

REPORTS:

- Fiscal Year 2021 Actuarial Valuation Malichi Waterman, Segal

EXECUTIVE SESSION:

- Personnel Matters Tommy Hunt, Chairman

REGULAR BUSINESS:

- New Benefits Report Karen Rojas
- New Disbursements Report Karen Rojas
- Executive Session Minutes: October 12, 2021 Meeting Tommy Hunt, Chairman
- Minutes: October 12, 2021 Meeting Tommy Hunt, Chairman
- Minutes: November 4, 2021 Called Meeting Karen Rojas
- Executive Session Minutes: November 9, 2021 Meeting Tommy Hunt, Chairman
- Minutes: November 9, 2021 Meeting Tommy Hunt, Chairman

ADJOURNMENT:

NEXT SCHEDULED MEETING
January 11, 2021, 10:00 AM

Final, December 10, 2021, 2:03 PM

Date Submitted: 12/8/2021
Presenter: Malichi Waterman, Segal
Item of Business: Fiscal Year 2021 Actuarial Valuation
Meeting Date: 12/14/2021

Purpose of Request:

The purpose of this request is to receive the Fiscal Year 2021 Actuarial Valuation report from Segal Consulting.

History/Background:

Retirement Plan A submits data to the actuarial firm on an annual basis for the purpose of preparing an Actuarial Valuation and GASB Reports.

Facts & Issues for Consideration:

The actuary provided a memorandum summarizing the valuation report. The next step is to present the report to the governing body on December 16, 2021.

Department Recommendation:

Department Director:

Tommy Hunt, Chairman

If funding is involved, are funds approved within the current budget?

Amount Requested: **Source of Funds:**

Finance Comments:

Administrative Comments:

ATTACHMENTS:

Description	Type
☐ FY2021 Actuarial Valuation	Report
☐ FY2021 Actuarial Valuation - Council Presentation	Backup Material

City of Gainesville Retirement Plan A

Actuarial Valuation and Review as of July 1, 2021



This report has been prepared at the request of the Board of Trustees to assist in administering the Retirement Plan. This valuation report may not otherwise be copied or reproduced in any form without the consent of the Board of Trustees and may only be provided to other parties in its entirety, unless expressly authorized by Segal. The measurements shown in this actuarial valuation may not be applicable for other purposes.

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Segal

November 3, 2021

Board of Trustees
City of Gainesville Retirement Plan A
300 Henry Ward Way
Gainesville, GA 30503-2496

Dear Board Members:

We are pleased to submit this Actuarial Valuation and Review as of July 1, 2021. It summarizes the actuarial data used in the valuation, analyzes the 2020-2021 year's experience, and establishes the funding requirements for fiscal 2023.

This report was prepared in accordance with generally accepted actuarial principles and practices at the request of the Board to assist in administering the Retirement Plan. The census information and financial information on which our calculations were based was prepared by the staff of the City of Gainesville. That assistance is gratefully acknowledged.

The actuarial calculations were directed under my supervision. I am a member of the American Academy of Actuaries and I meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein. To the best of my knowledge, the information supplied in this actuarial valuation is complete and accurate. Further, in my opinion, the assumptions as approved by the Board are reasonably related to the experience of and the expectations for the Retirement Plan.

I hereby certify that the City of Gainesville Retirement Plan A has been funded in conformity with the minimum funding standards specified in Code Section 47-20-10 of the Official Code of Georgia Annotated known as the Public Retirement Systems Standards Law. This certification covers the 2020-2021 plan year.

I look forward to reviewing this report at your next meeting and to answering any questions.

Sincerely,
Segal

A handwritten signature in black ink that reads "Malichi Waterman".

Malichi S. Waterman, FCA, MAAA, ASA
Vice President and Consulting Actuary
Enrolled Actuary 20-7141

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Section 1: Actuarial Valuation Summary

Purpose and basis

This report was prepared by Segal to present a valuation of the City of Gainesville Retirement Plan A as of July 1, 2021. The valuation was performed to determine whether the assets and contributions are sufficient to provide the prescribed benefits. The measurements shown in this actuarial valuation may not be applicable for other purposes. In particular, the measures herein are not necessarily appropriate for assessing the sufficiency of Plan assets to cover the estimated cost of settling the Plan's benefit obligations. 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; increases or decreases expected as part of the natural operation of the methodology used for these measurements; and changes in plan provisions or applicable law.

The contribution requirements presented in this report are based on:

- The benefit provisions of the Retirement Plan, as administered by the Board;
- The characteristics of covered active participants, inactive vested participants, and retired participants and beneficiaries as of June 30, 2021, provided by the City;
- The assets of the Plan as of June 30, 2021, provided by the City;
- Economic assumptions regarding future salary increases and investment earnings;
- Other actuarial assumptions regarding employee terminations, retirement, death, etc. and
- The funding policy adopted by the Board.

Certain disclosure information required by GASB Statements No 67 and 68 as of June 30, 2021 for the Retirement Plan is provided in a separate report.

Section 1: Actuarial Valuation Summary

Valuation highlights

1. Segal strongly recommends an actuarial funding method that targets 100% funding of the actuarial accrued liability. Generally, this implies payments that are ultimately at least enough to cover normal cost, interest on the unfunded actuarial accrued liability and the principal balance. The funding policy adopted by the Board meets this standard. The contribution developed under the funding policy is called the recommended contribution. This amount is the total normal cost plus the sum of the amortization payments for bases as determined under Georgia law (See page 24 for details).
2. The recommended contribution for the fiscal year ending June 30, 2022 is \$10,545,041, a decrease of \$45,797 from last year. The contribution as a percentage of payroll decreased from 37.16% of payroll to 36.69% of payroll.
3. Actual contributions to the Plan are set by statute, and are the joint responsibility of the employer and the employees. These statutory contributions are compared to the recommended contribution in order to assess the appropriateness of the statutory contributions. Based upon this comparison, the Board will decide what action to take, if any. City and employee contributions combined are 26.40% of payroll, which is 10.29% less than the recommended contribution. The average period for the bases in the determination of the recommended contribution is 9.2 years. The current contribution rate of 26.40% of pay is amortizing the unfunded actuarial accrued liability over an effective period of 19.2 years. The longest amortization period currently allowed by state law is 30 years. Therefore, the Plan is in compliance.
4. Actual contributions made during the fiscal year ending June 30, 2021 were \$7,301,592. In the prior fiscal year, actual contributions were \$7,244,616.
5. The funded ratio (the ratio of the actuarial value of assets to actuarial accrued liability) is 69.74%, compared to the prior year funded ratio of 66.02%. This ratio is one measure of funding status, and its history is a measure of funding progress. Using the market value of assets, the funded ratio is 81.40%, compared to 65.24% as of the prior valuation date. These measurements are not necessarily appropriate for assessing the sufficiency of Retirement Plan assets to cover the estimated cost of settling the Retirement Plan's benefit obligation or the need for or the amount of future contributions.
6. The employer normal cost is 11.98% of payroll and is fully covered by the 13.20% employee contribution rate.
7. The unfunded actuarial accrued liability is \$51,537,437, which is a decrease of \$4,615,028 since the prior valuation. When compared to an expected unfunded actuarial accrued liability of \$56,067,487, this yields an actuarial gain from investment and other experience of \$4,530,050, or 2.66% of actuarial accrued liability.
8. The net experience loss from sources other than investment experience was 0.20% of the actuarial accrued liability. While non-investment experience was relatively flat overall, there were gains on lower salary increases than expected which were offset by losses on lower turnover than expected.

Section 1: Actuarial Valuation Summary

9. The rate of return on the market value of assets was 31.54% for July 1, 2020 to June 30, 2021 plan year. The return on the actuarial value of assets was 11.53% for the same period due to the recognition of prior years' investment gains and losses. This resulted in an actuarial gain when measured against the assumed rate of return of 7.00%. This actuarial investment gain decreased the recommended contribution rate by 1.58% of pay. Given the low fixed income interest rate environment, target asset allocation and expectations of future investment returns for various classes, we advise the Board to continue to monitor actual and anticipated investment returns relative to the assumed long-term rate of return on investments of 7.00%.
10. The actuarial value of assets is 85.7% of the market value of assets. The investment experience in the past three years has only been partially recognized in the actuarial value of assets. As the deferred net gain is recognized in future years, the cost of the Plan is likely to decrease unless the net gain is offset by future experience. The recognition of the market gains of \$19,862,842 will also have an impact on the future funded ratio. If the net deferred gains were recognized immediately in the actuarial value of assets, the recommended contribution would decrease from 36.69% to about 30.28% of payroll.
11. There were no actuarial assumptions changes or plan changes reflected for the first time with this valuation.
12. The Retirement Plan uses the Entry Age Cost Method with the normal cost determined on a "ultimate life" basis. This methodology allows changes in the plan of benefits for new hires to be reflected in the normal cost for current employees even though the plan of benefits for current employees is unchanged. As a result, the actuarial accrued liability increases to offset the decrease in normal cost, and the recommended contribution is less than it would be if the "ultimate life" approach was not used.
13. This report constitutes an actuarial valuation for the purpose of determining the actuarially determined contribution under the Retirement Plan's funding policy and measuring the progress of that funding policy. The Net Pension Liability (NPL) and Pension Expense under Governmental Accounting Standards Board (GASB) Statements No. 67 and No. 68, for inclusion in the plan and employer's financial statements as of as of June 30, 2021, were released to the City's Finance Department in a separate report dated October 8, 2021. The accounting disclosures utilize different methodologies from those employed in the funding valuation, as required by the GASB. However, the contributions in this valuation are used as the the actuarially determined contribution (ADC) for GASB financial reporting.
14. This actuarial report as of July 1, 2021 is based on financial and demographic data as of that date. Changes subsequent to that date are not reflected and will affect future actuarial costs of the plan. We are prepared to work with the City to model the effects of these and other subsequent developments.
15. It is important to note that this actuarial valuation is based on plan assets as of June 30, 2021. Due to the COVID-19 pandemic, market conditions have changed significantly since the onset of the Public Health Emergency. The plan's funded status does not reflect short-term fluctuations of the market, but rather is based on the market values on the last day of the plan year. Moreover, this actuarial valuation does not include any possible short-term or long-term impacts on mortality of the covered population that may emerge after June 30, 2021. While it is impossible to determine how the pandemic will affect market conditions and other

Section 1: Actuarial Valuation Summary

demographic experience of the plan in future valuations, Segal is available to prepare projections of potential outcomes upon request.

16. Since the actuarial valuation results are dependent on a given set of assumptions, there is a risk that emerging results may differ significantly as actual experience proves to be different from the assumptions. Segal has not been engaged to perform a detailed analysis of the potential range of the impact of risk relative to the Retirement Plan's future financial condition, but have included a brief discussion of some risks that may affect the Retirement Plan in Section 2. We recommend a more detailed assessment which would provide the Board of Trustees with a better understanding of the inherent risks.

Section 1: Actuarial Valuation Summary

Summary of key valuation results

Fiscal Year		2021	2020
Contributions for fiscal year beginning July 1:	- Recommended total contributions - Recommended total contributions as a percent of payroll - Actual contribution rate	\$10,545,041 36.69% 26.40%	\$10,590,838 37.16% 26.40%
Plan Year Beginning:		July 1, 2021	July 1, 2020
Actuarial accrued liability for plan year beginning July 1:	- Retired participants and beneficiaries - Inactive vested participants - Active participants - Inactive participants due a refund of employee contributions - Total - Normal cost including administrative expenses for plan year beginning July 1	\$93,213,516 2,165,374 74,380,789 541,294 170,300,973 3,352,279	\$92,042,171 1,847,310 71,031,459 336,933 165,257,873 3,309,810
Assets for plan year beginning July 1:	- Market value of assets (MVA) - Actuarial value of assets (AVA) - Actuarial value of assets as a percentage of market value of assets	\$138,626,378 118,763,536 85.67%	\$107,814,747 109,105,408 101.20%
Funded status for plan year beginning July 1:	- Unfunded actuarial accrued liability on market value of assets - Funded percentage on MVA basis - Unfunded actuarial accrued liability on actuarial value of assets - Funded percentage on AVA basis	\$31,674,595 81.40% \$51,537,437 69.74%	\$57,443,126 65.24% \$56,152,465 66.02%
Key assumptions:	- Effective amortization period on an AVA basis - Net investment return - Inflation rate - Payroll increase	19.2 years 7.00% 2.75% 2.75%	22.1 years 7.00% 2.75% 2.75%
Demographic data for plan year beginning July 1:	- Number of retired participants and beneficiaries - Number of inactive vested participants - Number of active participants - Number of inactive participants due a refund of employee contributions - Projected total payroll - Projected average payroll - Projected payroll for fiscal year	294 13 497 55 \$27,971,214 56,280 \$28,740,422	293 11 504 42 \$27,736,067 55,032 \$28,498,809

Section 1: Actuarial Valuation Summary

Important information about actuarial valuations

An actuarial valuation is a budgeting tool with respect to the financing of future projected obligations of a pension plan. It is an estimated forecast – the actual long-term cost of the plan will be determined by the actual benefits and expenses paid and the actual investment experience of the plan.

