age	71.9	73.5	59.2	70.2	71.2



September 9, 2024

E-16

City of
SACRAMENTO

DATA SUMMARY

Actives by Age and Service

June 30, 2023

Miscellaneous

Age	City Service							Total
	< 1	1-4	5-9	10-14	15-19	20-24	≥ 25	
< 25	37	40	1	-	-	-	-	78
25-29	70	133	35	-	-	-	-	238
30-34	62	149	109	5	1	-	-	326
35-39	60	141	127	24	16	7	-	375
40-44	49	92	126	39	54	21	6	387
45-49	35	76	108	28	64	45	17	373
50-54	29	49	77	20	61	66	48	350
55-59	20	36	64	18	60	63	58	319
60-64	3	15	26	19	34	37	41	175
≥ 65	3	13	12	5	19	10	13	75
Total	368	744	685	158	309	249	183	2,696



September 9, 2024

E-17

City of
SACRAMENTO

DATA SUMMARY

Actives by Age and Service

June 30, 2023

Police

Age	City Service							Total
	< 1	1-4	5-9	10-14	15-19	20-24	≥ 25	
< 25	11	23	2	-	-	-	-	36
25-29	4	75	50	-	-	-	-	129
30-34	2	53	102	2	-	-	-	159
35-39	2	14	45	13	21	1	-	96
40-44	-	8	14	7	69	21	2	121
45-49	-	-	2	1	25	57	16	101
50-54	-	-	-	1	6	21	20	48
55-59	-	-	-	-	3	2	1	6
60-64	-	-	-	-	-	-	-	-
≥ 65	-	-	-	-	-	-	-	-
Total	19	173	215	24	124	102	39	696



September 9, 2024

E-18

City of
SACRAMENTO

DATA SUMMARY

Actives by Age and Service
June 30, 2023
Fire

Age	City Service							Total
	< 1	1-4	5-9	10-14	15-19	20-24	≥ 25	
< 25	-	6	-	-	-	-	-	6
25-29	-	37	3	-	-	-	-	40
30-34	-	51	40	4	-	-	-	95
35-39	3	34	44	13	5	-	-	99
40-44	-	7	26	8	59	9	-	109
45-49	1	1	7	3	43	40	5	100
50-54	-	1	1	2	25	42	29	100
55-59	-	-	1	-	4	10	11	26
60-64	-	-	-	-	2	1	1	4
≥ 65	-	-	1	-	1	-	-	2
Total	4	137	123	30	139	102	46	581



September 9, 2024

E-19

City of
SACRAMENTO

ACTUARIAL ASSUMPTIONS

	June 30, 2021 Valuation	June 30, 2023 Valuation
■ Valuation Date	■ June 30, 2021 ■ Fiscal Years 2022/23 & 2023/24	■ June 30, 2023 ■ Fiscal Years 2024/25 & 2025/26
■ General Inflation	■ 2.50% per year ■ Used for economic assumptions	■ Same



September 9, 2024

E-20

City of
SACRAMENTO

ACTUARIAL ASSUMPTIONS

	June 30, 2021 Valuation	June 30, 2023 Valuation
Discount Rate	<ul style="list-style-type: none"> ■ 6.25% ■ Based on closed group crossover analysis following GASBS 75 methodology: <ul style="list-style-type: none"> • Projected City contributions of \$1.5 million each year • 6.25% rate for funded benefits and S&P 20-year bond index rate (2.18% as of 6/30/21) for pay-go only ■ 2022 CERBT asset allocation strategy #1 (49% global equity, 23% fixed income, 5% TIPS, 20% REITs, 3% commodities) 	<ul style="list-style-type: none"> ■ 6.25% ■ Based on closed group crossover analysis following GASBS 75 methodology: <ul style="list-style-type: none"> • Projected City contributions of \$7.8 million each year (average of last 5 years) • 6.25% rate for funded benefits and S&P 20-year bond index rate (4.13% as of 6/30/23) for pay-go only ■ CERBT asset allocation strategy #1 (49% global equity, 23% fixed income, 5% TIPS, 20% REITs, 3% commodities)



ACTUARIAL ASSUMPTIONS

	June 30, 2021 Valuation	June 30, 2023 Valuation
■ Aggregate Payroll Increases	<ul style="list-style-type: none"> ■ 2.75% 	<ul style="list-style-type: none"> ■ Same
■ Mortality, Termination, Disability	<ul style="list-style-type: none"> ■ CalPERS – 2000-2019 Experience Study ■ SCERS – 6/30/21 Valuation Assumptions (limited applicability) ■ Mortality projected fully generational with Scale MP-21 	<ul style="list-style-type: none"> ■ CalPERS – 2000-2019 Experience Study ■ SCERS – 6/30/23 Valuation Assumptions (limited applicability) ■ Mortality projected fully generational with Scale MP-21



