

**WORK SESSION AGENDA
WYOMING CITY COUNCIL MEETING
CITY COUNCIL CHAMBERS**

Monday January 13, 2025, 5:30 P.M

- 1) Call to Order**
- 2) Public Comment on Agenda Items (3 minute limit per person)**
- 3) Pension Plan Actuarial Valuation**
- 4) Renaming of the Clean Water Plant**
- 5) Council Retreat**
- 6) Accessory Dwelling Units**
- 7) Short-Term Rentals**
- 8) Any Other Matters**
- 9) Acknowledgement of Visitors/Public Comment (3 minute limit per person)**

The City of Wyoming, including the City Council, is committed to ensuring all persons have access to all its programs, services, and activities, including any public meetings. The City Council will coordinate with city staff to ensure the City Council fulfills that commitment for its programs, services, and activities, including public meetings. Accommodations to enable virtual meeting attendance and participation can usually be made if a request is received at least 5 hours before the meeting time. Other accommodations may require more time.

Special Accommodations – Persons with impairments or disabilities needing accommodations to participate in the meeting or persons who need language interpretation services may contact the city clerk at either Clerk_info@wyomingmi.gov or 616.530.7296 at least 36 hours before the meeting to make arrangements for appropriate accommodation.

Acomodaciones Especiales – Personas que deseen asistir a esta reunión y necesitan acomodación para participar, como servicios de interpretación, deben comunicarse con la Oficina del Administrador de la Ciudad al 616.530.7296 o Clerk_info@wyomingmi.gov al menos 36 horas antes de la reunión para hacer arreglos para el alojamiento apropiado.

City of Wyoming
Employees Retirement System
Annual Actuarial Valuation
as of June 30, 2024





December 2, 2024

Retirement Board
City of Wyoming Employees Retirement System
Wyoming, Michigan

Re: City of Wyoming Employees Retirement System Actuarial Valuation as of June 30, 2024

Dear Board Members:

The results of the June 30, 2024 Annual Actuarial Valuation of the City of Wyoming Employees Retirement System are presented in this report.

This report was prepared at the request of the Board and is intended for use by the Retirement System and those designated or approved by the Board. This report may be provided to parties other than the System only in its entirety and only with the permission of the Board. GRS is not responsible for unauthorized use of this report.

The purposes of the valuation are to measure the System's funding progress and to determine the employer contribution amount for the fiscal year ending June 30, 2026. This report should not be relied on for any purpose other than the purposes described herein. Determinations of financial results, associated with the benefits described in this report, for purposes other than those identified above may be significantly different.

The contribution amounts shown in this report are determined using the actuarial assumptions and methods disclosed in Section C of this report. This report includes risk metrics in the Appendix, but does not include a more robust assessment of the risks of future experience not meeting the actuarial assumptions. This report also includes a discussion of the required Low-Default-Risk Obligation Measure (LDRM) on page Appendix 3. Additional assessment of risks was outside the scope of this assignment.

We have assessed that the contribution amounts calculated under the current funding policy is a reasonable Actuarially Determined Employer Contribution (ADEC) and it is consistent with the plan accumulating adequate assets to make benefit payments when due.

This valuation assumed the continuing ability of the plan sponsor to make the contributions necessary to fund this plan. A determination regarding whether or not the plan sponsor is actually able to do so is outside our scope of expertise and was not performed.

The findings in this report are based on data and other information through June 30, 2024. The valuation was based upon information furnished by the City of Wyoming, concerning Retirement System benefits, financial transactions, plan provisions and active members, terminated members, retirees and beneficiaries. We checked for internal reasonability and year-to-year consistency, but did not audit the data. We are not responsible for the accuracy or completeness of the information provided by the City of Wyoming.

This report was prepared using assumptions adopted by the Board. All actuarial assumptions used in this report are reasonable for the purposes of this valuation. The combined effect of the assumptions, excluding prescribed assumptions or methods set by law, is expected to have no significant bias (i.e., not significantly optimistic or pessimistic). All actuarial assumptions and methods used in the valuation follow the guidance in the applicable Actuarial Standards of Practice. Additional information about the actuarial assumptions is included in the section of this report entitled Summary of Valuation Methods and Actuarial Assumptions.

This report was prepared using our proprietary valuation model and related software which, in our professional judgment, has the capability to provide results that are consistent with the purposes of the valuation, and has no material limitations or known weaknesses. We performed tests to ensure that the model reasonably represents that which is intended to be modeled.

This report has been prepared by actuaries who have substantial experience valuing public employee retirement systems. To the best of our knowledge, the information contained in this report is accurate and fairly presents the actuarial position of the City of Wyoming Employees Retirement System as of the valuation date. All calculations have been made in conformity with generally accepted actuarial principles and practices, and with the Actuarial Standards of Practice issued by the Actuarial Standards Board.

James D. Anderson and Richard C. Koch Jr. are Members of the American Academy of Actuaries (MAAA) and meet the Academy's Qualification Standards to render the actuarial opinions contained herein.

The signing actuaries are independent of the plan sponsor.

Gabriel, Roeder, Smith & Company will be pleased to review this valuation and report with the Board of Trustees and to answer any questions pertaining to the valuation.

Respectfully submitted,
Gabriel, Roeder, Smith & Company



James D. Anderson, FSA, EA, FCA, MAAA



Richard C. Koch Jr., FSA, EA, MAAA

JDA/RCK:sc

C0272



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SECTION A

VALUATION RESULTS, COMMENTS, RECOMMENDATIONS AND CONCLUSION

Funding Objective

Per the plan document, the financial objective of the Defined Benefit Plan is to require Employer contributions to the Defined Benefit Plan each year which shall be sufficient to fully fund the actuarial cost of benefits likely to be paid on account of services rendered by participants during the current year and finance the unfunded actuarial cost of benefits likely to be paid on account of services rendered by Participants prior to the current year over a period of years. The contributions shall be computed by the Actuary as level dollar amounts in accordance with generally recognized actuarial principles. The contributions shall be appropriated by the Employer and paid to the Defined Benefit Plan.

The annual actuarial valuations determine how well the objective is being met.

Actuarially Determined Contributions

The Retirement System is supported by City contributions, the investment income obtained on System assets and employee contributions (for certain groups). The City contributes actuarially determined contributions to provide the amount needed to meet the funding objective.

City contributions cover both: (i) normal cost; and (ii) financing of Unfunded Actuarial Accrued Liability over a period of future years. Normal cost is the portion of System costs allocated to the current year by the actuarial cost method described in Section C. The Unfunded Actuarial Accrued Liability (UAAL) is the portion of System costs not covered by present System assets and future normal costs.

The contribution requirements for the fiscal year ending June 30, 2026 are presented on page A-2.

Computed Contributions for the Fiscal Year Ending June 30, 2026

City's Contributions for	Other Funds A	Other Funds B	General	Police	Fire	Total
Normal Cost						
Service pensions	12.69 %	12.30 %	14.51 %	16.14 %	15.78 %	14.10 %
Disability pensions	1.54	1.59	1.72	2.68	2.31	1.96
Survivor pensions	0.40	0.38	0.35	0.28	0.26	0.34
Refunds of Member Contributions	0.12	0.16	0.09	0.30	0.33	0.19
Total Normal Cost	14.75	14.43	16.67	19.40	18.68	16.59
Member Contributions (weighted average)	1.56	1.93	1.69	5.59	6.00	3.11
Total Employer Normal Cost %	13.19 %	12.50 %	14.98 %	13.81 %	12.68 %	13.48 %
Total Employer Normal Cost \$	\$ 106,103	\$ 203,333	\$ 164,290	\$ 202,479	\$ 50,966	\$ 727,171
Unfunded Actuarial Accrued Liability						
Retired members and beneficiaries	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Active and vested terminated members	406,947	419,212	446,748	944,697	138,874	2,356,478
Total Unf'd. Actuarial Accr. Liab.	\$ 406,947	\$ 419,212	\$ 446,748	\$ 944,697	\$ 138,874	\$ 2,356,478
City's Projected \$ Requirement	\$ 513,050	\$ 622,545	\$ 611,038	\$ 1,147,176	\$ 189,840	\$ 3,083,649

Unfunded Actuarial Accrued Liabilities were amortized as a level dollar amount over a closed 15-year period.

Determining Dollar Contributions

The City's Projected Dollar Requirement can be used as the only basis for determining contributions throughout the fiscal year. The method of determining dollar contributions should be reviewed periodically for consistency with reporting.



Determination of Unfunded Accrued Liability as of June 30, 2024

	<u>Other Funds A</u>	<u>Other Funds B</u>	<u>General</u>	<u>Police</u>	<u>Fire</u>	<u>Total</u>
A. Accrued Liability						
1. For retirees and beneficiaries	\$31,991,488	\$32,553,860	\$30,210,263	\$59,026,535	\$17,068,669	\$170,850,815
2. For vested terminated members	1,719,402	1,923,210	2,341,602	1,780,166	223,369	7,987,749
3. For present active members						
a. Value of expected future benefit payments	6,240,903	12,399,455	9,098,309	11,637,535	3,981,657	43,357,859
b. Value of future normal costs	<u>777,610</u>	<u>1,494,985</u>	<u>1,005,424</u>	<u>1,590,801</u>	<u>470,674</u>	<u>5,339,494</u>
c. Active member accrued liability: (a) - (b)	<u>5,463,293</u>	<u>10,904,470</u>	<u>8,092,885</u>	<u>10,046,734</u>	<u>3,510,983</u>	<u>38,018,365</u>
4. Total accrued liability	39,174,183	45,381,540	40,644,750	70,853,435	20,803,021	216,856,929
B. Present Assets (Funding Value)	<u>35,271,261</u>	<u>41,310,071</u>	<u>36,259,528</u>	<u>61,642,900</u>	<u>19,461,937</u>	<u>193,945,697</u>
C. Unfunded Accrued Liability: (A.4) - (B)	<u>3,902,922</u>	<u>4,071,469</u>	<u>4,385,222</u>	<u>9,210,535</u>	<u>1,341,084</u>	<u>22,911,232</u>
D. Funding Ratio: (B) / (A.4)	<u>90.0%</u>	<u>91.0%</u>	<u>89.2%</u>	<u>87.0%</u>	<u>93.6%</u>	<u>89.4%</u>
E. Market Value of Assets ⁽¹⁾	<u>\$34,552,538</u>	<u>\$40,584,918</u>	<u>\$35,556,753</u>	<u>\$60,406,780</u>	<u>\$19,086,759</u>	<u>\$190,187,748</u>
F. Funding Ratio: Market Value Basis (E) / (A.4)	<u>88.2%</u>	<u>89.4%</u>	<u>87.5%</u>	<u>85.3%</u>	<u>91.7%</u>	<u>87.7%</u>

⁽¹⁾ Allocation to divisions provided by the City.



