GAINESVILLE

Retirement Plan A Meeting Agenda
Thursday, December 14, 2023, 2:00 PM
Administration Building, The Station
300 Henry Ward Way
Chairman or Vice Chairman Presides

PRESENTATIONS

- Actuarial Presentation — Joe Griffin

EXECUTIVE SESSION

REGULAR BUSINESS

- 2024 RPA Board Meeting Calendar — LaDana Bruce
- Minutes from November 7, 2023 — LaDana Bruce
- Executive Session Minutes from November 7, 2023 — LaDana Bruce
- Distribution Report — LaDana Bruce

ADJOURNMENT

Final:

CITY OF GAINESVILLE

Retirement Plan A Agenda Request

Item Created:	December 13, 2023
Date Submitted:	December 13, 2023
Final Approval Date:	December 14, 2023
Presenter:	Joe Griffin
Item of Business:	Actuarial Presentation
Meeting Date:	December 14, 2023

Purpose of Request:
Foster & Foster will present their findings in the 2023 valuation.

Facts & Issues / History & Background:

Department Recommendation:

Department Director:
Janeann Allison

If funding is involved, are funds approved within the current budget? No

Amount Requested: **Sources of Funds:**

Finance Comments:

Administrative Comments:

Attachments:
1. 2023.12.14_Actuarial_Valuation_Presentation_2023
2. 2023.12.13_Actuarial_Valuation_Report_2023

THE CITY OF GAINESVILLE RETIREMENT PLAN A

JULY 1, 2023 ACTUARIAL VALUATION

December 14, 2023

FOSTER & FOSTER
ACTUARIES AND CONSULTANTS

CONTENTS

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Transition From Prior Actuary

- As expected, transition of service has been smooth
- Matched the liabilities as of July 1, 2022 within actuarial norms

Liability Measure	Prior Actuary	Foster & Foster	% Difference
Present Value of Benefits			
Retirees & Beneficiaries	104,796,437	104,346,655	-0.43%
Deferred Vested & Due Refund	3,108,511	3,153,215	1.44%
Actives	98,958,501	101,146,565	2.21%
Total	$206,863,449	$ 208,646,435	0.86%
Actuarial Accrued Liability			
Actives	75,045,987	74,881,396	-0.22%
Inactives	107,904,948	107,499,870	-0.38%
Total	182,950,935	182,381,266	-0.31%
Normal Cost	$3,468,402	$3,478,912	0.30%

- Matched asset smoothing value and contribution calculations

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INTRODUCTION TO THE ACTUARIAL VALUATION

ACTUARIAL MODEL

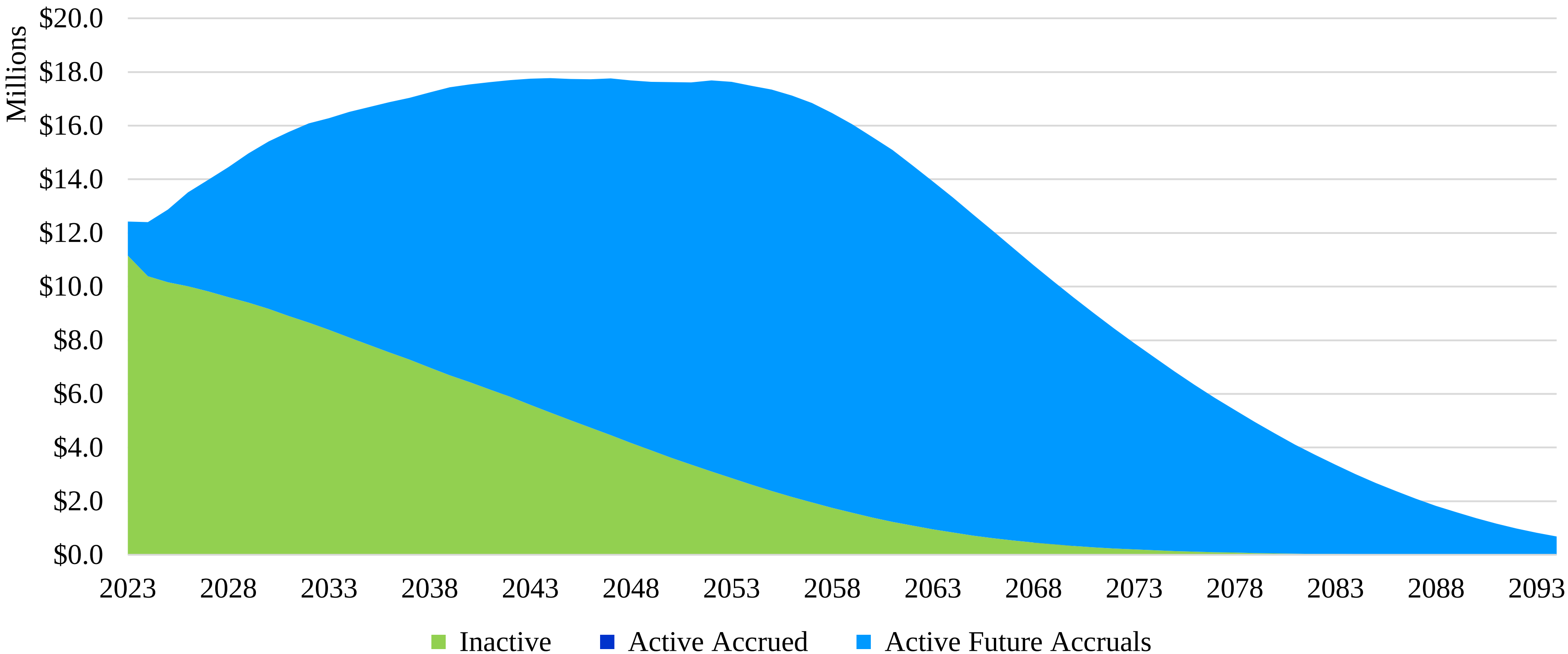
- Inputs – Census data, plan provisions, assumptions, cost method
- Projects the plan's population and expected benefit payments 100 years
  - Rates of termination, retirement, death and disability
  - Salary increase assumptions
- Determine Liability from projected payments
  - Investment rate of return assumption
- Fund Benefits as they are Earned and Amortize Unfunded Liability
  - Entry age normal – benefit accruals are funded level as a percentage of payroll over career of employees and unfunded liabilities due to actuarial losses are amortized (max 30 years under State law)

Introduction to the Actuarial Valuation

Actuarial Model

Projected benefit payments determine accrued and projected benefit liability

Total Projected Benefits



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ACTUARIAL VALUATION RESULTS SUMMARY

- Plan meets minimum funding requirements under Georgia Code 47-20-10
- The contribution rate of 26.4% is sufficient to pay off the unfunded liability in 29.2 years (vs. 25.6 years from the last valuation). The maximum period allowed under Georgia Code is 30 years.
- The Plan's funded percentage decreased slightly from 68.4% to 66.8%
  - Asset experience: 5.62% return on the actuarial value of assets for 2023 was below the assumed rate of 7.0% per year
  - Liability experience:
    - Salary increases were higher than assumed
    - Mortality experience was unfavorable
    - There were no significant sources of actuarial gain

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ACTUARIAL VALUATION RESULTS

CENSUS DATA

	Active Employees	Terminated Vested [1]	Retirees	Beneficiaries	Total
Number of Participants as of July 1, 2022	**481**	**61**	**279**	**27**	**848**
Changes in participant status					
Actives who terminated vested	(4)	4			
Actives who retired	(15)		15		
Terminated vested who retired					
Refunded	(25)	(12)			(37)
Terminated and due refund	(11)	11			
No longer participating due to:					
Death with Survivor			(1)		(1)
Death without Survivor			(2)		(2)
New participant due to:					
New hire	85	24			109
Death of another participant				2	2
Number of Participants as of July 1, 2023	**511**	**88**	**291**	**29**	**919**