ACTUARIAL ASSUMPTIONS

	June 30, 2021 Valuation	June 30, 2023 Valuation																																									
■ Service Retirement	■ CalPERS 2000-2019 Experience Study	■ CalPERS 2000-2019 Experience Study																																									
	<table border="1"> <thead> <tr> <th></th> <th>Level</th> <th>Exp. Ret. Age</th> </tr> </thead> <tbody> <tr> <td>Fire</td> <td>3% @55</td> <td>58</td> </tr> <tr> <td>Police</td> <td>3% @50</td> <td>54</td> </tr> <tr> <td>Misc</td> <td>2% @55</td> <td>60</td> </tr> <tr> <td>Fire PEPR A</td> <td>2.7% @57</td> <td>58</td> </tr> <tr> <td>Police PEPR A</td> <td>2.7% @57</td> <td>56</td> </tr> <tr> <td>Misc PEPR A</td> <td>2% @62</td> <td>62</td> </tr> </tbody> </table>		Level	Exp. Ret. Age	Fire	3% @55	58	Police	3% @50	54	Misc	2% @55	60	Fire PEPR A	2.7% @57	58	Police PEPR A	2.7% @57	56	Misc PEPR A	2% @62	62	<table border="1"> <thead> <tr> <th></th> <th>Level</th> <th>Exp. Ret. Age</th> </tr> </thead> <tbody> <tr> <td>Fire</td> <td>3% @55</td> <td>55</td> </tr> <tr> <td>Police</td> <td>3% @50</td> <td>56</td> </tr> <tr> <td>Misc</td> <td>2% @55</td> <td>62</td> </tr> <tr> <td>Fire PEPR A</td> <td>2.7% @57</td> <td>58</td> </tr> <tr> <td>Police PEPR A</td> <td>2.7% @57</td> <td>55</td> </tr> <tr> <td>Misc PEPR A</td> <td>2% @62</td> <td>62</td> </tr> </tbody> </table>		Level	Exp. Ret. Age	Fire	3% @55	55	Police	3% @50	56	Misc	2% @55	62	Fire PEPR A	2.7% @57	58	Police PEPR A	2.7% @57	55	Misc PEPR A	2% @62
	Level	Exp. Ret. Age																																									
Fire	3% @55	58																																									
Police	3% @50	54																																									
Misc	2% @55	60																																									
Fire PEPR A	2.7% @57	58																																									
Police PEPR A	2.7% @57	56																																									
Misc PEPR A	2% @62	62																																									
	Level	Exp. Ret. Age																																									
Fire	3% @55	55																																									
Police	3% @50	56																																									
Misc	2% @55	62																																									
Fire PEPR A	2.7% @57	58																																									
Police PEPR A	2.7% @57	55																																									
Misc PEPR A	2% @62	62																																									
	■ SCERS – 6/30/21 Valuation Assumptions (limited applicability)	■ SCERS – 6/30/23 Valuation Assumptions (limited applicability)																																									
■ CalPERS Service	■ City service plus ½ service between age 30 and City hire date	■ Same																																									



ACTUARIAL ASSUMPTIONS

	June 30, 2021 Valuation	June 30, 2023 Valuation																																																																																																																																																			
■ Medical Trend (Increase in health care costs for all reasons except aging)	<u>Increase from Prior Year</u>	<u>Increase from Prior Year</u>																																																																																																																																																			
	<table border="1"> <thead> <tr> <th>Calendar Year</th> <th>Pre-Medicare</th> <th>Post-Medicare Other</th> <th>Post-Medicare Kaiser</th> </tr> </thead> <tbody> <tr> <td>2021</td> <td colspan="3">Actual Premiums</td> </tr> <tr> <td>2022</td> <td colspan="3">Actual Premiums</td> </tr> <tr> <td>2023</td> <td>6.50%</td> <td>5.65%</td> <td>4.60%</td> </tr> <tr> <td>2024</td> <td>6.25%</td> <td>5.45%</td> <td>4.45%</td> </tr> <tr> <td>2025</td> <td>6.00%</td> <td>5.25%</td> <td>4.35%</td> </tr> <tr> <td>2026</td> <td>5.75%</td> <td>5.05%</td> <td>4.25%</td> </tr> <tr> <td>2027</td> <td>5.55%</td> <td>4.90%</td> <td>4.20%</td> </tr> <tr> <td>2028</td> <td>5.35%</td> <td>4.75%</td> <td>4.15%</td> </tr> <tr> <td>2029</td> <td>5.15%</td> <td>4.60%</td> <td>4.10%</td> </tr> <tr> <td>2030</td> <td>4.95%</td> <td>4.45%</td> <td>4.05%</td> </tr> <tr> <td>2031-35</td> <td>4.80%</td> <td>4.35%</td> <td>4.00%</td> </tr> <tr> <td>2036-45</td> <td>4.65%</td> <td>4.25%</td> <td>3.95%</td> </tr> <tr> <td>2046-55</td> <td>4.50%</td> <td>4.20%</td> <td>3.90%</td> </tr> <tr> <td>2056-65</td> <td>4.35%</td> <td>4.15%</td> <td>3.85%</td> </tr> <tr> <td>2066-75</td> <td>4.05%</td> <td>3.95%</td> <td>3.80%</td> </tr> <tr> <td>2076+</td> <td>3.75%</td> <td>3.75%</td> <td>3.75%</td> </tr> </tbody> </table>	Calendar Year	Pre-Medicare	Post-Medicare Other	Post-Medicare Kaiser	2021	Actual Premiums			2022	Actual Premiums			2023	6.50%	5.65%	4.60%	2024	6.25%	5.45%	4.45%	2025	6.00%	5.25%	4.35%	2026	5.75%	5.05%	4.25%	2027	5.55%	4.90%	4.20%	2028	5.35%	4.75%	4.15%	2029	5.15%	4.60%	4.10%	2030	4.95%	4.45%	4.05%	2031-35	4.80%	4.35%	4.00%	2036-45	4.65%	4.25%	3.95%	2046-55	4.50%	4.20%	3.90%	2056-65	4.35%	4.15%	3.85%	2066-75	4.05%	3.95%	3.80%	2076+	3.75%	3.75%	3.75%	<table border="1"> <thead> <tr> <th>Calendar Year</th> <th>Pre-Medicare</th> <th>Post-Medicare Other</th> <th>Post-Medicare Kaiser</th> </tr> </thead> <tbody> <tr> <td>2021</td> <td colspan="3">n/a</td> </tr> <tr> <td>2022</td> <td colspan="3">n/a</td> </tr> <tr> <td>2023</td> <td colspan="3">Actual Premiums</td> </tr> <tr> <td>2024</td> <td colspan="3">Actual Premiums</td> </tr> <tr> <td>2025</td> <td>8.50%</td> <td>7.50%</td> <td>6.25%</td> </tr> <tr> <td>2026</td> <td>7.90%</td> <td>6.90%</td> <td>5.65%</td> </tr> <tr> <td>2027</td> <td>7.35%</td> <td>6.50%</td> <td>5.45%</td> </tr> <tr> <td>2028</td> <td>6.75%</td> <td>6.10%</td> <td>5.25%</td> </tr> <tr> <td>2029</td> <td>6.20%</td> <td>5.70%</td> <td>5.05%</td> </tr> <tr> <td>2030</td> <td>5.60%</td> <td>5.25%</td> <td>4.85%</td> </tr> <tr> <td>2031</td> <td>5.05%</td> <td>4.85%</td> <td>4.65%</td> </tr> <tr> <td>2032-38</td> <td>4.45%</td> <td>4.45%</td> <td>4.45%</td> </tr> <tr> <td>2039-40</td> <td>4.35%</td> <td>4.35%</td> <td>4.35%</td> </tr> <tr> <td>2041</td> <td>4.30%</td> <td>4.30%</td> <td>4.30%</td> </tr> <tr> <td>2042-44</td> <td>4.25%</td> <td>4.25%</td> <td>4.25%</td> </tr> <tr> <td>2045-47</td> <td>4.20%</td> <td>4.20%</td> <td>4.20%</td> </tr> <tr> <td>2048-50</td> <td>4.15%</td> <td>4.15%</td> <td>4.15%</td> </tr> <tr> <td>↓</td> <td>↓</td> <td>↓</td> <td>↓</td> </tr> <tr> <td>2076+</td> <td>3.45%</td> <td>3.45%</td> <td>3.45%</td> </tr> </tbody> </table>	Calendar Year	Pre-Medicare	Post-Medicare Other	Post-Medicare Kaiser	2021	n/a			2022	n/a			2023	Actual Premiums			2024	Actual Premiums			2025	8.50%	7.50%	6.25%	2026	7.90%	6.90%	5.65%	2027	7.35%	6.50%	5.45%	2028	6.75%	6.10%	5.25%	2029	6.20%	5.70%	5.05%	2030	5.60%	5.25%	4.85%	2031	5.05%	4.85%	4.65%	2032-38	4.45%	4.45%	4.45%	2039-40	4.35%	4.35%	4.35%	2041	4.30%	4.30%	4.30%	2042-44	4.25%	4.25%	4.25%	2045-47	4.20%	4.20%	4.20%	2048-50	4.15%	4.15%	4.15%	↓	↓	↓	↓	2076+	3.45%	3.45%
Calendar Year	Pre-Medicare	Post-Medicare Other	Post-Medicare Kaiser																																																																																																																																																		
2021	Actual Premiums																																																																																																																																																				
2022	Actual Premiums																																																																																																																																																				
2023	6.50%	5.65%	4.60%																																																																																																																																																		
2024	6.25%	5.45%	4.45%																																																																																																																																																		
2025	6.00%	5.25%	4.35%																																																																																																																																																		
2026	5.75%	5.05%	4.25%																																																																																																																																																		
2027	5.55%	4.90%	4.20%																																																																																																																																																		
2028	5.35%	4.75%	4.15%																																																																																																																																																		
2029	5.15%	4.60%	4.10%																																																																																																																																																		
2030	4.95%	4.45%	4.05%																																																																																																																																																		
2031-35	4.80%	4.35%	4.00%																																																																																																																																																		
2036-45	4.65%	4.25%	3.95%																																																																																																																																																		
2046-55	4.50%	4.20%	3.90%																																																																																																																																																		
2056-65	4.35%	4.15%	3.85%																																																																																																																																																		
2066-75	4.05%	3.95%	3.80%																																																																																																																																																		
2076+	3.75%	3.75%	3.75%																																																																																																																																																		
Calendar Year	Pre-Medicare	Post-Medicare Other	Post-Medicare Kaiser																																																																																																																																																		
2021	n/a																																																																																																																																																				
2022	n/a																																																																																																																																																				
2023	Actual Premiums																																																																																																																																																				
2024	Actual Premiums																																																																																																																																																				
2025	8.50%	7.50%	6.25%																																																																																																																																																		
2026	7.90%	6.90%	5.65%																																																																																																																																																		
2027	7.35%	6.50%	5.45%																																																																																																																																																		
2028	6.75%	6.10%	5.25%																																																																																																																																																		
2029	6.20%	5.70%	5.05%																																																																																																																																																		
2030	5.60%	5.25%	4.85%																																																																																																																																																		
2031	5.05%	4.85%	4.65%																																																																																																																																																		
2032-38	4.45%	4.45%	4.45%																																																																																																																																																		
2039-40	4.35%	4.35%	4.35%																																																																																																																																																		
2041	4.30%	4.30%	4.30%																																																																																																																																																		
2042-44	4.25%	4.25%	4.25%																																																																																																																																																		
2045-47	4.20%	4.20%	4.20%																																																																																																																																																		
2048-50	4.15%	4.15%	4.15%																																																																																																																																																		
↓	↓	↓	↓																																																																																																																																																		
2076+	3.45%	3.45%	3.45%																																																																																																																																																		