Funding Progress Indicators

Testing how well the financial objective is being met can be done in many ways. There is no single all-encompassing test. The following indicators provide measures of funding achievement.

- (1) ***The actuarial present value of gains or losses realized in the operation of the Retirement System*** - an experience indicator. Gains and losses are expected to cancel each other over a period of years (in the absence of double-digit inflation) but sizable year-to-year fluctuations are common. Further details on the derivation of the gain (loss) are shown on page A-10.

Valuation Date June 30	Dollar Amounts in Thousands	
	Valuation Assets	Experience Indicator
		Experience Gain or (Loss) for Year
2006 (28)*	\$ 113,663	\$ (5,307)
2007 (29)*	121,400	5,829
2008 (30)*	129,496	1,161
2009 (31)*	129,667	(4,089)
2010 (32)*	129,277	(3,876)
2011	131,248	(999)
2012 (33)*	129,191	(8,336)
2013 (34)*	130,037	(1,288)
2014 (35)*	139,935	3,949
2015 (36)*	149,882	8,086
2016	154,872	(594)
2017 (37)*	164,083	4,931
2018	172,671	4,097
2019	177,350	268
2020 (38)*	181,047	(820)
2021	191,647	6,082
2022	193,698	(3,695)
2023	193,379	(5,061)
2024	193,946	(1,249)

* Refer to notes on pages Appendix-4 through Appendix-8.

Funding Progress Indicators (Concluded)

- (2) **The ratio of valuation assets to the actuarial accrued liability** – an ongoing plan indicator. The ratio is expected to increase in the absence of benefit enhancements.
- (3) **The ratio of the unfunded actuarial accrued liability to member payroll** – an ongoing plan indicator. In a soundly financed retirement system, the amount of the unfunded actuarial accrued liability will be controlled and prevented from increasing in the absence of benefit enhancements. However, in an inflationary environment it is seldom practical to impose this control on dollar amounts which are depreciating in value. The ratio is a relative index of condition where inflation is present in both items. The ratio is expected to decrease in the absence of benefit enhancements. Given the City of Wyoming Employees Retirement System is closed to new hires, the payroll is expected to decrease over time which may result in this ratio increasing from one valuation to the next.

Valuation Date June 30	Dollar Amounts in Thousands			
	Continuation Tests			
	Actuarial Accrued Liability	Funded Ratio	Unfunded Actuarial Accrued Liability	Ratio to Member Payroll
2006 (28)*	\$ 115,225	98.6 %	\$ 1,563	6.8 %
2007 (29)*	118,313	102.6	(3,087)	-
2008 (30)*	126,166	102.6	(3,330)	-
2009 (31)*	130,793	99.1	1,126	5.5
2010 (32)*	135,611	95.3	6,333	32.4
2011	138,810	94.6	7,562	41.9
2012 (33)*	150,963	85.6	21,771	129.8
2013 (34)*	153,449	84.7	23,412	147.3
2014 (35)*	158,867	88.1	18,932	120.2
2015 (36)*	182,644	82.1	32,762	230.0
2016	188,855	82.0	33,983	281.4
2018	192,006	89.9	19,335	169.4
2019	195,661	90.6	18,311	169.2
2020 (38)*	202,000	89.6	20,953	212.7
2021	206,237	92.9	14,590	165.8
2022	210,897	91.8	17,199	218.2
2023	215,396	89.8	22,016	346.6
2024	216,857	89.4	22,911	390.9

* Refer to notes on pages Appendix-4 through Appendix-8.

The funded status measure shown above is not appropriate for assessing the sufficiency of System assets to cover the estimated cost of settling the System's benefit obligations, nor for assessing the need for, or amount of, future contributions.

Comments, Recommendations and Conclusion

Comment A: Aggregate experience during the year ending June 30, 2024 was less favorable than assumed, generating an overall experience loss of approximately \$1.3 million as indicated on page A-10. The actuarial loss was approximately 0.6% of the beginning of year Actuarial Accrued Liabilities. The primary sources of the loss include liabilities for new retirees being higher than expected, pay increases higher than anticipated and a net recognized investment loss due to continued recognition of prior years' gains/losses.

Comment B: The market value of assets and the funding value of assets for each of the employer groups for the June 30, 2024 valuation follow:

	Market Value of Assets	Funding Value of Assets
Other Funds A	\$ 34,552,538	\$ 35,271,261
Other Funds B	40,584,918	41,310,071
General	35,556,753	36,259,528
Police	60,406,780	61,642,900
Fire	19,086,759	19,461,937
Total	\$ 190,187,748	\$ 193,945,697

Comment C: Under Public Act 202 of the State of Michigan, Michigan municipalities are required to report liabilities under uniform assumption guidelines. The recommendations include the following for Fiscal Year 2024:

- Investment return no higher than 6.90%;
- Assumed wage inflation no lower than 3.25% or based on experience study within last 5 years;
- Mortality assumption that uses a version of the Pub-2010 tables with generational mortality improvement using Scale MP-2021 or based on experience study within last 5 years; and
- Amortization period no longer than 15 years for Pension Plans and 25 years for Retiree Health Plans.

Separate calculations that satisfy PA 202 reporting requirements for Fiscal Year 2024 were included in the GASB Statements No. 67 and No. 68 valuation provided to the City dated September 13, 2024.

Other Public Act 202 Requirements include:

- The performance of an Experience Study every five years; and
- An actuarial audit every eight years (effective December 20, 2017).

The next scheduled experience study will be performed in 2025 and cover the period from July 1, 2019 to June 30, 2024.

Comments, Recommendations and Conclusion (Continued)

Comment D: As of June 30, 2024, Actuarial Accrued Liability exceeds valuation assets for all groups. Unfunded Actuarial Accrued Liability (UAAL) was amortized as a level dollar amount over a closed 15-year period and added to the computed normal cost.

Comment E: The investment return of 9.9% was higher than the assumed 7.00% on a market value basis. However, under the asset valuation method, investment gains and losses are spread over a five-year period. Partial recognition of this year's gain was combined with the continued phase-in of investment gains and losses from prior years resulting in a net investment return of 6.8% on a funding value of assets basis. The Funding Value of Assets exceeds the Market Value of Assets by approximately \$3.8 million (see page B-6), which is the net amount of unrecognized prior years gains/losses to be recognized over the coming four years. The System's funded status would be different if based on the Market Value of Assets instead of the Funding Value of Assets. If the City's required contribution shown on page A-2 (\$3,083,649) had been determined using the Market Value of Assets as of June 30, 2024, the result would have been approximately \$3.5 million.

Comment F: The Retirement System has been closed to new members since 2008 and has matured considerably. As such, cash flow needs to be monitored to ensure benefit payments (which are currently about 8% of the market value of assets) can be met. At some point in the future as the System contracts in size, investments will need to be liquidated to cover cash flow shortages – a natural progression of a closed plan. Such liquidations can hamper the plan's ability to earn the same rate of return an ongoing (open) plan could earn. Eventually, the investment return assumption will need to be reviewed.

Comment G: Employer contributions were calculated for each of the following five main groupings (subgroups have been included below for informational purposes):

- Other Funds A
 - Motor Pool (MP)
 - Clean Water Plant (CWP)
 - Water Treatment Plan (WTP)
 - Risk
 - Building Inspections (BI)
- Other Funds B
 - Public Works (PW)
 - Parks
 - Housing
- General
- Police
- Fire

Comments, Recommendations and Conclusion (Concluded)

Ordinance Compliance: The June 30, 2024 actuarial present value of retirement allowances exceeds the balance in the Reserve for Retired Benefit Payments in total. The Retirement System Ordinance provides for a transfer from the Reserve for Employer Contributions to the Reserve for Retired Benefit Payments to fully fund the retired life liability. Below are the actuarial present values of retirement allowances for each group as of June 30, 2024. This same amount should be shown as a reserve for Retired Benefit Payments in the Retirement System’s accounting.

	Reserve for Retired Benefit Payments as of June 30, 2024	
	<hr/>	
Other Funds A	\$	31,991,488
Other Funds B		32,553,860
General		30,210,263
Police*		59,026,535
Fire		17,068,669
Total	<hr/>	<hr/>
	\$	170,850,815

** The reserve for Police Retired Benefit Payments includes \$567,187 in the DROP account balance.*

Conclusion: It is the actuary’s opinion that the required contribution amounts determined by the most recent actuarial valuation are reasonable under ASOP No. 4 and sufficient to meet the System’s funding objective, presuming continued timely receipt of required contributions.

Other Observations

General Implications of Contribution Allocation Procedure or Funding Policy on Future Expected Plan Contributions and Funded Status

Given the plan's contribution allocation procedure, if all actuarial assumptions are met (including the assumption of the plan earning 7.00% on the actuarial value of assets), it is expected that:

- (1) The unfunded actuarial accrued liabilities will be fully amortized after 15 years; and
- (2) The funded status of the plan will increase gradually towards a 100% funded ratio.

Limitations of Funded Status Measurements

Unless otherwise indicated, a funded status measurement presented in this report is based upon the actuarial accrued liability and the actuarial value of assets. Unless otherwise indicated, with regard to any funded status measurements presented in this report:

- (1) The measurement is inappropriate for assessing the sufficiency of plan assets to cover the estimated cost of settling the plan's benefit obligations; in other words, of transferring the obligations to an unrelated third party in an arm's length market value type transaction.
- (2) The measurement is dependent upon the actuarial cost method which, in combination with the plan's amortization policy, affects the timing and amounts of future contributions. The amounts of future contributions will most certainly differ from those assumed in this report due to future actual experience differing from assumed experience based upon the actuarial assumptions. A funded status measurement in this report of 100% is not synonymous with no required future contributions. If the funded status were 100%, the plan would still require future normal cost contributions (i.e., contributions to cover the cost of the active membership accruing an additional year of service credit).
- (3) The measurement would produce a different result if the market value of assets were used instead of the actuarial value of assets, unless the market value of assets is used in the measurement.

Limitation of Project Scope

Actuarial standards do not require the actuary to evaluate the ability of the plan sponsor or other contributing entity to make required contributions to the plan when due. Such an evaluation was not within the scope of this project and is not within the actuary's domain of expertise. Consequently, the actuary performed no such evaluation.