In order to prepare a valuation, Segal relies on a number of input items. These include:

Plan of benefits	Plan provisions define the rules that will be used to determine benefit payments, and those rules, or the interpretation of them, may change over time. Even where they appear precise, outside factors may change how they operate. It is important to keep Segal informed with respect to plan provisions and administrative procedures, and to review the plan summary included in our report to confirm that Segal has correctly interpreted the plan of benefits.
Participant data	An actuarial valuation for a plan is based on data provided to the actuary by the City. Segal does not audit such data for completeness or accuracy, other than reviewing it for obvious inconsistencies compared to prior data and other information that appears unreasonable. It is important for Segal to receive the best possible data and to be informed about any known incomplete or inaccurate data.
Assets	The valuation is based on the market value of assets as of the valuation date, as provided by the City. The City uses an “actuarial value of assets” that differs from market value to gradually reflect year-to-year changes in the market value of assets in determining the contribution requirements.
Actuarial assumptions	In preparing an actuarial valuation, Segal projects the benefits to be paid to existing plan participants for the rest of their lives and the lives of their beneficiaries. This projection requires actuarial assumptions as to the probability of death, disability, withdrawal, and retirement of each participant for each year. In addition, the benefits projected to be paid for each of those events in each future year reflect actuarial assumptions as to salary increases and cost-of-living adjustments. The projected benefits are then discounted to a present value, based on the assumed rate of return that is expected to be achieved on the plan’s assets. There is a reasonable range for each assumption used in the projection and the results may vary materially based on which assumptions are selected. It is important for any user of an actuarial valuation to understand this concept. Actuarial assumptions are periodically reviewed to ensure that future valuations reflect emerging plan experience. While future changes in actuarial assumptions may have a significant impact on the reported results that does not mean that the previous assumptions were unreasonable.
Models	Segal valuation results are based on proprietary actuarial modeling software. The actuarial valuation models generate a comprehensive set of liability and cost calculations that are presented to meet regulatory, legislative and client requirements. Our Actuarial Technology and Systems unit, comprised of both actuaries and programmers, is responsible for the initial development and maintenance of these models. The models have a modular structure that allows for a high degree of accuracy, flexibility and user control. The client team programs the assumptions and the plan provisions, validates the models, and reviews test lives and results, under the supervision of the responsible actuary.

Section 1: Actuarial Valuation Summary

The user of Segal's actuarial valuation (or other actuarial calculations) should keep the following in mind:

The actuarial valuation is prepared at the request of the Retirement Board. Segal is not responsible for the use or misuse of its report, particularly by any other party.

An actuarial valuation is a measurement of the plan's assets and liabilities at a specific date. Accordingly, except where otherwise noted, Segal did not perform an analysis of the potential range of future financial measures. The actual long-term cost of the plan will be determined by the actual benefits and expenses paid and the actual investment experience of the plan.

Actuarial results in this report are not rounded, but that does not imply precision.

If the City is aware of any event or trend that was not considered in this valuation that may materially change the results of the valuation, Segal should be advised, so that we can evaluate it.

Segal does not provide investment, legal, accounting, or tax advice. Segal's valuation is based on our understanding of applicable guidance in these areas and of the plan's provisions, but they may be subject to alternative interpretations. The City should look to their other advisors for expertise in these areas.

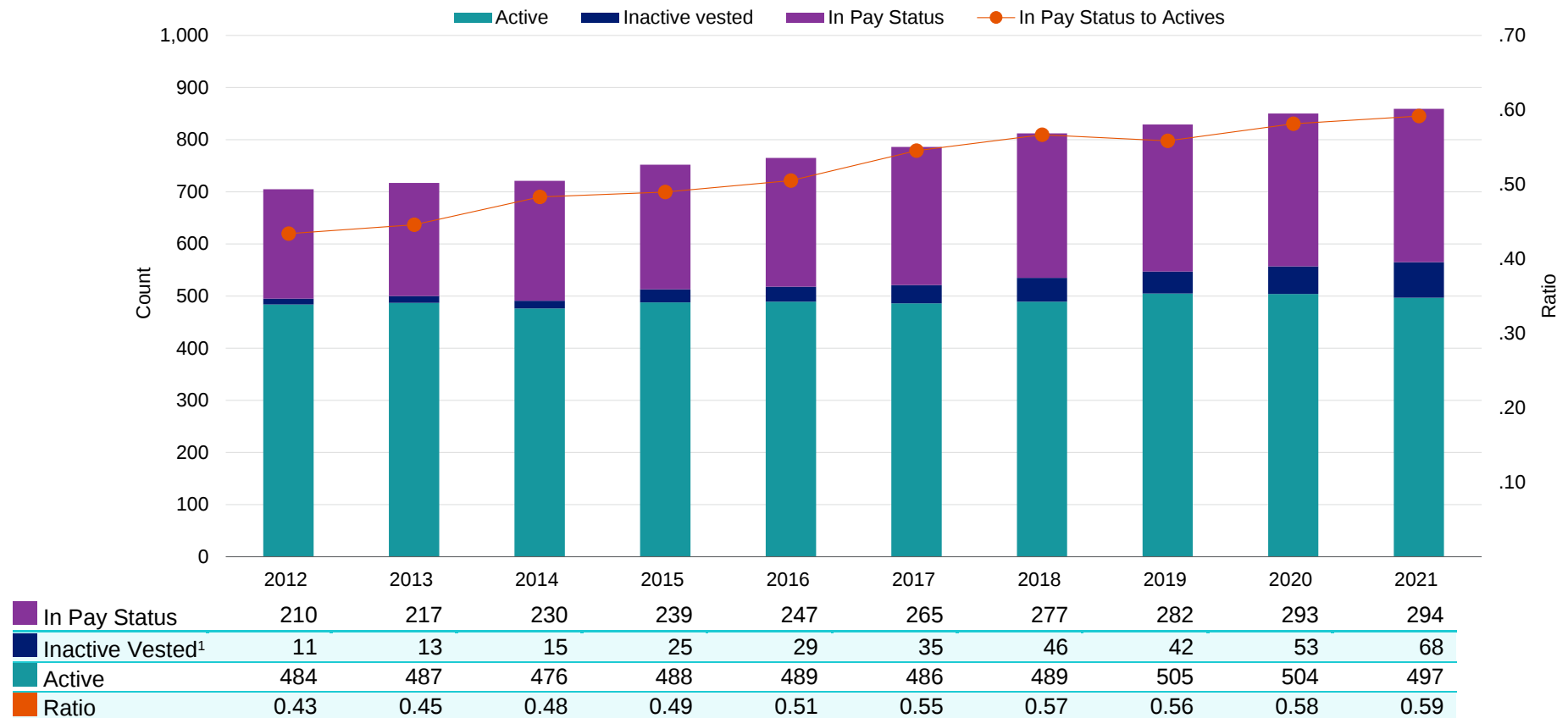
As Segal has no discretionary authority with respect to the management or assets of the Retirement Plan, it is not a fiduciary in its capacity as actuaries and consultants with respect to the Retirement Plan.

Section 2: Actuarial Valuation Results

Participant data

This section presents a summary of significant statistical data on covered participants. More detailed information for this valuation year and the preceding valuation can be found in *Section 3, Exhibits A, B, and C*.

Participant Population: 2012 – 2021



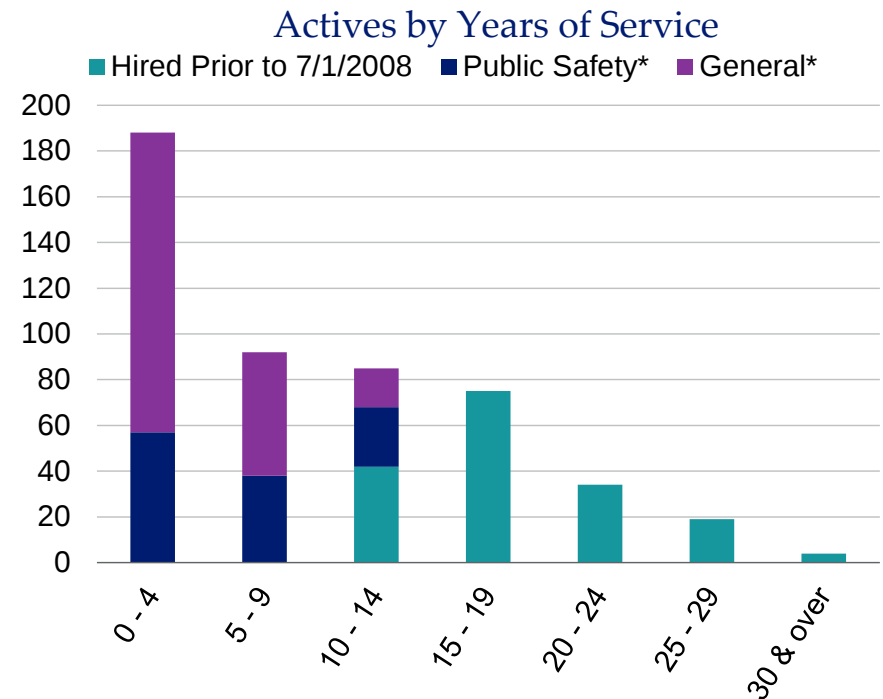
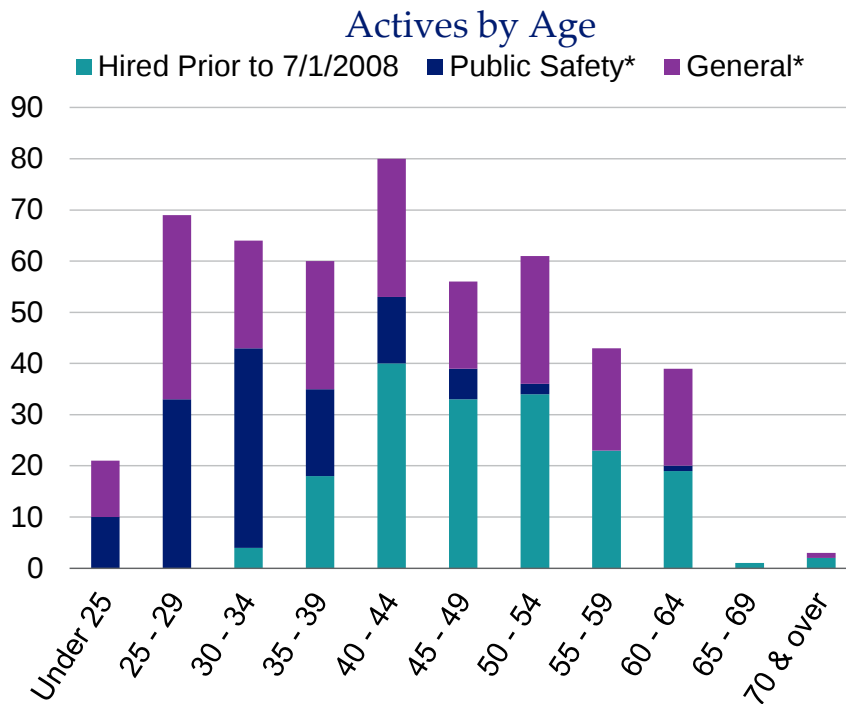
¹Includes terminated participants due a refund of employee contributions

Section 2: Actuarial Valuation Results

Active participants

As of June 30,	2021	2020	Change
Active participants	497	504	-1.4%
Average age	42.6	42.2	0.4
Average years of eligibility service	10.3	9.8	0.5
Average years of benefit service	9.9	9.4	0.5
Average compensation	56,280	55,032	2.3%

Distribution of Active Participants as of June 30, 2021



*Hired on or after 7/1/2008

Section 2: Actuarial Valuation Results

Inactive participants

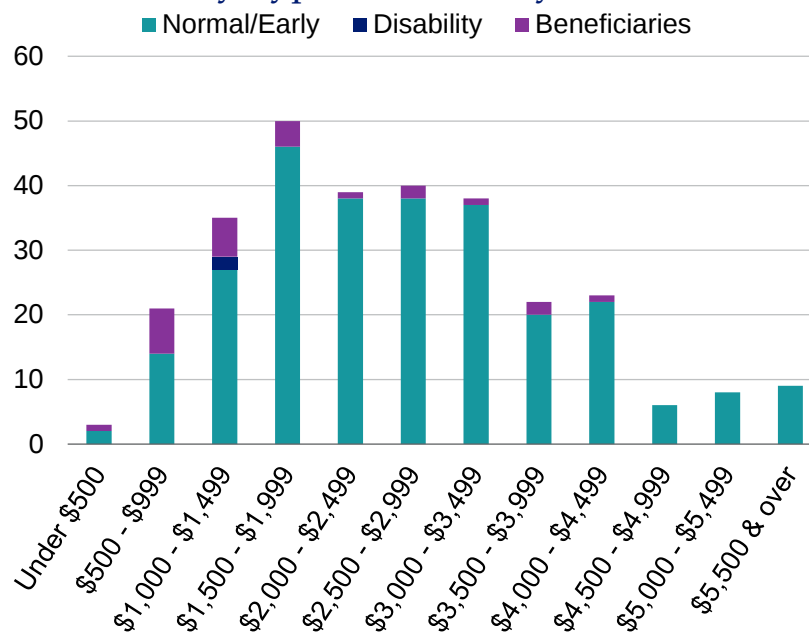
In this year's valuation, there were 13 participants with a vested right to a deferred or immediate vested benefit. In addition, there were 55 participants entitled to a return of their employee contributions.