ACTUARIAL ASSUMPTIONS

	June 30, 2021 Valuation	June 30, 2023 Valuation
■ Dental & Vision Trend	■ 2.50%	■ Same
■ Cap Increase Rates	■ Fire hired <1/14/15: <ul style="list-style-type: none"> • Lowest cost \$25 co-pay medical premium – medical trend • Lowest cost PPO dental premium – dental trend ■ Misc and Police: 0%	■ Same
■ CERBT Admin. Fee	■ 0.05% of Market Value of Assets ■ Added to Normal Cost	■ Same



ACTUARIAL ASSUMPTIONS

<p>■ Participation at Retirement</p>	<p>■ Based on retirements during fiscal years 2015 to 2017, varies by % of cash benefit earned at retirement:</p> <table border="1" style="margin-left: 20px;"> <thead> <tr> <th rowspan="2">Plan</th> <th colspan="4">% of Benefit Earned</th> </tr> <tr> <th>0%</th> <th>50%</th> <th>75%</th> <th>100%</th> </tr> </thead> <tbody> <tr> <td>M&D&V</td> <td>10%</td> <td>23%</td> <td>30%</td> <td>35%</td> </tr> <tr> <td>D & V</td> <td>10%</td> <td>40%</td> <td>35%</td> <td>30%</td> </tr> <tr> <td>M & D</td> <td>0%</td> <td>10%</td> <td>14%</td> <td>20%</td> </tr> <tr> <td>M & V</td> <td>0%</td> <td>3%</td> <td>0%</td> <td>4%</td> </tr> <tr> <td>M Only</td> <td>10%</td> <td>12%</td> <td>9.5%</td> <td>7%</td> </tr> <tr> <td>D Only</td> <td>10%</td> <td>3%</td> <td>1.5%</td> <td>0.5%</td> </tr> <tr> <td>V Only</td> <td>0%</td> <td>0%</td> <td>1%</td> <td>0.5%</td> </tr> </tbody> </table> <p>M = Medical, D = Dental, V = Vision</p> <p>■ 20% of actives hired after the plan change date with no City cash contribution will participate in a City medical plan at retirement</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>■ No change</p> <p>■ Assumption was reviewed using 2023 valuation data and is still reasonable</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