Pension Experience Gain (Loss) Comparative Schedule

(\$ Amounts in Thousands)

	Thousands of Dollars			
	Year Ended June 30			
	2024	2023	2022	2021
(1) UAAL* at start of period	\$22,016	\$17,199	\$14,590	\$20,953
(2) + Employer Normal cost	858	1,061	1,199	1,360
(3) - Employer Contributions	2,690	2,461	3,236	3,050
(4) + Interest accrual	1,478	1,156	951	1,409
(5) Expected UAAL before changes	21,662	16,955	13,504	20,672
(6) +/- Change from amendments	0	0	0	0
(7) +/- Change in assumptions	0	0	0	0
(8) +/- Change in cost method	0	0	0	0
(9) Expected UAAL after changes	21,662	16,955	13,504	20,672
(10) Actual UAAL	22,911	22,016	17,199	14,590
(11) Gain (Loss) (9) - (10)	(1,249)	(5,061)	(3,695)	6,082
(12) Gain (Loss) due to Liabilities	(781)	(3,347)	(2,191)	(1,334)
(13) Gain (Loss) due to Assets	(468)	(1,714)	(1,504)	7,416

* UAAL: *Unfunded Actuarial Accrued Liability.*



Unfunded Actuarial Accrued Liability June 30, 2024

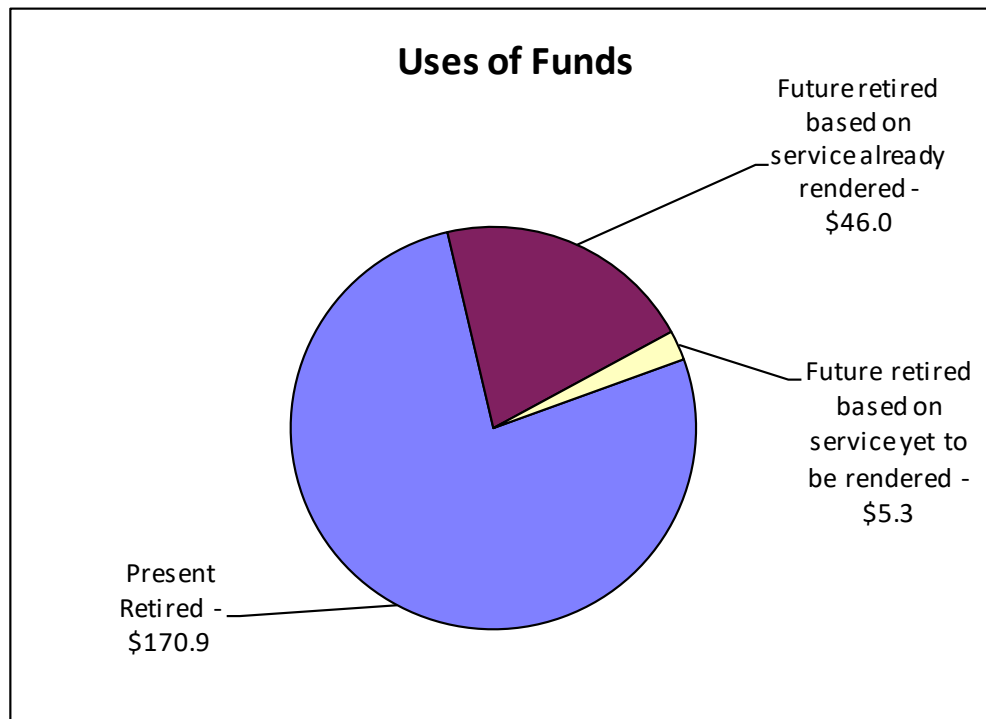
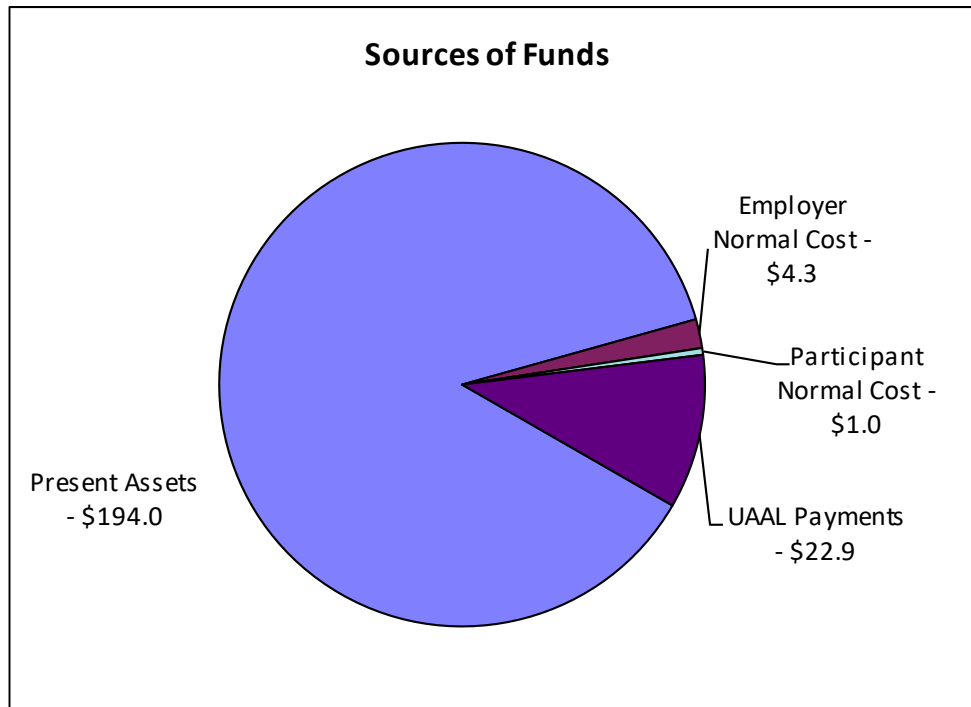
A. Actuarial Accrued Liability	\$	216,856,929
B. Assets allocated to funding		193,945,697
C. Unfunded Actuarial Accrued Liability	\$	22,911,232

City's Computed and Actual Contributions – Comparative Schedule

Fiscal Year	Valuation Date June 30	City Dollar Contributions		City's Recommended % of Payroll Contributions
		Recommended	Actual	
17/18	2016	\$4,628,523	\$4,696,431	39.40 %
18/19	2017 (37)*	3,628,289	3,618,125	32.04
19/20	2018	3,140,490	3,172,989	29.06
20/21	2019	3,036,199	3,050,043	29.43
21/22	2020 (38)*	3,228,169	3,235,791	34.19
22/23	2021	2,445,601	2,461,133	29.24
23/24	2022	2,689,514	2,689,520	36.33
24/25	2023	3,045,218		50.72
25/26	2024	3,083,649		57.15

* Refer to notes on pages Appendix-4 through Appendix-8.

Financing \$222.2 Million of Benefit Promises for Current Plan Participants June 30, 2024



SECTION B

SUMMARY OF BENEFIT PROVISIONS AND VALUATION DATA

Summary of Benefit Provisions Evaluated or Considered (June 30, 2024)

Regular Retirement (no reduction factor for age):

Eligibility –

General: *Other General members age 60 with 10 or more years of credited service.*

Administrative and Contract members age 60 with 5 or more years of credited service.

Emergency Communications Operators members age 55 with 10 or more years of credited service.

Police: Age 50 with 10 or more years of credited service.

Fire: Age 50 with 10 or more years of credited service.

Annual Amount –

General: *Other General members 2.35% of FAS times credited service (1.95% of FAS beginning June 30, 2016 if they elect not to contribute 2% of base wages).*

Administrative and Contract members 2.35% of FAS times credited service (2.15% of FAS beginning July 1, 2016 and 1.95% of FAS beginning July 1, 2018 if they elect not to contribute 1% of base wages beginning July 1, 2016 and 2% of base wages beginning July 1, 2018).

Emergency Communications Operators members 2.35% of FAS times credited service.

Police: *Police Command members 2.70% of FAS times credited service up to 30 years.*

Police Patrol members 2.70% of FAS times credited service up to 30 years.

Fire: 2.70% of FAS times credited service up to 30 years.

Final Average Salary (FAS) – Average of annual compensations for the period of 3 consecutive years producing the highest average and contained within the last 5 years immediately preceding retirement for all units with the exception of Administrative. For Administrative groups, it is the highest 36 consecutive months. Effective July 1, 2016, FAS for 'Other General Members' no longer includes overtime.

DROP

Eligibility – Police Command meeting regular retirement eligibility.

DROP Account – Monthly additions of 100% of regular retirement benefit under option elected at time of DROP accumulated at 4% annual interest. Maximum period of accumulation is 3 years.

Distributions – Lump sum payment of DROP account at time of exit from employment plus direct payment of future monthly retirement benefits under option elected at time of DROP.



Summary of Benefit Provisions Evaluated or Considered (June 30, 2024) (Continued)

Early Retirement (age reduction factor used):

Eligibility –

General: *Other General members* age 55 with 10 or more years of credited service.

Administrative and Contract members age 55 with 5 or more years of credited service.

Annual Amount – Computed in the same manner as regular retirement amount, but for *Other General members* reduced by .002 for each month age at early retirement precedes regular retirement age. For retirements of *Other General members* on or after June 30, 2016 the reduction shall be .001 if the member has 25 or more years of service. For retirements of *Administrative and Contract members* on or after July 1, 2007, there will be no reduction factor unless they became a member of the unit (transferred from another unit) after July 1, 2007 and have less than 25 years of service.

Deferred Retirement (vested benefit):

Eligibility –

General: *Other General members* any age with 10 or more years of credited service.

Administrative and Contract members any age with 5 or more years of credited service.

Emergency Communications Operators members any age with 10 or more years of credited service.

Police: Any age with 10 or more years of credited service.

Fire: Any age with 10 or more years of credited service.

Annual Amount – Accrued regular retirement amount based on credited service and FAS at time of termination, payable beginning at age 60 for General, age 50 for Police and age 50 for Fire.

Duty Disability Retirement:

Eligibility – Total and permanent disability incurred in line of duty with the city for which worker's compensation is being paid.

Annual Amount – Computed in same manner as the regular retirement amount based on credited service and FAS at time of termination. Minimum service credit used is 10 years.

Police and Fire: Normal retirement benefit calculation will be re-adjusted at normal retirement age (50) to include the time the member was receiving disability benefits and will be based on the monthly average the member would have earned during the 36 months preceding normal retirement age if the member was actively employed.

Summary of Benefit Provisions Evaluated or Considered (June 30, 2024) (Continued)

Non-Duty Disability Retirement:

General: *Other General members* total and permanent disability after 10 or more years of credited service.

Administrative and Contract members total and permanent disability after 5 or more years of credited service.

