

CITY OF GROSSE POINTE WOODS
EMPLOYEES RETIREMENT SYSTEM

ACTUARIAL VALUATION
AS OF JUNE 30, 2023

CONTRIBUTIONS APPLICABLE TO THE
PLAN/FISCAL YEAR BEGINNING JULY 1, 2024

P.A. 202 VALUATION
AS OF JUNE 30, 2023



FOSTER & FOSTER
ACTUARIES AND CONSULTANTS



August 28, 2023

Board of Trustees
City of Grosse Pointe Woods Employees Retirement System

Re: Actuarial Valuation Report – City of Grosse Pointe Woods Employees Retirement System

Dear Board:

We are pleased to present to the Board this report of the annual actuarial valuation of the City of Grosse Pointe Woods Employees Retirement System. The funding valuation was performed to determine whether the assets and contributions are sufficient to provide the prescribed benefits and to develop the appropriate funding requirements for the applicable plan year. Use of the results for other purposes may not be applicable and could produce significantly different results.

The valuation has been conducted in accordance with generally accepted actuarial principles and practices, including the applicable Actuarial Standards of Practice as issued by the Actuarial Standards Board, and reflects laws and regulations issued to date pursuant to the Retirement System, as well as applicable federal laws and regulations. In our opinion, the assumptions used in this valuation, as adopted by the Board of Trustees, represent reasonable expectations of anticipated plan experience. Future actuarial measurements may differ significantly from the current measurements presented in this report for a variety of reasons including: changes in applicable laws, changes in plan provisions, changes in assumptions, or plan experience differing from expectations. Due to the limited scope of the valuation, we did not perform an analysis of the potential range of such future measurements.

The funding percentages and unfunded accrued liability as measured based on the actuarial value of assets will differ from similar measures based on the market value of assets. These measures, as provided, are appropriate for determining the adequacy of future contributions, but may not be appropriate for the purpose of settling a portion or all of its liabilities.

In conducting the valuation, we have relied on personnel, plan design, and asset information supplied by the Board, financial reports prepared by the custodian bank and the actuarial assumptions and methods described in the Actuarial Assumptions section of this report. While we cannot verify the accuracy of all this information, the supplied information was reviewed for consistency and reasonableness. As a result of this review, we have no reason to doubt the substantial accuracy of the information and believe that it has produced appropriate results. This information, along with any adjustments or modifications, is summarized in various sections of this report.

In performing the analysis, we used third-party software to model (calculate) the underlying liabilities and costs. These results are reviewed in the aggregate and for individual sample lives. The output from the software is either used directly or input into internally developed models to generate the costs. All internally developed models are reviewed as part of the process. As a result of this review, we believe that the models have produced reasonable results. We do not believe there are any material inconsistencies among assumptions or unreasonable output produced due to the aggregation of assumptions.

The undersigned is familiar with the immediate and long-term aspects of pension valuations and meet the Qualification Standards of the American Academy of Actuaries necessary to render the actuarial opinions contained herein. All of the sections of this report are considered an integral part of the actuarial opinions.

To our knowledge, no associate of Foster & Foster, Inc. working on valuations of the program has any direct financial interest or indirect material interest in the City of Grosse Pointe Woods, nor does anyone at Foster & Foster, Inc. act as a member of the Board of Trustees of the City of Grosse Pointe Woods Employees Retirement System. Thus, there is no relationship existing that might affect our capacity to prepare and certify this actuarial report.

If there are any questions, concerns, or comments about any of the items contained in this report, please contact us at 630-620-0200.

Respectfully submitted,

Foster & Foster, Inc.


By: 
Jason L. Franken, FSA, EA, MAAA

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SUMMARY OF REPORT

The regular annual actuarial valuation of the City of Grosse Pointe Woods Employees Retirement System, performed as of June 30, 2023, has been completed and the results are presented in this Report. The contribution amounts set forth herein are applicable to the plan/fiscal year beginning July 1, 2024.

The contribution requirements, compared with those set forth in the June 30, 2022 actuarial report, are as follows:

Valuation Date	6/30/2023	6/30/2022
Applicable to Fiscal Year Beginning	<u>7/1/2024</u>	<u>7/1/2023</u>
Total Recommended Contribution	\$2,628,546	\$2,205,664
% of Projected Annual Payroll	46.42%	38.91%
Member Contributions (Est.)	(333,413)	(326,695)
% of Projected Annual Payroll	(5.89%)	(5.76%)
City Recommended Contribution	2,295,133	1,878,969
% of Projected Annual Payroll	40.53%	33.15%

As you can see, the Total Recommended Contribution shows an increase from the June 30, 2022 actuarial valuation report. The increase is largely attributable to assumption and method changes, along with unfavorable plan experience.

Plan experience was unfavorable overall on the basis of the plan's actuarial assumptions. Sources of unfavorable experience included an investment return of 5.51% (Actuarial Asset Basis) which fell short of the 7.50% assumption and more retirements than expected. These losses were offset in part by a gain associated with higher than expected active mortality experience.

CHANGES SINCE THE PRIOR VALUATION

The valuation reflects the following assumption changes:

- The interest rate was decreased from 7.50% to 7.40%.
- Reduced assumed payroll growth rate from 3.50% to 3.00%.
- Updated retirement, termination, and disability rate tables.

The valuation reflects the following method changes:

- Administrative expenses have been included in the contribution requirement.
- The 25-year open amortization period was updated to a 20-year amortization period that will phase into a 15-year open amortization.

COMPARATIVE SUMMARY OF PRINCIPAL VALUATION RESULTS

Valuation Date	New Asmp/Mthd <u>6/30/2023</u>	Old Asmp/Mthd <u>6/30/2023</u>	<u>6/30/2022</u>
A. Participant Data			
Number Included			
Actives	76	76	79
Service Retirees	90	90	86
Beneficiaries	18	18	17
Disability Retirees	0	0	0
Terminated Vested	<u>12</u>	<u>12</u>	<u>16</u>
Total	196	196	198
Total Projected Annual Payroll	\$5,661,562	\$5,661,562	\$5,668,368
Payroll Under Assumed Ret. Age	5,661,562	5,661,562	5,668,369
Annual Rate of Payments to:			
Service Retirees	3,150,364	3,150,364	3,013,205
Beneficiaries	556,774	556,774	513,185
Disability Retirees	0	0	0
Terminated Vested	134,569	134,569	148,317
B. Assets			
Actuarial Value	42,304,500	42,304,500	41,703,710
Market Value	40,385,352	40,385,352	38,115,937
C. Liabilities			
Present Value of Benefits (PVB)			
Actives			
Retirement Benefits	20,943,983	21,199,084	20,957,181
Disability Benefits	1,233,681	1,729,210	1,739,611
Death Benefits	279,276	277,568	285,755
Vested Benefits	800,171	653,185	649,688
Service Retirees ¹	41,152,637	40,751,396	39,273,933
Beneficiaries	5,377,261	5,338,552	4,830,917
Disability Retirees	0	0	0
Terminated Vested	<u>1,187,645</u>	<u>1,172,640</u>	<u>1,280,240</u>
Total	70,974,654	71,121,635	69,017,325

¹ Includes reserve for EROP balances. \$0 as of 6/30/2023 and \$0 as of 6/30/2022.