	June 30, 2021 Valuation				June 30, 2023 Valuation			
<ul style="list-style-type: none"> ■ Pre 1/1/91 Inactive Vested Ret. Age 	<ul style="list-style-type: none"> ■ SCERS: <ul style="list-style-type: none"> • Sect 399 – Age 62 • Sect 175 – Age 65 				<ul style="list-style-type: none"> ■ Same 			
<ul style="list-style-type: none"> ■ Estimated Monthly Age-Based Claims Cost per Retiree 		FY 2022/23				FY 2024/25		
	Medical Plan	Age	M	F	Medical Plan	Age	M	F
	Kaiser HMO	50	\$772	\$841	Kaiser HMO	50	\$915	\$1,128
	\$25 Co-Pay	55	1,000	1,007	\$25 Co-Pay	55	1,194	1,313
		60	1,278	1,201		60	1,539	1,546
		65	1,585	1,425		65	1,939	1,848
	Sutter Health	50	756	825	Sutter Health	50	859	1,059
	\$25 Co-Pay	55	980	987	\$25 Co-Pay	55	1,121	1,232
		60	1,253	1,177		60	1,445	1,451
		65	1,554	1,396		65	1,820	1,735
	Western Health	50	674	735	Western Health	50	767	946
	\$25 Co-Pay	55	873	880	\$25 Co-Pay	55	1,002	1,101
	60	1,116	1,049		60	1,291	1,297	
	65	1,385	1,244		65	1,627	1,550	



ACTUARIAL ASSUMPTIONS

	June 30, 2021 Valuation	June 30, 2023 Valuation
<ul style="list-style-type: none"> ■ Age-related Claims Costs for Medicare Advantage Plans 	<ul style="list-style-type: none"> ■ Due to age-risk adjusted federal subsidies, no age-based claims costs were included for Medicare Advantage plans 	<ul style="list-style-type: none"> ■ Same
<ul style="list-style-type: none"> ■ Medical Plan at Retirement 	<ul style="list-style-type: none"> ■ Currently covered – Same as active elections: <ul style="list-style-type: none"> • Pre-Medicare – same as current active elections with Account Based Plans => \$25 Co-Pay Plans • Post-Medicare: <ul style="list-style-type: none"> ➢ Kaiser => Kaiser SA ➢ Sutter Health and Western Health => UHC PPO ■ Currently waived – Kaiser HMO Premium Plan 	<ul style="list-style-type: none"> ■ Same



ACTUARIAL ASSUMPTIONS

	June 30, 2021 Valuation	June 30, 2023 Valuation
■ Waived Retiree Re-Election	<ul style="list-style-type: none"> ■ Retirees < 65 – 30% re-elect at age 65 ■ Retirees ≥ 65 – 0% re-elect 	■ Same
■ Medicare Eligible Rate	<ul style="list-style-type: none"> ■ Hired before 4/1/86: <ul style="list-style-type: none"> • Misc – 90% • Safety – 80% ■ Hired on or after 4/1/86: 100% ■ Retirees under age 65: <ul style="list-style-type: none"> • Misc – 95% • Safety – 90% 	■ Same
■ Marital Status at Retirement	<ul style="list-style-type: none"> ■ Actives: <ul style="list-style-type: none"> • Currently covered – current marital status • Not currently covered – 85% married ■ Retirees – current marital status 	■ Same



ACTUARIAL ASSUMPTIONS

	June 30, 2021 Valuation	June 30, 2023 Valuation
■ Spouse Age	<ul style="list-style-type: none"> ■ Actives – Males 3 years older than females ■ Retirees – Males 3 years older than females if spouse birth date not available 	■ Same
■ Surviving Spouse Participation	■ 100%	■ Same
■ Dependents at Retirement	<ul style="list-style-type: none"> ■ Pre-65: <ul style="list-style-type: none"> • Actives <ul style="list-style-type: none"> ➢ Misc – 10% ➢ Safety – 20% • Retirees – same as current coverage ■ Post-65 – 0% 	■ Same



ACTUARIAL ASSUMPTIONS

	June 30, 2021 Valuation	June 30, 2023 Valuation
<ul style="list-style-type: none"> ■ Actuarial Models 	<ul style="list-style-type: none"> ■ 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. 	
<ul style="list-style-type: none"> ■ Data Quality 	<ul style="list-style-type: none"> ■ 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 	



DEFINITIONS

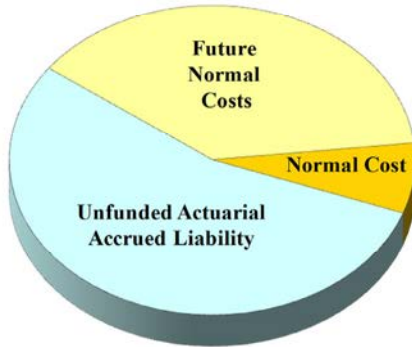
<ul style="list-style-type: none"> ■ OPEB Actuarial Valuation 	<ul style="list-style-type: none"> ■ Project future employer-provided benefit cash flows for current active employees and current retirees ■ Discount projected cash flow to valuation date using discount rate (assumed return on assets used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



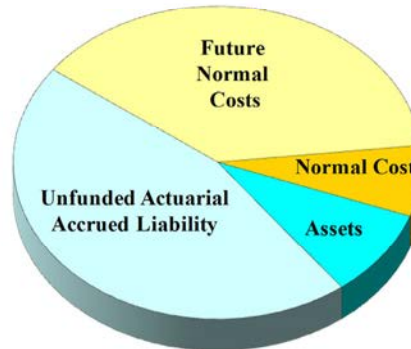
DEFINITIONS

Present Value of Benefits

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



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



September 9, 2024

E-33

City of
SACRAMENTO

DEFINITIONS

■ Acronyms
Used in
Report

- AAL - Actuarial Accrued Liability
- ADC - Actuarially Determined 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



September 9, 2024

E-34

City of
SACRAMENTO



**City of Sacramento
Retiree Healthcare Plan**



June 30, 2024 GASBS 75 Accounting Information
As of Measurement Date June 30, 2023
Based on the June 30, 2023 Actuarial Valuation

Drew Ballard, FSA, EA, MAAA
Catherine A. Wandro, ASA, MAAA
Tak Frazita, FSA, EA, MAAA
Foster & Foster, Inc.