Emergency Communications Operators members total and permanent disability after 10 or more years of credited service. This unit does not have any active members and this no longer applies.

Police: Total and permanent disability after 10 or more years of credited service.

Fire: Total and permanent disability after 10 or more years of credited service.

Annual Amount – Computed in same manner as the regular retirement amount based on credited service and FAS at time of termination.

Duty Death Before Retirement:

Eligibility – Death in line of duty with the city for which worker's compensation is being paid.

Annual Amount – Refund of member's accumulated contributions. Amount to surviving spouse and children computed in same manner as the regular retirement amount based on credited service and FAS at time of death with a minimum of 25% of member's FAS. Additional amount to spouse continues to remarriage or death. Additional amount to children continues to earlier of marriage or attainment of age 18 years.

Non-Duty Death Before Retirement:

Eligibility – Any age with 10 or more years of credited service, 5 or more years of credited service for Administrative members.

Annual Amount – Option A actuarial equivalent of regular retirement amount based on credited service and FAS at time of death for spouse or qualified dependent. Option C for non-spouse benefit, in absence of spouse or with agreement of spouse.

Summary of Benefit Provisions Evaluated or Considered (June 30, 2024) (Concluded)

Member Contributions:

General: *Other General members* 2% of base wages to keep 2.35% multiplier (effective June 30, 2016).

Administrative and Contract members 1% of base wages (effective June 30, 2016) and 2% of base wages (effective June 30, 2018) to keep 2.35% multiplier.

Police: *Police Command* 5.59% gross of pay effective July 1, 2016

Police Patrol 5.59% gross of pay effective July 1, 2016

Fire: 6.00% gross of pay effective July 1, 2017

City Contributions: Actuarially determined amounts which are sufficient to cover both (i) normal costs of the plan, and (ii) financing of unfunded actuarial accrued liabilities over a selected period of future years.

Automatic Post-Retirement Adjustments: Annual increase for Police Command members (at least 60 years of age who retire after July 1, 1992 and who entered the Police Command Unit on or before July 1, 2008) and Administrative members equal to 40% of the average annual increase in CPI, except in 2007 when contract language specified no increase. Increase is limited to 5% per year.

Defined Contribution Plan: The Defined Benefit plan is closed to new hires. New members are automatically enrolled in the Defined Contribution plan.

Accounting Information Year Ended June 30, 2024

Revenues:

a. Member contributions	\$	191,883
b. City contributions		
1. For pensions		2,689,520
2. For DROP plan contribution		267,200
c. Investment income		
1. Interest and dividends		3,167,680
2. Gain or (loss) on sales (realized and unrealized)		15,161,108
3. Amortization of premiums and discounts		none
4. Other – miscellaneous		0
		0
d. Total	\$	21,477,391

Expenditures:

a. Benefits paid, including refunds of member contributions	\$	15,132,803
b. DROP plan distributions		95,389
c. Other expenses		620,516
		620,516
d. Total	\$	15,848,708

Reserve Increase:

Total revenues minus total expenditures	\$	5,628,683
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Assets and Reserves June 30, 2024

Assets: (at market value)

a. Cash	\$	1,477,528
b. Receivables		(538,410)
c. Government issues		39,472,175
d. Corporate bonds		13,494,770
e. Equities		120,219,495
f. Real estate investments		16,141,545
g. Liabilities		(79,355)
Total		\$ 190,187,748

Reserve Accounts:

a. Member contributions	\$	1,876,558
b. Reserve for benefits now being paid		166,589,779
c. Pension Reserve		21,154,224
d. DROP Plan Reserve		567,187
Total	\$	190,187,748

Derivation of Smoothed Market Value Based on 20% Recognition of the Difference Between the Market Rate of Return and the Projected Rate of Return

	Year Ended June 30									
	2020	2021	2022	2023	2024	2025	2026	2027	2028	
Beginning of Year:										
(1) Market Value	\$178,815,918	\$178,941,996	\$215,528,618	\$181,893,424	\$184,559,065					
(2) Valuation Assets	177,350,053	181,047,037	191,646,536	193,698,079	193,379,300					
End of Year:										
(3) Market Value	178,941,996	215,528,618	181,893,424	184,559,065	190,187,748					
(4) Net Additions to Assets, Excluding Investment Income & Admin. Expense	(8,025,278)	(9,168,558)	(9,525,911)	(11,752,454)	(12,079,589)					
(5) Total Investment Income = (3) - (1) - (4)	8,151,356	45,755,180	(24,109,283)	14,418,095	17,708,272					
(6) Projected Rate of Return	7.25%	7.00%	7.00%	7.00%	7.00%	7.00%				
(7) Projected Investment Income = (6) x [(2) + .5 x (4)]	12,566,963	12,352,393	13,081,851	13,147,530	13,113,765					
(8) Investment Income in Excess of Projected Income = (5)-(7)	(4,415,607)	33,402,787	(37,191,134)	1,270,565	4,594,507					
(9) Excess Investment Income Recognized This Year (5-year recognition)										
(9a) From This Year	(883,121)	6,680,557	(7,438,227)	254,113	918,901					
(9b) From One Year Ago	(327,177)	(883,121)	6,680,557	(7,438,227)	254,113	\$ 918,901				
(9c) From Two Years Ago	463,572	(327,177)	(883,121)	6,680,557	(7,438,227)	254,113	\$ 918,901			
(9d) From Three Years Ago	1,481,834	463,572	(327,177)	(883,121)	6,680,557	(7,438,227)	254,113	\$ 918,901		
(9e) From Four Years Ago	(1,579,809)	1,481,833	463,571	(327,177)	(883,123)	6,680,559	(7,438,226)	254,113	\$918,903	
(10) Total Recognized Investment Gain	(844,701)	7,415,664	(1,504,397)	(1,713,855)	(467,779)	415,346	(6,265,212)	1,173,014	918,903	
(11) Change in Valuation Assets = (4) + (7) + (10)	3,696,984	10,599,499	2,051,543	(318,779)	566,397					
End of Year:										
(3) Market Value	178,941,996	215,528,618	181,893,424	184,559,065	190,187,748					
(11) Valuation Assets = (2)+(10)	181,047,037	191,646,536	193,698,079	193,379,300	193,945,697					
(12) Valuation Assets Net HI Reserve	181,047,037	191,646,536	193,698,079	193,379,300	193,945,697					
Rate of Return Based on Smoothed Method	6.8%	11.2%	6.2%	6.1%	6.8%					
Ratio of Market Value to Valuation Assets	98.8%	112.5%	93.9%	95.4%	98.1%					
Market Value Rate of Return	4.7%	26.2%	(11.4)%	8.2%	9.9%					



Retirants and Beneficiaries June 30, 2024 Comparative Schedule

Year Ended June 30	Added to Rolls		Removed from Rolls		Rolls End of Year	
	No.	Annual Pensions	No.	Annual Pensions	No.	Annual Pensions
1995	23	\$ 418,540	6	\$ 55,242	154	\$ 1,892,941
2000	11	199,220	5	30,242	194	3,023,578
2005	28	657,467	10	153,882	260	4,920,041
2010	22	570,153	11	77,710	295	6,629,097
2011	20	686,316	7	165,129	308	7,150,284
2012	31	1,009,472	7	91,020	332	8,068,736
2013	18	573,312	10	193,959	340	8,448,089
2014	17	490,598	5	84,647	352	8,854,040
2015	24	759,892	12	277,462	364	9,336,470
2016	23	807,589	6	86,335	381	10,057,724
2017	30	691,245	12	231,777	399	10,517,192
2018	16	599,747	13	267,391	402	10,849,548
2019	20	739,196	11	228,443	411	11,360,301
2020	19	770,729	7	109,119	423	12,021,911
2021	35	1,267,280	16	378,977	442	12,910,214
2022	22	1,077,106	11	221,454	453	13,765,866
2023	25	1,554,671	18	355,012	460	14,965,525
2024	23	761,646	16	402,777	467	15,324,394

The June 30, 2024 end of year retiree count and total pension amount includes 3 DROP participants with annual benefits of \$259,834.

Retirants and Beneficiaries June 30, 2024 Comparative Schedule

Year Ended June 30	% Incr. in Annual Pensions	No. of Active Per Retired	Pensions as % of Active Payroll	Average Annual Pension	Discounted Value of Pensions	
					Total	Average
1995	23.8 %	2.3	13.9 %	\$ 12,292	\$ 19,800,632	\$ 128,576
2000	5.9	2.3	15.1	15,585	31,171,607	160,678
2005	16.3	1.5	23.6	18,923	48,061,939	184,854
2010	8.0	1.1	33.9	22,472	64,018,512	217,012
2011	7.9	0.9	39.6	23,215	69,160,462	224,547
2012	12.8	0.8	48.1	24,303	81,377,089	245,112
2013	4.7	0.7	53.2	24,847	84,667,701	249,023
2014	4.8	0.6	56.2	25,154	88,106,433	250,302
2015	5.4	0.6	65.5	25,650	105,648,228	290,242
2016	7.7	0.4	83.3	26,398	114,414,851	300,301
2017	4.6	0.4	89.1	26,359	116,250,580	291,355
2018	3.2	0.4	95.1	26,989	119,492,579	297,245
2019	4.7	0.3	104.9	27,641	125,447,123	305,224
2020	5.8	0.3	122.0	28,421	132,086,482	312,261
2021	7.4	0.2	146.7	29,209	142,613,389	322,655
2022	6.6	0.2	174.7	30,388	152,386,801	336,395
2023	8.7	0.2	235.6	32,534	166,971,387	362,981
2024	2.4	0.1	261.5	32,815	170,850,815	365,848

The June 30, 2024 end of year retiree count and total pension amount includes 3 DROP participants with annual benefits of \$259,834.

Retirants and Beneficiaries June 30, 2024

Number	Averages			New Retirants During 23/24	
	Attained Age	Retirement Age	Current Annual Pension	Averages	Annual Pension
	Age	Age	Pension	Age	Pension
467	69.9	56.2	\$32,815	54.7	\$37,559

Tabulated by Valuation Divisions

Divisions	No.	Annual Pensions
Other Funds A	97	\$ 3,072,504
Other Funds B	99	3,071,782
General	97	2,669,827
Police	129	5,029,720
Fire	45	1,480,561
Totals	467	\$ 15,324,394

The June 30, 2024 end of year retiree count and total pension amount includes 3 DROP participants with annual benefits of \$259,834.