[1] Includes former employees due a refund

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ACTUARIAL VALUATION RESULTS

Census Data	July 1, 2023	July 1, 2022
Active Participants		
Number of Employees	511	481
Average Age	42.0	42.8
Average Service	9.9	9.7
Average Annual Compensation	$58,967	$60,052
Inactive Participants		
Retirees		
Number	289	277
Average Age	67.1	66.7
Average Annual Benefit	$35,449	$35,301
Disabled		
Number	2	2
Average Age	73.1	72.1
Average Annual Benefit	$13,744	$13,744
Beneficiaries		
Number	29	27
Average Age	74.0	72.9
Average Annual Benefit	$23,074	$23,431
Terminated Vested		
Number	88	61
Average Age	49.1	48.1
Average Annual Benefit	$22,964	$23,196
Total Participants	919	848

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ACTUARIAL VALUATION RESULTS

MARKET VALUE OF ASSETS

	July 1, 2023	July 1, 2022
Market Value of Assets - Beginning of Year	$ 121,625,675	$ 138,626,378
Additions		
Employer Contributions	$ 4,227,917	$ 3,851,093
Employee Contributions	4,227,917	3,851,093
Investment Income		
Dividend, Interest, Other Income	$ 2,948,381	$ 1,925,450
Realized and Unrealized Gains or (Losses)	(3,819,618)	(15,252,487)
Total Investment Income	$ (871,237)	$ (13,327,037)
Total Additions	$ 7,584,597	$ (5,624,851)
Deductions		
Benefit Payments	$ 10,673,118	$ 9,750,012
Refunds	888,815	1,225,827
Administrative Expenses	385,422	348,610
Salary and Benefits Expenses	65,316	51,403
Total Deductions	$ 12,012,671	$ 11,375,852
Market Value of Assets - End of Year	$ 117,197,601	$ 121,625,675
Estimated Rate of Return	-0.73%	-9.74%

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ACTUARIAL VALUATION RESULTS

ACTUARIAL VALUE OF ASSETS

			July 1, 2023		July 1, 2022
(1) Market Value of Assets - Beginning of Year			$ 121,625,675		$ 138,626,378
(2) Net Cash Flow (Contributions - Benefit Payments – Admin Expenses)			(3,556,837)		(3,673,666)
(3) Expected Return, Net of Investment Expenses			8,389,308		9,575,268
(4) Expected Market Value			126,458,146		144,527,980
(5) Actual Market Value			117,197,601		121,625,675
(6) Gain/(Loss) on Market Value *[(5) – (4)]*			$ (9,260,545)		$ (22,902,305)
(7) Deferred Gains/(Losses) on Market Value					
2023 (Loss) -	(9,260,545)	x 80%	$ (7,480,436)		
2022 (Loss) -	(22,902,305)	x 60%	(13,741,383)	x 80%	$ (18,321,844)
2021 Gain -	26,122,397	x 40%	10,448,959	x 60%	15,673,438
2020 (Loss) -	(2,619,508)	x 20%	(523,902)	x 40%	(1,047,803)
2019 Gain -	1,341,574			x 20%	268,315
Total Deferred Gains/(Losses)			$ (11,224,762)		$ (3,427,894)
(8) Actuarial Value of Assets *[(5) – (7), but not more than 120% of (5) or less than 80% of (5)]*			$ 128,422,363		$ 125,053,569
(9) Estimated Rate of Return			5.62%		8.52%

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ACTUARIAL VALUATION RESULTS

UNFUNDED LIABILITIES

	July 1, 2023	July 1, 2022
Accrued Liability		
Active	$ 79,707,177	$ 75,045,987
Retirees	103,089,404	99,178,163
Terminated Vested	3,933,559	3,108,511
Beneficiaries	5,595,862	5,618,274
Total Accrued Liabilities	**$192,326,002**	**$182,950,935**
Actuarial Value of Assets	**$128,422,363**	**$125,053,570**
Unfunded Actuarial Liability	**$ 63,903,639**	**$ 57,897,365**
Funded Percentage	66.8%	68.4%

ACTUARIAL VALUATION RESULTS
CONTRIBUTION REQUIREMENTS

- Current contribution level of 26.4% of payroll will amortize the unfunded liability over approximately 29.2 years in absence of future actuarial gains to offset recent investment performance.

	GA State Required	Alternative GA State Required
Amortization	Layered Schedule	30 Year Open
Normal Cost plus Admin. Expenses	$ 3,982,690	$ 3,982,690
Amortization Payment	8,115,233	3,607,710
Interest Adjustment	767,764	531,328
Total Contribution	$ 12,865,687	$ 8,121,728
Contribution as a % of Payroll	41.8%	26.4%
Effective Amortization Period	12.6 years	29.2 years

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ACTUARIAL DISCLOSURES

DATA, ASSUMPTIONS, METHODS AND PLAN PROVISIONS

Census data was provided by the City of Gainesville as of July 1, 2023. We reviewed the data for consistency with prior years, but did not perform an audit of the data. The results in this report depend on the accuracy of the data.

A detailed summary of the data, assumptions, methods and plan provisions is provided in the July 1, 2023 actuarial valuation report.

DISCUSSION OF RISKS

In reviewing the results of this report it should be noted that there are risks that may not be inherently apparent to the reader that should be carefully considered. Please see the July 1, 2023 valuation report for further discussion regarding risk.

ACTUARIAL DISCLOSURES

USE, SCOPE AND QUALIFICATIONS

This report was developed for the Board of Trustees of the City of Gainesville, Georgia for use in determining appropriate contributions to the Plan and reviewing the funded status of the Plan. Use of this report for any other purpose may not be appropriate. Future actuarial measurements may differ significantly from the current measurements presented in this report for a variety of reasons including: changes in applicable laws, changes in plan provisions, changes in assumptions, or plan experience differing from expectations. The funding percentages and unfunded accrued liability provided in this report are appropriate for determining future contributions but may not be appropriate for the purpose of settling a portion or all of its liabilities. Due to the limited scope of this report, we did not provide an analysis of these potential differences. In performing the analysis, we used third-party software to model (calculate) liabilities. These results are reviewed in the aggregate and for individual sample lives. The output from the software is either used directly or input into internally developed models to generate the costs. All internally developed models are reviewed as part of the process. As a result of this review, we believe that the models have produced reasonable results. We do not believe there are any material inconsistencies among assumptions or unreasonable output produced due to the aggregation of assumptions. To the best of my knowledge, this report is complete and accurate in all aspects. Joseph L. Griffin is an Enrolled Actuary and a Member of the American Academy of Actuaries and meets the qualification requirements to issue the statements of actuarial opinion contained in this report.

City of Gainesville
Retirement Plan A

Actuarial Valuation
as of July 1, 2023

December 12, 2023

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

Re: July 1, 2023 Actuarial Valuation

Dear Board of Trustees:

We are pleased to present this report of the annual actuarial valuation of the City of Gainesville Retirement Plan A ("Plan"). The funding valuation was performed to determine whether the assets and contributions are sufficient to provide the prescribed benefits and to develop the appropriate funding requirements for the applicable plan year. This report may not be appropriate for use by other parties and/or other purposes. Foster & Foster will not accept any liability for any misuse of this report.

The valuation has been conducted in accordance with generally accepted actuarial principles and practices, including the applicable Actuarial Standards of Practice as issued by the Actuarial Standards Board, and reflects laws and regulations issued to date pursuant to Georgia Public Retirement System Law, Code Title 47, Chapter 20, as well as applicable federal laws and regulations. In our opinion, the assumptions used in this valuation, as adopted by the Retirement Committee, represent reasonable expectations of anticipated plan experience. Future actuarial measurements may differ significantly from the current measurements presented in this report for a variety of reasons including: changes in applicable laws, changes in plan provisions, changes in assumptions, or plan experience differing from expectations. An analysis of those potential differences was not provided as it is outside the scope of requested services.