C. Liabilities - (Continued)	New Asmp/Mthd <u>6/30/2023</u>	Old Asmp/Mthd <u>6/30/2023</u>	<u>6/30/2022</u>
Present Value of Future Salaries	47,164,655	48,688,616	48,053,737
Normal Cost (Retirement)	621,011	637,547	638,282
Normal Cost (Disability)	62,509	79,380	80,269
Normal Cost (Death)	15,195	15,191	15,744
Normal Cost (Vesting)	<u>70,514</u>	<u>53,595</u>	<u>53,018</u>
Total Normal Cost (EAN)	769,229	785,713	787,313
Present Value of Future Normal Costs	6,239,476	6,548,756	6,500,055
Accrued Liability (Retirement)	15,803,923	15,781,375	15,569,871
Accrued Liability (Disability)	661,826	1,053,197	1,074,738
Accrued Liability (Death)	167,436	164,263	171,391
Accrued Liability (Vesting)	384,450	311,456	316,180
Accrued Liability (Inactives) ¹	<u>47,717,543</u>	<u>47,262,588</u>	<u>45,385,090</u>
Total Actuarial Accrued Liability	64,735,178	64,572,879	62,517,270
Unfunded Actuarial Accrued Liability (UAAL)	22,430,678	22,268,379	20,813,560
Funded Ratio (AVA / AL)	65.4%	65.5%	66.7%

¹ Includes reserve for EROP balances. \$0 as of 6/30/2023 and \$0 as of 6/30/2022.

	New Asmp/Mthd <u>6/30/2023</u>	Old Asmp/Mthd <u>6/30/2023</u>	<u>6/30/2022</u>
D. Actuarial Present Value of Accrued Benefits			
Vested Accrued Benefits			
Inactives ¹	47,717,543	47,262,588	45,385,090
Actives	4,728,682	4,566,926	4,250,204
Member Contributions	<u>4,107,306</u>	<u>4,107,306</u>	<u>4,226,004</u>
Total	56,553,531	55,936,820	53,861,298
Non-vested Accrued Benefits	<u>2,760,465</u>	<u>3,418,078</u>	<u>3,396,747</u>
Total Present Value Accrued Benefits	59,313,996	59,354,898	57,258,045
Funded Ratio (MVA / PVAB)	68.1%	68.0%	66.6%
Increase (Decrease) in Present Value of Accrued Benefits Attributable to:			
Plan Amendments	0	0	
Assumption Changes	(40,902)	0	
Plan Experience	0	1,871,299	
Benefits Paid	0	(3,921,734)	
Interest	0	4,147,288	
Other	<u>0</u>	<u>0</u>	
Total	0	2,096,853	

¹ Includes reserve for EROP balances. \$0 as of 6/30/2023 and \$0 as of 6/30/2022.

	New Asmp/Mthd	Old Asmp/Mthd	
Valuation Date	6/30/2023	6/30/2023	6/30/2022
Applicable to Fiscal Year Beginning	<u>7/1/2024</u>	<u>7/1/2024</u>	<u>7/1/2023</u>

E. Pension Cost

Normal Cost ¹	\$826,152	\$844,641	\$846,361
% of Total Annual Payroll ¹	14.59	14.92	14.93
Administrative Expenses ¹	61,218	0	0
% of Total Annual Payroll ¹	1.08	0.00	0.00
Payment Required to Amortize Unfunded Actuarial Accrued Liability over 20 years (as of 6/30/2023; 25 years before change) ¹	1,741,176	1,454,316	1,359,303
% of Total Annual Payroll ¹	30.75	25.69	23.98
Total Recommended Contribution	2,628,546	2,298,957	2,205,664
% of Total Annual Payroll ¹	46.42	40.61	38.91
Expected Member Contributions ¹	(333,413)	(333,413)	(326,695)
% of Total Annual Payroll ¹	(5.89)	(5.89)	(5.76)
Expected City Contribution	2,295,133	1,965,544	1,878,969
% of Total Annual Payroll ¹	40.53	34.72	33.15

F. Past Contributions

Plan Years Ending:	<u>6/30/2023</u>
Total Recommended Contribution	2,176,932
City Requirement	1,878,969
Actual Contributions Made:	
Members (excluding buyback)	297,963
City	<u>2,042,555</u>
Total	2,340,518

G. Net Actuarial (Gain)/Loss 1,501,124

¹ Contributions developed as of 6/30/2023 displayed above have been adjusted to account for assumed interest.

H. Schedule Illustrating the Amortization of the Total Unfunded Actuarial Accrued Liability as of:

<u>Year</u>	<u>Projected Unfunded Accrued Liability</u>
2023	22,430,678
2024	22,349,372
2025	22,209,814
2030	20,516,612
2034	18,892,310
2039	17,041,558
2043	15,692,374

I. (i) 3 Year Comparison of Actual and Assumed Salary Increases

		<u>Actual</u>	<u>Assumed</u>
Year Ended	6/30/2023	11.60%	4.57%
Year Ended	6/30/2022	2.73%	4.55%
Year Ended	6/30/2021	12.40%	4.48%

(ii) 3 Year Comparison of Investment Return on Actuarial Value

		<u>Actual</u>	<u>Assumed</u>
Year Ended	6/30/2023	5.51%	7.50%
Year Ended	6/30/2022	4.66%	7.50%
Year Ended	6/30/2021	9.99%	7.50%

PENSION COST BY DIVISION

	<u>General</u>	<u>Public Safety</u>	<u>Total</u>
Projected Payroll	2,925,368	2,736,194	5,661,562
Total Normal Cost ¹	370,694	455,458	826,152
% of Total Annual Payroll ¹	12.67	16.65	14.59
Administrative Expenses ¹	31,632	29,586	61,218
% of Total Annual Payroll ¹	1.08	1.08	1.08
Payment Required to Amortize Unfunded Actuarial Accrued Liability over 20 years (as of 6/30/2023) ¹	899,678	841,498	1,741,176
% of Total Annual Payroll ¹	30.75	30.75	30.75
Total Recommended Contribution ¹	1,302,004	1,326,542	2,628,546
% of Total Annual Payroll ¹	44.51	48.48	46.42
Expected Member Contributions ¹	(157,092)	(176,321)	(333,413)
% of Total Annual Payroll ¹	(5.37)	(6.44)	(5.89)
Expected City Contribution	1,144,912	1,150,221	2,295,133
% of Total Annual Payroll ¹	39.14	42.04	40.53

¹ Contributions developed as of 6/30/2023 displayed above have been adjusted to account for assumed interest

DEVELOPMENT OF JUNE 30, 2023 AMORTIZATION PAYMENT

(1)	Unfunded Actuarial Accrued Liability as of June 30, 2022	\$20,813,560
(2)	Sponsor Normal Cost developed as of June 30, 2022	476,120
(3)	Expected administrative expenses for the year ended June 30, 2023	0
(4)	Expected interest on (1), (2) and (3)	1,596,726
(5)	Sponsor contributions to the System during the year ended June 30, 2023	2,042,555
(6)	Expected interest on (5)	76,596
(7)	Expected Unfunded Actuarial Accrued Liability as of June 30, 2023, (1)+(2)+(3)+(4)-(5)-(6)	20,767,255
(8)	Change to UAAL due to Assumption/Method Change	162,299
(9)	Change to UAAL due to Actuarial (Gain)/Loss	1,501,124
(10)	Unfunded Accrued Liability as of June 30, 2023	22,430,678
(11)	UAAL Subject to Amortization (100% AAL less Actuarial Assets)	22,430,678