Retirants and Beneficiaries June 30, 2024

Type of Pensions Being Paid	No.	Annual Pensions
Age and Service		
Straight Life Pension - benefit terminating at death of retirant	138	\$ 4,216,519
10-Year Certain	21	728,289
Option A Pension – joint and survivor benefit	162	6,183,456
Option B Pension – modified joint and survivor benefit	55	2,190,897
Survivor Beneficiary	53	1,035,139
Total Age and Service Pensions	429	\$ 14,354,300
Casualty Pensions		
Duty Disability		
Straight Life	2	\$ 60,732
10-Year Certain	3	\$115,168
Option A	6	178,070
Option B	4	\$95,977
Survivor	1	2,002
Non Duty Disability		
Straight Life	3	43,971
10-Year Certain	2	60,510
Option A	2	30,993
Option B	1	33,131
Survivor	9	171,533
Non Duty Death - Spouse	5	178,007
Total Casualty Pensions	38	970,094
Total Pensions Being Paid	467	\$ 15,324,394

The June 30, 2024 end of year retiree count and total pension amount includes 3 DROP participants with annual benefits of \$259,834.



Retirants and Beneficiaries June 30, 2024 Tabulated by Attained Age

Attained Age	No.	Annual Pensions
30 - 34	1	\$ 86,708
35 - 39	0	-
40 - 44	0	-
45 - 49	4	75,340
50 - 54	38	1,797,592
55 - 59	50	2,095,251
60 - 64	51	1,955,886
65 - 69	86	2,928,816
70 - 74	90	2,883,866
75 - 79	68	1,641,664
80 - 84	40	1,101,541
85 - 89	27	554,827
90	2	35,719
91	4	63,858
92	4	83,318
95	1	12,065
96	1	7,943
Totals	467	\$15,324,394

The June 30, 2024 end of year retiree count and total pension amount includes 3 DROP participants with annual benefits of \$259,834.

Inactive Vested Members Included in Valuation June 30, 2024

Attained Age	No.	Estimated Deferred Annual Pensions
46	2	\$ 37,309
47	2	73,738
49	2	100,490
50	3	37,480
51	6	95,713
52	1	21,665
53	3	50,885
54	6	101,101
55	2	95,093
56	5	104,996
57	5	108,738
59	2	34,175
60	1	8,634
66	1	14,015
69	1	2,853
Totals	42	\$886,885

Inactive vested members included in the valuation totaled 42 with estimated deferred pensions of \$886,885. The table above includes 6 active members who elected to freeze their defined benefit as of June 30, 2016 and enter the defined contribution plan beginning July 1, 2016.

Active Members June 30, 2024 Tabulated by Valuation Divisions

Valuation Divisions	No.	Annual Payroll
Other Funds A	11	\$ 919,937
Other Funds B	22	1,699,965
General	13	1,230,625
Police Officers	13	1,485,131
Fire	5	524,902
Total Active Members	64	\$5,860,560

Number Added to and Removed from Active Membership

Year Ended June 30	Number Added During Year		Terminations During Year								Active Members End of Year
	A	E	Retirement		Disabled		Died-in- Service		Other Withdrawal		
			A	E	A	E	A	E	A	E	
2005	5	45	17	8.7	1	1.5	0	1.0	27	10.3	398
2006	11	14	4	9.1	1	1.5	1	1.0	8	7.9	395
2007	6	13	8	10.4	0	1.6	1	1.1	4	7.0	388
2008	0	31	13	11.2	1	1.6	1	1.2	16	5.9	357
2009	0	0	11	11.5	1	1.7	1	1.2	11	4.5	333
2010	0	0	15	10.4	0	1.6	0	1.2	6	3.6	312
2011	1	0	14	9.5	3	1.5	0	1.2	14	2.8	282
2012	0	0	24	10.8	0	1.3	0	1.1	5	2.2	253
2013	0	0	8	7.8	1	1.2	0	0.6	10	1.9	234
2014	0	0	9	9.8	1	1.2	0	0.6	2	1.6	222
2015	0	0	11	11.5	2	1.2	0	0.6	4	1.4	205
2016	1	0	17	12.0	1	1.2	0	0.3	22	1.2	166
2017	0	0	6	9.5	1	1.2	0	0.2	1	1.0	158
2018	0	0	7	10.5	1	1.0	0	0.2	2	0.8	148
2019	0	0	11	11.6	1	0.9	0	0.2	0	0.7	136
2020	1	0	13	9.6	0	0.8	0	0.2	4	0.6	120
2021	1	0	13	7.4	3	0.8	0	0.2	1	0.6	104
2022	0	0	13	6.4	1	0.7	0	0.2	0	0.5	90
2023	0	0	16	6.4	0	0.6	0	0.1	1	0.5	73
2024	0	0	8	5.4	0	0.5	0	0.1	1	0.4	64
Last 10 Years	3	0.0	115	90.3	10	8.9	0	2.3	36	7.7	

Active Members June 30, 2024 Comparative Schedule

Valuation Date	Active Members						Valuation Payroll	Average			
	June 30	Other Funds A ⁽²⁾	Other Funds B ⁽³⁾	General	Police	Fire		Total	Age	Service	Pay
2000				302	100	39	441	\$ 20,073,442	41.1 yrs.	11.8 yrs.	\$45,518
2005				280	88	30	398	20,881,320	43.1	13.6	52,466
2010				217	70	25	312	19,554,838	46.2	17.0	62,676
2011				193	66	23	282	18,038,609	46.9	17.5	63,967
2012				167	63	23	253	16,768,082	47.0	17.6	66,277
2013				155	58	21	234	15,889,933	47.8	18.3	67,906
2014				146	55	21	222	15,749,774	48.4	19.2	70,945
2015	34			101	52	18	205	14,244,381	(1) 48.9	19.9	69,485
2016	25			74	49	18	166	12,075,663	(1) 48.3	20.3	72,745
2017	25	37		32	48	16	158	11,805,804	49.0	21.2	74,720
2018	22	37		30	46	13	148	11,413,503	49.6	21.9	77,118
2019	23	32		25	44	12	136	10,825,148	50.1	22.6	79,597
2020	20	27		22	40	11	120	9,853,023	50.1	23.1	82,109
2021	16	26		21	33	8	104	8,798,875	50.7	23.8	84,605
2022	14	25		18	26	7	90	7,880,801	51.0	24.3	87,564
2023	12	24		14	18	5	73	6,351,428	51.6	24.6	87,006
2024	11	22		13	13	5	64	5,860,560	52.3	25.3	91,571

⁽¹⁾ Valuation payroll was adjusted by a factor of 26/27 due to an extra pay period.

⁽²⁾ Prior to the June 30, 2015 valuation, MP, CWP, and WTP were combined with the General group. For the June 30, 2015 and June 30, 2016 valuations, MP, CWP, and WTP were summarized as three separate groups. Starting with the June 30, 2017 valuation, MP, CWP, WTP, and the Risk groups combined to form the Other Funds A group. Starting with the June 30, 2019 valuation, Building Inspectors were transferred from Other Funds B to Others Funds A.

⁽³⁾ Prior to the June 30, 2017 valuation, Other Funds B was combined with the General group.



Other Funds A Members June 30, 2024 by Nearest Age and Years of Service

Nearest Age	Years of Service to Valuation Date							Totals	
	0-4	5-9	10-14	15-19	20-24	25-29	30 Plus	No.	Valuation Payroll
40-44				1				1	\$ 91,109
45-49					1	1		2	170,592
50-54				1	1		2	4	261,152
55-59						2		2	235,719
60						1		1	80,402
65						1		1	80,963
Totals				2	2	5	2	11	\$ 919,937

While not used in the financial computations, the following group averages are computed and shown because of their general interest.

Age: 53.6 years

Service: 24.9 years

Annual Pay: \$83,631

Other Funds B Members June 30, 2024 by Nearest Age and Years of Service

Nearest Age	Years of Service to Valuation Date							Totals	
	0-4	5-9	10-14	15-19	20-24	25-29	30 Plus	No.	Valuation Payroll
40-44						1		1	\$ 58,562
45-49					2	1		3	263,161
50-54				2	2	5	1	10	658,440
55-59					3	3	2	8	719,802
Totals				2	7	10	3	22	\$ 1,699,965

While not used in the financial computations, the following group averages are computed and shown because of their general interest.

Age: 52.7 years
Service: 26.3 years
Annual Pay: \$77,271

General Members June 30, 2024 by Nearest Age and Years of Service

Nearest Age	Years of Service to Valuation Date						Totals		
	0-4	5-9	10-14	15-19	20-24	25-29	30 Plus	No.	Valuation Payroll
45-49						1		1	\$ 118,792
50-54				1	1	2		4	410,193
55-59					1	3	2	6	578,788
61					1	1		2	122,852
Totals				1	3	7	2	13	\$ 1,230,625

While not used in the financial computations, the following group averages are computed and shown because of their general interest.

Age: 55.8 years

Service: 25.9 years

Annual Pay: \$94,663

Police Officers June 30, 2024 by Nearest Age and Years of Service

Nearest Age	Years of Service to Valuation Date							Totals	
	0-4	5-9	10-14	15-19	20-24	25-29	30 Plus	No.	Valuation Payroll
40-44				1				1	\$ 103,938
45-49				1	7	3		11	1,231,012
55-59						1		1	150,181
Totals				2	7	4		13	\$ 1,485,131

While not used in the financial computations, the following group averages are computed and shown because of their general interest.

Age: 47.6 years

Service: 23.6 years

Annual Pay: \$114,241

Firefighters June 30, 2024 by Nearest Age and Years of Service

Nearest Age	Years of Service to Valuation Date							Totals	
	0-4	5-9	10-14	15-19	20-24	25-29	30 Plus	No.	Valuation Payroll
40-44				1				1	\$ 104,172
45-49					1	1		2	202,505
50-54					1			1	111,023
55-59									
61						1		1	107,202
Totals				1	2	2		5	\$ 524,902

While not used in the financial computations, the following group averages are computed and shown because of their general interest.

Age: 50.5 years

Service: 24.4 years

Annual Pay: \$104,980

SECTION C

SUMMARY OF VALUATION METHODS AND ACTUARIAL ASSUMPTIONS

Valuation Methods

Entry Age Normal Actuarial Cost Method. Normal cost and the allocation of benefit values between service rendered before and after the valuation date was determined using an individual **entry-age normal cost** valuation method having the following characteristics:

- (i) The annual normal costs for each individual active member, payable from the date of employment to the date of retirement, are sufficient to accumulate the value of the member's benefit at the time of retirement; and
- (ii) Each annual normal cost is a constant percentage of the member's year-by-year projected covered pay.

Financing of Unfunded Actuarial Accrued Liability. Unfunded Actuarial Accrued Liability (UAAL) was amortized as a level dollar amount over a closed period of 15 years.