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

The funding percentages and unfunded accrued liability provided in this report are appropriate for determining future contributions but may not be appropriate for the purpose of settling a portion or all of its liabilities. Funding percentages based on the Actuarial Value of Assets may differ significantly from similar percentages based on the Market Value of Assets. In reviewing the results presented herein, it should be noted that there are risks that may not be inherently apparent to the reader that should be carefully considered. While providing numerical analysis of such risks is out of the scope of the valuation, additional risks are identified in the Discussion of Risks section.

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

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

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

If there are any questions, concerns, or comments about any of the items contained in this report, please contact me at 239-433-5500.

Respectfully submitted,

Foster & Foster, Inc.

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Joseph L. Griffin, ASA, EA, MAAA

Enclosures

Table of Contents

Summary of Report

The annual actuarial valuation of the City of Gainesville Retirement Plan A, performed as of July 1, 2023, has been completed in accordance with Georgia Public Retirement System Law, Code Title 47, Chapter 20 and the results are presented in this Report. Below provides a summary of the key results of the valuation. Additional details regarding the results are included in the exhibits throughout this report.

Minimum Required Contributions under Georgia Code 47-20-10

The minimum required contribution is $8,121,728 (26.4% of payroll) for the Fiscal Year ending June 30, 2025, compared to a minimum requirement of $7,571,750 (25.5% of payrolls) in the prior year. The minimum contribution is equal to the sum of the Normal Cost, administrative expenses, and a 30-year amortization payment towards the Unfunded Accrued Liability. The amortization payment is calculated as increasing amount using a 2.75% per year payroll growth assumption. The current contribution rate of 26.4% of payroll is amortizing the Unfunded Accrued Liability over an effective period of 29.2 years (an increase from 25.6 years in the prior valuation). A detailed calculation of the minimum required contribution can be found in the Summary of Valuation Results section of this report.

Recommended Contributions

We recommend making annual contributions that equal or exceed the sum of the Normal Cost, administrative expenses, and an amortization payment towards the Unfunded Accrued Liability. The recommended contribution for the Fiscal Year ending June 30, 2025 is $12,865,687 (or 41.8% of payroll). The amortization amount is determined using a layered approach by amortizing changes in the Unfunded Accrued Liability over the specified amortization periods under Georgia Code. In addition, the amortization amount is calculated as an increasing amount using a 2.75% per year payroll growth assumption. Additional details can be found in the Summary of Valuation Results section of this report.

Actuarial Experience

The net actuarial experience for the year was an actuarial loss of $10.1 million, which is made up of an actuarial loss on liabilities, assets and contributions as further described below.

Accrued Liabilities

The actuarial accrued liability increased from $183.0 million to $192.3 million. Actuarial losses increased liabilities by $4.8 million over what was expected. The sources of actuarial losses on the liabilities included larger than expected salary increases, fewer number of retiree deaths, and unexpected retirements.

Summary of Report (continued)

Assets

The market value of assets decreased from $121.6 million to $117.2 million during the period July 1, 2022 to June 30, 2023. During this period the Plan received $8.5 million in contributions and distributed $12.0 million in benefit payments and expenses. The return on the market value of assets was -0.73%.

To reduce volatility due to short term fluctuations in capital markets, an Actuarial Value of Assets is used in the valuation. The Actuarial Value of Assets recognizes gains and losses each year on the Market Value of Assets over a 5-year period. The return on the Actuarial Value of Assets for Fiscal 2023 was 5.62%, compared to the assumed rate of investment return of 7.00%. This resulted in an asset loss of $1.8 million.

Contributions

Contributions were less than the recommended contribution, resulting in a loss of $3.48 million.

Actuarial Assumptions and Methods

A detailed summary of the assumptions and methods is in the Actuarial Assumptions and Methods section of this report. In our opinion, the assumptions used in this valuation as adopted by the City of Gainesville Retirement Plan A, represent reasonable expectations of anticipated plan experience.

Plan Provisions

There were no changes to the plan provisions since the prior valuation. A detailed summary of the plan provisions is in the Summary of Plan Provisions section of this report.

Discussion of Risk

In reviewing the actuarial results contained in this report it is important to consider key risk factors that may impact the future solvency of the Plan and/or future City contribution requirements. One of the most significant risks is adverse investment performance. Prolonged periods of investment performance below the assumed rate of investment return will reduce the Plan's funded status and increase contribution requirements over the long-term. A detailed discussion of risks is in the Discussion of Risks section of this report.

Summary of Report (continued)

Actuarial Certification

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

To the best of my knowledge, the City of Gainesville Retirement Plan A is in compliance with the Minimum Funding Standards specified in Code Section 47-20-10 of the Official Code of Georgia Annotated (Public Retirement Systems Standards Law). To my knowledge, no associate of Foster & Foster, Inc. working on valuations of the program has any direct financial interest or indirect material interest in the City of Gainesville, nor does anyone at Foster & Foster, Inc. act as a member of the Board of Trustees. Thus, there is no relationship existing that might affect our capacity to prepare and certify this actuarial report.

The undersigned would be pleased to meet with City and/or the Board of Trustees to discuss the Report and any pending questions concerning its contents.

Respectfully submitted,

FOSTER & FOSTER, INC.

Joseph L. Griffin, ASA, EA, MAAA
23-06938

Summary of Valuation Results

Valuation Date	July 1, 2023	July 1, 2022
Assumed Annual Investment Rate of Return	7.00%	7.00%
Actual Investment Rate of Return on Actuarial Value	5.62%	8.52%
Payroll Growth Rate	2.75%	2.75%
A. Assets and Liabilities		
Actuarial Accrued Liability (AAL)	$ 192,326,002	$ 182,950,935
Actuarial Value of Assets (AVA)	128,422,363	125,053,570
Unfunded/(Surplus) Accrued Liability	$ 63,903,639	$ 57,897,365
Funded Percentage (AVA / AAL)	66.8%	68.4%
B. Recommended Contributions under Georgia Code 47-20-10		
Normal Cost plus Expenses	$ 3,982,690	$ 3,807,779
Amortization Payment	8,115,233	7,306,931
Interest Adjustment	767,764	705,368
Total Required Contribution	$ 12,865,687	$ 11,820,078
Contribution as a Percent of Payroll	41.8%	39.8%
Effective Amortization Period	12.6	9.3
C. Alternative Required Contributions under Georgia Code 47-20-10		
Normal Cost plus Expenses	$ 3,982,690	$ 3,807,779
Amortization Payment [1]	3,607,710	3,268,623
Interest Adjustment	531,328	495,348
Total Required Contribution	$ 8,121,728	$ 7,571,750
Contribution as a Percent of Payroll	26.4%	25.5%
Effective Amortization Period	29.2	25.6
D. Participant Data		
Active Employees	511	481
Retirees	291	277
Disabled Retirees	2	2
Beneficiaries	29	27
Terminated Vested	22	18
Nonvested due Refund	66	43
Total Participants	921	848
Projected Valuation Payroll	$ 30,789,457	$ 29,679,303
Annual Benefit Payments	10,914,044	10,975,839

[1] The amortization payments as of July 1, 2022 and July 1, 2023 are calculated on a open 30-year basis.