<u>Date</u> <u>Established</u>	<u>Years</u> <u>Remaining</u>	<u>6/30/2023</u> <u>Amount</u>	<u>Amortization</u> <u>Amount</u>
6/30/2023	20	22,430,678	1,621,207

DETAILED ACTUARIAL (GAIN)/LOSS ANALYSIS

(1) Unfunded Actuarial Accrued Liability (UAAL) as of June 30, 2022	\$20,813,560
(2) Expected UAAL as of June 30, 2023	20,767,255
(3) Summary of Actuarial (Gain)/Loss, by component:	
Investment Return (Actuarial Asset Basis)	811,542
Salary Increases	(83,200)
Active Decrements	185,308
Inactive Mortality	147,607
Other	<u>439,867</u>
Change in UAAL due to (Gain)/Loss	1,501,124
Change to UAAL due to Assumption/Method Change	<u>162,299</u>
(4) Actual UAAL as of June 30, 2023	\$22,430,678

RECONCILIATION OF CHANGES IN CONTRIBUTION REQUIREMENT

(1) Contribution Determined as of June 30, 2022	\$	1,878,969
(2) Summary of Contribution Impact by component:		
Change in Normal Cost		(1,720)
Change in Assumed Administrative Expense		-
Investment Return (Actuarial Asset Basis)		53,001
Salary Increases		(5,434)
New Entrants		3,439
Active Decrements		12,102
Inactive Mortality		9,640
Contributions (More) or Less than Recommended		(11,084)
Increase in Amortization Payment Due to Payroll Growth Assumption		47,576
Change in Expected Member Contributions		(6,718)
Assumption/Method Change		329,589
Other		<u>(14,227)</u>
Total Change in Contribution		416,164
(3) Contribution Determined as of June 30, 2023		\$2,295,133

P.A. 202 REPORTING
AS OF JUNE 30, 2023

Michigan Public Act 202 of 2017 requires municipal retirement systems in the state to submit information concerning their actuarial accrued liabilities and funded status based on uniform assumptions. The information is to be furnished by the municipality on Form 5572.

Form 5572		
Line		
24	Actuarial Value of Assets	42,304,500
25	Actuarial Accrued Liabilities	69,872,554
26	Funded Ratio	60.5%
27	Actuarially Determined Contribution	3,412,033

The information was calculated based on the following assumptions, in compliance with the Uniform Assumptions pursuant to PA 202, applicable for fiscal year 2023. All other assumptions are as described in the Actuarial Assumptions and Methods section of this report.

Investment Rate of Return	6.85%
Discount Rate (equivalent single rate used)	6.69%
Periods with sufficient assets	6.85%
Periods without sufficient assets	3.54%
Salary Increase	Experience-based rates
Mortality Table	Pub-2010 with MP-2021
Amortization Period for Unfunded	
Actuarial Accrued Liability	16 years
Cost Method	Entry Age Normal
Amortization Method	Level percent of pay
Payroll Growth Assumption	3.00%

FUNDING HISTORY

Valuation Date	Applicable Fiscal Year Beginning	Valuation Assets ¹	Actuarial		Unfunded Actuarial Accrued Liabilities ¹	General	Public Safety
			Accrued Liabilities ¹	Funded Ratio		Recommended Employer Contribution - as a% of Payroll	Recommended Employer Contribution - as a% of Payroll
6/30/2004	7/1/2005	34,404	33,804	101.8%	(600)	8.12%	12.64%
6/30/2005	7/1/2006	33,329	36,141	92.2%	2,812	12.54%	15.50%
6/30/2006	7/1/2007	33,549	36,846	91.1%	3,297	15.21%	18.59%
6/30/2007	7/1/2008	35,801	38,744	92.4%	2,943	14.65%	17.98%
6/30/2008	7/1/2009	37,728	36,310	103.9%	(1,418)	6.22%	7.98%
6/30/2009	7/1/2010	37,149	40,417	91.9%	3,268	10.56%	12.26%
6/30/2010	7/1/2011	36,074	41,541	86.8%	5,467	12.64%	14.28%
6/30/2011	7/1/2012	37,667	42,738	88.1%	5,071	12.55%	14.25%
6/30/2012	7/1/2013	37,369	44,747	83.5%	7,378	15.29%	16.99%
6/30/2013	7/1/2014	37,171	44,950	82.7%	7,779	16.12%	18.14%
6/30/2014	7/1/2015	37,751	45,453	83.1%	7,702	16.82%	19.24%
6/30/2015	7/1/2016	39,363	49,481	79.6%	10,118	20.28%	23.57%
6/30/2016	7/1/2017	39,271	51,299	76.6%	12,028	23.55%	26.03%
6/30/2017	7/1/2018	40,087	50,976	78.6%	10,889	22.31%	24.18%
6/30/2018	7/1/2019	40,347	53,727	75.1%	13,380	25.39%	28.75%
6/30/2019	7/1/2020	39,610	55,232	71.7%	15,622	27.56%	31.19%
6/30/2020	7/1/2021	39,021	59,469	65.6%	20,448	33.85%	38.46%
6/30/2021	7/1/2022	41,122	63,086	65.2%	21,964	33.64%	37.54%
6/30/2022	7/1/2023	41,704	62,517	66.7%	20,814	32.09%	34.30%
6/30/2023	7/1/2024	42,305	64,735	65.4%	22,431	39.14%	42.04%

¹Dollar values reported in thousands.

PROJECTION OF BENEFIT PAYMENTS

Year	Payments for Current Actives	Payments for Current Inactives	Total Payments
2023	173,676	3,694,953	3,868,629
2024	249,639	3,743,238	3,992,877
2025	330,675	3,797,286	4,127,961
2026	377,368	3,828,140	4,205,508
2027	458,657	3,865,052	4,323,709
2028	567,410	3,905,689	4,473,099
2029	730,994	3,953,875	4,684,869
2030	996,634	3,960,942	4,957,576
2031	1,381,488	3,961,211	5,342,699
2032	1,361,545	3,954,746	5,316,291
2033	1,416,907	3,941,628	5,358,535
2034	1,627,773	3,926,357	5,554,130
2035	2,047,496	3,909,284	5,956,780
2036	2,364,098	3,884,927	6,249,025
2037	2,592,122	3,842,525	6,434,647
2038	2,683,194	3,791,679	6,474,873
2039	2,703,471	3,736,369	6,439,840
2040	2,824,110	3,674,070	6,498,180
2041	2,882,796	3,604,117	6,486,913
2042	2,821,850	3,526,327	6,348,177
2043	2,789,423	3,440,698	6,230,121
2044	2,932,730	3,352,950	6,285,680
2045	3,060,279	3,254,008	6,314,287
2046	3,254,413	3,132,421	6,386,834
2047	3,476,975	2,997,228	6,474,203
2048	3,592,700	2,866,408	6,459,108
2049	3,604,740	2,717,274	6,322,014
2050	3,737,881	2,546,230	6,284,111
2051	3,839,335	2,380,981	6,220,316
2052	4,040,205	2,233,551	6,273,756
2053	4,012,988	2,091,503	6,104,491
2054	3,932,129	1,951,728	5,883,857
2055	4,010,892	1,810,377	5,821,269
2056	4,091,098	1,669,569	5,760,667
2057	4,112,560	1,529,634	5,642,194
2058	4,134,462	1,391,925	5,526,387
2059	4,049,512	1,266,389	5,315,901
2060	3,976,568	1,149,613	5,126,181
2061	3,960,490	1,040,688	5,001,178
2062	3,871,094	939,498	4,810,592