Asset Valuation Method. The valuation assets are developed using a five-year smoothing technique. The difference between the expected return on assets (using the valuation interest rate assumption) and the actual return on assets is phased-in over a five-year period.

Actuarial Assumptions Used for the Valuation

The actuary calculates the contribution requirements and benefit values of the Retirement System by applying actuarial assumptions to the benefit provisions and people information furnished, using the valuation methods described on page C-1. All actuarial assumptions are based on future expectations, not market measures.

The principal areas of economic and risk assumptions are:

- (i) Long-term rates of investment income likely to be generated by the assets of the Retirement System;
- (ii) Patterns of salary increases to be experienced by members;
- (iii) Rate of mortality among members, retirees and beneficiaries;
- (iv) Rates of withdrawal of active members without entitlement to a deferred retirement benefit;
- (v) Rates of disability among members and their subsequent rates of recovery; and
- (vi) The age and service distribution of actual retirements.

In making a valuation the actuary must project the monetary effect of each assumption, for each distinct experience group, for the next year and for each year over the next half-century or longer.

Once actual experience has occurred and been observed it is unlikely that it will coincide exactly with assumed experience. Each valuation provides a complete recalculation of assumed future experience and takes into account all past differences between assumed and actual experience. The result is a continual series of small adjustments of the computed contribution rate.

From time-to-time it becomes necessary to adjust the package of risk measurements to reflect basic experience trends – but not random year-to-year fluctuations. We will recommend changes whenever we feel they are appropriate.

Assumptions were reviewed and updated based on the 2014-2019 Experience Study, which includes the rationale for these assumptions.

The rate of investment return (an economic assumption) used was 7.00% a year, compounded annually net of expenses. This assumption was first used for the June 30, 2020 valuation and is used to discount the value of future payments. Actual recognized investment return for purposes of the actuarial valuation, based on the mean actuarial value of assets, has been as follows:

Year Ended June 30					5-Year Average
2024	2023	2022	2021	2020	
6.8%	6.1%	6.2%	11.2%	6.8%	7.4%

The rate of price inflation -- a rate of price inflation of 2.50% is consistent with other economic assumptions in this report.

The rates of salary increase (an economic assumption) used are in accordance with the following graded table. These assumptions were first used for the June 30, 2015 valuation. The assumption consists of 3.25% in recognition of wage inflation and a graded allowance for promotion and longevity.

The assumption is used to project current salaries to those upon which pension amounts will be based.

Sample Ages	Present Salary Resulting in Salary of \$1,000		Percent Increase in Salary During Next Year	
	At Age 65 General*	At Age 60 Police-Fire	General*	Police-Fire
	20	\$ 109	\$ 180	7.09 %
25	152	244	6.37	6.25
30	205	328	5.93	5.85
35	272	426	5.62	4.35
40	355	513	5.39	3.45
45	458	608	4.93	3.45
50	577	720	4.39	3.45
55	709	850	3.91	3.35
60	850	1,000	3.41	3.25
65	1,000	---	3.25	3.25

* Includes General, Other Funds A, and Other Funds B members.

Actual valuation payroll has increased at the following rates.

	Year Ended June 30					5-Year Average
	2024	2023	2022	2021	2020	
Increase in pay for members active at both beginning and end of year	5.6 %	3.0 %	4.2 %	3.2 %	2.8 %	3.8 %



The mortality tables (a risk assumption) are used to measure the probabilities of members dying before retirement and the probabilities of each benefit payment being made after retirement. The mortality rates described below were first used for the June 30, 2020 valuation.

General

- **Healthy Pre-Retirement:** The Pub-2010 Amount-Weighted, General, Employee, Male and Female tables, a base year of 2010 and future mortality improvements projected using scale MP-2019 on a fully-generational basis.
- **Healthy Post-Retirement:** The Pub-2010 Amount-Weighted, General, Healthy Retiree, Male and Female tables, with a base year of 2010 and future mortality improvements projected using scale MP-2019 on a fully-generational basis.
- **Disability Retirement:** The Pub-2010 Amount-Weighted, General, Disabled Retiree, Male and Female tables, with a base year of 2010 and future mortality improvements projected using scale MP-2019 on a fully-generational basis.

Sample Attained Ages	Healthy Pre-Retirement		Healthy Post-Retirement		Disabled Retirement	
	Future Life		Future Life		Future Life	
	Expectancy (Years)		Expectancy (Years)		Expectancy (Years)	
	Men	Women	Men	Women	Men	Women
50	39.70	41.89	35.90	38.84	26.39	29.10
55	34.64	36.73	31.00	33.85	22.95	25.67
60	29.69	31.65	26.26	28.97	19.83	22.45
65	24.87	26.66	21.73	24.20	16.91	19.20
70	20.15	21.76	17.42	19.62	14.06	15.83
75	15.55	16.98	13.45	15.34	11.28	12.55
80	11.07	12.36	9.93	11.48	8.69	9.60

Police/Fire

- **Healthy Pre-Retirement:** The Pub-2010 Amount-Weighted, Safety, Employee, Male and Female tables, with a base year of 2010 and future mortality improvements projected using scale MP-2019 on a fully-generational basis.
- **Healthy Post-Retirement:** The Pub-2010 Amount-Weighted, Safety, Healthy Retiree, Male and Female tables, with a base year of 2010 and future mortality improvements projected using scale MP-2019 on a fully-generational basis.
- **Disability Retirement:** The Pub-2010 Amount-Weighted, Safety, Disabled Retiree, Male and Female tables, with a base year of 2010 and future mortality improvements projected using scale MP-2019 on a fully-generational basis.

Sample Attained Ages	Healthy Pre-Retirement		Healthy Post-Retirement		Disabled Retirement	
	Future Life		Future Life		Future Life	
	Expectancy (Years)		Expectancy (Years)		Expectancy (Years)	
	Men	Women	Men	Women	Men	Women
50	39.03	41.53	35.94	37.94	34.49	36.60
55	33.90	36.38	30.86	32.82	29.62	31.73
60	28.86	31.28	25.96	27.90	24.93	27.11
65	23.93	26.23	21.32	23.22	20.54	22.75
70	19.16	21.25	16.99	18.80	16.46	18.59
75	14.63	16.45	13.03	14.69	12.70	14.66
80	10.39	11.93	9.57	11.05	9.45	11.05

The rates of retirement (a risk assumption) used to measure the probability of eligible members retiring during the year following attainment of the indicated age were as follows:

Age	Number Retiring Per 100 Eligible		
	General*	Police	Fire
50	-	27.0	27.0
51	-	18.0	18.0
52	-	13.5	13.5
53	-	13.5	13.5
54	-	13.5	13.5
55	20.0	9.0	9.0
56	10.0	9.0	9.0
57	10.0	13.5	13.5
58	10.0	22.5	22.5
59	10.0	27.0	27.0
60	30.0	100.0	100.0
61	20.0	100.0	100.0
62	30.0	100.0	100.0
63	20.0	100.0	100.0
64	20.0	100.0	100.0
65	30.0	100.0	100.0
66	30.0	100.0	100.0
67	40.0	100.0	100.0
68	50.0	100.0	100.0
69	60.0	100.0	100.0
70	100.0	100.0	100.0

** Includes General, Other Funds A, and Other Funds B members.*

The General rates were first used for the June 30, 2015 valuation; Police and Fire rates were first used for the June 30, 2020 valuation.

Rates of separation from active membership (a risk assumption) were as follows (rates do not apply to members eligible to retire and do not include separation on account of death or disability). This assumption measures the probabilities of members remaining in employment.

Sample Ages	Years of Service	Number Separating Within Next Year (Per 100 Members)		
		General*	Police	Fire
ALL	0	15.00	8.00	8.00
	1	10.00	6.00	6.00
	2	8.00	4.50	4.50
	3	7.00	3.00	3.00
	4	6.00	2.00	2.00
25	5 & Over	6.00	3.00	3.00
30		5.50	2.50	2.50
35		4.50	1.50	1.50
40		1.75	0.50	0.50
45		1.00	0.50	0.50
50		1.00	0.50	0.50
55		1.00	0.50	0.50
60		1.00	0.50	0.50
65		1.00	0.50	0.50

* Includes General, Other Funds A, and Other Funds B members.

Rates for General, Police and Fire were first used for the June 30, 2020 valuation.

Rates of disability (a risk assumption) measure the probabilities of active members retiring with a disability benefit.

Sample Ages	% of Active Members Becoming Disabled Within Next Year		
	General *	Police	Fire
20	0.15 %	0.12 %	0.12 %
25	0.18	0.18	0.18
30	0.20	0.30	0.30
35	0.29	0.36	0.36
40	0.42	0.84	0.84
45	0.65	0.96	0.96
50	1.05	1.14	1.14
55	1.84	1.32	1.32
60	3.06	1.44	1.44

* Includes General, Other Funds A, and Other Funds B members.

50% of Fire disabilities are assumed to be duty disabilities.

Rates for General were first used for the June 30, 2001 valuation; Police and Fire rates were first used for the June 30, 2020 valuation.



Miscellaneous and Technical Assumptions

Benefit Service:	Exact fractional service is used to determine the amount of benefit payable.
Cost-of-Living Adjustment:	Annual increase for those eligible assumed to be 1.0% annually.
Decrement Operation:	Disability and mortality decrements do not operate during the first 5 years of service. Disability and withdrawal do not operate during retirement eligibility.
Decrement Relativity:	Decrement rates are used directly from the experience study, without adjustment for multiple decrement table effects.
Decrement Timing:	Decrements of all types are assumed to occur mid-year.
Eligibility Testing:	Eligibility for benefits is determined based upon the age nearest birthday and service nearest whole year on the date the decrement is assumed to occur.
Marriage Assumption:	100% of males and 100% of females are assumed to be married for purposes of death-in-service benefits.
Normal Form of Benefit:	The assumed normal form of benefit is the straight life form.
Pay Increase Timing:	Beginning of (Fiscal) year. This is equivalent to assuming that reported pays represent amounts paid to members during the year ended on the valuation date.

SECTION D

SUPPLEMENTARY INFORMATION

NOTE: GASB Statements No. 67 and No. 68 are effective for Governmental Retirement Plans for the fiscal year beginning after June 15, 2013 (GASB Statement No. 67) and the fiscal year beginning after June 15, 2014 (GASB Statement No. 68). These statements replace GASB Statements No. 25, No. 27 and No. 50. Please see the corresponding GASB Statements No. 67 and No. 68 reports for relevant accounting figures.