Liabilities

Valuation Date	July 1, 2023	July 1, 2022
Assumed Annual Investment Rate of Return	7.00%	7.00%
A. Present Value of Future Benefits		
Active Participants		
Retirement Benefits	$ 94,410,200	$ 86,007,752
Termination Benefits	9,913,603	10,682,045
Disability Benefits	1,447,639	1,246,229
Death Benefits	1,342,861	1,022,475
Total Active	$ 107,114,303	$ 98,958,501
Inactive Participants		
Retirees	$ 102,884,262	$ 98,968,190
Beneficiaries	5,595,862	5,618,274
Terminated Vested	3,933,559	3,108,511
Disabled	205,142	209,973
Total Inactive	$ 112,618,825	$ 107,904,948
Total Present Value of Future Benefits	$ 219,733,128	$ 206,863,449
B. Actuarial Accrued Liability		
Active Participants		
Retirement Benefits	$ 75,816,531	$ 72,755,197
Termination Benefits	2,061,768	666,002
Disability Benefits	886,892	862,757
Death Benefits	941,986	762,031
Total Active	$ 79,707,177	$ 75,045,987
Inactive Participants	$ 112,618,825	$ 107,904,948
Total Actuarial Accrued Liability	$ 192,326,002	$ 182,950,935
C. Normal Cost, including Administrative Expenses		
Retirement Benefits	$ 2,449,331	$ 1,805,641
Termination Benefits	1,042,506	1,574,229
Disability Benefits	74,642	52,881
Death Benefits	49,211	35,651
Administrative Expenses	367,000	339,377
Total Normal Cost	$ 3,982,690	$ 3,807,779

Reconciliation of Unfunded Accrued Liability and Actuarial Loss / (Gain)

		July 1, 2023
A. Reconciliation of Unfunded Accrued Liability		
Unfunded Accrued Liability as of July 1, 2022	$	57,897,365
Normal Cost for 2022		3,468,402
Assumed Administrative Expenses		338,358
Interest		4,319,289
Contributions Required with Interest		(12,226,783)
Assumption Changes		0
Plan Changes		0
Expected Unfunded Accrued Liability as of July 1, 2023	$	53,796,631
Actual Unfunded Accrued Liability as of July 1, 2023		63,903,639
Actuarial Loss / (Gain) during 2022	$	10,107,008
B. Reconciliation of Loss / (Gain) on Liabilities		
Actuarial Accrued Liability as of July 1, 2022	$	182,950,935
Normal Cost for 2022		3,468,402
Benefit Payments during 2022		(11,561,933)
Interest		12,651,530
Assumption Changes		0
Plan Changes		0
Expected Actuarial Accrued Liability as of July 1, 2023	$	187,508,934
Actuarial Accrued Liability as of July 1, 2023		192,326,002
Actuarial Loss / (Gain) on Liabilities	$	4,817,068
C. Reconciliation of Loss / (Gain) on Assets		
Actuarial Value of Assets as of July 1, 2022	$	125,053,570
Contributions with Interest		8,746,783
Benefit Payments during 2022		(11,561,933)
Assumed Administrative Expenses		(350,000)
Interest		8,343,883
Expected Actuarial Value of Assets as of July 1, 2023	$	130,232,303
Actuarial Value of Assets as of July 1, 2023		128,422,363
Actuarial Loss / (Gain) on Assets	$	1,809,940
D. Reconciliation of Loss / (Gain) on Contributions		
Contributions Recommended with Interest	$	12,226,783
Actual Contributions with Interest		8,746,783
Actuarial Loss / (Gain) on Contributions	$	3,480,000
E. Actuarial Loss / (Gain) during 2023 (B. + C. + D.)	$	10,107,008

Amortization Schedule

Description	Date Created	Initial Balance	Outstanding Balance	Years Remaining	Amortization Amount
Method Change	7/1/2005	$ 32,986,302	$ 31,713,727	12	$ 3,270,653
Plan Amendment	7/1/2008	2,971,384	1,557,048	5	337,150
Experience Loss	7/1/2009	6,539,294	874,515	1	874,515
Change in Asset Method	7/1/2009	(4,257,814)	(4,436,555)	16	(369,307)
Experience Loss	7/1/2010	649,697	164,751	2	84,045
Experience Loss	7/1/2011	1,822,083	657,178	3	227,995
Assumption Change	7/1/2011	(1,863,464)	(1,970,811)	18	(151,158)
Experience Gain	7/1/2012	(1,960,521)	(894,092)	4	(237,290)
Plan Amendment	7/1/2012	455,797	348,292	9	45,262
Experience Gain	7/1/2013	(764,499)	(413,339)	5	(89,501)
Experience Loss	7/1/2014	1,624,012	999,450	6	183,897
Experience Loss	7/1/2015	2,710,071	1,845,916	7	296,821
Experience Loss	7/1/2016	2,150,436	1,588,234	8	227,803
Assumption Change	7/1/2016	1,077,026	1,127,661	23	73,874
Experience Loss	7/1/2017	4,409,885	3,490,207	9	453,567
Experience Loss	7/1/2018	4,361,401	3,653,841	10	435,532
Assumption Change	7/1/2018	3,511,941	3,641,424	25	227,071
Change in Asset Method	7/1/2018	(6,305,493)	(6,537,973)	25	(407,694)
Experience Loss	7/1/2019	4,871,842	4,287,943	11	473,484
Experience Loss	7/1/2020	4,726,696	4,335,112	12	447,082
Experience Gain	7/1/2021	(1,431,253)	(1,358,559)	13	(131,754)
Experience Loss	7/1/2022	5,839,525	5,703,481	14	523,171
Plan Amendment	7/1/2022	883,387	877,627	19	64,912
Plan Amendment	7/1/2022	305,322	2,876,684	9	373,837
Actuarial Loss	7/1/2023	10,107,008	10,107,008	15	881,266
Totals			$ 64,238,770		$ 8,115,233

Date	Projected Balance	Amortization Payment
7/1/2023	$ 64,238,770	$ 8,115,233
7/1/2024	60,052,185	7,439,837
7/1/2025	56,295,213	7,555,702
7/1/2026	52,151,278	7,516,156
7/1/2027	47,759,582	7,987,343
7/1/2028	42,556,294	7,923,363
7/1/2029	37,057,236	7,924,855
7/1/2030	31,171,647	7,783,892
7/1/2031	25,024,898	7,714,933
7/1/2032	18,521,665	6,813,093
7/1/2033	12,528,173	6,429,190
7/1/2034	6,525,911	5,967,869
7/1/2035	597,104	983,726
7/1/2036	(413,685)	1,198,243

Allocation of Market Value of Assets

Investment Type		July 1, 2023	%		July 1, 2022	%
Receivables	$	0	0.0%	$	0	0.0%
Cash or Cash Equivalents		7,164,783	6.1%		4,371,401	3.6%
Real Estate		0	0.0%		0	0.0%
Fixed Income		31,014,669	26.5%		32,424,138	26.7%
Equity		63,267,528	54.0%		65,490,772	53.8%
Pooled Funds		15,812,544	13.5%		19,372,720	15.9%
Payables		(61,923)	-0.1%		(33,358)	0.0%
Market Value of Assets	$	117,197,601	100.0%	$	121,625,673	100.0%

Reconciliation of Market Value of Assets

	July 1, 2023	July 1, 2022
Market Value of Assets - Beginning of Year	$ 121,625,675	$ 138,626,378
Additions		
Employer Contributions	$ 4,227,917	$ 3,851,093
Employee Contributions	4,227,917	3,851,093
Investment Income		
Dividend, Interest, Other Income	$ 2,948,381	$ 1,925,450
Realized and Unrealized Gains or (Losses)	(3,819,618)	(15,252,487)
Total Investment Income	$ (871,237)	$ (13,327,037)
Total Additions	$ 7,584,597	$ (5,624,851)
Deductions		
Benefit Payments	$ 10,673,118	$ 9,750,012
Refunds	888,815	1,225,827
Administrative Expenses	385,422	348,610
Salary and Benefits Expenses	65,316	51,403
Total Deductions	$ 12,012,671	$ 11,375,852
Market Value of Assets - End of Year	$ 117,197,601	$ 121,625,675
Estimated Rate of Return	-0.73%	-9.74%