SUPPLEMENTAL ANNUITY VALUATION

Valuation Date	6/30/2023	6/30/2022
Applicable to Fiscal Year Beginning	<u>7/1/2024</u>	<u>7/1/2023</u>
Total Actuarial Accrued Liability	4,017,964	3,885,922
Market Value of Assets	<u>2,591,233</u>	<u>2,314,927</u>
Unfunded Actuarial Accrued Liability	1,426,731	1,570,995
Pension Cost		
Total Normal Cost (EAN) ¹	36,472	48,336
Administrative Expenses ¹	4,696	0
Payment Required to Amortize Unfunded Actuarial Accrued Liability over 10 years (as of 6/30/2023) ¹	206,907	228,872
Total Recommended Contribution	248,075	277,208

¹ Contributions developed as of 6/30/2023 displayed above have been adjusted to account for assumed interest.

SUPPLEMENTAL ANNUITY VALUATION
BY DIVISION

	<u>General</u>	<u>Public Safety</u>	<u>Total</u>
Total Actuarial Accrued Liability	3,716,204	301,760	4,017,964
Market Value of Assets	<u>2,396,624</u>	<u>194,609</u>	<u>2,591,233</u>
Unfunded Actuarial Accrued Liability	1,319,580	107,151	1,426,731
 Pension Cost - Total			
Total Normal Cost	36,472	0	36,472
Administrative Expenses	4,696	0	4,696
UAAL Amortization	<u>191,367</u>	<u>15,540</u>	<u>206,907</u>
Total Recommended Contribution	232,535	15,540	248,075
 Pension Cost - Dollars Per Active Member			
Total Normal Cost	776	0	
UAAL Amortization	<u>4,072</u>	<u>536</u>	
Total Recommended Contribution	4,948	536	
 Participant Summary			
Counts			
Actives	47	29 ¹	76
Retirees and Beneficiaries	52	8	60
 Supplemental Annuities			
Total Annuities	254,319	40,101	294,420
Average Annuities	4,891	5,013	4,907

¹ Summarized for cost per active member only. Currently no Public Safety members are eligible.

ACTUARIAL ASSUMPTIONS AND METHODS

Interest Rate	7.40% per year compounded annually, net of investment related expenses.
Mortality Rate	Active Lives PubS-2010 and PubG-2010 Employee mortality tables, with generational improvements using Scale MP-2018. Inactive Lives PubS-2010 and PubG-2010 Healthy Retiree mortality tables, with generational improvements using Scale MP-2018.
Retirement Age	See table later in this section.
Disability Rate	0.20% for all general employees. 0.60% for all public safety employees. 100% of disabilities are assumed to be in the non-duty.
Termination Rate	See table later in this section.
Inflation	2.50%.
Salary Increases	See table below.

Ages	Inflation	Merit and Longevity	
		General	Public Safety
20	3.50%	3.84%	2.99%
25	3.50%	3.13%	2.99%
30	3.50%	2.69%	2.60%
35	3.50%	2.37%	1.10%
40	3.50%	2.14%	0.20%
45	3.50%	1.68%	0.20%
50	3.50%	1.14%	0.20%
55	3.50%	0.66%	0.10%
60	3.50%	0.16%	0.00%

Marital Status	90% of Members are assumed to be married.
Spouse's Age	Males are assumed to be three years older than females.
Member Contribution Interest	2.00%.
Cost-of-Living Adjustment	2.50%.

Annuity Withdrawal Assumptions 100% of members are assumed to elect a lump sum of member contributions in exchange for a reduced annuity benefit at retirement. The annuity offset is equal to the annuitized value of the member contributions using a 7.40% assumed interest rate.

EROP Assumptions 100% of eligible members elect to enter EROP according to the assumed retirement rates.

Members are assumed to remain in EROP for 5 years and take their balance at the end of the EROP period.

The EROP is assumed to continue beyond the six-year sunset provision. Members who become eligible to enter EROP after the six-year sunset are assumed to elect EROP when eligible.

Funding Method Entry Age Normal.

Actuarial Asset Method Investment gains and losses are smoothed over a five-year period. In the first year, 20% of the gain or loss is recognized. In the second year 40%, in the third year 60%, in the fourth year 80%, and in the fifth year 100% of the gain or loss is recognized. The actuarial investment gain or loss is defined as the actual return on investments minus the actuarial assumed investment return. Actuarial Assets shall not be less than 80% nor greater than 120% of the Market Value of Assets.

Funding Policy Amortization Method The UAAL is amortized according to a level percentage of payroll method. The initial amortization amount is 100% of the Accrued Liability less the Actuarial Value of Assets. Ultimately, the amortization period will be a 15-year rolling methodology, with a phase in to 15 years as follows:

2023	20 Year Amortization
2024	19 Year Amortization
2025	18 Year Amortization
2026	17 Year Amortization
2027	16 Year Amortization
2028 and Later	15 Year Amortization

The use of a rolling amortization methodology with a reasonable amortization period and coupled with a payroll growth rate that is not too high will produce a significant annual payment towards the principal on the UAAL, resulting in an annual decrease in the UAAL, assuming the actuarial assumptions materialize.

The UAAL for the supplemental plan is amortized over a 10-year rolling period according to a level dollar basis.

Payroll Growth 3.00%.

Administrative Expenses

Expenses paid out of the fund other than investment-related expenses are assumed to be equal to the average of those paid in the previous 3 years, rounded to the nearest 1,000.

Basis for Assumptions

Experience study dated April 24, 2023.

Decrement Tables

General - % Terminating During the Year							Public Safety - % Terminating During the Year						
Age	Service						Age	Service					
	0	1	2	3	4	5+		0	1	2	3	4	5+
<							< 27	3%	3%	4%	8%	3%	3.0%
27	10%	15%	15%	20%	8%	7.0%	30	3%	3%	4%	8%	3%	3.0%
30	10%	15%	15%	20%	8%	7.0%	35	3%	3%	4%	8%	3%	2.0%
35	10%	15%	15%	20%	8%	5.0%	40	3%	3%	4%	8%	3%	1.0%
40	10%	15%	15%	20%	8%	4.0%	45	3%	3%	4%	8%	3%	0.5%
45	10%	15%	15%	20%	8%	3.0%	50	3%	3%	4%	8%	3%	0.5%
50	10%	15%	15%	20%	8%	3.0%	55+	3%	3%	4%	8%	3%	1.0%
55+	10%	15%	15%	20%	8%	1.0%							

% Retiring During the Year		
	General	Public Safety
Age	Rate	Rate
50-53	20%	20%
54	35%	20%
55	35%	30%
56	35%	10%
57-58	20%	10%
59	40%	10%
60	40%	40%
61-62	10%	40%
63	10%	50%
64	10%	70%
65-66	30%	100%
67	40%	100%
68	50%	100%
69	70%	100%
70+	100%	100%

GLOSSARY

Total Annual Payroll is the projected annual rate of pay for the fiscal year following the valuation date of all covered members.