September 9, 2024

Contents

<u>Topic</u>	<u>Page</u>
Applicable Dates	1
Note Disclosures	2
Required Supplementary Information	14
Actuarial Certification	19
Supporting Calculations	20
Journal Entries	31
Crossover Test	37

Applicable Dates

Applicable Dates and Periods

	Fiscal Year Ended June 30, 2024
■ Measurement date	June 30, 2023
■ Measurement period	July 1, 2022 to June 30, 2023
■ Actuarial valuation date	June 30, 2023



Note Disclosures

Plan Information

	Fiscal Year Ended June 30, 2024
■ Plan type	Agent Multiple Employer
■ OPEB trust	Yes
■ Special funding situation	No
■ Nonemployer contributing entities	No



Note Disclosures

Expected Long-Term Rate of Return

	Target Allocation CERBT-Strategy 1	Expected Real Rate of Return
■ Asset Class Component		
● Global Equity	49%	4.56%
● Fixed Income	23%	1.56%
● TIPS	5%	(0.08%)
● Commodities	3%	1.22%
● REITs	20%	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.



Note Disclosures

Covered Participants

At June 30, 2023, the measurement date, the following numbers of participants were covered by the benefit terms:

	Number of Covered Participants
■ Inactives currently receiving benefits	3,010
■ Inactives entitled to but not yet receiving benefits	399
■ Active employees	3,973
■ Total	7,382



Note Disclosures

Net OPEB Liability/(Asset)

(Amounts in 000's)

	Fiscal Year Ended	
	6/30/23	6/30/24
	Measurement Date 6/30/22	Measurement Date 6/30/23
■ Total OPEB Liability (TOL)	\$ 277,626	\$ 296,692
■ Fiduciary Net Position (FNP)*	71,156	84,817
■ Net OPEB Liability (NOL)	206,470	211,875
■ Funded status (FNP/TOL)	25.63%	28.59%

* Asset information is from CalPERS' "CERBT Schedule of Changes in Fiduciary Net Position by Employer" (audited asset statement) for the year ended June 30, 2023.



Note Disclosures

Changes in Net OPEB Liability/(Asset)

(Amounts in 000's)

	Total OPEB Liability	Fiduciary Net Position	Net OPEB Liability
■ Balance at 6/30/23 (6/30/22 measurement date)	\$ 277,626	\$ 71,156	\$ 206,470
■ Changes for the year			
● Service Cost	5,356	-	5,356
● Interest	17,208	-	17,208
● Changes of benefit terms	-	-	-
● Actual vs. expected experience	698	-	698
● Assumption changes	11,125	-	11,125
● Contributions - employer*	-	23,167	(23,167)
● Contributions - employee	-	-	-
● Net investment income	-	5,839	(5,839)
● Benefit payments*	(15,321)	(15,321)	-
● Administrative expenses	-	(24)	24
■ Net Changes	19,066	13,661	5,405
■ Balance at 6/30/24 (6/30/23 measurement date)	\$ 296,692	\$ 84,817	\$ 211,875

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



Note Disclosures

Sensitivity of Net OPEB Liability/(Asset)

(Amounts in 000's)

Changes in the Discount Rate

	Discount Rate		
	1% Decrease (5.25%)	Current Rate (6.25%)	1% Increase (7.25%)
■ Net OPEB Liability	\$ 247,415	\$ 211,875	\$ 182,086

Changes in the Healthcare Trend Rate

	Healthcare Trend Rate		
	1% Decrease	Current Trend	1% Increase
■ Net OPEB Liability	\$ 188,388	\$ 211,875	\$ 242,371



Note Disclosures

OPEB Expense/(Income) for Fiscal Year

(Amounts in 000's)

	2023/24
	Measurement Period 2022/23
■ OPEB Expense/(Income)*	\$ (10,547)

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



Note Disclosures

Deferred Outflows/Inflows Balances at June 30, 2024

(Amounts in 000's)

	June 30, 2024	
	Deferred Outflows of Resources	Deferred Inflows of Resources
■ Differences between expected and actual experience	\$ 591	\$ 27,029
■ Changes in assumptions	11,525	19,817
■ Net difference between projected and actual earnings on plan investments*	5,924	-
■ Employer contributions made subsequent to the measurement date**	23,184	-
■ Total	41,224	46,846

* 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
■ 2025	\$ (23,048)
■ 2026	(7,320)
■ 2027	(576)
■ 2028	(590)
■ 2029	1,819
■ Thereafter	909



Note Disclosures

Significant Actuarial Assumptions Used for Total OPEB Liability

Actuarial Assumption	June 30, 2023 Measurement Date
■ Actuarial Valuation Date	■ June 30, 2023
■ Contribution Policy	■ City contributes ad hoc amounts
■ Municipal Bond Rate	■ 4.13% as of June 30, 2023 ■ 4.09% as of June 30, 2022 ■ Standard & Poors 20 Year High Grade Rate
■ Discount Rate and Long-Term Expected Rate of Return on Assets	■ 6.25% at June 30, 2023 ■ 6.25% at June 30, 2022 ■ Expected City contributions projected to keep sufficient plan assets to pay all benefits from trust
■ General Inflation	■ 2.50% annually
■ Crossover Test Assumptions	■ Assumed \$7.8 million annual trust contribution (average net contribution over the past 5 years) until assets equal Present Value of Benefits ■ Administrative expenses = 0.05% of assets ■ No crossover
■ Mortality, Retirement, Disability, Termination	■ CalPERS 2000-2019 Experience Study ■ SCERS 6/30/23 Valuation Assumptions (limited applicability)