Retired participants and beneficiaries

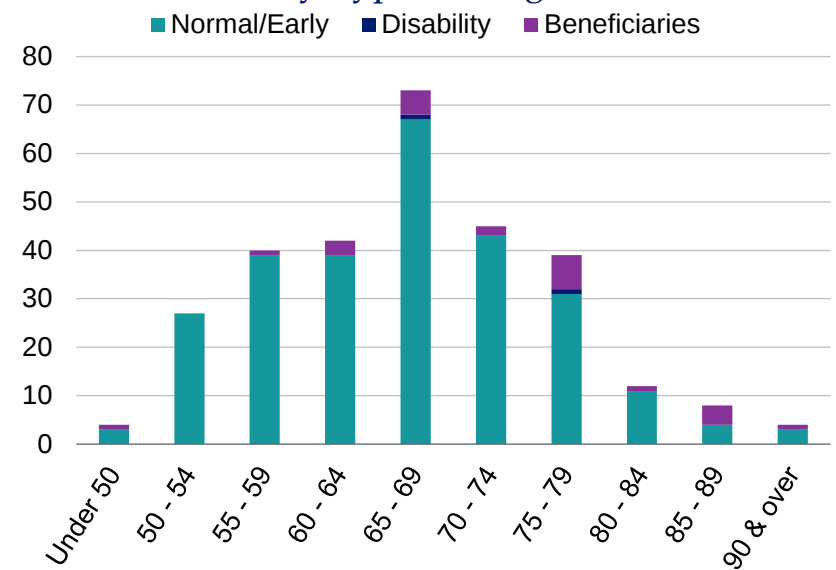
As of June 30,	2021	2020	Change
Retirees	269	268	0.4%
Beneficiaries	25	25	0.0%
Average age	67.4	66.9	0.5
Average amount	\$2,649	\$2,607	1.6%
Total monthly amount	\$778,735	\$763,896	1.9%

Distribution of Retired Participants and Beneficiaries as of June 30, 2021

by Type and Monthly Amount



by Type and Age



Section 2: Actuarial Valuation Results

Historical plan population

Participant Data Statistics: 2012 – 2021

Year Ended June 30	Active Participants				Retired Participants and Beneficiaries		
	Count	Average Age	Average Eligibility Service	Average Benefit Service	Count	Average Age	Average Monthly Amount
2012	484	42.3	9.6	9.3	210	64.5	\$2,250
2013	487	42.7	9.9	9.5	217	64.9	2,290
2014	476	42.8	10.1	9.8	230	65.3	2,308
2015	488	42.3	9.9	9.5	239	65.3	2,372
2016	489	42.7	10.0	9.6	247	65.7	2,413
2017	486	42.2	9.7	9.3	265	66.0	2,454
2018	489	41.6	9.7	9.3	277	66.3	2,501
2019	505	42.1	9.9	9.4	282	66.8	2,550
2020	504	42.2	9.8	9.4	293	66.9	2,607
2021	497	42.6	10.3	9.9	294	67.4	2,649

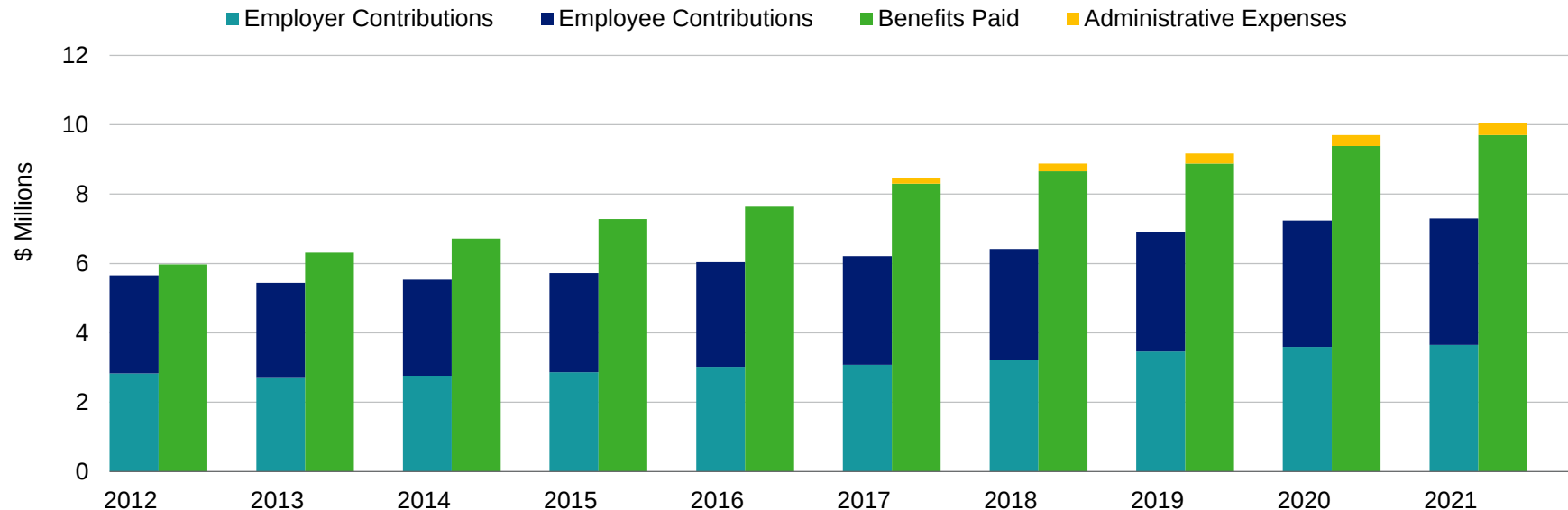
Section 2: Actuarial Valuation Results

Financial information

Retirement plan funding anticipates that, over the long term, both contributions (less administrative expenses) and investment earnings (less investment fees) will be needed to cover benefit payments. Retirement plan assets change as a result of the net impact of these income and expense components.

Additional financial information, including a summary of transactions for the valuation year, is presented in *Section 3, Exhibits D, E and F*.

Comparison of Contributions Made with Benefits and Expenses Paid for Years Ended June 30, 2012 – 2021



Prior to the year ended June 30, 2017, administrative expenses were treated as an offset to investment income for valuation purposes.

The negative cash flow position means that the Retirement Plan is becoming more dependent on investment returns to meet benefit payments. This trend can be expected to continue as the retiree population grows.

Section 2: Actuarial Valuation Results

It is desirable to have level and predictable plan costs from one year to the next. For this reason, the Board has approved an asset valuation method that gradually adjusts to market value. Under this valuation method, the full value of market fluctuations is not recognized in a single year and, as a result, the asset value and the plan costs are more stable. The amount of the adjustment to recognize market value is treated as income, which may be positive or negative. Realized and unrealized gains and losses are treated equally and, therefore, the sale of assets has no immediate effect on the actuarial value.

With the 2018 valuation, the actuarial value of assets was reset to market value, and asset method was revised to reflect a five-year smoothing method with a 20% corridor. Market value gains and losses will be recognized prospectively over a five-year period.

Determination of Actuarial Value of Assets for Year Ended June 30, 2021

1	Market value of assets, June 30, 2021				\$138,626,378
2	Calculation of unrecognized return	Original Amount¹	Percent Deferred²	Unrecognized Amount³	
(a)	Year ended June 30, 2021	\$26,122,397	80%	\$20,897,918	
(b)	Year ended June 30, 2020	-2,619,508	60%	-1,571,706	
(c)	Year ended June 30, 2019	1,341,574	40%	536,630	
(d)	Year ended June 30, 2018	N/A	20%	N/A	
(e)	Year ended June 30, 2017	N/A	0%	N/A	
(f)	Total unrecognized return				\$19,862,842
3	Preliminary actuarial value: (1) - (2f)				118,763,536
4	Adjustment to be within 20% corridor				0
5	Final actuarial value of assets as of June 30, 2021: (3) + (4)				<u>118,763,536</u>
6	Actuarial value as a percentage of market value: (5) ÷ (1)				85.7%
7	Amount deferred for future recognition ⁴ : (1) - (5)				\$19,862,842

¹Total return minus expected return on a market value basis

²Percent deferred applies to the current valuation year

³Recognition at 20% per year over five years

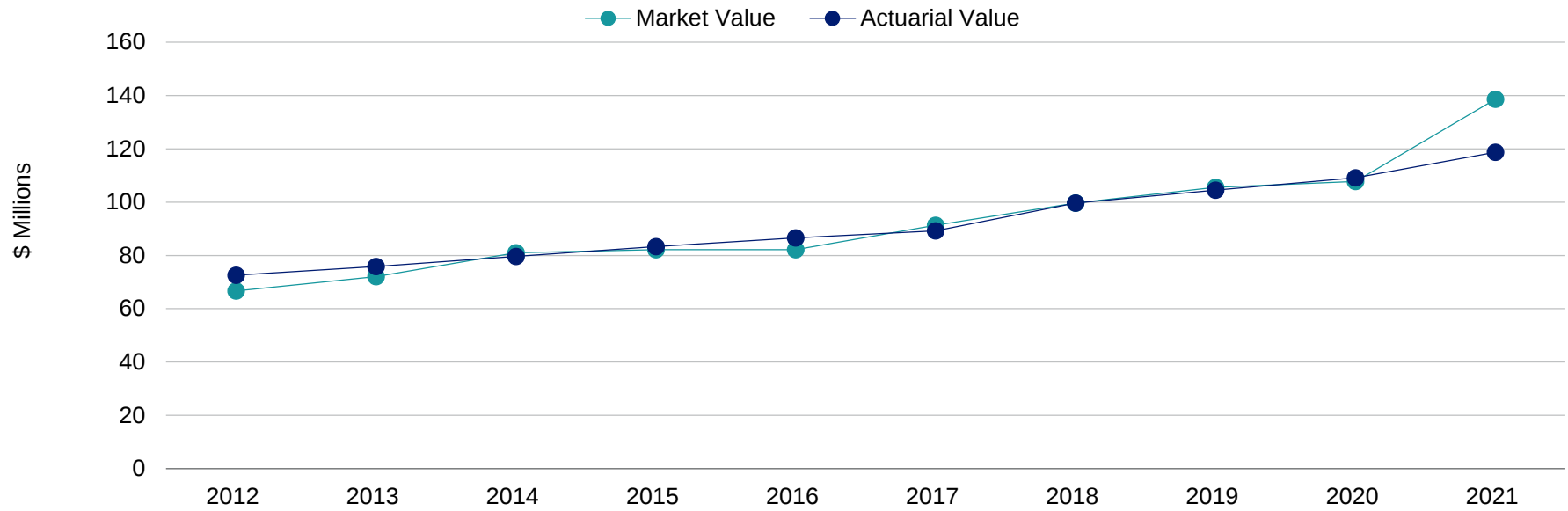
⁴Deferred return as of June 30, 2021 recognized in each of the next four years:

(a) Amount recognized on June 30, 2022	\$4,968,892
(b) Amount recognized on June 30, 2023	4,968,892
(c) Amount recognized on June 30, 2024	4,700,578
(d) Amount recognized on June 30, 2025	5,224,480

Section 2: Actuarial Valuation Results

Both the actuarial value and market value of assets are representations of the Retirement Plan's financial status. As investment gains and losses are gradually taken into account, the actuarial value of assets tracks the market value of assets. The actuarial asset value is significant because the Retirement Plan's liabilities are compared to these assets to determine what portion, if any, remains unfunded. Amortization of the unfunded actuarial accrued liability is an important element in determining the contribution requirement.

Market Value of Assets vs. Actuarial Value of Assets



Market Value ¹	\$66.67	\$72.10	\$80.98	\$82.17	\$82.22	\$91.31	\$99.61	\$105.59	\$107.81	\$138.63
Actuarial Value ¹	72.62	75.89	79.61	83.34	86.63	89.19	99.61	104.51	109.11	118.76

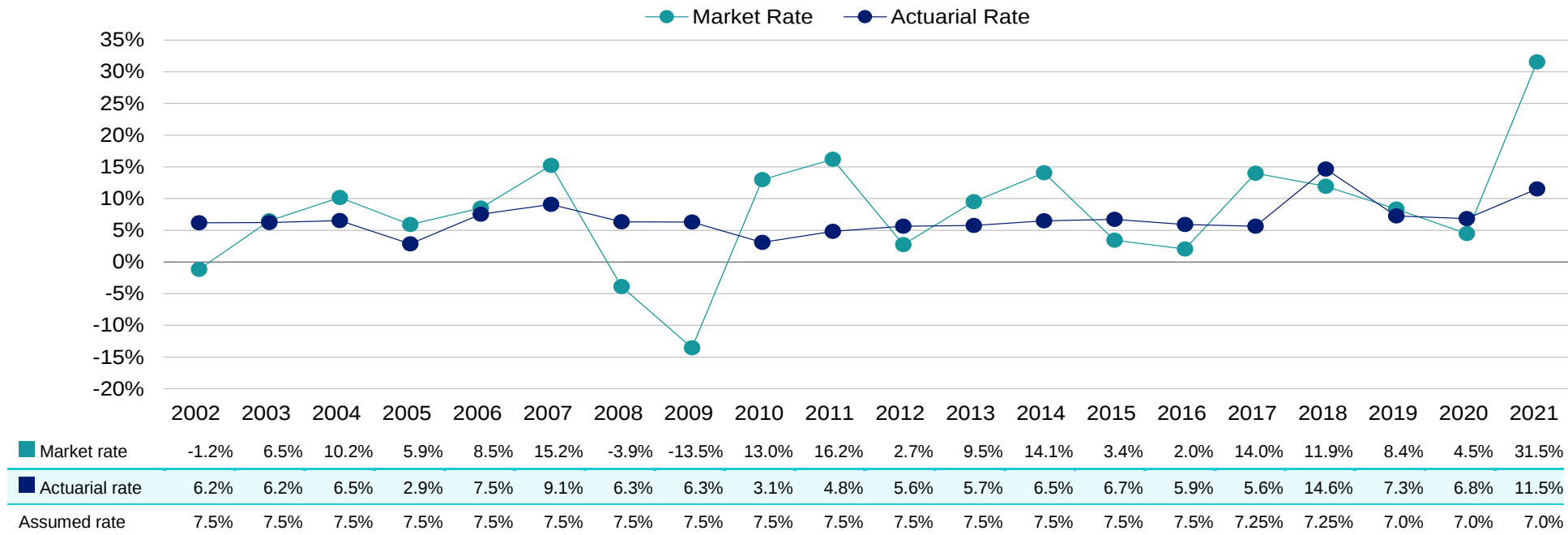
¹In \$ millions

Section 2: Actuarial Valuation Results

Because actuarial planning is long term, it is useful to see how the assumed investment rate of return has followed actual experience over time. The chart below shows the rate of return on an actuarial basis compared to the actual market value investment return for the last 20 years, including averages over select time periods.

As described earlier in this section, the actuarial asset valuation method gradually recognizes fluctuations in the market value rate of return. The goal of this is to stabilize the actuarial rate of return and to produce more level pension plan costs.