Present Value of Benefits is the single sum value on the valuation date of all future benefits to be paid to current Members, Retirees, Beneficiaries, Disability Retirees and Vested Terminations.

Normal (Current Year's) Cost is the current year's cost for benefits yet to be funded.

Unfunded Accrued Liability is the excess of the Accrued Actuarial Liability over the Actuarial Value of Assets.

Total Recommended Contribution is equal to the Normal Cost plus an amount sufficient to amortize the Unfunded Accrued Liability over closed period (20 years as of June 30, 2023). The recommended amount is adjusted for interest according to the timing of contributions during the year.

Entry Age Normal Cost Method - Under this method, the normal cost is the sum of the individual normal costs for all active participants. For an active participant, the normal cost is the participant's normal cost accrual rate, multiplied by the participant's current compensation.

- (a) The normal cost accrual rate equals:
 - (i) the present value of future benefits for the participant, determined as of the participant's entry age, divided by
 - (ii) the present value of the compensation expected to be paid to the participant for each year of the participant's anticipated future service, determined as of the participant's entry age.
- (b) In calculating the present value of future compensation, the salary scale is applied both retrospectively and prospectively to estimate compensation in years prior to and subsequent to the valuation year based on the compensation used for the valuation.
- (c) The accrued liability is the sum of the individual accrued liabilities for all participants and beneficiaries. A participant's accrued liability equals the present value, at the participant's attained age, of future benefits less the present value at the participant's attained age of the individual normal costs payable in the future. A beneficiary's accrued liability equals the present value, at the beneficiary's attained age, of future benefits. The unfunded accrued liability equals the total accrued liability less the actuarial value of assets.
- (d) Under this method, the entry age used for each active participant is the participant's age at the time he or she would have commenced participation if the plan had always been in existence under current terms, or the age as of which he or she first earns service credits for purposes of benefit accrual under the current terms of the plan.

DISCUSSION OF RISK

ASOP No. 51, Assessment and Disclosure of Risk Associated with Measuring Pension Obligations and Determining Pension Plan Contributions, states that the actuary should identify risks that, in the actuary's professional judgment, may reasonably be anticipated to significantly affect the plan's future financial condition.

Throughout this report, actuarial results are determined under various assumption scenarios. These results are based on the premise that all future plan experience will align with the plan's actuarial assumptions; however, there is no guarantee that actual plan experience will align with the plan's assumptions. It is possible that actual plan experience will differ from anticipated experience in an unfavorable manner that will negatively impact the plan's funded position.

Below are examples of ways in which plan experience can deviate from assumptions and the potential impact of that deviation. Typically, this results in an actuarial gain or loss representing the current-year financial impact on the plan's unfunded liability of the experience differing from assumptions; this gain or loss is amortized over a period of time determined by the plan's amortization method. When assumptions are selected that adequately reflect plan experience, gains and losses typically offset one another in the long term, resulting in a relatively low impact on the plan's contribution requirements associated with plan experience. When assumptions are too optimistic, losses can accumulate over time and the plan's amortization payment could potentially grow to an unmanageable level.

- Investment Return: When the rate of return on the Actuarial Value of Assets falls short of the assumption, this produces a loss representing assumed investment earnings that were not realized. Further, it is unlikely that the plan will experience a scenario that matches the assumed return in each year as capital markets can be volatile from year to year. Therefore, contribution amounts can vary in the future.
- Salary Increases: When a plan participant experiences a salary increase that was greater than assumed, this produces a loss representing the cost of an increase in anticipated plan benefits for the participant as compared to the previous year. The total gain or loss associated with salary increases for the plan is the sum of salary gains and losses for all active participants.
- Payroll Growth: The plan's payroll growth assumption, if one is used, causes a predictable annual increase in the plan's amortization payment in order to produce an amortization payment that remains constant as a percentage of payroll if all assumptions are realized. If payroll does not increase according to the plan's payroll growth assumption, the plan's amortization payment can increase significantly as a percentage of payroll even if all assumptions other than the payroll growth assumption are realized.
- Demographic Assumptions: Actuarial results take into account various potential events that could happen to a plan participant, such as retirement, termination, disability, and death. Each of these potential events is assigned a liability based on the likelihood of the event and the financial consequence of the event for the plan. Accordingly, actuarial liabilities reflect a blend of financial consequences associated with various possible outcomes (such as retirement at one of various possible ages). Once the outcome is known (e.g. the participant retires) the liability is adjusted to reflect the known outcome. This adjustment produces a gain or loss depending on whether the outcome was more or less favorable than other outcomes that could have occurred.

- Contribution Risk: This risk results from the potential that actual employer contributions may deviate from actuarially determined contributions, which are determined in accordance with the Board’s funding policy. The funding policy is intended to result in contribution requirements that if paid when due, will result in a reasonable expectation that assets will accumulate to be sufficient to pay plan benefits when due. Contribution deficits, particularly large deficits and those that occur repeatedly, increase future contribution requirements and put the plan at risk for not being able to pay plan benefits when due.

Impact of Plan Maturity on Risk

For newer pension plans, most of the participants and associated liabilities are related to active members who have not yet reached retirement age. As pension plans continue in operation and active members reach retirement ages, liabilities begin to shift from being primarily related to active members to being shared amongst active and retired members. Plan maturity is a measure of the extent to which this shift has occurred. It is important to understand that plan maturity can have an impact on risk tolerance and the overall risk characteristics of the plan. For example, plans with a large amount of retired liability do not have as long of a time horizon to recover from losses (such as losses on investments due to lower than expected investment returns) as plans where the majority of the liability is attributable to active members. For this reason, less tolerance for investment risk may be warranted for highly mature plans with a substantial inactive liability. Similarly, mature plans paying substantial retirement benefits resulting in a small positive or net negative cash flow can be more sensitive to near term investment volatility, particularly if the size of the fund is shrinking, which can result in less assets being available for investment in the market.

To assist with determining the maturity of the plan, we have provided some relevant metrics in the table following titled “Plan Maturity Measures and Other Risk Metrics”. Highlights of this information are discussed below:

- The Support Ratio, determined as the ratio of active to inactive members, has decreased from 68.1% on June 30, 2020 to 63.3% on June 30, 2023, indicating that the plan has been maturing.
- The Accrued Liability Ratio, determined as the ratio of the Inactive Accrued Liability, which is the liability associated with members who are no longer employed but are due a benefit from the plan, to the Total Accrued Liability, is 73.7%. With a plan of this maturity, losses due to lower than expected investment returns or demographic factors will need to be made up for over a shorter time horizon than would be needed for a less mature plan.
- The Funded Ratio, determined as the ratio of the Actuarial Value of Assets to the Total Accrued Liability, has stayed approximately the same from June 30, 2020 to June 30, 2023.
- The Net Cash Flow Ratio, determined as the ratio of the Net Cash Flow (contributions minus benefit payments and administrative expenses) to the Market Value of Assets, stayed approximately the same from June 30, 2020 to June 30, 2023. The current Net Cash Flow Ratio of -4.1% indicates that contributions are not currently covering the plan's benefit payments and administrative expenses.