Note Disclosures

Significant Actuarial Assumptions Used for Total OPEB Liability

Actuarial Assumption	June 30, 2023 Measurement Date
■ Mortality Improvement	■ Mortality projected fully generational with Scale MP-2021
■ Salary Increases	■ Aggregate - 2.75% annually ■ Merit - CalPERS 2000-2019 Experience Study
■ Medical Trend	■ Non-Medicare - 8.50% for 2025, decreasing to an ultimate rate of 3.45% in 2076 ■ Medicare (Non-Kaiser) - 7.50% for 2025, decreasing to an ultimate rate of 3.45% in 2076 ■ Medicare (Kaiser) - 6.25% for 2025, decreasing to an ultimate rate of 3.45% in 2076
■ Healthcare Participation for Future Retirees	■ Varies from 0% to 40% of medical, dental, and/or vision coverage based on percent of cash benefit earned at retirement ■ Assumptions based on plan experience



Note Disclosures

Changes Since June 30, 2022 Measurement Date

	June 30, 2023 Measurement Date
■ Changes of assumptions	■ Updated Medical Trend
■ Changes of benefit terms	■ None



Required Supplementary Information

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

(Amounts in 000's)

	2023/24
	Measurement Period 2022/23
■ Changes in Total OPEB Liability	
● Service Cost	\$ 5,356
● Interest	17,208
● Changes of benefit terms	-
● Actual vs. expected experience	698
● Assumption changes	11,125
● Benefit payments	(15,321)
■ Net Changes	19,066
■ Total OPEB Liability (beginning of year)	277,626
■ Total OPEB Liability (end of year)	296,692



Required Supplementary Information

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

(Amounts in 000's)

	2023/24
	Measurement Period 2022/23
■ Changes in Plan Fiduciary Net Position	
● Contributions - employer	\$ 23,167
● Contributions - employee	-
● Net investment income	5,839
● Benefit payments	(15,321)
● Administrative expenses	(24)
● Other changes	-
● Net Changes	<u>13,661</u>
■ Plan Fiduciary Net Position (beginning of year)	<u>71,156</u>
■ Plan Fiduciary Net Position (end of year)	84,817



Required Supplementary Information

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

(Amounts in 000's)

	2023/24
	Measurement Date 6/30/23
■ Net OPEB Liability/(Asset)	\$ 211,875
■ Fiduciary Net Position as a percentage of the Total OPEB Liability	28.59%
■ Covered employee payroll*	242,374
■ Net OPEB Liability as a percentage of covered employee payroll	87.4%

* For the 12-month period ended on June 30, 2023 (Measurement Date).
As reported by the City.



Required Supplementary Information

Schedule of Employer Contributions

(Amounts in 000's)

	Fiscal Year 2023/24
■ Actuarially Determined Contribution (ADC)	\$ 23,334
■ Contributions in relation to the actuarially determined contribution*	23,184
■ Contribution deficiency/(excess)	150
■ Covered employee payroll**	238,736
■ Contributions as a percentage of covered employee payroll	9.7%

* See page 20 for details.

** For the 12-month period ended on June 30, 2024 (fiscal year end).

As reported by the City.



Required Supplementary Information

**Notes to Schedule of Employer Contribution
Methods and Assumptions for
2023/24 Actuarially Determined Contribution**

■ Valuation Date	■ June 30, 2021
■ Actuarial Cost Method	■ Entry Age Normal, Level % of pay
■ Amortization Method	■ Level % of pay
■ Amortization Period	■ 15-year amortization for 2023/24
■ Asset Valuation Method	■ Investment gains and losses spread over 5-year rolling period
■ Discount Rate	■ 6.25%
■ General Inflation	■ 2.50%
■ Medical Trend	<ul style="list-style-type: none"> ■ Non-Medicare - 6.50% for 2023, decreasing to an ultimate rate of 3.75% in 2076 ■ Medicare (Non-Kaiser) - 5.65% for 2023, decreasing to an ultimate rate of 3.75% in 2076 ■ Medicare (Kaiser) - 4.60% for 2022, decreasing to an ultimate rate of 3.75% in 2076
■ Mortality	■ CalPERS 2000-2019 Experience Study
■ Mortality Improvement	■ Mortality projected fully generational with Scale MP-2021



Actuarial Certification

This report presents the City of Sacramento Retiree Healthcare Plan 2023/24 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, 2023 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,



Drew Ballard, FSA, EA, MAAA
Foster & Foster, Inc.
September 9, 2024



Catherine A. Wandro, ASA, MAAA
Foster & Foster, Inc.
September 9, 2024



September 9, 2024

19
GASBS 75

City of Sacramento

Supporting Calculations

Employer Contributions

(Amounts in 000's)

	Measurement Period	Measurement Date to FYE	Prior Measurement Date to Prior FYE
	7/1/22 to 6/30/23	7/1/23 to 6/30/24	Same as Measurement Period
■ Cash benefit payments	\$ 11,003	\$ 11,287	\$ 11,003
■ Implicit subsidy benefit payments	4,318	4,746	4,318
■ Total benefit payments	15,321	16,033	15,321
■ Benefit payments reimbursed from trust	(11,003)	(11,287)	(11,003)
■ Benefit payments paid outside of trust	4,318	4,746	4,318
■ Non-trust admin expenses	-	-	-
■ Non-trust admin expenses reimbursed from trust	-	-	-
■ Trust contributions	18,849	18,438	18,849
■ Total employer contributions	23,167	23,184	23,167

Measurement period (7/1/22 to 6/30/23): \$23,167

Fiscal year (7/1/23 to 6/30/24): \$23,184



September 9, 2024

20
GASBS 75

City of Sacramento

Supporting Calculations

Average of the Expected Remaining Service Lives

July 1, 2022 (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 7/1/22 (not less than 1 yr)
6/30/23	45,617.3 years	6,955	6.6 years	6.5 years
6/30/21	44,751.3 years	6,878	6.5 years	

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



Supporting Calculations

Recognition of Deferred Outflows/Inflows at June 30, 2024

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, 2024	
			23/24	24/25	25/26	26/27	27/28	28/29	29/30+	Outflows	(Inflows)
17/18	-	-	-	-	-	-	-	-	-	-	-
18/19	-	-	-	-	-	-	-	-	-	-	-
19/20	(28,948)	6.2	(4,669)	(4,669)	(934)	-	-	-	-	-	(5,603)
20/21	-	-	-	-	-	-	-	-	-	-	-
21/22	(40,332)	6.4	(6,302)	(6,302)	(6,302)	(6,302)	(2,520)	-	-	-	(21,426)
22/23	-	-	-	-	-	-	-	-	-	-	-
23/24	698	6.5	107	107	107	107	107	107	56	591	-
Total			(10,864)	(10,864)	(7,129)	(6,195)	(2,413)	107	56	591	(27,029)