Market and Actuarial Rates of Return for Years Ended June 30, 2002 - 2021



Average Rates of Return	Actuarial Value	Market Value
Most recent five-year average return:	9.18%	14.28%
Most recent ten-year average return:	7.83%	10.79%
Most recent fifteen-year average return:	7.30%	9.33%
20-year average return:	7.07%	8.80%

Section 2: Actuarial Valuation Results

Actuarial experience

To calculate any recommended contribution, assumptions are made about future events that affect the amount and timing of benefits to be paid and assets to be accumulated. Each year actual experience is measured against the assumptions. If overall experience is more favorable than anticipated (an actuarial gain), any contribution requirement will decrease from the previous year. On the other hand, any contribution requirement will increase if overall actuarial experience is less favorable than expected (an actuarial loss).

Taking account of experience gains or losses in one year without making a change in assumptions reflects the belief that the single year's experience was a short-term development and that, over the long term, experience will return to the original assumptions. For contribution requirements to remain stable, assumptions should approximate experience. If assumptions are changed, the contribution requirement is adjusted to take into account a change in experience anticipated for all future years.

Actuarial Experience for Year Ended June 30, 2021

1	Net gain from investments ¹	\$4,878,548
2	Net loss from administrative expenses	-172,307
3	Net loss from other experience	-176,191
4	Net experience gain: 1 + 2 + 3	\$4,530,050

¹Details on next page

Section 2: Actuarial Valuation Results

Investment experience

A major component of projected asset growth is the assumed rate of return. The assumed return should represent the expected long-term rate of return, based on the Retirement Plan's investment policy. The rate of return on the market value of assets was 31.54% for the year ended June 30, 2021.

For valuation purposes, the assumed rate of return on the actuarial value of assets is 7.00%. The actual rate of return on an actuarial basis for the 2020-2021 plan year was 11.53%. Since the actual return for the year was greater than the assumed return, the Retirement Plan experienced an actuarial gain during the year ended June 30, 2021 with regard to its investments.

Investment Experience

		Year Ended June 30, 2021	
		Market Value	Actuarial Value
1	Net investment income	\$33,572,789	\$12,419,286
2	Average value of assets	106,434,168	107,724,829
3	Rate of return: 1 ÷ 2	31.54%	11.53%
4	Assumed rate of return	7.00%	7.00%
5	Expected investment income: 2 x 4	7,450,392	7,540,738
6	Actuarial gain/(loss): 1 - 5	<u>\$26,122,397</u>	<u>\$4,878,548</u>

Section 2: Actuarial Valuation Results

Non-investment experience

Administrative expenses

- Administrative expenses for the year ended June 30, 2021 totaled \$357,352, as compared to the assumption of \$190,000. This resulted in a loss of \$172,307 for the year when adjusted for timing. We have maintained the current assumption of \$190,000 for the current year and may increase this assumption in a future valuation if the administrative expenses remain elevated.

Mortality experience

- Mortality experience (more or fewer than expected deaths) yields actuarial gains or losses.

Other experience

There are other differences between the expected and the actual experience that appear when the new valuation is compared with the projections from the previous valuation. These include:

- the extent of turnover among participants,
- retirement experience (earlier or later than projected),
- the number of disability retirements (more or fewer than projected), and
- salary increases (greater or smaller than projected).

Section 2: Actuarial Valuation Results

The net loss from this other experience for the year ended June 30, 2021 amounted to \$176,191, which is 0.1% of the actuarial accrued liability.

Liability Changes Due to Demographic Experience for Year Ended June 30, 2021

Retirement	-\$185,217
Pre-retirement mortality	54,841
Disablement	17,235
Turnover	-754,967
Salary increases for active participants	939,625
Pay status experience	-143,874
New active participants	8,787
Miscellaneous	<u>-112,621</u>
Total	-\$176,191

Actuarial assumptions

There are no assumption changes reflected in this report.

Details on actuarial assumptions and methods are in Section 4, Exhibit I.

Plan provisions

There were no changes in plan provisions since the prior valuation.

A summary of plan provisions is in Section 4, Exhibit II.

Section 2: Actuarial Valuation Results

Development of Unfunded Actuarial Accrued Liability for Year Ended June 30, 2021

1	Unfunded actuarial accrued liability at beginning of year	\$56,152,465
2	Normal cost at beginning of year	3,309,810
3	Total expected contributions	-7,301,592
4	Interest on 1, 2 & 3	3,906,803
5	Expected unfunded actuarial accrued liability	\$56,067,487
6	Changes due to experience gains and losses	<u>-\$4,530,050</u>
7	Unfunded actuarial accrued liability at end of year	<u>\$51,537,437</u>

Section 2: Actuarial Valuation Results

Recommended contribution

The recommended contribution for the Plan is comprised of a normal cost payment and a payment on the unfunded actuarial accrued liability. As of July 1, 2022, the recommended contribution is \$10,545,041. This total amount is then divided by the projected payroll for active members to determine the funding rate of 36.69% of payroll.

The City has adopted financing periods of 15 years for experience gains and losses, 30 years for assumption and method changes, 20 years for benefit improvements affecting active employees and 10 years for benefit improvements affecting inactive employees. The current average period for the bases in the determination of the recommended contribution is 9.2 years.

The total statutory contribution rate of 26.40% of pay is amortizing the unfunded actuarial accrued liability over an effective period of 19.2 years. This is a reasonable amortization period under the funding requirements of Georgia state laws.

The contribution requirement as of July 1, 2022 is based on the data previously described, the actuarial assumptions and Plan provisions described in *Section 4*, including all changes affecting future costs adopted at the time of the actuarial valuation, actuarial gains and losses, and changes in the actuarial assumptions.

Recommended Contribution for Year Beginning July 1

		2022		2021	
		Amount	% of Projected Payroll	Amount	% of Projected Payroll
1	Benefit normal cost	\$3,168,046	11.02%	\$3,125,577	10.97%
2	Administrative expenses	<u>184,233</u>	<u>0.64%</u>	<u>184,233</u>	<u>0.64%</u>
3	Total normal cost: (1) + (2)	\$3,352,279	11.66%	\$3,309,810	11.61%
4	Actuarial accrued liability	\$170,300,973		\$165,257,873	
5	Actuarial value of assets	<u>118,763,536</u>		<u>109,105,408</u>	
6	Unfunded actuarial accrued liability: (4) - (5)	\$51,537,437		\$56,152,465	
7	Payment on projected unfunded actuarial accrued liability	6,563,483	22.84%	6,649,016	23.33%
8	Recommended contribution: (3) + (7), adjusted for timing ¹	<u>\$10,545,041</u>	<u>36.69%</u>	<u>\$10,590,838</u>	<u>37.16%</u>
9	Valuation payroll projected to fiscal year	\$28,740,422		\$28,498,809	

¹Fiscal year contributions are based on the valuation liabilities and assets determined one year prior.

Section 2: Actuarial Valuation Results

Reconciliation of recommended contribution

The chart below details the changes in the recommended contribution from the prior valuation to the current year's valuation.

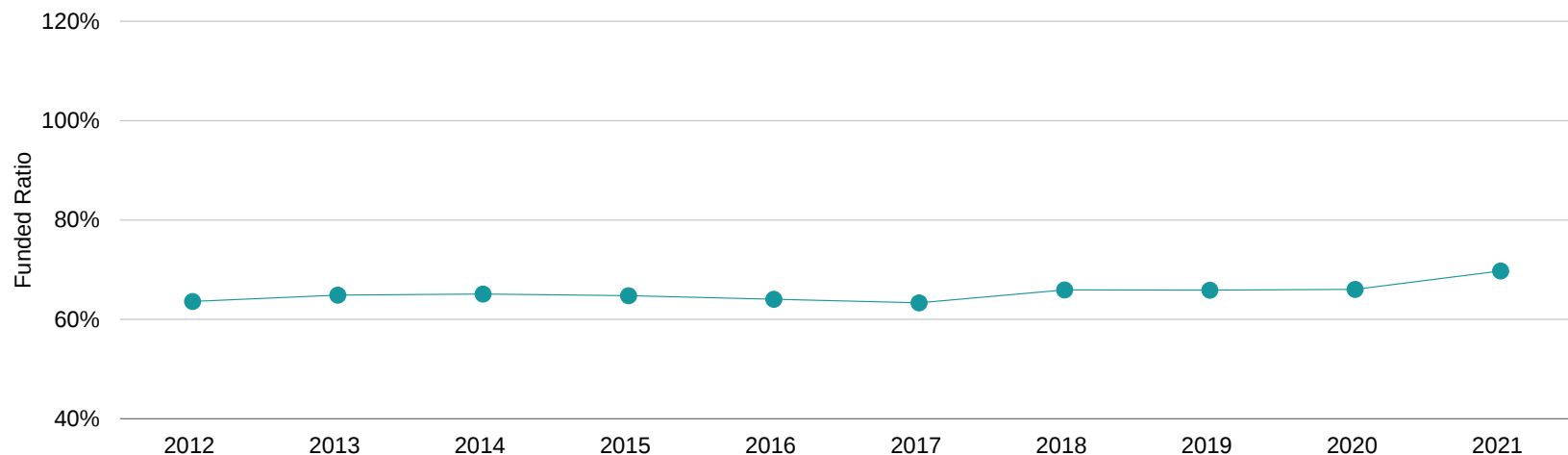
Reconciliation of Recommended Contribution from July 1, 2021 to July 1, 2022

	Amount	% of Payroll
1 Recommended Contribution as of July 1, 2021	\$10,590,838	37.16%
2 Effect of expected change in amortization payment due to payroll growth	194,452	0.68%
3 Effect of investment gain	-452,373	-1.58%
4 Effect of other gains and losses on accrued liability	32,315	0.11%
5 Net effect of other changes, including composition and number of participants	179,809	0.63%
6 Total change	-\$45,797	-0.16%
7 Effect on contribution percentage from change in payroll	- -	-0.31%
8 Recommended Contribution as of July 1, 2022	\$10,545,041	36.69%

Section 2: Actuarial Valuation Results

Schedule of funding progress through June 30, 2021

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b) - (a)	Funded Ratio (a) / (b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll* [(b) - (a)] / (c)
07/01/2012	\$72,623,425	\$114,189,383	\$41,565,958	63.60%	\$22,226,619	187.01%
07/01/2013	75,891,152	116,926,085	41,034,933	64.91%	21,482,940	191.01%
07/01/2014	79,605,608	122,275,186	42,669,578	65.10%	21,607,752	197.47%
07/01/2015	83,341,309	128,689,509	45,348,200	64.76%	22,848,470	198.47%
07/01/2016	86,628,934	135,198,456	48,569,522	64.08%	23,563,546	206.12%
07/01/2017	89,193,790	140,895,035	51,701,245	63.31%	23,784,772	217.37%
07/01/2018	99,606,816	151,137,882	51,531,066	65.90%	24,721,900	208.44%
07/01/2019	104,514,040	158,645,462	54,131,422	65.88%	26,855,193	201.57%
07/01/2020	109,105,408	165,257,873	56,152,465	66.02%	27,736,067	202.45%
07/01/2021	118,763,536	170,300,973	51,537,437	69.74%	27,971,214	184.25%



Section 2: Actuarial Valuation Results

Risk

Since the actuarial valuation results are dependent on a given set of assumptions and data as of a specific date, there is a risk that emerging results may differ significantly as actual experience differs from the assumptions.

This report does not contain a detailed analysis of the potential range of future measurements, but does include a brief discussion of some risks that may affect the Retirement Plan. A more detailed assessment would provide the Board of Trustees with a better understanding of the risks inherent in the Plan. This assessment may include scenario testing, sensitivity testing, stress testing and stochastic modeling.

- Investment Risk (the risk that returns will be different than expected)

If the actual return on market value for the next Plan Year were 1% different from the assumed (either higher or lower), the projected unfunded actuarial liability would change by 0.5%, or about \$275,000, with similar changes over the next four years due to recognition under the asset smoothing method.

Since the Plan's assets are much larger than contributions, investment performance may create volatility in contribution requirements. For example, for each 1% difference in return from the assumed return, the recommended contribution would increase or decrease by about \$25,000 (0.1%% of payroll), with similar changes over the next four years due to recognition under the asset smoothing method.

The market value rate of return over the last 20 years has ranged from a low of -13.53% to a high of 31.54%.

- Longevity Risk (the risk that mortality experience will be different than expected)

The actuarial valuation includes an expectation of future improvement in life expectancy. Emerging plan experience that does not match these expectations will result in either an increase or decrease in the recommended contribution.

- Contribution Risk (the risk that actual contributions will be different from recommended contribution)

The Retirement Plan's funding policy establishes a fixed contribution rate of 26.40% which is compared against the recommended contribution developed in this report. As shown in Exhibit H, the funding policy has historically been adjusted in response to significant changes in the recommended contribution. In this context, contribution risk refers to the potential effects of current and future funding policy decisions on funding outcomes. The recommended contribution is used as a benchmark for funding progress based on using reasonable amortization periods for different sources in change in the unfunded liability.

If contributions remain at current level and future experience matches the current assumptions, we project the unfunded actuarial accrued liability will be paid off in 19.2 years rather than the Board's recommended amortization policy of 9.2 years.

Section 2: Actuarial Valuation Results

- Demographic Risk (the risk that participant experience will be different than assumed)

Examples of this risk include:

- Actual retirements occurring earlier or later than assumed. The value of retirement plan benefits is sensitive to the rate of benefit accruals and any early retirement subsidies that apply.
- More or less active participant turnover than assumed.

- Actual Experience Over the Last Ten Years and Implications for the Future

Past experience can help demonstrate the sensitivity of key results to the Retirement Plan's actual experience. Over the past ten years:

The investment gain/(loss) for a year has ranged from a loss of \$4,450,612 to a gain of \$26,122,397. If all investment returns were equal to the assumed return over the last ten years, the market value of assets as of the current valuation date would be approximately \$111,454,386 as opposed to the actual value of \$138,626,378.

The non-investment gain(loss) for a year has ranged from a loss of \$3,311,643 to a gain of \$3,249,673.

The funded percentage on the actuarial value of assets has ranged from a low of 63.6% to a high of 69.7% since 2012.