Low Default-Risk Obligation Measure

ASOP No. 4, Measuring Pension Obligations and Determining Pension Plan Costs or Contributions, was revised as of December 2021 to include a “low-default-risk obligation measure” (LDROM). This liability measure is consistent with the determination of the actuarial accrued liability shown on page 8 in terms of member data, plan provisions, and assumptions/methods, including the use of the Entry Age Normal Cost Method, except that the interest 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) 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 interest rate used in this valuation was 4.13%, resulting in an LDROM of \$99,657,134. 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.

It is important to note that the actuary has identified the risks above as the most significant risks based on the characteristics of the plan and the nature of the project, however, it is not an exhaustive list of potential risks that could be considered. Additional advanced modeling, as well as the identification of additional risks, can be provided at the request of the audience addressed on page 2 of this report.

PLAN MATURITY MEASURES AND OTHER RISK METRICS

	<u>6/30/2023</u>	<u>6/30/2022</u>	<u>6/30/2021</u>	<u>6/30/2020</u>
<u>Support Ratio</u>				
Total Actives	76	79	78	77
Total Inactives	120	119	115	113
Actives / Inactives	63.3%	66.4%	67.8%	68.1%
 <u>Asset Volatility Ratio</u>				
Market Value of Assets (MVA)	40,385,352	38,115,937	45,943,628	35,546,210
Total Annual Payroll	5,661,562	5,668,368	5,616,709	5,003,657
MVA / Total Annual Payroll	713.3%	672.4%	818.0%	710.4%
 <u>Accrued Liability (AL) Ratio</u>				
Inactive Accrued Liability	47,717,543	45,385,090	43,672,884	42,863,926
Total Accrued Liability	64,735,178	62,517,270	63,085,667	59,468,968
Inactive AL / Total AL	73.7%	72.6%	69.2%	72.1%
 <u>Funded Ratio</u>				
Actuarial Value of Assets (AVA)	42,304,500	41,703,710	41,121,607	39,020,573
Total Accrued Liability	64,735,178	62,517,270	63,085,667	59,468,968
AVA / Total Accrued Liability	65.4%	66.7%	65.2%	65.6%
 <u>Net Cash Flow Ratio</u>				
Net Cash Flow ¹	(1,653,442)	(1,303,740)	(1,712,263)	(1,805,866)
Market Value of Assets (MVA)	40,385,352	38,115,937	45,943,628	35,546,210
Ratio	-4.1%	-3.4%	-3.7%	-5.1%

¹ Determined as total contributions minus benefit payments and administrative expenses.

STATEMENT OF FIDUCIARY NET POSITION
June 30, 2023

<u>ASSETS</u>	MARKET VALUE
Total Cash and Equivalents	683,096
Receivables:	
Accounts Receivable-Other	1,057
Total Receivable	1,057
Investments:	
Fixed Income	7,221,418
Domestic and International Equities	15,041,921
Other Investments	17,437,860
Total Investments	39,701,199
Total Assets	40,385,352
 <u>LIABILITIES</u>	
Total Liabilities	0
Net Assets:	
Active and Retired Members' Equity	40,385,352
NET POSITION RESTRICTED FOR PENSIONS	40,385,352
TOTAL LIABILITIES AND NET ASSETS	40,385,352

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FOR THE YEAR ENDED June 30, 2023
 Market Value Basis

ADDITIONS

Contributions:		
Member	297,963	
City	2,042,555	
 Total Contributions		 2,340,518
Investment Income:		
Interest & Dividends		3,965,431
Less Expenses ¹		(42,574)
 Net Investment Income		 3,922,857
 Total Additions		 6,263,375

DEDUCTIONS

Distributions to Members:		
Benefit Payments	3,921,734	
 Total Distributions		 3,921,734
 Administrative Expenses		 72,226
 Total Deductions		 3,993,960
 Net Increase in Net Position		 2,269,415

NET POSITION RESTRICTED FOR PENSIONS

Beginning of the Year		38,115,937
End of the Year		40,385,352

¹ Expenses include investment advisory, custodial and performance monitoring fees

ACTUARIAL ASSET VALUATION
June 30, 2023

Development of Actuarial Value of Assets

Market Value of Assets, 6/30/2023	40,385,352
(Gains)/Losses Not Yet Recognized	1,919,148
Preliminary Actuarial Value of Assets, 6/30/2023	42,304,500
6/30/2023 Limited Actuarial Assets, Total	42,304,500

Development of Investment Gain/Loss

Market Value of Assets, 6/30/2022	38,115,937
Actuarial Value of Assets, 6/30/2022	41,703,710
Contributions Less Benefit Payments and Administrative Expenses	(1,653,442)
Expected Investment Earnings ¹	3,065,774
Actual Net Investment Earnings	3,922,857
2023 Actuarial Investment Gain/(Loss)	857,083

¹ Expected Investment Earnings = 7.50% x (41,703,710 + 0.5 x -1,653,442)

Gains/(Losses) Not Yet Recognized

Plan Year Ending	Gain/(Loss)	Amounts Not Yet Recognized by Valuation Year				
		2023	2024	2025	2026	2027
6/30/2018	0	0	0	0	0	0
6/30/2019	(1,760,767)	0	0	0	0	0
6/30/2020	(2,842,690)	(568,538)	0	0	0	0
6/30/2021	9,247,348	3,698,939	1,849,470	0	0	0
6/30/2022	(9,558,691)	(5,735,215)	(3,823,476)	(1,911,738)	0	0
6/30/2023	857,083	685,666	514,250	342,833	171,417	0
Total		(1,919,148)	(1,459,756)	(1,568,905)	171,417	0

Development of Asset Returns

(A) 6/30/2022 Actuarial Assets:	41,703,710
(I) Net Investment Income:	
1. Change in Actuarial Value	(1,668,625)
2. Investment Expenses	(42,574)
Total	2,254,232
(B) 6/30/2023 Preliminary Actuarial Assets:	42,304,500
Actuarial Asset Rate of Return = (2 x I) / (A + B - I):	5.51%
Market Value of Assets Rate of Return:	10.52%
Actuarial Gain/(Loss) due to Investment Return (Actuarial Asset Basis)	(811,542)

CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
June 30, 2023
Actuarial Asset Basis

INCOME		
Contributions:		
Member	297,963	
City	2,042,555	
Total Contributions		2,340,518
Earnings from Investments		
Interest & Dividends	3,965,431	
Change in Actuarial Value	(1,668,625)	
Total Earnings and Investment Gains		2,296,806
EXPENSES		
Administrative Expenses:		
Investment Related ¹	42,574	
Other	72,226	
Total Administrative Expenses		114,800
Distributions to Members:		
Benefit Payments	3,921,734	
Total Distributions		3,921,734
Change in Net Assets for the Year		600,790
Net Assets Beginning of the Year		41,703,710
Net Assets End of the Year		42,304,500
Excess Earnings Reserve		

¹ Investment Related expenses include investment advisory, custodial and performance monitoring fees.