Actuarial Value of Assets

			July 1, 2023	July 1, 2022
(1) Market Value of Assets - Beginning of Year			$ 121,625,675	$ 138,626,378
(2) Net Cash Flow				
(a) Contributions			$ 8,455,834	$ 7,702,186
(b) Benefit Payments			(11,561,933)	(10,975,839)
(c) Administrative Expenses			(450,738)	(400,013)
(d) Net Cash Flow *[(2)a+(2)b+(2)c]*			$ (3,556,837)	$ (3,673,666)
(3) Expected Return on Market Value, Net of Investment Expenses *[(1) x .07] + [(2)d x .035]*			$ 8,389,308	$ 9,575,268
(4) Expected Market Value of Assets - End of Year *[(1)+(2)d+(3)]*			126,458,146	$ 144,527,980
(5) Actual Market Value of Assets - End of Year			117,197,601	$ 121,625,675
(6) Gain/(Loss) on Market Value *[(5) - (4)]*			$ (9,260,545)	$ (22,902,305)
(7) Deferred Gains/(Losses) on Market Value of Assets		Total Gain/(Loss)	Amount Deferred	Amount Deferred
	July 1, 2023	$ (9,260,545)	$ (7,408,436)	
	July 1, 2022	(22,902,305)	(13,741,383)	$ (18,321,844)
	July 1, 2021	26,122,397	10,448,959	15,673,438
	July 1, 2020	(2,619,508)	(523,902)	(1,047,803)
	July 1, 2019	1,341,574		268,315
			$ (11,224,762)	$ (3,427,894)
(8) Preliminary Actuarial Value of Assets *[(5) - (7)]*			$ 128,422,363	$ 125,053,569
(9) 80% of the Market Value of Assets *[.8 X (5)]*			$ 93,758,081	$ 97,300,540
(10) 120% of the Market Value of Assets *[1.2 X (5)]*			$ 140,637,121	$ 145,950,810
(11) Actuarial Value of Assets - End of Year *Minimum of (10) and maximum of (8) and (9)*			$ 128,422,363	$ 125,053,569
(12) Estimated Rate of Return			5.62%	8.52%

Actuarial Present Value of Accumulated Plan Benefits

	July 1, 2023	July 1, 2022
Actuarial Present Value of Accumulated Plan Benefits (PVAB)		
Participants Currently Receiving Payments	$ 108,480,124	
Other Participants	54,865,032	
Non-vested Benefits	7,737,282	
Total PVAB	$ 171,082,438	
Market Value of Assets (MVA)	117,197,600	
Excess of PVAB over MVA	53,884,838	
Funded Percentage (MVA / PVAB)	68.5%	

Projection of Benefit Payments

(Present Value of Future Benefits Basis)

Year	Emerging Inactives	Current Inactives	Total
2023	$ 1,272,143	$ 11,451,136	$ 12,723,279
2024	1,977,125	10,681,696	12,658,821
2025	2,641,561	10,448,203	13,089,764
2026	3,398,039	10,292,399	13,690,438
2027	4,036,786	10,094,958	14,131,744
2028	4,687,202	9,873,595	14,560,797
2029	5,378,592	9,663,588	15,042,180
2030	6,038,988	9,417,121	15,456,109
2031	6,628,193	9,149,517	15,777,710
2032	7,167,498	8,896,203	16,063,701
2033	7,631,870	8,615,017	16,246,887
2034	8,130,555	8,327,844	16,458,399
2035	8,571,389	8,035,284	16,606,673
2036	9,007,364	7,751,880	16,759,244
2037	9,422,013	7,475,972	16,897,985
2038	9,898,833	7,171,225	17,070,058
2039	10,354,059	6,875,934	17,229,993
2040	10,698,548	6,603,872	17,302,420
2041	11,037,901	6,321,261	17,359,162
2042	11,375,149	6,041,851	17,417,000
2043	11,701,573	5,732,603	17,434,176
2044	11,985,273	5,439,020	17,424,293
2045	12,230,342	5,140,786	17,371,128
2046	12,464,481	4,859,334	17,323,815
2047	12,754,983	4,567,833	17,322,816
2048	12,946,270	4,274,991	17,221,261
2049	13,151,086	3,987,681	17,138,767
2050	13,379,856	3,711,095	17,090,951
2051	13,589,285	3,445,951	17,035,236
2052	13,883,224	3,179,781	17,063,005

Summary of Participant Data

	July 1, 2023	July 1, 2022
Active Participants		
Number of Employees	511	481
Average Age	42.0	42.8
Average Service	9.9	9.7
Average Annual Compensation	$ 58,967	$ 60,052
Inactive Participants		
Retirees		
Number	289	277
Average Age	67.1	66.7
Average Annual Benefit	$ 35,449	$ 35,301
Disabled		
Number	2	2
Average Age	73.1	72.1
Average Annual Benefit	$ 13,744	$ 13,744
Beneficiaries		
Number	29	27
Average Age	74.0	72.9
Average Annual Benefit	$ 23,074	$ 23,431
Terminated Vested		
Number	22	18
Average Age	49.1	48.1
Average Annual Benefit	$ 22,964	$ 23,196
Nonvested Due Refund		
Number	66	43
Total Inactive Participants	408	367
Total Participants	919	848

Reconciliation of Participant Data

	Active Employees	Retirees	Disabled Retirees	Beneficiaries	Terminated Vested	Nonvested Due Refund	Total
Number of Participants as of July 1, 2022	**481**	**277**	**2**	**27**	**18**	**43**	**848**
Changes in participant status							
Actives who terminated vested	(4)				4		
Actives who retired	(15)	15					
Terminated vested who retired							
Refunded	(25)					(12)	(37)
Terminated and due refund	(11)					11	
No longer participating due to:							
Death with survivor		(1)					(1)
Death without survivor		(2)					(2)
New participant due to:							
New entrant	85					24	109
Death of another participant				2			2
Number of Participants as of July 1, 2023	**511**	**289**	**2**	**29**	**22**	**66**	**919**

Schedule of Active Participant Data

The table below shows the number of participants by age and service.

Attained Age	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 & up	Total
Under 25	15	15	3							**33**
25 to 29	23	30	17							**70**
30 to 34	7	24	36	6	1					**74**
35 to 39	4	14	11	14	13	1				**57**
40 to 44	3	9	13	12	27	8				**72**
45 to 49	5	8	13	6	15	17	2	1		**67**
50 to 54		9	7	6	10	10	6	2		**50**
55 to 59	2	3	8	6	12	10	2	1		**44**
60 to 64	2	4	7	4	8	4	2	2		**33**
65 to 69	1	2	3		1	1	1			**9**
70 & up					2					**2**
Total	**62**	**118**	**118**	**54**	**89**	**51**	**13**	**6**		**511**

Actuarial Assumptions and Methods

Investment Rate of Return 7.00% per year, compounded annually, net of investment related expenses.

Inflation Rate 2.75% per year

Payroll Growth Rate 2.75% per year

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 mortality tables above are projected from 2014 on a generational basis using the MP-2015 improvement scale to reflect expected future mortality improvements.

Retirement Rates Rates of retirement are shown below. Rates are increased by 30% when the participant becomes eligible for unreduced benefits.

Employees hired before July 1, 2008	
Age	**Rate**
40 – 49	15%
50 – 59	12.5%
60	15%
61	20%
62	40%
63	35%
64	20%
65 – 69	35%
70	100%

Employees hired on or after July 1, 2008	
Age	**Rate**
50 – 59	5%
60 – 64	30%
65	100%

Terminated vested participants are assumed to retire at the earliest eligibility for normal retirement, but not before age 60.