- Maturity Measures

As pension plans mature, the cash need to fulfill benefit obligations will increase over time. Therefore, cash flow projections and analysis should be performed to assure that the Retirement Plan's asset allocation is aligned to meet emerging pension liabilities.

Currently the Retirement Plan has a retiree to active participant ratio of 0.59. For the prior year benefits and expenses paid were \$2,761,158 more than contributions received. As the Retirement Plan matures, more cash will be needed from the investment portfolio to meet benefit payments.

Section 2: Actuarial Valuation Results

GFOA funded liability by type

The Actuarial Accrued Liability represents the present value of benefits earned, calculated using the Retirement Plan's actuarial cost method. The Actuarial Value of Assets reflects the financial resources available to liquidate the liability. The portion of the liability covered by assets reflects the extent to which accumulated plan assets are sufficient to pay future benefits, and is shown for liabilities associated with employee contributions, pensioner liabilities, and other liabilities. The Government Finance Officers Association (GFOA) recommends that the funding policy aim to achieve a funded ratio of 100 percent.

GFOA Funded Liability by Type as of June 30

	2021	2020
Actuarial accrued liability (AAL)		
• Active member contributions	\$28,216,597	\$26,853,876
• Retirees and beneficiaries	93,213,516	92,042,171
• Active and inactive members (employer-financed)	48,870,860	46,361,826
Total	\$170,300,973	\$165,257,873
Actuarial value of assets	\$118,763,536	\$109,105,408
Cumulative portion of AAL covered		
• Active member contributions	100.00%	100.00%
• Retirees and beneficiaries	97.14%	89.36%
• Active and inactive members (employer-financed)	0.00%	0.00%

Section 2: Actuarial Valuation Results

Volatility ratios

Retirement plans are subject to volatility in the level of required contributions. This volatility tends to increase as retirement plans become more mature.

The Asset Volatility Ratio (AVR), which is equal to the market value of assets divided by total payroll, provides an indication of the potential contribution volatility for any given level of investment volatility. A higher AVR indicates that the plan is subject to a greater level of contribution volatility. This is a current measurement since it is based on the current level of assets.

The current AVR is about 5.0. This means that a 1% asset gain or loss (relative to the assumed investment return) translates to about 5.0% of one-year's payroll. Since actuarial gains and losses are amortized over 15 years, there would be roughly a 0.45% of payroll decrease/(increase) in the required contribution for each 1% asset gain or loss. The Liability Volatility Ratio (LVR), which is equal to the Actuarial Accrued Liability divided by payroll, provides an indication of the longer-term potential for contribution volatility for any given level of investment volatility. This is because, over an extended period of time, the plan's assets should track the plan's liabilities. For example, if a plan is 50% funded on a market value basis, the liability volatility ratio would be double the asset volatility ratio and the plan sponsor should expect contribution volatility to increase over time as the plan becomes better funded.

The LVR also indicates how volatile contributions will be in response to changes in the Actuarial Accrued Liability due to actual experience or to changes in actuarial assumptions. The current LVR is about 6.1. This is about 22% higher than the AVR. Therefore, we would expect that contribution volatility will increase over the long term.

Volatility Ratios for Years Ended 2002 - 2021

Year Ended June 30	Asset Volatility Risk	Liability Volatility Risk
2012	3.0	5.1
2013	3.4	5.4
2014	3.7	5.7
2015	3.6	5.6
2016	3.5	5.7
2017	3.8	5.9
2018	4.0	6.1
2019	3.9	5.9
2020	3.9	6.0
2021	5.0	6.1

Section 2: Actuarial Valuation Results

State minimum requirements

The Retirement Plan is subject to minimum funding standards of the Public Retirement Systems Standards Law (Georgia Code Section 47-20-10). This minimum contribution is determined as the sum of 1) the normal cost (including administrative expenses), 2) the 30-year level percentage of payroll amortization of the unfunded actuarial accrued liability or the 10-year level percentage of payroll amortization of the surplus, and 3) interest on these amounts from the valuation date to the date contributions are paid (assumed monthly). The Retirement Board has adopted an actuarial funding policy that requires a different funding level than the estimated minimum annual contribution to minimize fluctuations in annual contribution amounts and to accumulate sufficient funds to secure benefits under the Plan. If the City contributes the recommended contribution developed under the actuarial funding policy each year, the Retirement Plan will meet applicable state funding standards.

Section 3: Supplemental Information

Exhibit A: Table of Plan Demographics

	Year Ended June 30		Change From Prior Year
Category	2021	2020	
Active participants in valuation:			
• Number	497	504	-1.4%
• Average age	42.6	42.2	0.4
• Average years of eligibility service	10.3	9.8	0.5
• Average years of benefit service	9.9	9.4	0.5
• Projected total payroll	\$27,971,214	\$27,736,067	0.8%
• Projected average payroll	56,280	55,032	2.3%
• Account balances	28,216,597	26,853,876	5.1%
• Total active vested participants	229	230	-0.4%
Inactive vested participants	13	11	18.2%
Inactive nonvested participants due a refund	55	42	31.0%
Retired participants:			
• Number in pay status	267	265	0.8%
• Average age	66.8	66.3	0.5
• Average monthly benefit	\$2,749	\$2,709	1.5%
Disabled participants:			
• Number in pay status	2	3	-33.3%
• Average age	71.1	69.5	1.6
• Average monthly benefit	\$1,112	\$1,053	5.6%
Beneficiaries:			
• Number in pay status	25	25	0.0%
• Average age	73.8	73.9	-0.1
• Average monthly benefit	\$1,699	\$1,709	-0.6%

Section 3: Supplemental Information

Exhibit B: Participants in Active Service as of June 30, 2021 by Age, Years of Service, and Average Payroll

Age	Years of Service								
	Total	0 - 4	5 - 9	10 - 14	15 - 19	20 - 24	25 - 29	30 - 34	35 - 39
Under 25	21	21	--	--	--	--	--	--	--
	\$42,323	\$42,323	--	--	--	--	--	--	--
25 - 29	69	55	14	--	--	--	--	--	--
	45,324	45,001	\$46,592	--	--	--	--	--	--
30 - 34	64	31	24	9	--	--	--	--	--
	51,524	50,708	50,313	\$57,569	--	--	--	--	--
35 - 39	60	22	10	18	10	--	--	--	--
	51,396	43,493	55,229	54,259	\$59,800	--	--	--	--
40 - 44	80	18	6	22	24	10	--	--	--
	60,412	47,789	57,058	62,970	64,451	\$69,828	--	--	--
45 - 49	56	14	6	9	12	10	5	--	--
	66,811	53,035	69,077	66,591	66,809	73,677	\$89,328	--	--
50 - 54	61	11	12	11	9	9	9	--	--
	63,494	53,459	58,457	62,429	65,821	67,603	77,340	--	--
55 - 59	43	12	7	8	10	2	2	2	--
	58,739	55,535	45,232	63,988	57,649	92,689	68,043	\$66,432	--
60 - 64	39	3	13	6	9	3	3	--	2
	61,463	51,287	61,374	47,415	62,466	74,998	58,360	--	\$99,286
65 - 69	1	--	--	--	1	--	--	--	--
	60,563	--	--	--	60,563	--	--	--	--
70 & over	3	1	--	2	--	--	--	--	--
	47,608	58,260	--	42,282	--	--	--	--	--
Total	497	188	92	85	75	34	19	2	2
	\$56,280	\$47,670	\$54,183	\$59,378	\$63,175	\$72,172	\$76,519	\$66,432	\$99,286

Section 3: Supplemental Information

Exhibit C: Reconciliation of Participant Data

	Active Participants	Inactive Vested Participants	Inactives Due Refund	Disableds	Retired Participants	Beneficiaries	Total
Number as of July 1, 2020	504	11	42	3	265	25	850
• New participants	37	N/A	8 ¹	N/A	N/A	N/A	45
• Terminations – with vested rights	-2	2	0	0	0	0	0
• Terminations – without vested rights	-8	N/A	8	N/A	N/A	N/A	0
• Retirements	-8	0	0	N/A	8	N/A	0
• New disabilities	0	0	0	0	N/A	N/A	0
• Return to work	0	0	0	0	0	N/A	0
• Deceased	-3	0	0	-1	-6	-1	-11
• New beneficiary	0	0	0	0	0	1	1
• Lump sum cash-outs	-23	0	-5	0	0	0	-28
• Data adjustments	<u>0</u>	<u>0</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
Number as of July 1, 2021	497	13	55	2	267	25	859

¹Hired, terminated within the past valuation cycle and left employee contributions in plan.

Section 3: Supplemental Information

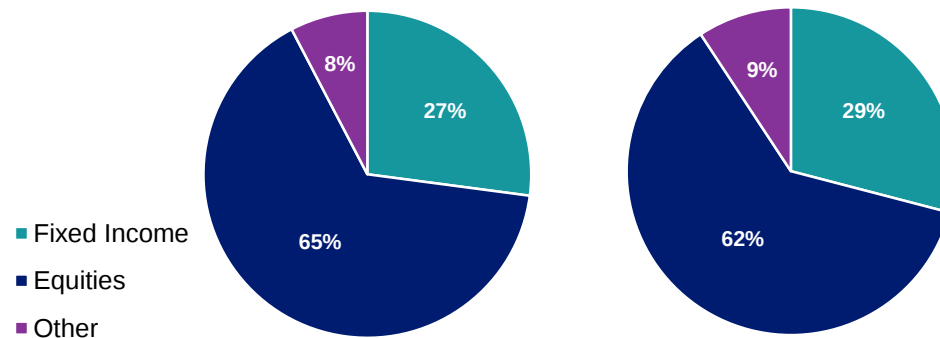
Exhibit D: Summary Statement of Income and Expenses on a Market Value Basis

	Year Ended June 30, 2021	Year Ended June 30, 2020
Net assets at market value at the beginning of the year	\$107,814,747	\$105,587,299
Contribution income:		
• City contributions	\$3,650,796	\$3,593,741
• Member contributions	3,650,796	3,650,875
• Less administrative expenses	<u>-357,352</u>	<u>-313,890</u>
<i>Net contribution income</i>	\$6,944,240	\$6,930,726
Investment income:		
• Interest, dividends and other income	\$1,553,640	\$1,866,032
• Asset appreciation	<u>32,019,149</u>	<u>2,819,537</u>
<i>Net investment income</i>	<u>\$33,572,789</u>	<u>\$4,685,569</u>
Total income available for benefits	\$40,517,029	\$11,616,295
Less benefit payments:		
• Benefit payments	-\$9,157,128	-\$8,896,838
• Refunds	<u>-548,270</u>	<u>-492,009</u>
<i>Net benefit payments</i>	-\$9,705,398	-\$9,388,847
Change in reserve for future benefits	\$30,811,631	\$2,227,448
Net assets at market value at the end of the year	\$138,626,378	\$107,814,747

Section 3: Supplemental Information

Exhibit E: Summary Statement of Plan Assets

	June 30, 2021	June 30, 2020
Cash equivalents	\$787,194	\$948,490
Investments:		
• Equities	\$89,964,218	\$65,943,173
• Fixed Income	37,356,137	31,071,901
• Other	<u>10,542,033</u>	<u>9,894,048</u>
Total investments at market value	\$137,862,388	\$106,909,122
Total assets	\$138,649,582	\$107,857,612
Total accounts payable	-23,204	-42,865
Net assets at market value	\$138,626,378	\$107,814,747
Net assets at actuarial value	\$118,763,536	\$109,105,408



Section 3: Supplemental Information

Exhibit F: Development of the Fund through June 30, 2021

Year Ended June 30	City Contributions	Employee Contributions	Net Investment Return ¹	Admin. Expenses	Benefit Payments	Market Value of Assets at Year-End	Actuarial Value of Assets at Year-End	Actuarial Value as a Percent of Market Value
2012	\$2,829,095	\$2,829,095	\$1,779,127	\$0	\$5,969,131	\$66,672,980	\$72,623,425	108.9%
2013	2,720,450	2,720,450	6,298,042	0	6,313,184	72,098,738	75,891,152	105.3%
2014	2,766,404	2,766,404	10,066,981	0	6,715,366	80,983,161	79,605,608	98.3%
2015	2,862,539	2,862,539	2,740,115	0	7,282,407	82,165,947	83,341,309	101.4%
2016	3,021,182	3,021,182	1,651,839	0	7,642,229	82,217,921	86,628,934	105.4%
2017	3,079,855	3,132,278	11,348,553	165,260	8,301,719	91,311,628	89,193,790	97.7%
2018	3,209,624	3,209,624	10,757,165	219,595	8,661,630	99,606,816	99,606,816	100.0%
2019	3,459,466	3,459,466	8,235,138	292,750	8,880,837	105,587,299	104,514,040	99.0%
2020	3,593,741	3,650,875	4,685,569	313,890	9,388,847	107,814,747	109,105,408	101.2%
2021	3,650,796	3,650,796	33,572,789	357,352	9,705,398	138,626,378	118,763,536	85.7%

¹On a market basis, net of investment fees. Years prior to 2017 are also net of administrative expenses.