STATISTICAL DATA

Valuation Date	<u>6/30/2023</u>	<u>6/30/2022</u>	<u>6/30/2021</u>	<u>6/30/2020</u>
<u>Actives</u>				
Number	76	79	78	77
Average Current Age	43.4	44.4	45.1	45.8
Average Age at Employment	32.2	33.2	33.0	33.5
Average Past Service	11.2	11.2	12.1	12.3
Average Annual Salary	\$71,163	\$68,679	\$68,880	\$62,222
<u>Service Retirees</u>				
Number	90	86	86	86
Average Current Age	69.5	69.1	69.4	N/A
Average Annual Benefit	\$35,004	\$35,037	\$33,872	\$33,262 ¹
EROP Retirees incl. in Retirees	0	0	0	0
<u>Beneficiaries</u>				
Number	18	17	16	13
Average Current Age	74.3	74.6	74.8	N/A
Average Annual Benefit	\$30,932	\$30,187	\$30,894	N/A
EDROs incl. in Beneficiaries	3	3	2	2
<u>Disability Retirees</u>				
Number	0	0	0	0
Average Current Age	N/A	N/A	N/A	N/A
Average Annual Benefit	N/A	N/A	N/A	N/A
<u>Terminated Vested</u>				
Number	12	16	13	14
Average Current Age	53.6	50.7	N/A	N/A
Average Annual Benefit ²	\$12,234	\$11,409	\$11,460	\$11,513

¹ 6/30/2020 Retiree average annual benefit amount includes retirees, beneficiaries and disableds.

² Average Annual Benefit for Terminated Vested members reflects the benefit for members entitled to a future annual benefit from the plan.

STATISTICAL DATA BY DIVISION

	<u>6/30/2023</u>	<u>6/30/2022</u>	<u>6/30/2021</u>	<u>6/30/2020</u>
<u>Actives - General</u>				
Number	47	50	49	48
Average Current Age	44.5	45.1	46.3	47.6
Average Age at Employment	35.0	35.9	35.8	36.6
Average Past Service	9.6	9.2	10.6	11.0
Average Annual Salary	\$59,224	\$56,213	\$57,476	\$51,583
<u>Actives - Public Safety</u>				
Number	29	29	29	29
Average Current Age	41.6	43.3	43.1	42.7
Average Age at Employment	27.7	28.6	28.5	28.3
Average Past Service	13.9	14.6	14.6	14.4
Average Annual Salary	\$90,511	\$90,172	\$88,148	\$79,832

AGE AND SERVICE DISTRIBUTION
TOTAL

AGE	PAST SERVICE											Total	Total Pay ¹
	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30+		
20 - 24	1	1	0	0	0	0	0	0	0	0	0	2	\$ 101,571
25 - 29	2	1	2	1	0	0	0	0	0	0	0	6	\$ 337,025
30 - 34	2	3	0	0	0	4	0	0	0	0	0	9	\$ 594,438
35 - 39	0	2	2	1	0	3	2	1	0	0	0	11	\$ 658,065
40 - 44	1	0	0	0	0	1	1	6	3	0	0	12	\$ 1,043,740
45 - 49	0	0	0	0	1	1	0	2	6	0	0	10	\$ 772,498
50 - 54	0	1	0	0	2	3	0	2	5	3	0	16	\$ 1,235,784
55 - 59	1	0	0	0	0	2	0	0	1	1	0	5	\$ 381,455
60 - 64	0	1	0	1	0	2	0	0	0	0	0	4	\$ 232,008
65+	0	0	0	0	0	0	1	0	0	0	0	1	\$ 51,779
Total	7	9	4	3	3	16	4	11	15	4	0	76	\$ 5,408,364

¹ Total Pay is salaries for the period ending 6/30/2023.

AGE AND SERVICE DISTRIBUTION
GENERAL

AGE	PAST SERVICE											Total	Total Pay ¹
	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30+		
20 - 24	0	1	0	0	0	0	0	0	0	0	0	1	\$ 47,056
25 - 29	1	1	1	1	0	0	0	0	0	0	0	4	\$ 199,519
30 - 34	1	2	0	0	0	1	0	0	0	0	0	4	\$ 191,928
35 - 39	0	2	2	0	0	3	2	1	0	0	0	10	\$ 584,334
40 - 44	1	0	0	0	0	1	0	1	0	0	0	3	\$ 180,001
45 - 49	0	0	0	0	1	1	0	0	4	0	0	6	\$ 355,451
50 - 54	0	1	0	0	2	2	0	1	2	3	0	11	\$ 763,466
55 - 59	1	0	0	0	0	1	0	0	1	0	0	3	\$ 178,007
60 - 64	0	1	0	1	0	2	0	0	0	0	0	4	\$ 232,008
65+	0	0	0	0	0	0	1	0	0	0	0	1	\$ 51,779
Total	4	8	3	2	3	11	3	3	7	3	0	47	\$ 2,783,550

¹ Total Pay is salaries for the period ending 6/30/2023.

AGE AND SERVICE DISTRIBUTION
PUBLIC SAFETY

AGE	PAST SERVICE											Total	Total Pay ¹
	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30+		
20 - 24	1	0	0	0	0	0	0	0	0	0	0	1	\$ 54,515
25 - 29	1	0	1	0	0	0	0	0	0	0	0	2	\$ 137,506
30 - 34	1	1	0	0	0	3	0	0	0	0	0	5	\$ 402,510
35 - 39	0	0	0	1	0	0	0	0	0	0	0	1	\$ 73,731
40 - 44	0	0	0	0	0	0	1	5	3	0	0	9	\$ 863,739
45 - 49	0	0	0	0	0	0	0	2	2	0	0	4	\$ 417,047
50 - 54	0	0	0	0	0	1	0	1	3	0	0	5	\$ 472,318
55 - 59	0	0	0	0	0	1	0	0	0	1	0	2	\$ 203,448
60 - 64	0	0	0	0	0	0	0	0	0	0	0	0	\$ 0
65+	0	0	0	0	0	0	0	0	0	0	0	0	\$ 0
Total	3	1	1	1	0	5	1	8	8	1	0	29	\$2,624,814

¹ Total Pay is salaries for the period ending 6/30/2023.

AGE DISTRIBUTION
RETIREES, DISABLEDS AND BENEFICIARIES

AGE	<u>General</u>		<u>Public Safety</u>		<u>Total</u>	
	Count	Annual Pensions	Count	Annual Pensions	Count	Annual Pensions
< 45	0	\$ 0	0	\$ 0	0	\$ 0
45 - 49	0	\$ 0	2	\$ 89,941	2	\$ 89,941
50 - 54	1	\$ 32,386	1	\$ 44,957	2	\$ 77,343
55 - 59	3	\$ 85,103	6	\$ 281,262	9	\$ 366,365
60 - 64	11	\$ 215,869	8	\$ 385,427	19	\$ 601,296
65 - 69	12	\$ 288,386	8	\$ 415,052	20	\$ 703,438
70 - 74	12	\$ 293,768	8	\$ 379,238	20	\$ 673,006
75 - 79	4	\$ 48,621	11	\$ 482,427	15	\$ 531,048
80 - 84	7	\$ 178,773	7	\$ 343,402	14	\$ 522,175
85 - 89	6	\$ 114,327	1	\$ 28,200	7	\$ 142,527
90 - 94	0	\$ 0	0	\$ 0	0	\$ 0
95 - 99	0	\$ 0	0	\$ 0	0	\$ 0
100 +	0	\$ 0	0	\$ 0	0	\$ 0
Total	56	\$ 1,257,234	52	\$ 2,449,904	108	\$ 3,707,139