Actuarial Assumptions and Methods (continued)

Termination Rates Sample rates of termination are shown below:

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%

Disability Rates Sample rates of disability are shown below. 100% of disabilities are assumed to be on the job for employees hired prior to July 1, 2008, 30% for general employees hired on or after July 1, 2008, and 80% for public safety employees hired on or after July 1, 2008.

Age	Disability Rate
20	0.0225%
25	0.0250%
30	0.0275%
35	0.0300%
40	0.0375%
45	0.0538%
50	0.0825%
55	0.1450%
60	0.2950%

Form of Payment Single life annuity

Administrative Expenses $367,000 payable mid-year, equal to the average of the prior two years.

Marital Assumptions 90% of members are assumed to be married with males 2 years older than females.

Actuarial Assumptions and Methods (continued)

Salary Increases

Rates of salary increases are shown below.

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%

Funding Method

Individual Entry Age Normal Actuarial Cost Method (Level Percentage of Compensation) with the Normal Cost determined as if the current benefit accrual rate had always been in effect.

Amortization Method

Changes in unfunded accrued liabilities are amortized with a payment schedule assuming to increase annually under the payroll growth assumption rate and in accordance with the periods specified in Georgia Code 47-20-10 as follows:

Plan Changes – 20 years
Experience – 15 years
Assumption Changes – 30 years

Actuarial Asset Method

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.

Actuarial Assumptions Basis

The investment return, inflation, and administrative expense assumptions used in the July 1, 2023 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, 2023 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.

<u>Assumption and Method Changes Since the Prior Valuation</u>

There were no assumptions or method changes since the prior valuation.

Summary of Plan Provisions

Plan Effective Date	July 1, 2022
Most Recent Amendment	June 7, 2022
Plan Year	July 1 to June 30
Eligibility	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, temporary, casual or part-time employees are not eligible to participate in this plan.
Credited Service	Number of years and completed months.
Compensation	W-2 wages plus any deferrals made pursuant to Code Section 125, 402(g)(3), 401(k), 414(h), or 457.
Average Monthly Compensation (AMC)	Compensation of a participant averaged over the highest 60 consecutive months of Credited Service.

<u>**Normal Retirement**</u>

Employees hired prior to July 1, 2008

Date	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.)
Benefit	3.0% of Average Monthly Compensation times years of Credited Service (maximum 99%)

Employees hired on or after July 1, 2008

Date	<u>General Employees:</u> Age 60 and the completion of 10 years of service <u>Public Safety Employees:</u> Age 60 and the completion of 10 years of service, or age 50 and the completion of 25 years of service, if earlier
Benefit	2.5% of Average Monthly Compensation times years of service (maximum 82.5%)

Summary of Plan Provisions (continued)

<u>Normal Retirement (continued)</u>

Normal Form of Payment	The benefit begins at retirement and continues for the participant's lifetime.
Optional Forms of Payment	
Actuarial Equivalence	The actuarial reduction is based on the RP 2014 Employee Mortality Table without setback and an interest rate of 7.0%.
Form of Payment	50% joint and survivor annuity with pop up 75% joint and survivor annuity with pop up 100% joint and survivor annuity with pop up

<u>Early Retirement</u>

Employees hired prior to July 1, 2008

Date	Any age and the completion of 20 years of service
Benefit	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

Date	Any age and the completion of 20 years of service
Benefit	Normal pension accrued reduced by 1.65% for each year by which the benefit commencement date precedes the normal retirement date. Notwithstanding, in the event a participant has achieved the requirements for an Early Retirement Pension, the participant's benefit cannot be reduced to less than forty percent (40%) of the participant's accrued benefit.

Summary of Plan Provisions (continued)

Termination

10 or more years of service	A monthly benefit commencing at age 60 based on credited service and average monthly compensation as of the date of termination.
Less than 10 years of service	The participant's contributions will be returned without interest.
Hired after age 55	The threshold for eligibility of termination benefit is based on 5 years of service

Disability

Employees hired prior to July 1, 2008

Eligibility	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
Benefit	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	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
Benefit	50% of average monthly compensation, but not less than the unreduced normal pension accrued

Employees hired on or after July 1, 2008 & Not On the Job

Eligibility	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
Benefit	The unreduced normal pension accrued

Summary of Plan Provisions (continued)

<u>Death Benefits</u>

<u>Pre-Retirement</u>

Less than 25 years of Service

Eligibility	Death prior to termination of employment and completion of at least 10 years but less than 25 years of eligibility service.
Benefit	50% of accrued Normal Retirement benefit payable.

At Least 25 years of Service

Eligibility	Death prior to termination of employment and after completion of at least 25 years of eligibility service.
Benefit	The amount of pension computed as if the decedent had retired under the normal retirement provision and elected a 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 lifetime pension.

Cost of Living Adjustment	None.
City Contributions	13.2% of Compensation.
Participant Contributions	13.2% of Compensation.

<u>Plan Changes Since the Prior Valuation</u>

There have been no plan changes since the last valuation.

Discussion of Risk

In reviewing this report, it should be noted that there are risks that may not be inherently apparent to the reader that should be carefully considered. Below is a summary of the key risks factors that should be considered:

1. Investment risk: The liabilities and corresponding funded status presented in this report assume a long-term return expectation of 7.00% in each future year, net of investment expenses. Due to the nature of investments, long-term expectations are not a guarantee and actual average long-term returns may be above or below 7.00% per year. It should be noted that the liabilities and the corresponding funded status presented in this report would vary to the extent the long-term rate of return varies from current expectations. Furthermore, short-term volatility in actual returns is expected and will result in year-over-year fluctuation in financial metrics.

2. Demographic risk: The results in this report assume demographic characteristics of the plan will follow a pattern consistent with assumptions disclosed for termination of employment, incidence of disabilities, salary increases, timing of retirement, and duration of payments throughout retirement. Actuarial assumptions are applied to large groups of individuals to reasonably estimate plan liabilities and are not intended to be applied on an individual basis. As such, demographic changes may differ significantly from those assumed and result in varying liabilities and funded status.

3. Contribution risk***:*** Risks associated with items 1 and 2 above will inherently create varying liabilities and assets resulting in volatility in contribution requirements. Actuarial losses on assets and liabilities will lead to higher contribution amounts, while actuarial gains on assets and liabilities will lead to lower contribution amounts. It should be noted that investment risk is generally a greater risk to most plans than demographic risk. Prolonged periods of investment performance below the assumed rate of return can result in a decrease in funded status (i.e. increases unfunded liabilities) and an increase in contributions required in future years.

Impact of Plan Maturity on Risk

For newer pension plans, most of the participants and associated liabilities are related to active members who have not yet reached retirement age. As pension plans continue in operation and active members reach retirement ages, liabilities begin to shift from being primarily related to active members to being shared amongst active and retired members. Plan maturity is a measure of the extent to which this shift has occurred.

Discussion of Risk (continued)

It is important to understand that plan maturity can have an impact on risk tolerance and the overall risk characteristics of the plan. For example, plans with a large amount of retired liability do not have as long of a time horizon to recover from losses (such as losses on investments due to lower than expected investment returns) as plans where the majority of the liability is attributable to active members. For this reason, less tolerance for investment risk may be warranted for highly mature plans with a substantial inactive liability. Similarly, mature plans paying substantial retirement benefits resulting in a small positive or net negative cash flow can be more sensitive to near term investment volatility, particularly if the size of the fund is shrinking, which can result in less assets being available for investment in the market.

To assist with determining the maturity of the plan, we have provided several relevant metrics in the Plan Maturity Measures and Other Risk Metrics section of the report. Most notably, approximately 59% of the Actuarial Accrued Liability is associated with inactive participants. This means that losses due to lower than expected investment returns or demographic factors will need to be made up for over a time horizon that is acceptable to a plan of this maturity. Additionally, expected contributions are approximately equal to expected benefit payments, resulting in a small negative net cash flow of -2.5% of the market value of assets. Plans with very small positive or negative net cash flows have more difficult time recovering from investment losses than similar plans with large positive net cash flows.