Supporting Calculations

Recognition of Deferred Outflows/Inflows at June 30, 2024

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, 2024	
			23/24	24/25	25/26	26/27	27/28	28/29	29/30+	Outflows	(Inflows)
17/18	(24,429)	6.1	(399)	-	-	-	-	-	-	-	-
18/19	(30,845)	6.1	(5,057)	(503)	-	-	-	-	-	-	(503)
19/20	(92,281)	6.2	(14,884)	(14,884)	(2,977)	-	-	-	-	-	(17,861)
20/21	(4,097)	6.2	(661)	(661)	(661)	(131)	-	-	-	-	(1,453)
21/22	3,978	6.4	622	622	622	622	246	-	-	2,112	-
22/23	-	-	-	-	-	-	-	-	-	-	-
23/24	11,125	6.5	1,712	1,712	1,712	1,712	1,712	1,712	853	9,413	-
Total			(18,667)	(13,714)	(1,304)	2,203	1,958	1,712	853	11,525	(19,817)



September 9, 2024

23
GASBS 75

City of Sacramento

Supporting Calculations

Recognition of Deferred Outflows/Inflows at June 30, 2024

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, 2024	
			23/24	24/25	25/26	26/27	27/28	28/29	29/30+	Outflows	(Inflows)
17/18	(701)	5.0	-	-	-	-	-	-	-	-	-
18/19	(269)	5.0	-	-	-	-	-	-	-	-	-
19/20	108	5.0	20	-	-	-	-	-	-	-	-
20/21	2,093	5.0	419	417	-	-	-	-	-	417	-
21/22	(11,520)	5.0	(2,304)	(2,304)	(2,304)	-	-	-	-	-	(4,608)
22/23	17,769	5.0	3,554	3,554	3,554	3,553	-	-	-	10,661	-
23/24	(683)	5.0	(137)	(137)	(137)	(137)	(135)	-	-	-	(546)
Total			1,552	1,530	1,113	3,416	(135)	-	-	11,078	(5,154)
Net Deferred Outflows/(Inflows)										5,924	-

Calculation of initial amount for 2023/24 (2022/23 measurement period):

Projected earnings on investments of \$5,156 (page 27), less

Actual earnings on investments of \$5,839 (net investment income, page 15)



September 9, 2024

24
GASBS 75

City of Sacramento

Supporting Calculations

Recognition of Deferred Outflows/Inflows in Future OPEB Expense

(Amounts in 000's)

	24/25	25/26	26/27	27/28	28/29	Thereafter 29/30+
■ Differences between Expected and Actual Experience	(10,864)	(7,129)	(6,195)	(2,413)	107	56
■ Changes of Assumptions	(13,714)	(1,304)	2,203	1,958	1,712	853
■ Projected Versus Actual Earnings on Investments	1,530	1,113	3,416	(135)	-	-
■ Total	(23,048)	(7,320)	(576)	(590)	1,819	909



September 9, 2024

25
GASBS 75

City of Sacramento

Supporting Calculations

Components of GASBS 75 OPEB Expense

(Amounts in 000's)

	2023/24
	Measurement Period 2022/23
■ Service Cost	\$ 5,356
■ Interest on Total OPEB Liability	17,208
■ Projected earnings on investments	(5,156)
■ Employee contributions	-
■ Administrative expense	24
■ Changes of benefit terms	-
■ Recognition of deferred outflows/(inflows)	
● Experience	(10,864)
● Assumptions	(18,667)
● Asset returns	1,552
■ OPEB Expense/(Income)	(10,547)



September 9, 2024

26
GASBS 75

City of Sacramento

Supporting Calculations

Components of GASBS 75 OPEB Expense*
Calculation of Projected Earnings on Investments
2022/23 Measurement Period
 (Amounts in 000's)

	Dollar Amount	Expected Return	Portion of Year	Projected Earnings
■ Fiduciary Net Position (beginning of year)	\$ 71,156	6.25%	100%	\$ 4,447
■ Employer contributions	18,849	6.25%	72%	848
■ Employee contributions	-	6.25%	0%	-
■ Disbursements	(11,003)	6.25%	20%	(138)
■ Administrative expenses	(24)	6.25%	50%	(1)
■ Projected earnings				<u>5,156</u>

* The items on this page reflect trust activity only.



Supporting Calculations

Components of GASBS 75 OPEB Expense
Calculation of Interest on Total OPEB Liability
2022/23 Measurement Period
 (Amounts in 000's)

	Dollar Amount	Discount Rate	Portion of Year	Interest
■ Total OPEB Liability	\$ 277,626	6.25%	100%	\$ 17,352
■ Service Cost	5,356	6.25%	100%	335
■ Changes of benefit terms	-	6.25%	0%	-
■ Experience*	698	6.25%	0%	-
■ Assumption changes*	11,125	6.25%	0%	-
■ Benefit payments	(15,321)	6.25%	50%	(479)
■ Total interest				<u>17,208</u>

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



Supporting Calculations

GASBS 75 Balance Equation

(Amounts in 000's)

	Fiscal Year Ended	
	6/30/23	6/30/24
	Measurement Date 6/30/22	Measurement Date 6/30/23
■ Total OPEB Liability	\$ 277,626	\$ 296,692
■ Fiduciary Net Position	71,156	84,817
■ Net OPEB Liability/(Asset)	206,470	211,875
■ Deferred inflows of resources	78,818	46,846
■ Deferred (outflows) of resources	(10,893)	(18,040)
■ Balance Sheet	274,395	240,681

Check:

■ Balance Sheet 6/30/23	\$ 274,395
● OPEB Expense/(Income)	(10,547)
● Employer Contributions*	(23,167)
■ Balance Sheet 6/30/24	240,681

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



Supporting Calculations

This page intentionally blank



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 implicit subsidy payment, which is recorded as a reduction to active employee health care costs. See page 20 for details.