AGE DISTRIBUTION
INACTIVE VESTED MEMBERS

AGE	<u>General</u>		<u>Public Safety</u>		<u>Total</u>	
	Count	Annual Pensions	Count	Annual Pensions	Count	Annual Pensions
< 45	1	\$ 7,739	0	\$ 0	1	\$ 7,739
45 - 49	2	\$ 22,314	0	\$ 0	2	\$ 22,314
50 - 54	3	\$ 32,172	0	\$ 0	3	\$ 32,172
55 - 59	5	\$ 66,103	0	\$ 0	5	\$ 66,103
60 - 64	0	\$ 0	0	\$ 0	0	\$ 0
65+	1	\$ 6,240	0	\$ 0	1	\$ 6,240
Total	12	\$ 134,569	0	\$ 0	12	\$ 134,569

VALUATION PARTICIPANT RECONCILIATION

1. Active lives

a. Number in prior valuation 6/30/2022	79
b. Terminations	
i. Vested (partial or full) with deferred benefits	0
ii. Non-vested or full lump sum distribution received	(1)
iii. Refunded	(4)
c. Deaths	
i. Beneficiary receiving benefits	(1)
ii. No future benefits payable	0
d. Disabled	0
e. Retired	(4)
f. EROP	<u>0</u>
g. Continuing participants	69
h. New entrants	<u>7</u>
i. Total active life participants in valuation	76

2. Non-Active lives (including beneficiaries receiving benefits)

	Service Retirees, Vested Receiving <u>Benefits</u>	Receiving Death <u>Benefits</u>	Receiving Disability <u>Benefits</u>	Vested <u>Deferred</u>	<u>Total</u>
a. Number prior valuation	86	17	0	16	119
Retired	6	0	0	(2)	4
EROP	0	0	0	0	0
Vested Deferred	0	0	0	0	0
Death, With Survivor	(1)	2	0	0	1
Death, No Survivor	(1)	(1)	0	0	(2)
Disabled	0	0	0	0	0
Refund of Contributions	0	0	0	(3)	(3)
Rehires	0	0	0	0	0
New EDROs	0	0	0	0	0
Terminated, Due Refund	0	0	0	1	1
Hired/Termed in Same Year	0	0	0	0	0
b. Number current valuation	90	18	0	12	120

SUMMARY OF CURRENT PLAN PROVISIONS

Plan Administration	<p>The Plan is a single employer defined benefit pension plan administered by a Board of Trustees comprised of five members:</p> <ul style="list-style-type: none">a.) The Mayor,b.) A member of the City Council,c.) A resident appointed by the Mayor, andd.) Two employees (one general and one public safety).
Final Average Compensation (FAC)	<p>General members: Highest 4 years.</p> <p>Communications Dispatcher: Highest 4 years.</p> <p>Public Safety Officers: Highest 4 years.</p> <p>Public Safety Command Officers: Highest 3 calendar years of compensation out of the last eight calendar years prior to retirement.</p>
Regular Retirement	
Eligibility	<p>Age 50 with 25 years of service, age 55 with 20 years of service, or age 60 with 10 or more years of service.</p>
Annual Benefit	<p>General members hired before March 30, 2011: FAC times sum of 2.00% times the first 25 years of service plus 1.00% times years of service in excess of 25 years.</p> <p>General members hired after March 30, 2011: 1.75% times FAC times years of service.</p> <p>Dispatchers/Communications Dispatcher hired before July 1, 2011: 2.125% times FAC times years of service.</p> <p>Dispatchers/Communications Dispatcher hired after July 1, 2011: 1.75% times FAC times years of service.</p> <p>Public Safety Officers and Command: 2.50% times FAC times years of service, maximum of 75% of FAC.</p>

Duty Disability Retirement

Eligibility	No age or service requirements.
Benefit	Computed as regular retirement with additional service credit granted to the earlier of the date the member would attain age 55 years or the date the member would have satisfied regular retirement eligibility conditions had the member continued in City employment. General/Communications Dispatcher members have worker's compensation offsets. Public Safety members, depending upon whether or not they are eligible for a service retirement at the time of injury, may elect to choose between worker's compensation benefits or a disability pension.

Non-Duty Disability Retirement

Eligibility	10 or more years of credited service.
Benefit	Computed as a regular retirement.

Deferred Retirement

Eligibility	10 or more years of service.
Annual Benefit	Computed as regular retirement but based on service and final average compensation at time of termination. Benefits begin at age 60.

Duty Death in Service Survivor's Pension

Eligibility	No age or service requirements. Must be in receipt of worker's compensation.
Benefit	Upon termination of worker's compensation a benefit equal to the worker's compensation amount shall be paid to the widow, unmarried children under 18 and dependent parents. Maximum benefit to the widow: 50% of final average compensation, to the children: 20% of final average compensation, and to the parents: 16-2/3% of final average compensation.

Non-Duty Death in Service Survivor's Pension

Eligibility	10 years of service.
Benefit	Computed as a regular retirement but actuarially reduced in accordance with a 100% joint and survivor election.

Employee Retention Option Plan (EROP)

Eligibility	<p>Command and Public Safety Officers: Age 50 with 25 years of service, or Age 55 with 20 years of service. 5-year maximum period of participation.</p>										
Benefit	<p>85% of participant's regular monthly accrued retirement benefit deposited into EROP account earning 3.00% interest.</p> <p>Not subject to COLA increases.</p> <p>Member contributions cease upon EROP entry.</p>										
Member Contributions	<p>General members: 5.00% of annual compensation.</p> <p>Communications Dispatcher hired before July 1 2008: 6.00% of annual compensation.</p> <p>Communications Dispatcher hired after July 1 2008: 5.00% of annual compensation.</p> <p>Public Safety Members: 6.00% of annual compensation.</p>										
Annuity Withdrawal	<p>A member may withdraw accumulated member contributions in a lump sum at retirement. The retirement allowance is reduced by the actuarial equivalent of the annuity withdrawn, based on actuarial assumptions concerning interest and mortality used in the annual actuarial valuation.</p>										
Pop-Up Provision	<p>Upon the death of the beneficiary, a retiree who had previously selected either Option II or Option III will have the retirement allowance recomputed as a straight life allowance.</p>										
Supplemental Annuities											
Eligibility	<p>Age 50 with 25 years of service, age 55 with 20 years of service, or age 60 with 20 years of service. General members who qualify for a disability retirement are also eligible. Public Safety members with retirements effective after December 31, 1994 are not eligible.</p>										
Amount	<table border="0" style="margin-left: 40px;"> <thead> <tr> <th style="text-align: left; border-bottom: 1px solid black;">Years of Service</th> <th style="text-align: left; border-bottom: 1px solid black;">Monthly Benefit</th> </tr> </thead> <tbody> <tr> <td>10-14</td> <td>\$250</td> </tr> <tr> <td>15-19</td> <td>300</td> </tr> <tr> <td>20-24</td> <td>350</td> </tr> <tr> <td>25+</td> <td>400</td> </tr> </tbody> </table>	Years of Service	Monthly Benefit	10-14	\$250	15-19	300	20-24	350	25+	400
Years of Service	Monthly Benefit										
10-14	\$250										
15-19	300										
20-24	350										
25+	400										

Post-Retirement Cost-of-Living

Eligibility

Hired before July 1, 2016.

Amount

Annual adjustments based upon changes in the Consumer Price Index subject to a maximum increase of 2.5% of the adjusted retirement allowance. The cost-of-living adjustment shall be paid on both the base pensions and, for retirements on or after 7/1/90, supplemental annuity distributions.