Section 3: Supplemental Information

Exhibit G: Table of Amortization Bases

Type ¹	Date Established	Initial Period	Initial Amount	Annual Payment ²	Years Remaining	Outstanding Balance
Method Change	07/01/2005	30	\$32,986,302	\$3,097,924	14	\$33,772,797
Experience Loss	07/01/2007	15	2,683,283	363,236	1	363,236
Experience Loss	07/01/2008	15	1,981,229	259,439	2	508,573
Plan Amendment	07/01/2008	20	2,971,384	319,344	7	1,985,990
Experience Loss	07/01/2009	15	6,539,294	828,330	3	2,387,595
Change in Asset Method	07/01/2009	30	-4,257,814	-349,803	18	-4,560,770
Experience Loss	07/01/2010	15	649,697	79,607	4	299,952
Experience Loss	07/01/2011	15	1,822,083	215,954	5	997,335
Assumption Change	07/01/2011	30	-1,863,464	-143,175	20	-2,002,045
Experience Gain	07/01/2012	15	-1,960,521	-224,758	6	-1,221,523
Plan Amendment	07/01/2012	20	455,797	42,872	11	388,253
Experience Gain	07/01/2013	15	-764,499	-84,774	7	-527,208
Experience Loss	07/01/2014	15	1,624,012	174,185	8	1,214,409
Experience Loss	07/01/2015	15	2,710,071	281,145	9	2,163,417
Experience Loss	07/01/2016	15	2,150,436	215,773	10	1,810,200
Assumption Change	07/01/2016	30	1,077,026	69,972	25	1,122,108
Experience Loss	07/01/2017	15	4,409,885	429,613	11	3,890,644
Experience Loss	07/01/2018	15	4,361,401	412,530	12	4,000,081
Assumption Change	07/01/2018	30	3,511,941	215,079	27	3,602,176
Change in Asset Method	07/01/2018	30	-6,305,493	-386,163	27	-6,467,506
Experience Loss	07/01/2019	15	4,871,842	448,478	13	4,624,398
Experience Loss	07/01/2020	15	4,726,696	423,471	14	4,616,578
Experience Gain	07/01/2021	15	-1,431,253	-124,796	15	-1,431,253
Total				\$6,563,483		\$51,537,437

¹Experience gain/loss bases established on or after July 1, 2017 include the impact of resetting the credit balance to \$0 and subsequent losses due to contributions lower than the recommended contribution.

²Level percentage of payroll.

Section 3: Supplemental Information

Exhibit H: History of Contribution Rates

Fiscal Year Ended June 30	Member Percentage of Pay	City Percentage of Pay	Total Policy Percentage	Recommended Contribution Percentage
1998	9.50%	9.50%	19.00%	18.90%
1999	9.50%	9.50%	19.00%	19.60%
2000	9.50%	9.50%	19.00%	19.20%
2001	9.50%	9.50%	19.00%	19.30%
2002	9.50%	9.50%	19.00%	19.50%
2003	9.50%	9.50%	19.00%	19.80%
2004	10.50%	10.50%	21.00%	21.10%
2005	10.50%	10.50%	21.00%	22.10%
2006	10.50%	10.50%	21.00%	22.10%
2007	13.20%	13.20%	26.40%	26.40%
2008	13.20%	13.20%	26.40%	26.80%
2009	13.20%	13.20%	26.40%	26.24%
2010	13.20%	13.20%	26.40%	25.07%
2011	13.20%	13.20%	26.40%	27.26%
2012	13.20%	13.20%	26.40%	28.98%
2013	13.20%	13.20%	26.40%	29.32%
2014	13.20%	13.20%	26.40%	28.12%
2015	13.20%	13.20%	26.40%	28.97%
2016	13.20%	13.20%	26.40%	30.22%
2017	13.20%	13.20%	26.40%	30.88%
2018	13.20%	13.20%	26.40%	31.80%
2019	13.20%	13.20%	26.40%	33.96%
2020	13.20%	13.20%	26.40%	35.17%
2021	13.20%	13.20%	26.40%	35.62%
2022	13.20%	13.20%	26.40%	37.16%
2023	13.20%	13.20%	26.40%	36.69%

Section 3: Supplemental Information

Exhibit I: Definition of Pension Terms

The following list defines certain technical terms for the convenience of the reader:

Actuarial Accrued Liability for Actives:	The equivalent of the accumulated normal costs allocated to the years before the valuation date.
Actuarial Accrued Liability for Retirees and Beneficiaries:	Actuarial Present Value of lifetime benefits to existing retirees and beneficiaries. This sum takes account of life expectancies appropriate to the ages of the annuitants and the interest that the sum is expected to earn before it is entirely paid out in benefits.
Actuarial Cost Method:	A procedure allocating the Actuarial Present Value of Future Benefits to various time periods; a method used to determine the Normal Cost and the Actuarial Accrued Liability that are used to determine the recommended contribution.
Actuarial Gain or Loss:	A measure of the difference between actual experience and that expected based upon a set of Actuarial Assumptions, during the period between two Actuarial Valuation dates. To the extent that actual experience differs from that assumed, Actuarial Accrued Liabilities emerge which may be the same as forecasted, or may be larger or smaller than projected. Actuarial gains are due to favorable experience, e.g., assets earn more than projected, salary increases are less than assumed, members retire later than assumed, etc. Favorable experience means actual results produce actuarial liabilities not as large as projected by the actuarial assumptions. On the other hand, actuarial losses are the result of unfavorable experience, i.e., actual results yield actuarial liabilities that are larger than projected.
Actuarially Equivalent:	Of equal Actuarial Present Value, determined as of a given date and based on a given set of Actuarial Assumptions.
Actuarial Present Value (APV):	The value of an amount or series of amounts payable or receivable at various times, determined as of a given date by the application of a particular set of Actuarial Assumptions. Each such amount or series of amounts is: Adjusted for the probable financial effect of certain intervening events (such as changes in compensation levels, marital status, etc.) Multiplied by the probability of the occurrence of an event (such as survival, death, disability, withdrawal, etc.) on which the payment is conditioned, and Discounted according to an assumed rate (or rates) of return to reflect the time value of money.

Section 3: Supplemental Information

Actuarial Present Value of Future Benefits:	The Actuarial Present Value of benefit amounts expected to be paid at various future times under a particular set of Actuarial Assumptions, taking into account such items as the effect of advancement in age, anticipated future compensation, and future service credits. The Actuarial Present Value of Future Benefits includes the liabilities for active members, retired members, beneficiaries receiving benefits, and inactive members entitled to either a refund of member contributions or a future retirement benefit. Expressed another way, it is the value that would have to be invested on the valuation date so that the amount invested plus investment earnings would provide sufficient assets to pay all projected benefits and expenses when due.
Actuarial Valuation:	The determination, as of a valuation date, of the Normal Cost, Actuarial Accrued Liability, Actuarial Value of Assets, and related Actuarial Present Values for a plan, as well as Actuarially Determined Contributions.
Actuarial Value of Assets (AVA):	The value of the Plan's assets as of a given date, used by the actuary for valuation purposes. This may be the market or fair value of plan assets, but commonly plans use a smoothed value in order to reduce the year-to-year volatility of calculated results, such as the funded ratio and the Actuarially Determined Contribution.
Actuarially Determined:	Values that have been determined utilizing the principles of actuarial science. An actuarially determined value is derived by application of the appropriate actuarial assumptions to specified values determined by provisions of the Plan.
Actuarially Determined Contribution (ADC):	The employer's periodic required contributions, expressed as a dollar amount or a percentage of covered plan compensation, determined under the Plan's funding policy. The ADC consists of the Employer Normal Cost and the Amortization Payment.
Amortization Method:	A method for determining the Amortization Payment. The most common methods used are level dollar and level percentage of payroll. Under the Level Dollar method, the Amortization Payment is one of a stream of payments, all equal, whose Actuarial Present Value is equal to the Unfunded Actuarial Accrued Liability. Under the Level Percentage of Pay method, the Amortization Payment is one of a stream of increasing payments, whose Actuarial Present Value is equal to the Unfunded Actuarial Accrued Liability. Under the Level Percentage of Pay method, the stream of payments increases at the assumed rate at which total covered payroll of all active members will increase.
Amortization Payment:	The portion of the pension plan contribution, or ADC, that is intended to pay off the Unfunded Actuarial Accrued Liability.

Section 3: Supplemental Information

Assumptions or Actuarial Assumptions:	The estimates upon which the cost of the Plan is calculated, including: <u>Investment return</u> - the rate of investment yield that the Plan will earn over the long-term future; <u>Mortality rates</u> - the rate or probability of death at a given age for employees and retirees; <u>Retirement rates</u> - the rate or probability of retirement at a given age or service; <u>Disability rates</u> - the rate or probability of disability retirement at a given age; <u>Withdrawal rates</u> - the rate or probability at which employees of various ages are expected to leave employment for reasons other than death, disability, or retirement; <u>Salary increase rates</u> - the rates of salary increase due to inflation, real wage growth and merit and promotion increases.
Closed Amortization Period:	A specific number of years that is counted down by one each year, and therefore declines to zero with the passage of time. For example, if the amortization period is initially set at 20 years, it is 19 years at the end of one year, 18 years at the end of two years, etc. See Open Amortization Period.
Decrements:	Those causes/events due to which a member's status (active-inactive-retiree-beneficiary) changes, that is: death, retirement, disability, or withdrawal.
Defined Benefit Plan:	A retirement plan in which benefits are defined by a formula based on the member's compensation, age and/or years of service.
Defined Contribution Plan:	A retirement plan, such as a 401(k) plan, a 403(b) plan, or a 457 plan, in which the contributions to the plan are assigned to an account for each member, the plan's earnings are allocated to each account, and each member's benefits are a direct function of the account balance.
Employer Normal Cost:	The portion of the Normal Cost to be paid by the employer. This is equal to the Normal Cost less expected member contributions.
Experience Study:	A periodic review and analysis of the actual experience of the Plan that may lead to a revision of one or more actuarial assumptions. Actual rates of decrement and salary increases are compared to the actuarially assumed values and modified based on recommendations from the Actuary.
Funded Ratio:	The ratio of the Actuarial Value of Assets (AVA) to the Actuarial Accrued Liability (AAL). Plans sometimes also calculate a market funded ratio, using the Market Value of Assets (MVA), rather than the AVA.

Section 3: Supplemental Information

GASB 67 and GASB 68:	Governmental Accounting Standards Board (GASB) Statements No. 67 and No. 68. These are the governmental accounting standards that set the accounting rules for public retirement systems and the employers that sponsor or contribute to them. Statement No. 68 sets the accounting rules for the employers that sponsor or contribute to public retirement systems, while Statement No. 67 sets the rules for the systems themselves.
Investment Return:	The rate of earnings of the Plan from its investments, including interest, dividends and capital gain and loss adjustments, computed as a percentage of the average value of the fund. For actuarial purposes, the investment return often reflects a smoothing of the capital gains and losses to avoid significant swings in the value of assets from one year to the next.
Net Pension Liability (NPL):	The Net Pension Liability is equal to the Total Pension Liability minus the Plan Fiduciary Net Position.
Normal Cost:	The portion of the Actuarial Present Value of Future Benefits and expenses allocated to a valuation year by the Actuarial Cost Method. Any payment with respect to an Unfunded Actuarial Accrued Liability is not part of the Normal Cost (see Amortization Payment). For pension plan benefits that are provided in part by employee contributions, Normal Cost refers to the total of member contributions and employer Normal Cost unless otherwise specifically stated.
Open Amortization Period:	An open amortization period is one which is used to determine the Amortization Payment but which does not change over time. If the initial period is set as 30 years, the same 30-year period is used in each future year in determining the Amortization Period.
Plan Fiduciary Net Position:	Market value of assets.
Total Pension Liability (TPL):	The actuarial accrued liability under the entry age normal cost method and based on the blended discount rate as described in GASB 67 and 68.
Unfunded Actuarial Accrued Liability:	The excess of the Actuarial Accrued Liability over the Actuarial Value of Assets. This value may be negative, in which case it may be expressed as a negative Unfunded Actuarial Accrued Liability, also called the Funding Surplus or an Overfunded Actuarial Accrued Liability.
Valuation Date or Actuarial Valuation Date:	The date as of which the value of assets is determined and as of which the Actuarial Present Value of Future Benefits is determined. The expected benefits to be paid in the future are discounted to this date.

Section 4: Actuarial Valuation Basis

Exhibit I: Actuarial Assumptions and Actuarial Cost Method

Rationale for Assumptions:	The investment return, inflation, and administrative expense assumptions used in the July 1, 2021 valuation were approved by the Board in October, 2018, based on the results of an actuarial study conducted by Segal. The mortality and other actuarial assumptions used in the July 1, 2021 valuation were approved by the Board in August, 2016, based on the results of an actuarial experience study for the five-year period ended June 30, 2015. An actuarial experience review was also conducted for the period July 1, 2015 to June 30, 2020. No assumption changes have been adopted as a result of this study. Current data is reviewed in conjunction with each annual valuation.															
Net Investment Return:	7.00%, net of investment expenses The net investment return assumption was chosen by the Retirement Plan’s Board of Trustees, with input from the actuary. This assumption is a long-term estimate derived from historical data, current and recent market expectations, and input from Plan professionals. As part of the analysis, a building block approach was used that reffects inflation expectations and anticipated risk premiums for each of the portfolio’s asset classes, as well as the Retirement Plan’s target asset allocation.															
Administrative Expenses:	\$190,000 payable mid-year, equivalent to \$184,233 at the beginning of the year.															
Salary Increases:	<table><tr><th>Service</th><th>Rate (%)</th></tr><tr><td>0-1</td><td>13.75</td></tr><tr><td>1-2</td><td>5.75</td></tr><tr><td>2-5</td><td>4.75</td></tr><tr><td>5-14</td><td>3.75</td></tr><tr><td>15-24</td><td>3.25</td></tr><tr><td>25+</td><td>2.75</td></tr></table> <i>Above rates reflect a 2.75% inflation assumption.</i> The salary increase assumptions are based on the City’s pay plan, along with analysis completed in conjunction with an actuarial experience study for the five-year period ended June 30, 2015.		Service	Rate (%)	0-1	13.75	1-2	5.75	2-5	4.75	5-14	3.75	15-24	3.25	25+	2.75
Service	Rate (%)															
0-1	13.75															
1-2	5.75															
2-5	4.75															
5-14	3.75															
15-24	3.25															
25+	2.75															
Inflation Rates:	2.75%															
Payroll Growth:	2.75%															
Cost-of-Living Adjustments:	0.00%															

Section 4: Actuarial Valuation Basis

Mortality Rates:

Pre-retirement:

RP-2014 Employee Mortality Table

Healthy annuitants:

RP-2014 Blue Collar Healthy Annuitant Mortality Table with rates multiplied by 120%, set forward two years for males only

Disabled annuitants:

RP-2014 Disabled Retiree Mortality Table

The tables above, with adjustments shown, reasonably reflect the mortality experience of the Retirement Plan as of the measurement date. The mortality tables were then adjusted to future years using generational projection under Scale MP-2015 from 2014 to reflect future mortality improvement.