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

	Debit	(Credit)
■ Net OPEB Liability - (for contributions paid 7/1/22 to 6/30/23)	\$ 23,167	\$ -
■ Deferred Outflow - 7/1/22 to 6/30/23 contributions	-	(23,167)
■ Deferred Outflow - 7/1/23 to 6/30/24 contributions	23,184	-
■ Active employee health care costs - (implicit subsidy payments 7/1/23 to 6/30/24)	-	(4,746)
■ OPEB Expense - (for contributions paid 7/1/23 to 6/30/24)	-	(18,438)
<i>Check</i>	<i>46,351</i>	<i>(46,351)</i>



Journal Entries

Summary Journal Entries - OPEB Expense

(Amounts in 000's)

Following records the impact of current year OPEB expense

	Debit	(Credit)
■ Deferred Outflows*	\$ 9,382	\$ (2,235)
■ Deferred Inflows**	31,972	-
■ OPEB Expense/Credit	-	(10,547)
■ Net OPEB Liability	-	(28,572)
<i>Check</i>	<i>41,354</i>	<i>(41,354)</i>

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

** See page 35 for details.



Journal Entries

Ending Balances at June 30, 2024

(Amounts in 000's)

	Debit	(Credit)
■ Deferral: Differences between expected and actual experience	\$ 591	\$ (27,029)
■ Deferral: Changes of assumptions	11,525	(19,817)
■ Deferral: Net differences between projected and actual earnings on plan investments	5,924	-
■ Total deferred outflow/inflow	18,040	(46,846)
■ Net OPEB Liability (NOL)	-	(211,875)
■ Contributions after the Measurement Date	23,184	-
■ Net Impact	217,497	-

Check: 258,721 (258,721)

■ Total OPEB expense/(income) for FYE 2024	-	(10,547)
--	---	----------



Journal Entries

Reconciliation of Deferred Outflows

Detail for page 32

(Amounts in 000's)

Deferred Outflows	Opening Balance - Debit	Journal Entry - Debit	Journal Entry - (Credit)	Ending Balance - Debit
■ Differences between actual and expected experience	\$ -	\$ 591	\$ -	\$ 591
■ Change in assumptions	2,734	8,791	-	11,525
■ Differences between projected and actual earnings on plan investments	8,159	-	(2,235)	5,924
■ Subtotal - actuarial deferrals	10,893	9,382	(2,235)	18,040
■ Contributions after the Measurement Date	23,167	23,184	(23,167)	23,184
■ Total Deferred Outflows	34,060	32,566	(25,402)	41,224



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	\$ (38,000)	\$ -	\$ 10,971	\$ (27,029)
■ Change in assumptions	(40,818)	-	21,001	(19,817)
■ Differences between projected and actual earnings on plan investments	-	-	-	-
■ Total Deferred (Inflows)	(78,818)	-	31,972	(46,846)



Journal Entries

Reconciliation of Deferred Outflows/(Inflows)

Summary of Balances
(Amounts in 000's)

	Fiscal Year Ended	
	6/30/23	6/30/24
	Measurement Date 6/30/22	Measurement Date 6/30/23
■ Total OPEB (Liability)	\$ (277,626)	\$ (296,692)
■ Fiduciary Net Position	71,156	84,817
■ Net OPEB (Liability)/Asset	(206,470)	(211,875)
■ Deferred (inflows) of resources	(78,818)	(46,846)
■ Deferred outflows of resources	34,060	41,224
■ Balance Sheet Impact	(251,228)	(217,497)

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
2024	\$ 84,801	\$ 18,438	\$ 11,287	\$ 42	\$ 5,532	\$ 97,441
2025	97,441	23,991	16,333	49	5,591	110,641
2026	110,641	24,931	17,385	55	6,385	124,517
2027	124,517	25,749	18,318	62	7,223	139,109
2028	139,109	26,547	19,236	70	8,109	154,460
2029	154,460	27,367	20,187	77	9,041	170,604
2030	170,604	28,179	21,141	85	10,021	187,577
2031	187,577	29,048	22,162	94	11,050	205,419
2032	205,419	29,757	23,025	103	12,139	224,187
2033	224,187	30,546	23,976	112	13,283	243,928
*	*	*	*	*	*	*
2054	212,636	106	24,565	106	12,538	200,608
2055	200,608	100	23,651	100	11,813	188,771
2056	188,771	94	22,787	94	11,100	177,084
2057	177,084	89	21,457	89	10,409	166,037
2058	166,037	83	20,186	83	9,758	155,608
*	*	*	*	*	*	*
2104	22	0	11	0	1	12
2105	12	0	6	0	1	6
2106	6	0	3	0	0	3
2107	3	0	2	0	0	1
2108	1	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%
2024	\$ 84,801	\$ 11,287	\$ 11,287	\$ 0	\$ 10,947	\$ 0	\$ 10,947
2025	97,441	16,333	16,333	0	14,910	0	14,910
2026	110,641	17,385	17,385	0	14,936	0	14,936
2027	124,517	18,318	18,318	0	14,812	0	14,812
2028	139,109	19,236	19,236	0	14,638	0	14,638
2029	154,460	20,187	20,187	0	14,457	0	14,457
2030	170,604	21,141	21,141	0	14,250	0	14,250
2031	187,577	22,162	22,162	0	14,060	0	14,060
2032	205,419	23,025	23,025	0	13,748	0	13,748
2033	224,187	23,976	23,976	0	13,474	0	13,474
*	*	*	*	*	*	*	*
2054	212,636	24,565	24,565	0	3,866	0	3,866
2055	200,608	23,651	23,651	0	3,503	0	3,503
2056	188,771	22,787	22,787	0	3,176	0	3,176
2057	177,084	21,457	21,457	0	2,815	0	2,815
2058	166,037	20,186	20,186	0	2,493	0	2,493
*	*	*	*	*	*	*	*
2104	22	11	11	0	0	0	0
2105	12	6	6	0	0	0	0
2106	6	3	3	0	0	0	0
2107	3	2	2	0	0	0	0
2108	1	1	1	0	0	0	0
*	*	*	*	*	*	*	*
Total					347,864	0	347,864