We have identified the risks above as the most significant risks based on the characteristics of the plan and the nature of the actuarial valuation, however, it is not an exhaustive list of potential risks that could be considered. Advanced modelling, as well as the identification of additional risks, can be helpful and can be provided upon request of the Board of Trustees.

Discussion of Risk (continued)

Low Default-Risk Obligation Measure

ASOP No. 4, Measuring Pension Obligations and Determining Pension Plan Costs or Contributions, was revised as of December 2021 to include a "low-default-risk obligation measure" (LDROM). This liability measure is consistent with the determination of the actuarial accrued liability shown on page 9 in terms of member data, plan provisions, and assumptions/methods, with the exceptions that an interest rate tied to low-default-risk fixed income securities and the Entry Age Normal Cost Method were used. The S&P Municipal Bond 20 Year High Grade Rate Index (daily rate closest to, but not later than, the measurement date) was selected to represent a current market rate of low risk but longer-term investments that could be included in a low-risk asset portfolio. The interest rate used in this valuation was 4.13%, resulting in an LDROM of $268,945,506. The LDROM should not be considered the "correct" liability measurement; it simply shows a possible outcome if the Board elected to hold a very low risk asset portfolio. Given that plan benefits are paid over time through the combination of contributions and investment returns, prudent investments selected by the Board help to balance asset accumulation through these two sources.

Plan Maturity Measures and Other Risk Metrics

		July 1, 2023		July 1, 2022
Support Ratio				
Total Actives		511		481
Total Inactives		408		367
Actives / Inactives		125.2%		131.1%
Asset Volatility Ratio				
Market Value of Assets (MVA)	$	117,197,601	$	121,625,675
Total Annual Payroll		30,789,457		29,679,303
MVA / Total Annual Payroll		380.6%		409.8%
Accrued Liability (AL) Percentage				
Inactive Accrued Liability	$	112,618,825	$	107,904,948
Total Accrued Liability (EAN)		192,326,002		182,950,935
Inactive AL / Total AL		58.6%		59.0%
Funded Percentage				
Actuarial Value of Assets (AVA)	$	128,422,363	$	125,053,570
Total Accrued Liability (EAN)		192,326,002		182,950,935
AVA / Total Accrued Liability		66.8%		68.4%
Net Cash Flow Ratio				
Net Cash Flow [1]	$	(2,988,128)	$	(2,745,046)
Market Value of Assets (MVA)		117,197,601		121,625,675
Net Cash Flow / MVA		-2.5%		-2.3%

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

Glossary

Actuarial Accrued Liability (AAL) is the portion of the Present Value of Future Benefits determined under the Individual Entry Age Normal Actuarial Cost Method that is not provided for by future normal costs.

Individual Entry Age Normal Actuarial Cost Method (Level Percent of Compensation) is the method used to determine required contributions under the Plan. The use of this method involves the systematic funding of the Normal Cost and the Unfunded Actuarial Accrued Liability.

Normal Cost (NC) is the portion of the Present Value of Future Benefits that is allocated to the upcoming year. Under the Individual Entry Age Normal Actuarial Cost Method it is determined for each participant as the present value of future benefits, determined as of the Member's entry age, amortized as a level percentage of compensation over the anticipated number of years of participation, determined as of the entry age.

Present Value of Accumulated Plan Benefits (PVAB) is the single sum value on the valuation date of the benefits earned based on past service to be paid to current active Members, Retirees, Beneficiaries, Disability Retirees and Vested Terminations.

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

Unfunded Accrued Liability (UAL) is the difference between the actuarial accrued liability and the actuarial value of assets. Under the Entry Age Normal Actuarial Cost Method, an actuarial gain or loss, based on actual versus expected UAL, is determined in conjunction with each valuation of the plan.

CITY OF GAINESVILLE

Retirement Plan A Agenda Request

Item Created:	December 13, 2023
Date Submitted:	December 13, 2023
Final Approval Date:	December 14, 2023
Presenter:	LaDana Bruce, Retirement Manager
Item of Business:	2024 RPA Board Meeting Calendar
Meeting Date:	December 14, 2023

Purpose of Request:
To approve the RPA Board Meeting Calendar for 2024.

Facts & Issues / History & Background:

Department Recommendation:
To approve the calendar as presented.

Department Director:
Janeann Allison

If funding is involved, are funds approved within the current budget? No

Amount Requested: **Sources of Funds:**

Finance Comments:

Administrative Comments:

Attachments:
1. Public Notice - Meeting Calendar 2024

PUBLIC NOTICE

IN ACCORDANCE WITH THE GEORGIA OPEN MEETINGS ACT AS AMENDED, VOLUME 50, CHAPTER 14, NOTICE IS HEREBY GIVEN; **THE RETIREMENT PLAN A BOARD** WILL MEET ON **TUESDAYS** AT **10:00 A.M.** ON THE FOLLOWING DATES**:**

January 9, 2024
February 13, 2024
April 9, 2024
May 14, 2024
June 11, 2024
August 13, 2024
October 8, 2024
November 5, 2024
December 10, 2024

THE SCHEDULED MEETINGS WILL BE HELD IN THE **ADMINISTRATION BUILDING, STATION ROOM, 1ST FLOOR** LOCATED AT **300 HENRY WARD WAY, GAINESVILLE, GA**. PLEASE CONTACT **LADANA BRUCE, RETIRMENT MANAGER, AT 770-538-4940** FOR INFORMATION SURROUNDING THE MEETING(S).

NOTICE OF ANY SPECIAL MEETINGS AND/OR DEVIATIONS TO THE SCHEDULE SHALL BE POSTED BY PUBLIC NOTICE AT THE MEETING LOCATION AND ON THE CITY OF GAINESVILLE WEBSITE: www.gainesville.org.

Posted:

cc: Mayor and City Council
City Manager's Office
City Attorney
Department Directors
Media
City of Gainesville Website
Meeting Location Public Display Board

CITY OF GAINESVILLE

Retirement Plan A Agenda Request

Item Created:	December 13, 2023
Date Submitted:	December 13, 2023
Final Approval Date:	December 14, 2023
Presenter:	LaDana Bruce, Retirement Manager
Item of Business:	Minutes from November 7, 2023
Meeting Date:	December 14, 2023

Purpose of Request:
To present the minutes from 11/7/2023 board meeting.

Facts & Issues / History & Background:

Department Recommendation:
To approve the minutes as presented.

Department Director:
Janeann Allison

If funding is involved, are funds approved within the current budget? No

Amount Requested: **Sources of Funds:**

Finance Comments:

Administrative Comments:

Attachments:
1. RPA Minutes 11-7-2023

BOARD MEMBERS PRESENT: Kristen Watson, Carol Martin, Denise Jordan, Jason Justice, Corey Jones, Melissa Biggers
BOARD MEMBERS ABSENT: Jordan Green
EX-OFFICIO MEMBERS PRESENT: Jeremy Perry
EX-OFFICIO MEMBERS ABSENT: Bryan Lackey, Janeann Allison
OTHERS PRESENT: LaDana Bruce, Ademir Zeco

Chairman Jason Justice served as the presiding officer and called the meeting to order at 10:02 A.M.

REPORTS:

SEAS Quarterly Report
Ademir Zeco of Southeastern Advisory Services (SEAS) presented the SEAS Q3 2023 report.

UPDATE:

Foster & Foster
Chairman Jason Justice discussed rolling out the Retirement Estimate Portal by the end of the month. Ex-Officio Member Jeremy Perry stated that recent reports provided by Foster & Foster had some errors, such as incorrect dates, that they worked with Finance to correct. Chairman Jason Justice will follow up with Joe Griffin of Foster & Foster about the annual retirement statements. Joe Griffin is expected to present at next month's board meeting.

EXECUTIVE SESSION:

Motion to close the meeting to enter an Executive Session to discuss personnel matters at 10:47 A. M.

Motion made by Board Member Melissa Biggers
Motion seconded by Board Member Kristen Watson
Votes favoring the motion: Biggers, Watson, Martin, Jordan, Justice, Jones

BOARD MEMBERS PRESENT: Kristen Watson, Carol Martin, Denise Jordan, Jason Justice, Corey Jones, Melissa Biggers
BOARD MEMBERS ABSENT: Jordan Green
EX-OFFICIO MEMBERS PRESENT: Jeremy Perry
EX-OFFICIO MEMBERS ABSENT: Bryan Lackey, Janeann Allison
OTHERS PRESENT: LaDana Bruce

Motion to close the Executive Session and to continue the meeting at 10:49 A. M.

Motion made by Board Member Melissa Biggers
Motion seconded by Board Member Denise Jordan
Votes favoring the motion: Biggers, Jordan, Watson, Justice, Jones, Martin

REGULAR BUSINESS:

Disbursement Report
Secretary LaDana Bruce presented the Disbursement Report for October 2023 totaling $14,825.24.

Motion to approve the report as presented.

Motion made by Board Member Kristen Watson
Motion seconded by Board Member Carol Martin
Votes favoring the motion: Watson, Martin, Biggers, Jordan, Justice, Jones

New Benefit Report
Secretary LaDana Bruce presented the Disbursement Report for November 2023 totaling $7,107.05 in new monthly benefits. The deaths of Ms. Katherine Satterfield, surviving spouse of retiree Mr. G. Satterfield, and Mr. Remmer Austin, retiree were reported. It was noted that new retiree Derrick Rogers should be listed as a member of the Fire Department instead of the Police Department.

Motion to approve the report with correction of Derrick Rogers' department.

Motion made by Board Member Carol Martin
Motion seconded by Board Member Corey Jones
Votes favoring the motion: Martin, Jones, Biggers, Justice, Jordan, Watson

Minutes for October 3, 2023

Motion to approve the minutes as presented.

Motion made by Board Member Corey Jones
Motion seconded by Board Member Melissa Biggers
Votes favoring the motion: Jones, Biggers, Martin, Watson, Jordan, Justice

Executive Session Minutes for October 3, 2023

Motion to approve the minutes as presented.

Motion made by Board Member Melissa Biggers
Motion seconded by Board Member Carol Martin
Votes favoring the motion: Martin, Watson, Justice, Jordan, Biggers, Jones

2024 RPA Board Meeting Calendar
Secretary LaDana Bruce presented the proposed calendar for 2024. Voting will take place at December's meeting.

ADJOURNMENT: 10:52 A.M.

/lb

Jason Justice, Chairman

LaDana Bruce, Secretary to the Board

CITY OF GAINESVILLE

Retirement Plan A Agenda Request

Item Created:	December 13, 2023
Date Submitted:	December 13, 2023
Final Approval Date:	December 14, 2023
Presenter:	LaDana Bruce, Retirement Manager
Item of Business:	Executive Session Minutes from November 7, 2023
Meeting Date:	December 14, 2023

Purpose of Request:
To present the minutes from Executive Session of the 11/7/2023 board meeting.

Facts & Issues / History & Background:

Department Recommendation:
To approve the minutes as presented.

Department Director:
Janeann Allison

If funding is involved, are funds approved within the current budget? No

Amount Requested: **Sources of Funds:**

Finance Comments:

Administrative Comments:

Attachments:

1. RPA ES Minutes 11-7-2023

BOARD MEMBERS PRESENT:	Kristen Watson, Carol Martin, Denise Jordan, Jason Justice, Corey Jones, Melissa Biggers
BOARD MEMBERS ABSENT:	Jordan Green
EX-OFFICIO MEMBERS PRESENT:	Jeremy Perry
EX-OFFICIO MEMBERS ABSENT:	Bryan Lackey, Janeann Allison
OTHERS PRESENT:	LaDana Bruce

Chairman Jason Justice requested an Executive Session to discuss personnel matters.

EXECUTIVE SESSION:

Motion to close the meeting to enter an Executive Session to discuss personnel matters at 10:47 A. M.

Motion made by Board Member Melissa Biggers
Motion seconded by Board Member Kristen Watson
Votes favoring the motion: Biggers, Watson, Martin, Jordan, Justice, Jones

BOARD MEMBERS PRESENT:	Kristen Watson, Carol Martin, Denise Jordan, Jason Justice, Corey Jones, Melissa Biggers
BOARD MEMBERS ABSENT:	Jordan Green
EX-OFFICIO MEMBERS PRESENT:	Jeremy Perry
EX-OFFICIO MEMBERS ABSENT:	Bryan Lackey, Janeann Allison
OTHERS PRESENT:	LaDana Bruce

REPORTS:

Motion to enter into Executive Session at 10:37 A. M.

Motion made by Board Member Denise Jordan
Motion seconded by Board Member Kristen Watson
Votes favoring the motion: Martin, Watson, Justice, Jordan, Green, Biggers, Jones

Disbursement Report
Secretary LaDana Bruce presented the Disbursement Report for October 2023 totaling $14,825.24.

New Benefit Report
Secretary LaDana Bruce presented the Disbursement Report for November 2023 totaling $7,107.05 in new monthly benefits. The deaths of Ms. Katherine Satterfield, surviving spouse of retiree Mr. G. Satterfield, and Mr. Remmer Austin, retiree were reported. It was noted that new retiree Derrick Rogers should be listed as a member of the Fire Department instead of the Police Department.

Motion to close the Executive Session and to continue the meeting at 10:49 A. M.

Motion made by Board Member Melissa Biggers
Motion seconded by Board Member Denise Jordan
Votes favoring the motion: Biggers, Jordan, Watson, Justice, Jones, Martin

ADJOURNMENT: 10:49 A.M.

/lb

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Jason Justice, Chairman

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LaDana Bruce, Secretary to the Board

CITY OF GAINESVILLE

Retirement Plan A Agenda Request

Item Created:	December 13, 2023
Date Submitted:	December 13, 2023
Final Approval Date:	December 14, 2023
Presenter:	LaDana Bruce, Retirement Manager
Item of Business:	Distribution Report
Meeting Date:	December 14, 2023

Purpose of Request:
To present the distribution report for the month of November 2023.

Facts & Issues / History & Background:

Department Recommendation:
To approve the report as presented.

Department Director:
Janeann Allison

If funding is involved, are funds approved within the current budget? No

Amount Requested: **Sources of Funds:**

Finance Comments:

Administrative Comments:

Attachments:
1. Distribution Report OM 12-14-2023

RETIREMENT PLAN A
DISBURSEMENT OF CONTRIBUTIONS
December 14, 2023

	EMPLOYEE NAME	DEPARTMENT	DATE OF HIRE	TERMINATION DATE	DISTRIBUTION INFORMATION				
					DATE PROCESSED	CONT AMT	VESTED	DEATH BENEFIT	LUMP SUM/ ROLLOVER
1	Weaver, Seth	FD	5/2/2022	[redacted]			No	N/A	Rollover
2	Marinez, Crystal	PD	5/21/2018				No	N/A	Rollover
3	Pardinas, Antonio	FD	5/2/2022				No	N/A	Lumpsum
					Total	$37,956.13			

SPECIAL REPORTS

RETIREE/ BENEFICIARY	DEPARTMENT	EFFECTIVE DATE	BENEFIT INFORMATION				SERVICE	
			TYPE	Amount	PROCESSED	SPOUSAL OPTION	TOTAL	CREDITED

Nothing to Report