Annuitant Mortality Rates:

Age	Rate (%)			
	Healthy ¹		Disabled ¹	
	Male	Female	Male	Female
55	0.83	0.48	2.34	1.45
60	1.18	0.69	2.66	1.70
65	1.80	1.05	3.17	2.09
70	2.84	1.68	4.03	2.82
75	4.60	2.76	5.43	4.10
80	7.64	4.58	7.66	6.10
85	12.84	7.80	11.33	9.04
90	21.32	13.42	17.30	13.27

¹Rates shown do not include generational projection.

Section 4: Actuarial Valuation Basis

Mortality and Disability Rates before Retirement:	Rate (%)			
	Age	Mortality ¹		Disability
		Male	Female	Male and Female
	20	0.04	0.02	0.02
	25	0.05	0.02	0.03
	30	0.05	0.02	0.03
	35	0.05	0.03	0.03
	40	0.06	0.04	0.04
	45	0.10	0.07	0.05
	50	0.17	0.11	0.08
	55	0.28	0.17	0.15
	60	0.47	0.24	0.30
	¹ Rates shown do not include generational projection.			
On the Job Disability:				
Employees hired prior to July 1, 2008:	100% of disabilities			
General Employees hired on or after July 1, 2008:	30% of disabilities			
Public Safety Employees hired on or after July 1, 2008:	80% of disabilities			

Section 4: Actuarial Valuation Basis

Termination Rates Before Retirement:

Age	Employees hired prior to July 1, 2008	General Employees hired on or after July 1, 2008	Years of Service	Public Safety Employees hired on or after July 1, 2008
20	24.61%	29.51%	0-1	18.00%
25	15.00	22.48	1-2	16.00
30	8.15	16.28	2-3	14.00
35	5.07	12.64	3-4	12.00
40	4.04	10.07	4-5	10.00
45	3.24	8.07	5-6	8.00
50	2.58	6.44	6-7	6.00
55	2.03	5.06	7-10	4.00
60	1.55	3.86	11-19	2.00
65	1.13	2.81	20+	0.00

Retirement Rates:

Employees hired before July 1, 2008		General Employees hired on or after July 1, 2008		Public Safety Employees hired on or after July 1, 2008	
Age	Rate%	Age	Rate%	Age	Rate%
40-49	15.0	55-59	5.0	50-54	0
50-59	12.5	60-64	30.0	55-59	10.0
60	15.0	65	100.0	60-64	30.0
61	20.0			65	100.0
62	40.0				
63	35.0				
64	20.0				
65-69	35.0				
70	100.0				

Note: Rates are increased an additional 30% at age when participant first becomes eligible for unreduced benefits.

Section 4: Actuarial Valuation Basis

Retirement Age for Inactive Vested Participants:	Earliest eligibility for Normal Retirement, but not before age 60
Weighted Average Retirement Age:	Age 58.8, determined as follows: The weighted average retirement age for each participant is calculated as the sum of the product of each potential current or future retirement age times the probability of surviving from current age to that age and then retiring at that age, assuming no other decrements. The overall weighted retirement age is the average of the individual retirement ages based on all the active participants included in the July 1, 2021 actuarial valuation.
Form of payment:	Life annuity
Percent Married:	90%
Age of Spouse:	Females two years younger than males
Unknown Data for Participants:	Same as those exhibited by participants with similar known characteristics. If not specified, participants are assumed to be male.
Actuarial Value of Assets:	Market value of assets less unrecognized returns in each of the last five years. Unrecognized return is equal to the difference between the actual market return and the expected return on the market value, and is recognized over a five-year period, further adjusted, if necessary, to be within 20% of the market value. Set to market value on July 1, 2018.
Actuarial Cost Method:	Entry Age Actuarial Cost Method. Entry Age is the age at the time the participant commenced employment. Normal Cost and Actuarial Accrued Liability are calculated on an individual basis and are allocated by salary, with Normal Cost determined as if the current benefit accrual rate had always been in effect.
Change in Actuarial Assumptions:	There have been no changes in actuarial assumptions since the last valuation.

Section 4: Actuarial Valuation Basis

Exhibit II: Summary of Plan Provisions

This exhibit summarizes the major provisions of the Plan included in the valuation. It is not intended to be, nor should it be interpreted as, a complete statement of all plan provisions.

Plan Year:	July 1 through June 30
Plan Status:	Ongoing
Normal Retirement:	
<u>Employees hired prior to July 1, 2008</u>	
<i>Eligibility Requirement</i>	The later of age 60 and the completion of 10 years of service, or any age and the completion of 25 years of service, if earlier. (If hired on or after age 55, participant is eligible for Normal Retirement after 5 years of participation.)
<i>Amount</i>	• 3% of Average Monthly Compensation times years of service (maximum 99%)
<i>Average Monthly Compensation</i>	• Based on total compensation for the 60 consecutive completed service months that yield the highest average
<u>Employees hired on or after July 1, 2008</u>	
<i>Eligibility Requirement</i>	
General Employees	• The later of age 65 and the completion of 10 years of service, or age 60 and the completion of 25 years of service, if earlier
Public Safety Employees	• The later of age 65 and the completion of 10 years of service, or age 50 and the completion of 25 years of service, if earlier
<i>Amount</i>	• 2.5% of Average Monthly Compensation times years of service (maximum 82.5%)
<i>Average Monthly Compensation</i>	• Based on total compensation for the 60 consecutive completed service months that yield the highest average.on tot compensation for the 60 consecutive completed service months that yield the highest average.

Section 4: Actuarial Valuation Basis

Early Retirement:

Employees hired before July 1, 2008

Eligibility Requirement

Amount

- Any age and the completion of 20 years of service
- Normal pension accrued reduced by 2% for each year by which the benefit commencement date precedes the normal retirement date

Employees hired on or after July 1, 2008

Eligibility Requirement

Amount

- Any age and the completion of 20 years of service
- Normal pension accrued reduced by 5% for each year by which the benefit commencement date precedes the normal retirement date

Disability:

Employees hired before July 1, 2008

Eligibility Requirement

Amount

- Any age and one year of credited service, and either eligible for benefits under the Social Security Act or determined to be disabled by the Pension Board
- 50% of average monthly compensation, but not less than the unreduced normal pension accrued

Employees hired on or after July 1, 2008

On-the-job

Eligibility Requirement

Amount

- Any age and one year of credited service, and either eligible for benefits under the Social Security Act or determined to be disabled by the Pension Board
- 50% of average monthly compensation, but not less than the unreduced normal pension accrued

Not-on-the-job

Eligibility Requirement

Amount

- Any age and 10 years of credited service, and either eligible for benefits under the Social Security Act or determined to be disabled by the Pension Board
- The unreduced normal pension accrued

Termination Benefits:

Within the first ten years of eligibility service (five years if hired on or after age 55)

- The participant's contributions will be returned without interest.

After ten years of eligibility service

- The participant who terminates employment prior to their Normal Retirement Date and elects to leave contributions in the fund shall receive a monthly benefit to commence at age 60. The benefit payable is based on credited service and average monthly compensation as of the date of termination.

Section 4: Actuarial Valuation Basis

Pre-Retirement Death Benefit: A. Less than 25 years of Eligibility Service <i>Requirement</i> <i>Amount</i> B. At least 25 years of Eligibility Service <i>Requirement</i> <i>Amount</i>	• Death prior to termination of employment and completion of at least 10 years but less than 25 years of eligibility service. • 50% of accrued Normal Retirement benefit payable. • Death prior to termination of employment and after completion of at least 25 years of eligibility service. • The amount of pension computed as if the decedent had retired under the normal retirement provision and 100% Joint and Survivor option. Note: For all participants, the minimum death benefit is equal to the participant's contributions converted to an actuarially equivalent life time pension.
Post-Retirement Death Benefits:	• If married, pension benefits are paid in the form of a joint and survivor annuity (One hundred, seventy-five, or 75 percent) unless this form is rejected by the participant and spouse. If not rejected, the benefit amount otherwise payable is reduced to reflect the joint and survivor coverage. If not rejected, and the spouse predeceases the employee, the employee's benefit amount will subsequently be increased to the unreduced amount payable had joint and survivor coverage been rejected. If rejected, or if not married, benefits are payable for the life of the employee, or in any other available optional form elected by the employee in an actuarially equivalent amount.
Participation:	• Any person who performs a service for the City of Gainesville, Georgia who is not covered by Social Security is eligible to participate. Independent contractors, "leased employees" and temporary, casual or part-time employees are not eligible to participate in this plan.
Contributions:	• Each participant contributes 13.2% of pay. The City contributes 13.2% as well, for a total of 26.4%.
Changes in Plan Provisions:	There have been no changes in plan provisions since the last valuation.

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December 16, 2021

City of Gainesville Retirement Plan A

Actuarial Review as of July 1, 2021

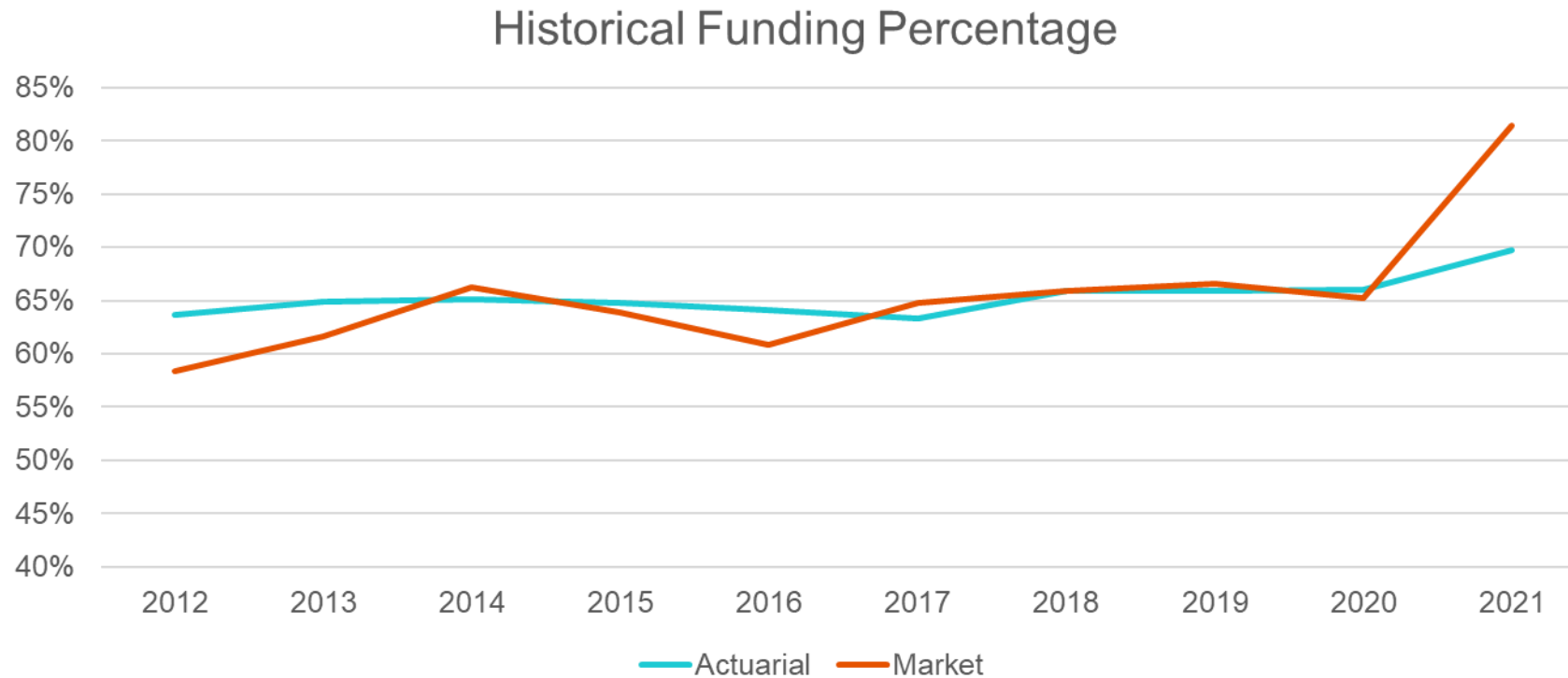
Malichi S. Waterman, FCA, MAAA, EA
Vice President and Consulting Actuary

Highlights

- As of July 1, 2021, the Plan continues to meet all Georgia funding requirements as well as standards established by the Government Accounting Standards Board (GASB).
- There were no changes to assumptions, methods, or the Plan reflected in this year's valuation.
- The recommended contribution for the Fiscal Year ending June 30, 2022 is \$10.5 million, or 36.69% of payroll.
- The actuarial value of assets used for funding reflects a five-year smoothing of gains and losses. As of June 30, 2021, the actuarial value of assets was 85.67% of market value, and there are \$19.9 million in deferred investment gains that will be recognized in future years. The market value return for the year ended June 30, 2021 was 31.54%; the return on a smoothed actuarial basis was 11.53%. The assumed rate of return was 7.00%.
- The disclosures required for compliance with GASB Statement No. 67 Financial Reporting for Pension Plans, and Statement No. 68, Accounting and Financial Reporting for Pensions were released to the City's Finance Department on October 8, 2021.