Supplementary Information (\$ Amounts in Thousands)

Schedule of Funding Progress

Actuarial Valuation Date June 30	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (b)-(a)	Funded Ratio (a)/(b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a)/c)
2015 *	\$ 149,882	\$ 182,644	\$ 32,762	82.1 %	\$ 14,244	230.0 %
2016	154,872	188,855	33,983	82.0	12,076	281.4
2017 *	164,083	188,930	24,847	86.8	11,806	210.5
2018	172,671	192,006	19,335	89.9	11,414	169.4
2019	177,350	195,661	18,311	90.6	10,825	169.2
2020 *	181,047	202,000	20,953	89.6	9,853	212.7
2021	191,647	206,237	14,590	92.9	8,799	165.8
2022	193,698	210,897	17,199	91.8	7,881	218.2
2023	193,379	215,396	22,016	89.8	6,351	346.6
2024	193,946	216,857	22,911	89.4	5,861	390.9

* Revised actuarial assumptions and/or methods and/or changes in benefit provisions.

Supplementary Information (\$ Amounts in Thousands)

Schedule of Employer Contributions

Fiscal Year Ending June 30	Actuarial Valuation Date June 30	Computed Dollar Contribution Based on Projected Valuation Payroll	Actual Required Contribution Based on Actual Payroll	Percentage Contributed
2010	2008	\$2,188	\$2,280	100 %
2011	2009	2,936	3,062	100
2012	2010	3,230	3,050	100
2013	2011	3,135	3,298	100
2014	2012	4,157	4,180	100
2015	2013	4,288	4,262	100
2016	2014	3,906	3,949	100
2017	2015	4,918	4,925	100
2018	2016	4,629	4,696	100
2019	2017	3,628	3,618	100
2020	2018	3,140	3,173	100
2021	2019	3,036	3,050	100
2022	2020	3,228	3,236	100
2023	2021	2,446	2,461	100
2024	2022	2,690	2,690	100
2025	2023	3,045	-	-
2026	2024	3,084	-	-

The Retirement System's financial objective provides for periodic employer contributions at actuarially determined rates that are designed to accumulate sufficient assets to pay benefits when due. The normal cost and amortization payment for the year ended June 30, 2024 were determined using an entry age actuarial funding method. Unfunded Actuarial Accrued Liabilities (UAAL) were amortized as a level dollar over a closed period of 15 years.

The Retirement System has been closed to new members since 2008.

Supplementary Information

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows:

Valuation date	June 30, 2024
Actuarial cost method	Entry Age
Amortization method	Level dollar
Remaining amortization period	15 years closed
Asset valuation method	Open 5-year smoothed market
Actuarial assumptions:	
Investment rate of return	7.00%
Projected salary increases*	3.25% - 7.09%
*Includes wage inflation at	3.25%
Cost-of-living adjustments	Annual increase for those eligible assumed to be 1.0% compounded annually.

Membership of the plan consisted of the following at June 30, 2024, the date of the latest actuarial valuation:

Retirees and beneficiaries receiving benefits	467
Terminated plan members entitled to but not yet receiving benefits	42
Active plan members	<u>64</u>
Total	573

APPENDIX

RISK MEASURES

Risk Commentary

The determination of the accrued liability and the actuarially determined contribution requires the use of assumptions regarding future economic and demographic experience. Risk measures, as illustrated in this report, are intended to aid in the understanding of the effects of future experience differing from the assumptions used in the course of the actuarial valuation. Risk measures may also help with illustrating the potential volatility in the accrued liability and the actuarially determined contribution that result from the differences between actual experience and the actuarial assumptions.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions due to changing conditions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period, or additional cost or contribution requirements based on the Plan's funded status); and changes in plan provisions or applicable law. The scope of an actuarial valuation does not include an analysis of the potential range of such future measurements.

Examples of risk that may reasonably be anticipated to significantly affect the plan's future financial condition include:

1. **Investment Risk** – actual investment returns may differ from the expected returns;
2. **Asset/Liability Mismatch** – changes in asset values may not match changes in liabilities, thereby altering the gap between the accrued liability and assets and consequently altering the funded status and contribution requirements;
3. **Contribution Risk** – actual contributions may differ from expected future contributions. For example, actual contributions may not be made in accordance with the plan's funding policy or material changes may occur in the anticipated number of covered employees, covered payroll, or other relevant contribution base;
4. **Salary and Payroll Risk** – actual salaries and total payroll may differ from expected, resulting in actual future accrued liability and contributions differing from expected;
5. **Longevity Risk** – members may live longer or shorter than expected and receive pensions for a period of time other than assumed; and
6. **Other Demographic Risks** – members may terminate, retire or become disabled at times or with benefits other than assumed resulting in actual future accrued liability and contributions differing from expected.

The effects of certain trends in experience can generally be anticipated. For example, if the investment return since the most recent actuarial valuation is less (or more) than the assumed rate, the cost of the plan can be expected to increase (or decrease). Likewise, if longevity is improving (or worsening), increases (or decreases) in cost can be anticipated.

The computed contribution amount in this report may be considered as a minimum contribution rate that complies with the Board's funding policy. The timely receipt of the actuarially determined contributions is critical to support the financial health of the plan. Users of this report should be aware that contributions made at the actuarially determined amounts do not necessarily guarantee benefit security.



Risk Commentary (Concluded)

Plan Maturity Measures

Risks facing a pension plan evolve over time. A young plan with virtually no investments and paying few benefits may experience little investment risk. An older plan with a large number of members in pay status and a significant trust may be much more exposed to investment risk. Generally accepted plan maturity measures include the following:

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Ratio of the market value of assets to payroll	32.45	29.06	23.08	24.50	18.16
Ratio of actuarial accrued liability to payroll	37.00	33.91	26.76	23.44	20.50
Ratio of actives to retirees and beneficiaries	0.14	0.16	0.20	0.24	0.28
Ratio of net cash flow to market value of assets	-6.4%	-6.4%	-5.2%	-4.3%	-4.5%

Ratio of Market Value of Assets to Payroll

The relationship between assets and payroll is a useful indicator of the potential volatility of contributions. For example, if the market value of assets is 10.0 times the payroll, a return on assets 5% different than assumed would equal 50% of payroll. A higher (lower) or increasing (decreasing) level of this maturity measure generally indicates a higher (lower) or increasing (decreasing) volatility in plan sponsor contributions as a percentage of payroll.

Ratio of Actuarial Accrued Liability to Payroll

The relationship between actuarial accrued liability and payroll is a useful indicator of the potential volatility of contributions for a fully funded plan. A funding policy that targets a funded ratio of 100% is expected to result in the ratio of assets to payroll and the ratio of liability to payroll converging over time. The ratio of liability to payroll may also be used as a measure of sensitivity of the liability itself. For example, if the actuarial accrued liability is 2.5 times the payroll, a change in liability 2% other than assumed would equal 5% of payroll. A higher (lower) or increasing (decreasing) level of this maturity measure generally indicates a higher (lower) or increasing (decreasing) volatility in liability (and also plan sponsor contributions) as a percentage of payroll.

Ratio of Actives to Retirees and Beneficiaries

A young plan with many active members and few retirees will have a high ratio of actives to retirees. A mature open plan may have close to the same number of actives to retirees resulting in a ratio near 1.0. A super-mature or closed plan may have significantly more retirees than actives resulting in a ratio below 1.0.

Ratio of Net Cash Flow to Market Value of Assets

A positive net cash flow means contributions exceed benefits and expenses. A negative cash flow means existing funds are being used to make payments. A certain amount of negative net cash flow is generally expected to occur when benefits are prefunded through a qualified trust. Large negative net cash flows as a percent of assets may indicate a super-mature plan or a need for additional contributions.

Additional Risk Assessment

Additional risk assessment is outside the scope of the annual actuarial valuation. Additional assessment may include scenario tests, sensitivity tests, stochastic modeling and/or stress tests.



Low-Default-Risk Obligation Measure

Introduction

In December 2021, the Actuarial Standards Board (ASB) adopted a revision to Actuarial Standard of Practice (ASOP) No. 4, *Measuring Pension Obligations and Determining Pension Plan Costs or Contributions*. The revised ASOP No. 4 requires the calculation and disclosure of a liability referred to by the ASOP as the “Low-Default-Risk Obligation Measure” (LDRM). The rationale that the ASB cited for the calculation and disclosure of the LDRM was included in the Transmittal Memorandum of ASOP No. 4 and is presented below (emphasis added):

“The ASB believes that the calculation and disclosure of this measure provides **appropriate, useful information for the intended user regarding the funded status of a pension plan**. The calculation and disclosure of this additional measure is **not intended to suggest that this is the “right” liability measure** for a pension plan. However, the ASB does believe that **this additional disclosure provides a more complete assessment of a plan’s funded status and provides additional information regarding the security of benefits that members have earned as of the measurement date.**”

Comparing the Accrued Liabilities and the LDRM

One of the fundamental financial objectives of the City of Wyoming Employees Retirement System is to finance each member’s retirement benefits over the period from the member’s date of hire until the member’s projected date of retirement (entry age actuarial cost method) as a level percentage of payroll. To fulfill this objective, the discount rate that is used to value the accrued liabilities of the City of Wyoming Employees Retirement System is set equal to the **expected return** on the System’s diversified portfolio of assets (referred to sometimes as the investment return assumption). For the City of Wyoming Employees Retirement System, the investment return assumption is 7.00%.

The LDRM is meant to approximately represent the lump sum cost to a plan to purchase low-default-risk fixed income securities whose resulting cash flows essentially replicate in timing and amount the benefits earned (or the costs accrued) as of the measurement date. The LDRM is very dependent upon market interest rates at the time of the LDRM measurement. The lower the market interest rates, the higher the LDRM, and vice versa. The LDRM results presented in this report are based on the entry age actuarial cost method and discount rates based upon the June 2024 Treasury Yield Curve Spot Rates (end of month). The 1-, 5-, 10-, and 30-year rates follow: 5.12%, 4.34%, 4.22%, and 4.45%. This measure may not be appropriate for assessing the need for or amount of future contributions. This measure may not be appropriate for assessing the sufficiency of plan assets to cover the estimated cost of settling the plan’s benefit obligation.

The difference between the two measures (Valuation and LDRM) is one illustration of the savings the sponsor anticipates by taking on risk in a diversified portfolio.

Valuation Accrued Liabilities	LDRM
\$216,856,929	\$285,188,317

Notes Relating to Funding Progress Indicators

- (1) Includes amendment to Ordinance effective December 1974 (applicable to Police Officers).
- (2) Includes amendment to Ordinance effective July 1, 1977 providing 10-year vesting for Administrative and Supervisory employees.
- (3) Includes amendment to Ordinance providing non-contributory status for Administrative and Supervisory employees, Police Officers and Firefighters.
- (4) Includes amendment to Ordinance providing 10-year vesting and non-contributory status for General employees and an increase in the benefit formulas for General employees and Police Officers. The maximum number of years in the Police Officer formula will be phased-in to 30 years effective July 1, 1988.
- (5) Includes revision of assumed rate of investment return from 5.5% to 6.5%.
- (6) Includes revision of assumed rate of investment return from 6.5% to 7.5%.
- (7) Includes amendment to Ordinance providing 10-year vesting for Firefighters and changes in the benefit formula for all employees.
- (8) Includes change to 2.0% formula factor (from 1.8%) for General members (excluding Dispatchers and Telephone Operators) and Fire Administrative members.
- (9) Includes change from 5-year Final Average Compensation to 3-year Final Average Compensation for General and Fire Administrative members.
- (10) Includes: a) change from 5-year Final Average Compensation to 3-year Final Average Compensation for General members (excluding Dispatchers and Telephone Operators) and Fire members; and b) change to 2.0% formula factor for Fire members.
- (11) Includes: a) change from 10 to 5-year requirement for regular retirement, deferred retirement, non-duty disability and non-duty death benefits for Administrative members in all divisions; and b) increase in formula factor to 2.2% from 2.0% for all Police members and Administrative members in all divisions; to 2.0% from 1.8% for General Dispatchers and Telephone Operators.
- (12) Includes: a) increase in formula factor to 2.2% from 2.0% for all Fire members; increase to 2.1% from 2.0% for General union members; and b) automatic post-retirement increase provision for all Administrative members.
- (13) Includes: a) early retirement eligibility for Administrative members at age 55 with 5 years of credited service; and b) automatic post-retirement increase provision for Police Command members who retire on or after age 60.

Notes Relating to Funding Progress Indicators

- (14) Includes an increase in formula factor to 2.25% from 2.20% for non-supervisory Police members. The increase in the employer contribution rate for Fire members reflects the retirement of two members whose normal cost had been negligible due to their age and service characteristics.
- (15) Includes an increase in formula factor to 2.2% from 2.1% for General members (excluding Dispatchers and Telephone Operators).
- (16) Includes: a) a change in actuarial cost method from individual attained-age to individual entry-age normal cost; b) an increase in the amortization period for unfunded accrued liability or funding credit to 25 years from 10 years (from 26 years for health); and c) a change in actuarial assumptions, all as recommended in an experience study which covered the period from July 1, 1989 to June 30, 1994. The following benefit provision changes were also included:
- The type of final average salary for General Dispatchers and Telephone Operators changes to the highest 3 consecutive years out of the last 5 years from the highest 5 consecutive years out of the last 10 years; and
 - The Duty Disability benefit for the non-supervisory Police members is now subject to Special Rules as described in an amendment to Schedule D, Section 91.40(6)(c) of the Code of the City of Wyoming.
- (17) Includes the following changes in benefit provisions:
- The formula factor for supervisory Police members increases to 2.25% from 2.20%.
 - The Duty Disability benefit for Police members changes to 50% of final average salary at the time of disability until attaining minimum age for normal retirement. Normal retirement benefit calculations shall include the time the member was receiving disability benefits and will be based on the monthly average the member would have earned during the 36 months preceding normal retirement age if the member was actively employed. The previous Duty Disability benefit for Police members had been computed in the same manner as the regular retirement benefit based on credited service (10-year minimum) and final average salary at time of termination.
- (18) Includes the following changes in benefit provisions:
- The formula factor for all Fire and General members (excluding Dispatchers and Telephone Operators) increases to 2.25% from 2.20%.
 - The early retirement reduction factor for General members changes to .002 from .004.
- (19) Includes the following changes in benefit provisions:
- The formula factor for all Fire and Administrative members increases to 2.35% from 2.25%.
 - The early retirement reduction factor for Administrative members changes to .002 from .004.

Notes Relating to Funding Progress Indicators

- (20) Includes the following changes in benefit provisions:
- The formula factor for General Dispatchers and Telephone Operators increases to 2.25% from 2.00%.
 - The formula factor for all other General members increases to 2.35% from 2.25%.
 - The formula factor for Police members increases to 2.35% from 2.25%.
 - The premium for post-retirement health insurance payable to age 60 for Police Command members increases to \$10 per month times years of credited service, not to exceed 30 years from \$8 per month times years of credited service, not to exceed 30 years.
- (21) Includes revised demographic and economic assumptions. These assumption changes were adopted by the Retirement Board at their January 22, 2001 meeting.
- (22) Includes a new amortization policy as adopted by the Retirement Board specifically at an 18-year open period for pension and a 30-year open period for post-retirement health costs.
- (23) Includes an increase in the formula factor for Police Patrol to 2.5% from 2.35% and an increase in the contribution rate for Police Patrol to 1.59% from 0%.
- (24) Includes a change in the asset derivation method from a 4-year smoothed market value to a 5-year smoothed market value, along with a change in the amortization period from 18 years to 10 years for pension.
- (25) Includes revision of assumed rate of investment return from 7.5% to 7.75% and closing the amortization period for pension.
- (26) Includes the following changes in benefit provisions:
- Employer right to rehire retirees (Ordinance No. 7-04).
 - Eliminate the early retirement reduction for benefits payable after age 60 if retired under the 2004 Voluntary Retirement Incentive Plan (Ordinance No. 14-04).
 - Establishment of a Deferred Retirement Option Plan (DROP) (Ordinance No. 15-04).
 - Establish separate trust to provide for the funding of retiree medical benefits (Ordinance No. 16-04).
- (27) Includes the following changes in benefit provisions:
- Changing retirement eligibility for Firefighters from age 55 and 10 years of service to age 50 and 10 years of service.
 - Firefighters must make contributions of 1% of pay.
- (28) Includes the following change in benefit provisions:
- General Administrative members and Firefighters hired after September 6, 2005 will be automatically enrolled in the Defined Contribution plan. They will not participate in this defined benefit plan. As a result, contribution requirements for the General and Fire groups are based on level dollar amortization of unfunded accrued liability. Results for Police continue to be based on level percent of pay amortization.

Notes Relating to Funding Progress Indicators

- (29) Includes the following change in benefit provisions:
- General Non-Administrative members hired after February 6, 2006, Police Command members hired after February 20, 2006, and Police Dispatch members hired after February 7, 2006 will be automatically enrolled in the Defined Contribution plan. They will not participate in this defined benefit plan. Effective July 1, 2007, General Administrative members retiring early after July 1, 2007 will not have their benefit reduced.
- (30) Includes the following changes in benefit provisions:
- The formula factor for Police Patrol increases to 2.7% from 2.5% and the contribution rate for Police Patrol increases to 3.59% from 1.59%.
 - The formula factor for Police Command increases to 2.7% from 2.35% and the contribution rate for Police Command increases to 3.59% from 0%.
 - The formula factor for General Dispatchers and Telephone Operators increases to 2.35% from 2.25%.
 - The automatic post-retirement increases provision is removed for Police Command members retiring after July 1, 2008.
 - Maximum DROP account accumulation period for Police Command members has been reduced to 3 years from 5 years.
 - Police Non-Supervisory members hired after September 4, 2007 will be automatically enrolled in the Defined Contribution plan. They will not participate in this defined benefit plan.
- (31) Includes new amortization policy as adopted by the Retirement Board of 30-year amortization over a closed period.
- (32) The formula factor for Fire increases to 2.7% from 2.35% for a maximum of 30 years, and the member contribution rate increases to 4.00% from 1.00%.
- (33) Includes revised mortality assumptions. These assumption changes were adopted by the Retirement Board. Also includes changes to benefit provisions for non-administrative General members. These changes include reduction of the 2.35% multiplier to 1.95% beginning June 30, 2016.
- (34) Includes the following changes in benefit provisions:
- General Union members will receive 1.95% of FAS effective June 30, 2016 for all future accrued service, unless they elect to contribute 2% of base wages to keep the 2.35% multiplier.
 - General Union members will no longer count overtime pay as pensionable earnings for purposes of determining benefit amounts.

Notes Relating to Funding Progress Indicators

(35) Includes the following change in benefit provisions:

- General Administrative members will receive 2.15% of FAS effective July 1, 2016 for accrued service through June 30, 2018 unless they elect to contribute 1% of base wages to keep the 2.35% multiplier, and 1.95% of FAS effective July 1, 2018 for all future accrued service thereafter, unless they elect to contribute 2% of base wages to keep the 2.35% multiplier.

(36) Includes the following changes in benefit provisions and actuarial assumptions:

- The maximum period of accumulation for benefits in a DROP account was decreased from 5 to 3 years.
- Actuarial assumptions were updated in accordance with the Experience Study for the period July 1, 2010 to June 30, 2014, including:
 - A decrease in the wage inflation assumption from 4.50% to 3.50%;
 - A decrease in the investment rate of return assumption from 7.75% to 7.25%;
 - Updating the mortality tables to the RP-2014 Healthy Annuitant Mortality Table projected to 2020 using the MP-2014 mortality improvement scale; the mortality tables for disabled lives to the RP-2014 Disabled Retirees projected to 2020 using the MP-2014 mortality improvement scale; and the mortality tables for current active employees to the RP-2014 Mortality Tables for Employees projected to 2020 using the MP-2014 mortality improvement scale; and
 - Updating retirement rates for General members.

(37) Includes the following change in actuarial assumptions:

- The price inflation assumption used was 2.75%. As a result, the COLA rate applied to members eligible for future cost-of-living increases changed from 1.6% annually to 1.1% annually.

(38) Includes the following changes in actuarial assumptions:

- Actuarial assumptions were updated in accordance with the Experience Study for the period July 1, 2014 to June 30, 2019, including:
 - A decrease in the wage inflation assumption from 3.50% to 3.25%;
 - A decrease in the price inflation assumption from 2.75% to 2.50%;
 - A decrease in the cost-of-living adjustment rate applied to members eligible for future cost-of-living increases from 1.1% to 1.0%;
 - A decrease in the investment rate of return assumption from 7.25% to 7.00%;
 - Updating mortality tables to the Pub-2010 amount-weighted General tables for the General group valuations and the Pub-2010 amount-weighted Safety tables for the Police/Fire groups, in conjunction with the MP-2019 Projection Scale on a fully-generational basis;
 - Updating retirement rates for Police/Fire members;
 - Updating termination rates for General and Police/Fire members; and
 - Updating disability rates for Police/Fire members.