



One-fifth of current-period difference between actual and projected earning based on the assumed investment rate of return on the FNP are recognized in the pension expense. As of December 31, 2021 the actual investment return for the year was \$23,935,895. The projected earnings for the year were \$9,577,348. The total investment gain for the year was \$14,358,547. One-fifth of this amount or \$2,871,709 is recognized in pension expense for the fiscal year ended June 30, 2022. The remaining \$11,486,838 is a deferred inflow of resources that will be recognized over the following four fiscal years.

The current year portions of previously determined experience, assumption, and earnings amounts, recognized as deferred inflows and outflows are included. Deferred outflows are added to the PE and deferred inflows are subtracted from the PE. Finally administrative expenses and other miscellaneous items are included.

The calculation of the Pension Expense as of December 31, 2021 for the Plan is shown in the following table.



Pension Expense Determined as of the Measurement Date	
Service Cost	\$ 3,644,550
Interest on the TPL and Cash Flow	\$ 10,518,850
Current-period benefit changes	\$ 58,056
Expensed portion of current-period difference between expected and actual experience in the total pension liability	\$ (1,037,218)
Expensed portion of current-period changes of assumptions	\$ (1,585,352)
Member contributions	\$ (1,302,975)
Projected earnings on plan investments	\$ (9,577,348)
Expensed portion of current-period differences between actual and projected earnings on plan investments	\$ (2,871,709)
Administrative expense	\$ 265,052
Other	\$ 0
Recognition of beginning deferred outflows of resources as pension expense	\$ 5,938,061
Recognition of beginning deferred inflows of resources as pension expense	\$ (3,889,267)
Pension Expense	<u>\$ 160,700</u>

Schedule A – Required Supplementary Information



Schedule of Changes in the Net Pension Liability

	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability								
Service Cost	3,644,550	3,667,163	3,025,236	2,846,462	2,437,624	2,385,490	2,154,952	2,121,348
Interest	10,518,850	10,407,488	9,621,277	9,111,728	9,188,599	9,085,741	8,977,933	8,790,749
Benefit changes	58,056	0	0	0	703	0	0	0
Difference between expected and actual experience	(4,968,273)	(1,843,291)	1,534,433	1,596,897	(372,584)	(1,068,658)	(1,486,574)	0
Changes of assumptions	(7,593,836)	0	22,472,248	2,602,205	0	0	0	0
Benefit payments	(10,973,170)	(8,932,789)	(8,584,567)	(8,969,433)	(8,148,374)	(7,948,806)	(7,818,041)	(7,653,160)
Refunds of contributions	(797,850)	(516,930)	(579,462)	(1,031,489)	(1,467,896)	(689,950)	(514,762)	(1,074,881)
Net change in total pension liability	(10,111,673)	2,781,641	27,489,165	6,156,370	1,638,072	1,763,817	1,313,508	2,184,056
Total pension liability - beginning	158,998,325	156,216,684	128,727,519	122,571,149	120,933,077	119,169,260	117,855,752	115,671,696
Total pension liability - ending (a)	148,886,652	158,998,325	156,216,684	128,727,519	122,571,149	120,933,077	119,169,260	117,855,752
Plan net position								
Contributions - employer	8,407,637	9,322,981	8,975,650	9,127,127	8,628,709	8,674,036	9,504,258	9,178,327
Contributions - member	1,302,975	1,446,435	1,254,455	1,265,307	1,189,472	1,356,521	1,126,534	1,056,133
Net investment income	23,935,895	15,778,806	21,579,666	(2,420,856)	13,702,310	8,210,957	(471,734)	5,165,762
Benefit payments	(10,973,170)	(8,932,789)	(8,584,567)	(8,969,433)	(8,148,374)	(7,948,806)	(7,818,041)	(7,653,160)
Administrative expense	(265,052)	(204,572)	(239,678)	(261,834)	(275,589)	(250,881)	(257,170)	(263,307)
Refunds of contributions	(797,850)	(516,930)	(579,462)	(1,031,489)	(1,467,896)	(689,950)	(514,762)	(1,074,881)
Other	23,866	0	0	0	0	0	0	0
Net change in plan net position	21,634,301	16,893,931	22,406,064	(2,291,178)	13,628,632	9,351,877	1,569,085	6,408,874
Plan net position - beginning	140,559,067	123,665,136	101,259,072	103,550,250	89,921,618	80,569,741	79,000,656	72,591,782
Plan net position - ending (b)	162,193,368	140,559,067	123,665,136	101,259,072	103,550,250	89,921,618	80,569,741	79,000,656
Net pension liability - ending (a) - (b)	(13,306,716)	18,439,258	32,551,548	27,468,447	19,020,899	31,011,459	38,599,519	38,855,096



Schedule of Employer Contributions

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Actuarially determined employer contribution	8,407,637	9,322,981	8,975,650	9,127,127	8,628,709	8,674,036	9,504,258	9,178,327	9,585,811	8,106,711
Actual employer contributions	<u>8,407,637</u>	<u>9,322,981</u>	<u>8,975,650</u>	<u>9,127,127</u>	<u>8,628,709</u>	<u>8,674,036</u>	<u>9,504,258</u>	<u>9,178,327</u>	<u>9,585,811</u>	<u>8,106,711</u>
Annual contribution deficiency (excess)	0	0	0	0	0	0	0	0	0	0
Covered-employee payroll	21,716,250	23,603,479	22,125,150	20,545,009	19,192,214	19,171,323	17,949,686	17,920,581	17,732,754	18,920,699
Actual contributions as a percentage of covered-employee payroll	38.72%	39.50%	40.57%	44.43%	44.96%	45.24%	52.95%	51.22%	54.06%	42.85%



Schedule B – Plan Provisions

A. Effective Date

As amended and restated to January 1, 2013

B. Eligibility Requirements

Employees working 40 hours (not casual employees) per week, or firefighters on 24 hour on/48 hour off schedule. Certain management positions may be excluded from the Plan.

C. Classes

Class 1: Transferred from old Plan on June 19, 1975
Class 2: General Employees and elected officials hired before April 1, 1992
Class 3: Police and Firefighters hired before April 1, 1992
Class 5: Eligible full-time employees hired on or after April 1, 1992

Note: Any Class may elect the Class 5 benefit.

D. Compensation

Excludes overtime pay, bonuses, fringe benefits and reimbursed expenses. Annual maximum \$200,000 as adjusted by the Secretary of the Treasury.

E. Average Monthly Compensation (AMC)

Classes 2-3: Monthly average of the highest consecutive five years of earnings.
Class 5: Sum of highest 78 consecutive pay periods divided by 36.

F. Normal Form of Payment

Class 1: 66 2/3% Joint and Survivor Annuity
Class 3: Life Annuity
Class 2 & 5: 75% Joint and Survivor Annuity

G. Participant Contributions

Effective July 1, 1998, participants contribute 6% of pay on a before-tax basis. The plan was noncontributory prior to July 1, 1998.



Schedule B – Plan Provisions

H. Normal Retirement Date

Class 2: Age 65 and 10 years of service. If elected official, Age 60 and 5 years of service.

Class 3: Age 55 and 10 years of service.

Class 5: Age 65 (55 Police and Firefighters) and 10 years of service. If elected official, Age 60 and 5 years of service.

I. Early Retirement

Class 2 & 3: Age 50 and 10 years of service

Class 5: Age 55 and 10 years of service for general employees. Age 55 and 10 years of service for Police and Firefighters.

The benefit is reduced 3% for each year retirement proceeds Normal Retirement Date.

J. Retirement Benefit Formula (Accrued Benefit)

Class 2 & 3: 2.25% times AMC times service

Class 5: Elected: \$45 times service.

Non Elected: AMC times service times Applicable Benefit Percentage

<u>Retirement Age</u>	<u>Applicable Benefit Percentage</u>
50	1.75%*
51	1.80*
52	1.85*
53	1.90*
54	1.95*
55	2.00
56	2.05
57	2.10
58	2.15
59	2.20
60	2.30
61	2.40
62	2.50
63	2.60
64	2.70
65 and above	2.80

*Applicable to Police Officers and Firefighters



Schedule B – Plan Provisions

K. Vesting

Class 2 & 3: 10 years

Class 5: 10 years of service and be within 10 years of earliest retirement date. If elected official, 5 years of service.

L. Termination of Employment Before Retirement

Class 5: A 1-time lump sum payment in accordance with the following schedule:

<u>Years of Credited Service</u>	<u>Percentage of Employee Contributions</u>
<1	100%
1 < 2	110
2 < 3	120
3 < 4	130
4 < 5	140
5 < 6	150
6 < 7	160
7 < 8	170
8 < 9	180
9 < 10	190
10 < 11	200
11 < 12	220
12 < 13	240
13 < 14	260
14 < 15	280
15 < 16	300
16 < 17	320
17 < 18	340
18 < 19	360
19 < 20	380
20 < 21	400
21 < 22	420
22 < 23	440
23 < 24	460
24 < 25	480
25 or more	500

Payments to deceased active or retired Class 5 participants will at least equal the above lump sum. Vested employees may elect a deferred monthly benefit.



Schedule B – Plan Provisions

M. Disability Benefit

- Class 2 & 3: Annuity payable immediately equal to the greater of Accrued Benefit or 20% times average monthly compensation for the last 12 calendar months.
- Class 5: For less than 10 years of service, lump sum termination benefit. For 10 or more years of service, annuity payable immediately equal to the Accrued Benefit payable at the Normal Retirement Date.

N. Death Benefits for Death Prior to Retirement

- Class 2 & 3: Actuarial reserve at age 65 with add-on (maximum 10 years) for full-time employees employed prior to December 1, 1987. Actuarial reserve without add-on for elected officials and full-time employees employed on and after December 1, 1987.
- Class 5: For active and terminated vested employees, spouse's annuity equal to the greater of the Accrued Benefit or, if an active employee, but not elected official, 60% of AMC. This is actuarially reduced for a qualified spouse under age 50. Minimum of service time \$30.

O. Death Benefits after Retirement

- Class 1: Married: Spouse will receive 2/3 of the benefit received by the member until the earlier of his/her death or remarriage.
Unmarried: The benefit paid to the beneficiary is dependent on the form of payment chosen at retirement by the member.
- Class 2 & 3: The benefit paid to the beneficiary is dependent on the form of payment chosen at retirement by the member.
- Class 5: Qualified Spouses, or Children until age 18 (24 if a full-time student), will receive a benefit equal to 75% of the member's benefit. The total distribution to member and beneficiary must be at least equal to the lump sum termination benefit.

P. Cost of Living Adjustment (COLA)

- Class 1-3: The yearly percentage increase of the Consumer Price Index (CPI) of the most recent November CPI reading. The maximum COLA is 3%, and there is no reduction of benefits if the CPI decreases.
- Class 5: Retirement benefits are subject to a cost of living review and possible adjustment each two years by the City Council.



Schedule C – Actuarial Assumptions & Methods

A. Investment Return:

7.0% per year, compounded annually.

B. Inflation:

2.25% per year

C. Salary Increases:

3.50% per year

D. Cost of Living Adjustment:

2.25% per year

E. Pre Retirement Mortality: PUB-2010 Headcount-Weighted Safety and General Above Median (Employee) Mortality Table with fully generational projection and mortality improvement scale MP-2019.

F. Post Retirement Mortality:

Service Retirement: PUB-2010 Headcount-Weighted Safety and General (Healthy Retiree) Mortality Table with fully generational projection and mortality improvement scale MP-2020.

Beneficiary: PUB-2010 Headcount-Weighted Safety and General (Contingent Survivor) Mortality Table with fully generational projection and mortality improvement scale MP-2020.

G. Post Disablement Mortality: PUB-2010 Headcount Weighted Safety and General (Disabled Retiree) Mortality Table with fully generational projection and mortality improvement scale MP-2020.



Schedule C – Actuarial Assumptions & Methods

H. Separation From Active Service:

Representative values of the assumed annual rates of withdrawal and disability are shown in the following table.

Age	Rates of Termination	Rates of Disability
20	25.80%	.05%
25	19.80	.06
30	15.60	.06
35	12.15	.06
40	9.45	.07
45	7.80	.10
50	5.85	.18
55	0.00	.34

Representative values of the assumed annual rates of retirement are shown in the following table.

Age	Rates of Retirement	
	Class 2 & 5	Class 3
50 - 59	5%	5%
60	5	100
61	5	100
62	5	100
63	5	100
64	5	100
65	100	100

I. Market Value of Assets:

Used for GASB 68 accounting purposes.

J. Actuarial Value of Assets:

Used for funding purposes. The actuarial value of assets recognizes a portion of the difference between the market value of assets and the expected market value of assets, based on the assumed prior year valuation rate. The amount recognized each year is 20% of the difference between market value and expected market value.



Schedule C – Actuarial Assumptions & Methods

K. Actuarial Cost Method:

Entry Age Normal. This method produces a normal cost as a level percentage of pay over the service life of each participant and amortization of the Unfunded Actuarial Accrued Liability (UAAL). Gains and losses are reflected in the Unfunded Actuarial Accrued Liability and are included in its amortization. The unfunded actuarial accrued liabilities are amortized over a level dollar closed 4 year period.

L. Percent Married:

80% of the plan participants are assumed married with males three years older than females.

The active retiree liability contains a 2% load to account for the GATT lump sum option available to retirees upon retirement.



Schedule D – Deferred Outflows and Deferred Inflows of Resources

DEFERRED OUTFLOWS AND DEFERRED INFLOWS OF RESOURCES ARISING FROM DIFFERENCES BETWEEN EXPECTED AND ACTUAL EXPERIENCE

Deferred Outflows and Inflows for Differences Between Expected and Actual Experience											
Meas Date - Dec 31	Initial Balance of Losses / Deferred Outflow	Initial Balance of Gains / Deferred Inflow	Amortization Period	Beginning Balance Deferred Outflows (a)	Beginning Balance Deferred Inflows (b)	Losses / Deferred Outflows (c)	Gains / Deferred Inflows (d)	Amounts Recognized in Pension Expense / Deferred Outflow (e)	Amounts Recognized in Pension Expense / Deferred Inflow (f)	Ending Balance Deferred Outflows (a) + (c) - (e)	Ending Balance Deferred Inflows (b) + (d) - (f)
2021	\$0	\$4,968,273	4.79	\$0	\$0	\$0	\$4,968,273	\$0	\$1,037,218	\$0	\$3,931,055
2020	\$0	\$1,843,291	4.77	\$0	\$1,456,857	\$0	\$0	\$0	\$386,434	\$0	\$1,070,423
2019	\$1,534,433	\$0	4.75	\$888,355	\$0	\$0	\$0	\$323,039	\$0	\$565,316	\$0
2018	\$1,596,897	\$0	4.75	\$588,330	\$0	\$0	\$0	\$336,189	\$0	\$252,141	\$0
2017	\$0	\$372,584	4.72	\$0	\$56,836	\$0	\$0	\$0	\$56,836	\$0	\$0
Total				<u>\$1,476,685</u>	<u>\$1,513,693</u>	<u>\$0</u>	<u>\$4,968,273</u>			<u>\$817,457</u>	<u>\$5,001,478</u>



Schedule D – Deferred Outflows and Deferred Inflows of Resources

DEFERRED OUTFLOWS AND DEFERRED INFLOWS OF RESOURCES ARISING FROM DIFFERENCES BETWEEN EXPECTED AND ACTUAL INVESTMENT EARNINGS

Deferred Outflows and Inflows for Differences in Investment Earnings											
Meas Date - Dec 31	Initial Balance of Losses / Deferred Outflow	Initial Balance of Gains / Deferred Inflow	Amortization Period	Beginning Balance Deferred Outflows (a)	Beginning Balance Deferred Inflows (b)	Losses / Deferred Outflows (c)	Gains / Deferred Inflows (d)	Amounts Recognized in Pension Expense / Deferred Outflow (e)	Amounts Recognized in Pension Expense / Deferred Inflow (f)	Ending Balance Deferred Outflows (a) + (c) - (e)	Ending Balance Deferred Inflows (b) + (d) - (f)
2021	\$0	\$14,358,547	5.00	\$0	\$0	\$0	\$14,358,547	\$0	\$2,871,709	\$0	\$11,486,838
2020	\$0	\$7,244,706	5.00	\$0	\$5,795,765	\$0	\$0	\$0	\$1,448,941	\$0	\$4,346,824
2019	\$0	\$13,700,065	5.00	\$0	\$8,220,039	\$0	\$0	\$0	\$2,740,013	\$0	\$5,480,026
2018	\$10,451,025	\$0	5.00	\$4,180,410	\$0	\$0	\$0	\$2,090,205	\$0	\$2,090,205	\$0
2017	\$0	\$6,736,240	5.00	\$0	\$1,347,248	\$0	\$0	\$0	\$1,347,248	\$0	\$0
Total				<u>\$4,180,410</u>	<u>\$15,363,052</u>	<u>\$0</u>	<u>\$14,358,547</u>			<u>\$2,090,205</u>	<u>\$21,313,688</u>
Net difference between projected and actual earnings on investments											\$19,223,483



Schedule D – Deferred Outflows and Deferred Inflows of Resources

DEFERRED OUTFLOWS AND DEFERRED INFLOWS ARISING FROM ASSUMPTION CHANGES

Deferred Outflows and Inflows for Differences From Assumption Changes											
Meas Date - Dec 31	Initial Balance of Losses / Deferred Outflow	Initial Balance of Gains / Deferred Inflow	Amortization Period	Beginning Balance Deferred Outflows (a)	Beginning Balance Deferred Inflows (b)	Losses / Deferred Outflows (c)	Gains / Deferred Inflows (d)	Amounts Recognized in Pension Expense / Deferred Outflow (e)	Amounts Recognized in Pension Expense / Deferred Inflow (f)	Ending Balance Deferred Outflows (a) + (c) - (e)	Ending Balance Deferred Inflows (b) + (d) - (f)
2021	\$0	\$7,593,836	4.79	\$0	\$0	\$0	\$7,593,836	\$0	\$1,585,352	\$0	\$6,008,484
2020	\$0	\$0	4.77	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2019	\$22,472,248	\$0	4.75	\$13,010,248	\$0	\$0	\$0	\$4,731,000	\$0	\$8,279,248	\$0
2018	\$2,602,205	\$0	4.75	\$958,706	\$0	\$0	\$0	\$547,833	\$0	\$410,873	\$0
2017	\$0	\$0	4.72	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total				<u>\$13,968,954</u>	<u>\$0</u>	<u>\$0</u>	<u>\$7,593,836</u>			<u>\$8,690,121</u>	<u>\$6,008,484</u>