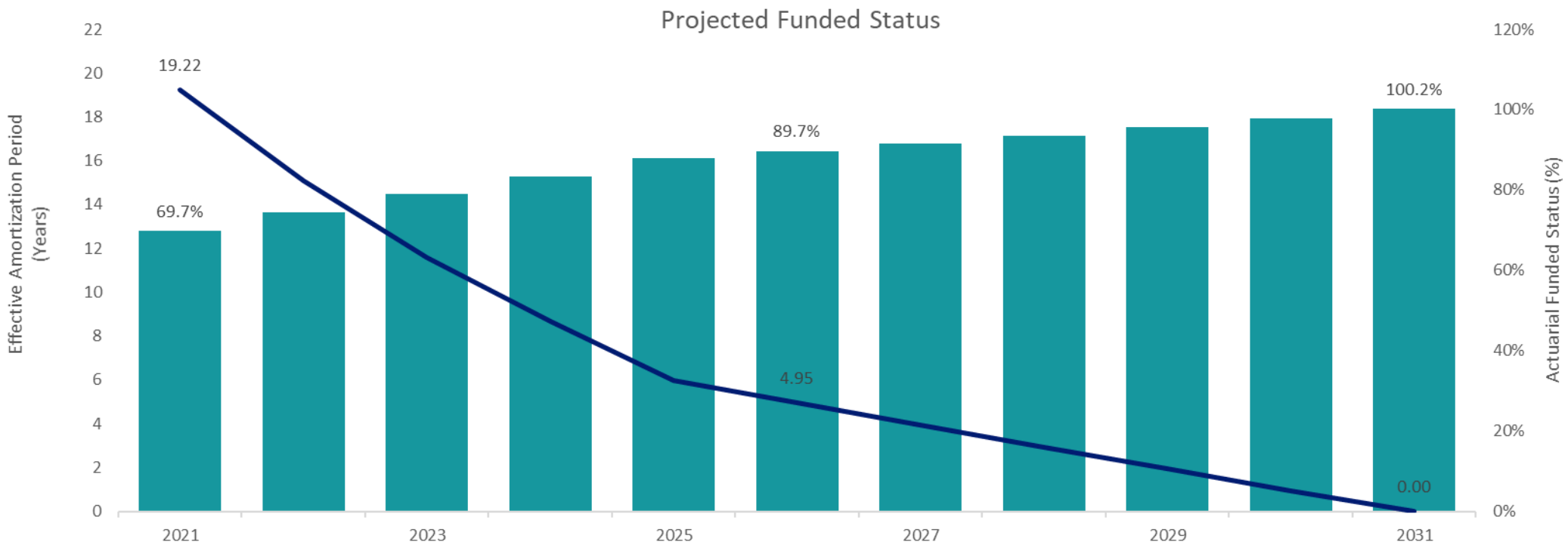
Funding

- Due to the experience gains in the past year, there was a decrease in the Recommended Contribution; if total contributions remain unchanged, funding obligations will be met for the 2020-2021 fiscal year.
- Unfunded Actuarial Accrued Liability on a market value basis decreased from \$57.4 Million to \$31.7 Million.
- Funded Percentage on a smoothed actuarial value basis increased from 66.0% to 69.7%.



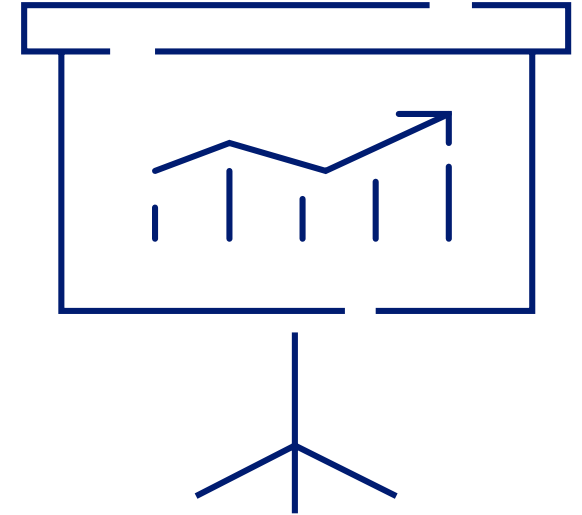
Funding

- The funding of the Plan is the joint responsibility of the employer and employees. City and employee contributions combined are 26.40% of payroll.
- Based on the current contribution level of 26.40%, the effective amortization period is 19.2 years. This decreased from 22.1 years and is well short of the maximum period of 30 years, as required under Georgia Law and current GASB standards.
- Based on the recommended contribution amount of 36.69%, the net effective period for amortizing the unfunded actuarial accrued liability for the plan is 9.2 years, down from 10.1 years in the prior valuation.



Projection Assumptions

- The previous slide includes projections of the Plan's funded percentage on the smoothed actuarial value of assets. Note that using market value would result in different percentages.
- Investment gains and losses are recognized through the asset smoothing method over time. Future returns are projected to be 7.00% annually.
- All assumptions are presumed to be met in the aggregate, so that no future experience gains or losses are anticipated (other than those resulting from the smoothing of existing deferred investment gains and losses).
- No changes in plan provisions are anticipated for this purpose.



Conclusion

- The market value return on assets for the year ended June 30, 2021 was 31.54%. The smoothed actuarial return was 11.53%. The assumed rate of return was 7.00%.
- The funded ratio on an actuarial basis has increased slightly to 69.74%, and is projected to gradually improve.
- The net effective period for amortizing the unfunded actuarial accrued liability is 19.2 years, assuming contribution rates remain unchanged.
- As of today the RPA Board has made no changes to the contribution levels.
- The Plan continues to meet all Georgia funding requirements as well as standards established by the Government Accounting Standards Board (GASB).

The Small Print

- This presentation is intended for the use of interested parties of the Plan, and is a supplement to Segal Consulting's full valuation report for the Plan as of July 1, 2021.
- Please refer to the full valuation report for a full description of assumptions and plan provisions reflected in the results shown in this presentation. The report also includes more comprehensive information regarding the Plan's membership, assets, and experience during the most recent plan year.
- Projections, by their nature, are not a guarantee of future results. They are intended to serve as estimates of future financial outcomes that are based on assumptions about future experience and the information available to us at the time the modeling is undertaken and completed. The projected future results included in this presentation show how the Plan would be affected if specific investment return, salary, mortality, turnover, disability and retirement assumptions are met. Actual results may differ due to such variables as demographic experience, the economy, stock market performance and the regulatory environment.
- Segal valuation results are based on proprietary actuarial modeling software. The actuarial valuation models generate a comprehensive set of liability and cost calculations that are presented to meet regulatory, legislative and client requirements. Deterministic cost projections are based on a proprietary forecasting model. Our Actuarial Technology and Systems unit, comprised of both actuaries and programmers, is responsible for the initial development and maintenance of these models. The models have a modular structure that allows for a high degree of accuracy, flexibility and user control. The client team programs the assumptions and the plan provisions, validates the models, and reviews test lives and results, under the supervision of the responsible actuary.
- The calculations included in this presentation were completed under the supervision of Malichi S. Waterman, FCA, MAAA, EA.

Thank You

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Vice President and Consulting Actuary
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CITY OF GAINESVILLE

AGENDA REQUEST

Date Submitted: 12/8/2021
Presenter: Tommy Hunt, Chairman
Item of Business: Personnel Matters
Meeting Date: 12/14/2021

Purpose of Request:

History/Background:

Facts & Issues for Consideration:

Department Recommendation:

Department Director:

Tommy Hunt, Chairman

If funding is involved, are funds approved within the current budget?

No

Amount Requested:

Source of Funds:

Finance Comments:

Administrative Comments:

Date Submitted: 12/8/2021
Presenter: Karen Rojas
Item of Business: New Benefits Report
Meeting Date: 12/14/2021

Purpose of Request:

To provide a report of new retirement benefits processed as of 11/30/2021.

History/Background:

Facts & Issues for Consideration:

New benefit payments processed as of 11/30/2021.

Department Recommendation:

To approve payments as presented.

Department Director:

Tommy Hunt, Chairman

If funding is involved, are funds approved within the current budget?

No

Amount Requested:

Source of Funds:

Finance Comments:

Administrative Comments:

ATTACHMENTS:

Description	Type
 December 14, 2021 New Benefits	Report

RETIREMENT PLAN A
NEW BENEFITS PAYMENT REPORT
December 14, 2021

RETIREE BENEFICIARY	DEPARTMENT	EFFECTIVE DATE	BENEFIT INFORMATION				SERVICE	
			TYPE	AMOUNT	START DATE	SPOUSAL OPTION	Years of Service	TOTAL - CREDITED (Includes Conv Sick)
1 Pulliam, James	DWR	10/29/2021	Normal - Age		1/1/2021	No	17.2	17.21
TOTAL				\$ -				

SPECIAL REPORTS

RETIREE BENEFICIARY	DEPARTMENT	EFFECTIVE DATE	BENEFIT INFORMATION				
			TYPE	Amount	START DATE	SPOUSAL OPTION	
1 English, Phyllis	MC	12/4/2021	Deceased			No	Cash Out
TOTAL				\$			

Date Submitted: 12/8/2021
Presenter: Karen Rojas
Item of Business: New Disbursements Report
Meeting Date: 12/14/2021

Purpose of Request:

To provide a report of all disbursements since the last RPA Board Meeting and to seek the Board's approval of the disbursements as presented.

History/Background:

Facts & Issues for Consideration:

Disbursements processed as of 11/30/2021.

Department Recommendation:

Department Director:

Tommy Hunt, Chairman

If funding is involved, are funds approved within the current budget?

Amount Requested: **Source of Funds:**

Finance Comments:

Administrative Comments:

ATTACHMENTS:

Description	Type
 December 14, 2021 New Disbursements	Report

**RETIREMENT PLAN A
DISBURSEMENT REPORT
December 14, 2021**

EMPLOYEE NAME	DEPARTMENT	DATE OF HIRE	TERMINATION DATE	DISTRIBUTION INFORMATION				
				DATE PROCESSED	CONT AMT	VESTED	DEATH BENEFIT	LUMP SUM ROLLOVER LUMP SUM/ROLLOVER
1 Jackson, Kayla Renee	DWR	04/11/2016	10/8/2021	11/3/2021		No	No	LumpSum
2 Lonczak, Katharine M.	GPD	06/14/2021	10/18/2021	11/24/2021		No	No	Rollover
3 Matthews, Michael B.	DWR	06/10/2019	9/29/2021	11/8/2021		No	No	LumpSum
4 Smith Jr., Dwight C.	DWR	09/28/2009; 05/25/2015	10/8/2021	11/3/2021		Yes - A&B	No	LumpSum
TOTAL					\$74,000.06			

SPECIAL REPORTS						
RETIREE BENEFICIARY	DEPARTMENT	EFFECTIVE DATE	BENEFIT INFORMATION			SERVICE
			TYPE	Amount	START DATE	TOTAL

1
2
3



CITY OF GAINESVILLE

AGENDA REQUEST

Date Submitted: 11/3/2021

Presenter: Tommy Hunt, Chairman

Item of Business: Executive Session Minutes: October 12, 2021 Meeting

Meeting Date: 12/14/2021

Purpose of Request:

The purpose of this request is to allow the Board to approve the Executive Session minutes from the referenced meeting.

History/Background:

Facts & Issues for Consideration:

Minutes of each Executive Session shall be maintained by the Secretary in accordance with the Open Meetings Act.

Department Recommendation:

Approve the minutes with edits as presented.

Department Director:

Tommy Hunt, Chairman

If funding is involved, are funds approved within the current budget?

Amount Requested: **Source of Funds:**

Finance Comments:

Administrative Comments:

Date Submitted: 11/3/2021
Presenter: Tommy Hunt, Chairman
Item of Business: Minutes: October 12, 2021 Meeting
Meeting Date: 12/14/2021

Purpose of Request:

The purpose of this request is to allow the Board to adopt the minutes from the referenced meeting.

History/Background:

Facts & Issues for Consideration:

Draft minutes were distributed via email to the Board and Ex-Officio Members for comments/corrections .

Department Recommendation:

Adopt the minutes accepting edits as presented.

Department Director:

Tommy Hunt, Chairman

If funding is involved, are funds approved within the current budget?

No

Amount Requested:

Source of Funds:

Finance Comments:

Administrative Comments:

Date Submitted: 12/8/2021
Presenter: Karen Rojas
Item of Business: Minutes: November 4, 2021 Called Meeting
Meeting Date: 12/14/2021

Purpose of Request:

The purpose of this request is to allow the Board to adopt the minutes from the referenced meeting.

History/Background:

Facts & Issues for Consideration:

Draft minutes were distributed via email to the Board and Ex-Officio Members for comments/corrections .

Department Recommendation:

Adopt the minutes accepting edits as presented.

Department Director:

Tommy Hunt, Chairman

If funding is involved, are funds approved within the current budget?

No

Amount Requested:

Source of Funds:

Finance Comments:

Administrative Comments:



CITY OF GAINESVILLE

AGENDA REQUEST

Date Submitted: 12/10/2021

Presenter: Tommy Hunt, Chairman

Item of Business: Executive Session Minutes: November 9, 2021 Meeting

Meeting Date: 12/14/2021

Purpose of Request:

The purpose of this request is to allow the Board to approve the Executive Session minutes from the referenced meeting.

History/Background:

Facts & Issues for Consideration:

Minutes of each Executive Session shall be maintained by the Secretary in accordance with the Open Meetings Act.

Department Recommendation:

Approve the minutes with edits as presented.

Department Director:

Tommy Hunt, Chairman

If funding is involved, are funds approved within the current budget?

Amount Requested:

Source of Funds:

Finance Comments:

Administrative Comments:

Date Submitted: 12/8/2021
Presenter: Tommy Hunt, Chairman
Item of Business: Minutes: November 9, 2021 Meeting
Meeting Date: 12/14/2021

Purpose of Request:

The purpose of this request is to allow the Board to adopt the minutes from the referenced meeting.

History/Background:

Facts & Issues for Consideration:

Draft minutes were distributed via email to the Board and Ex-Officio Members for comments/corrections .

Department Recommendation:

Adopt the minutes accepting edits as presented.

Department Director:

Tommy Hunt, Chairman

If funding is involved, are funds approved within the current budget?

No

Amount Requested:

Source of Funds:

Finance Comments:

Administrative Comments:
