



THE FIREFIGHTERS' PENSION TRUST FUND OF THE CITY OF STAMFORD

**Actuarial Valuation as of July 1, 2021
To Determine Funding For Fiscal Year 2022-23**

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Certification

We have performed an actuarial valuation of the Plan as of July 1, 2021 to determine funding for fiscal year 2022-23. This report presents the results of our valuation.

The ultimate cost of a pension plan is the total amount needed to provide benefits for plan members and beneficiaries and to pay the expenses of administering the plan. Pension costs are met by contributions and by investment return on plan assets. The principal purpose of this report is to set forth an actuarial recommendation of the contribution, or range of contributions, which will properly fund the plan, in accordance with applicable government regulations. In addition, this report provides:

- A valuation of plan assets and liabilities to review the year-to-year progress of funding.
- Information needed to meet disclosure requirements.
- Review of plan experience for the previous year to ascertain whether the assumptions and methods employed for valuation purposes are reflective of actual events and remain appropriate for prospective application.
- Assessment of the relative funded position of the plan, i.e., through a comparison of plan assets and projected plan liabilities.
- Comments on any other matters which may be of assistance in the funding and operation of the plan.

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In preparing this report, we relied on employee census data and financial information as of the valuation date, furnished by the City. We performed a limited review of the data used directly in our analysis for reasonableness and consistency and have found them to be reasonably consistent and comparable with data used for other purposes. If the underlying data or information is inaccurate or incomplete, the results of our analysis may likewise be inaccurate or incomplete and our calculations may need to be revised. If there are material defects in the data, it is possible that they would be uncovered by a detailed, systematic review and comparison of the data to search for data values that are questionable or for relationships that are materially inconsistent. Such a review was beyond the scope of our assignment.

Certification

The calculations reported herein have been made on a basis consistent with our understanding of ERISA and the related sections of the tax code. Additional determinations may be needed for purposes other than meeting funding requirements, such as judging benefit security at plan termination or meeting employer accounting requirements. On the basis of the foregoing, we hereby certify that, to the best of our knowledge, this report is complete and accurate and all costs and liabilities were determined in conformance with generally accepted actuarial principles and practices. Figures for periods prior to July 1, 2018 have been obtained from actuarial valuation reports prepared by Hooker & Holcombe and from the City's Comprehensive Annual Financial Reports.

The valuation results were developed using models intended for valuations that use standard actuarial techniques. In addition to the models described previously, Milliman has developed certain models to develop the expected long term rate of return on assets used in this analysis. We have reviewed the models, including their inputs, calculations, and outputs for consistency, reasonableness, and appropriateness to the intended purpose and in compliance with generally accepted actuarial practice and relevant actuarial standards of practice (ASOP). The models, including all input, calculations, and output may not be appropriate for any other purpose.

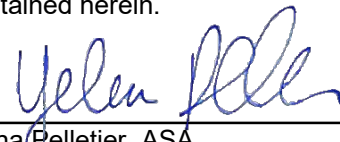
We further certify that, in our opinion, each actuarial assumption, method and technique used is reasonable taking into account the experience of the Plan and reasonable expectations. Future actuarial measurements may differ significantly from the current measurements presented in this report due to factors such as, but not limited to, 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 (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status); and changes in plan provisions or applicable law. Due to the limited scope of the actuarial assignment, we did not perform an analysis of the potential range of such future measurement.

The consultants who worked on this assignment are pension actuaries. Milliman's advice is not intended to be a substitute for qualified legal or accounting counsel.

We are members of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.



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Section I - Executive Summary Changes Since the Prior Valuation

Plan Changes

None.

Changes in Actuarial Methods and Assumptions

In order to better anticipate future plan experience, we lowered the interest rate assumption from 6.95% to 6.70%.

This change caused the Unfunded Accrued Liability to increase by about \$7.5 million and the Actuarially Determined Contribution to increase by about \$961,900.

Although it is possible that the COVID-19 pandemic could have a material impact on the projected mortality, liabilities, and contribution requirements, we have chosen not to make an adjustment in the projections at this time, given the substantial current uncertainty regarding the impact of COVID-19 on mortality and plan costs, including whether the pandemic will increase or decrease mortality during the term of our projections. We will be monitoring this development closely and may adjust future projections to reflect the impact of COVID-19, if and when it becomes appropriate.

Other Significant Changes

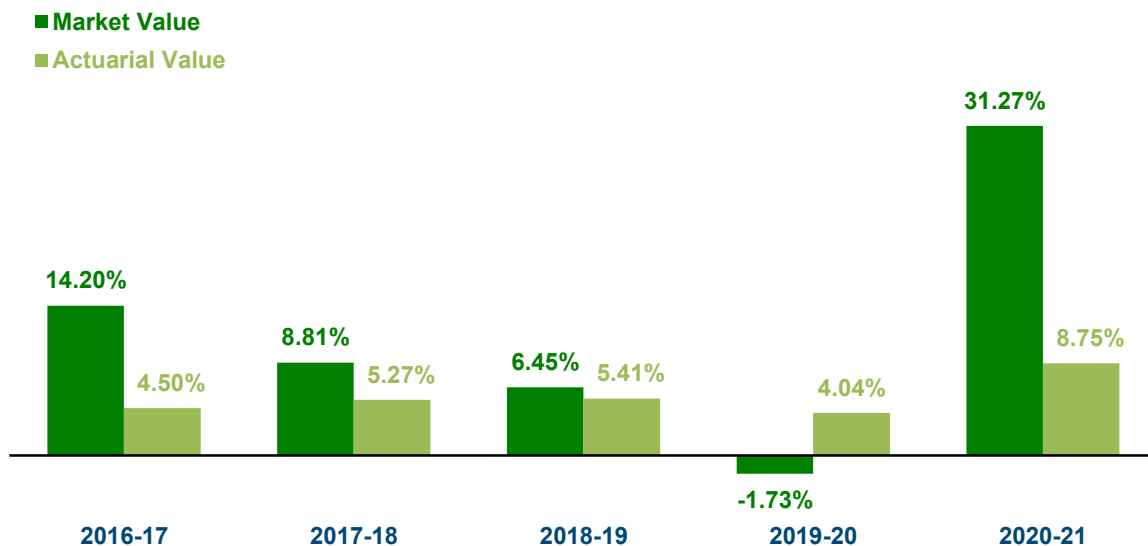
None.

Section I - Executive Summary Assets

There are two different measures of the plan's assets that are used throughout this report. The Market Value is a snapshot of the plan's investments as of the valuation date. The Actuarial Value is a smoothed asset value designed to temper the volatile fluctuations in the market by recognizing investment gains or losses asymptotically over five years.

	Market	Actuarial
Value as of July 1, 2020	\$142,201,335	\$162,214,469
City and Member Contributions	11,825,463	11,825,463
Investment Income	44,438,027	14,198,731
Benefit Payments and Administrative Expenses	(11,976,405)	(11,976,405)
Value as of July 1, 2021	186,488,420	176,262,258

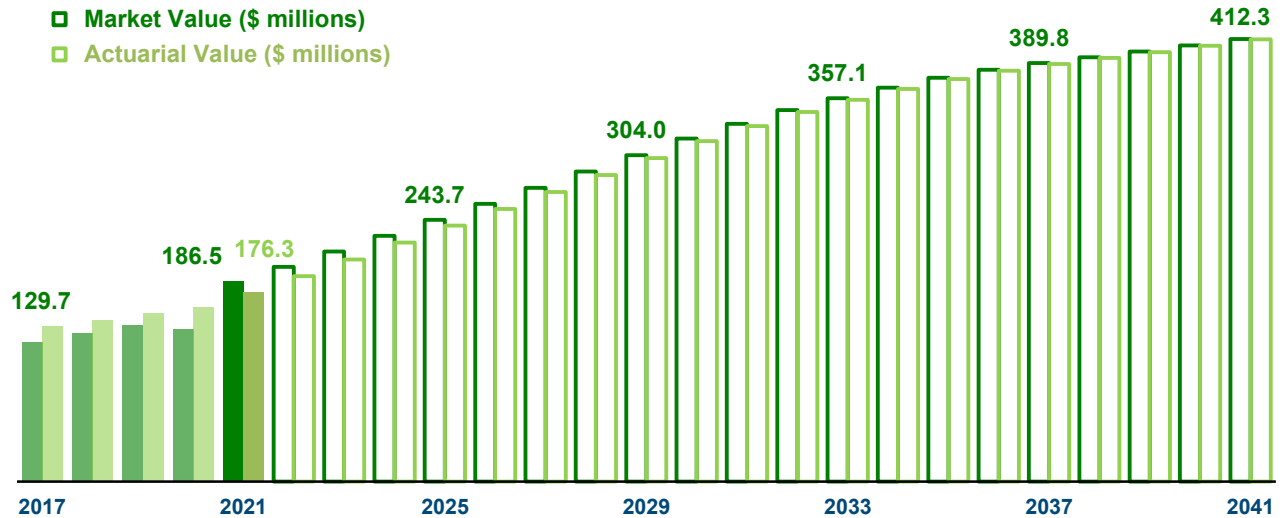
For fiscal year 2020-21, the plan's assets earned 31.27% on a Market Value basis and 8.75% on an Actuarial Value basis. The actuarial assumption for this period was 6.95%; the result is an asset gain of about \$34.6 million on a Market Value basis and a gain of about \$2.6 million on an Actuarial Value basis. Historical rates of return are shown in the graph below.



Please note that the Actuarial Value currently is less than the Market Value by \$10.2 million. This figure represents investment gains that will be gradually recognized in future years. This process will exert downward pressure on the City's contribution, unless there are offsetting market losses.

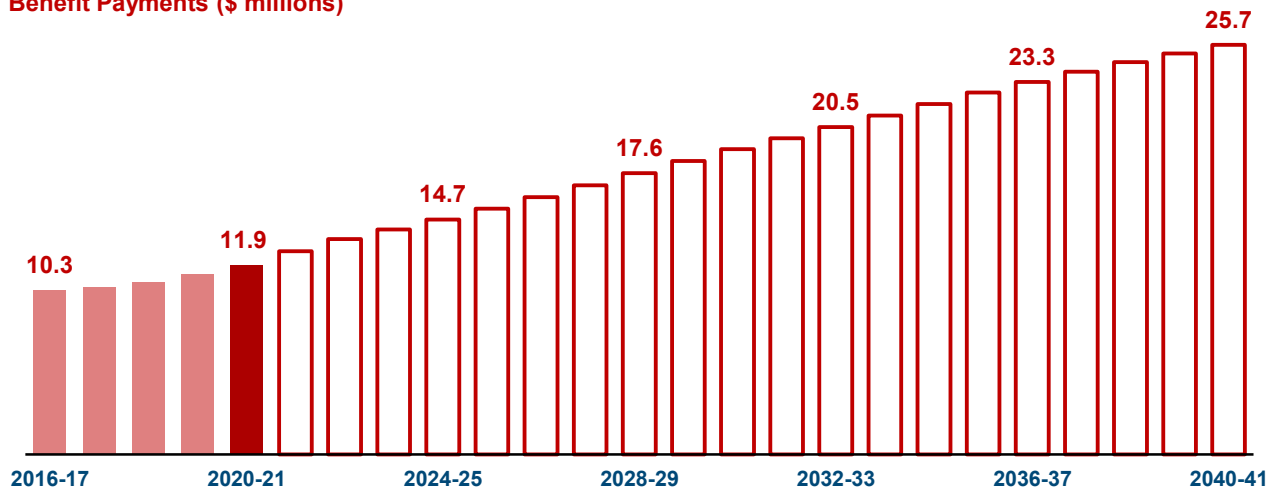
Section I - Executive Summary Assets (continued)

The graph below shows how this year's asset values compare to where the plan's assets have been over the past several years and how they are projected to change over the next 20 years. For purposes of this projection, we have assumed that the City always contributes the Actuarially Determined Contribution and the investments always earn the assumed interest rate each year.



In 2020-21, the plan paid out \$11.9 million in benefits to members. Over the next 20 years, the plan is projected to pay out a total of \$387 million in benefits to members.

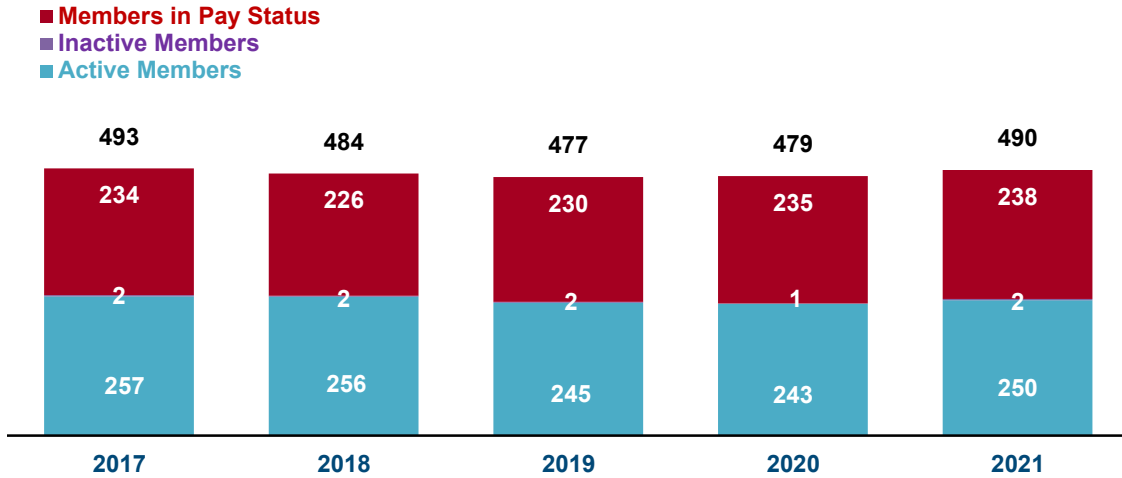
Benefit Payments (\$ millions)



This work product was prepared solely for the City for the purposes described herein and may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work. Milliman recommends that third parties be aided by their own actuary or other qualified professional when reviewing the Milliman work product.

Section I - Executive Summary Membership

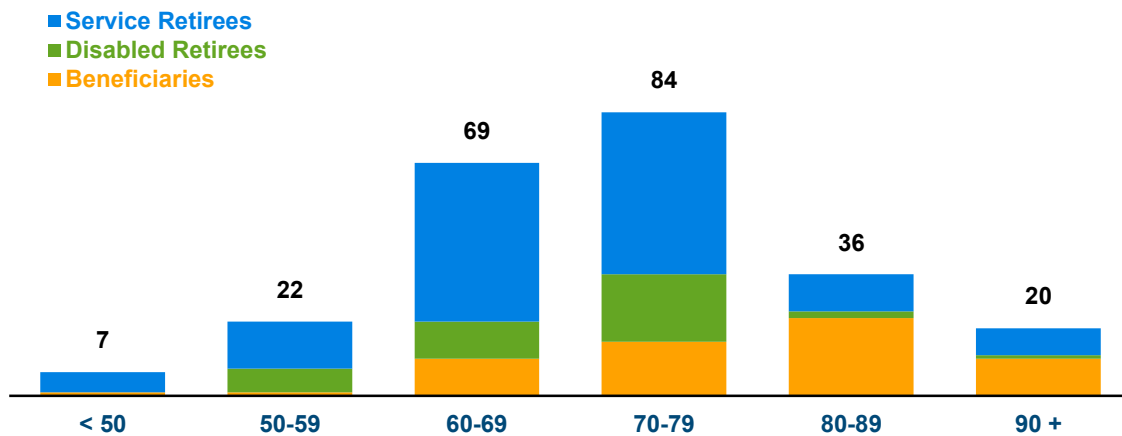
There are three basic categories of plan members included in the valuation: (1) members who are receiving monthly pension benefits, (2) former employees who have a vested right to benefits but have not yet started collecting, and (3) active employees who have met the eligibility requirements for membership.



Members in Pay Status on July 1, 2021

Service Retirees	134	Average Age	72.3
Disabled Retirees	41	Total Annual Benefit	\$12,215,557
Beneficiaries	63	Average Annual Benefit	51,326
Total	238		

The members in pay status fall across a wide distribution of ages:



Section I - Executive Summary Membership (continued)

Terminated Vested Members on July 1, 2021

Count	2
Average Age	45.4
Total Annual Benefit	\$89,065
Average Annual Benefit	44,533

Nonvested Members Due Refunds on July 1, 2021

Count	0
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Active Members on July 1, 2021

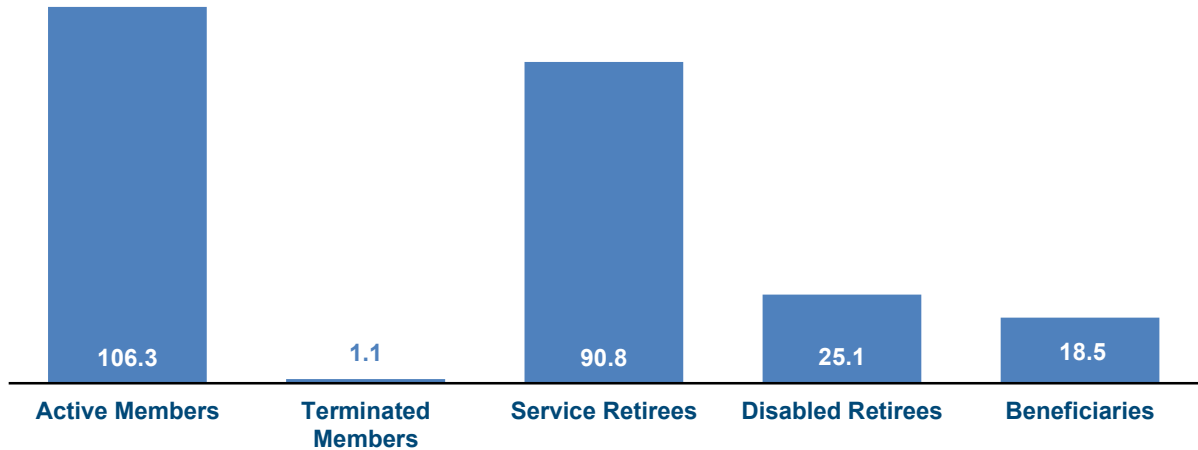
Count	250
Average Age	46.7
Average Service	17.4
Payroll	\$24,398,783
Average Payroll	97,595

The table below illustrates the age and years of service of the active membership:

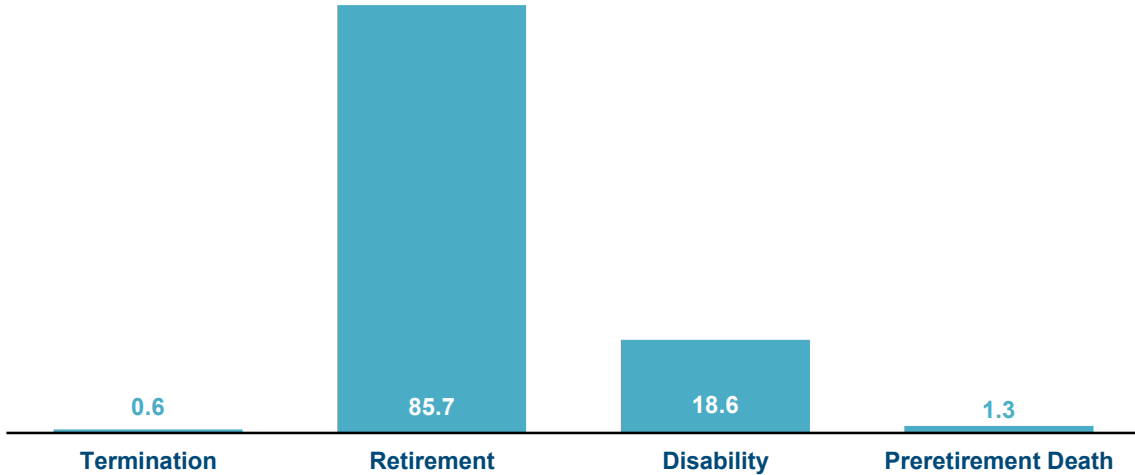
Age	Years of Service							Total
	0-4	5-9	10-14	15-19	20-24	25-29	30+	
< 25	3							3
25-29	7	8						15
30-34	8	14						22
35-39	6	10	6	2				24
40-44	2	15	11	12	3			43
45-49	2	3	6	10	12	3		36
50-54		3	3	16	9	13	2	46
55-59			1	5	14	7	13	40
60-64				2	5	1	6	14
65+					3		4	7
Total	28	53	27	47	46	24	25	250

Section I - Executive Summary Accrued Liability

The Accrued Liability as of July 1, 2021 is \$241,878,923 and consists of the following pieces (in \$ millions):



The Accrued Liability for active members can be broken down further by the different types of benefits provided by the plan:

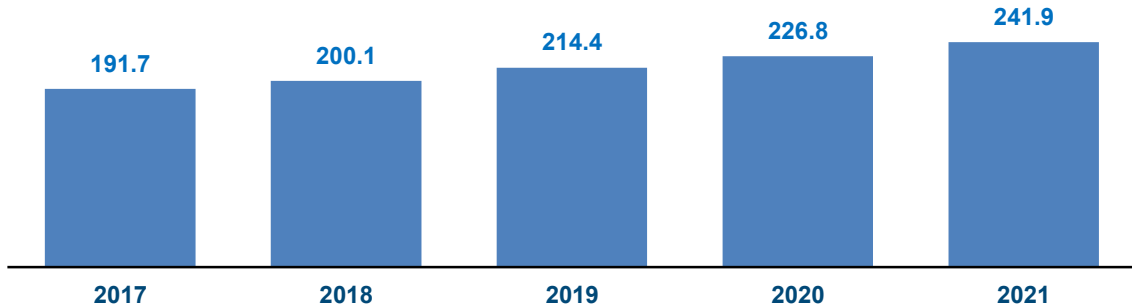


For purposes of determining the City's contribution, the Accrued Liability is measured using the Projected Unit Credit actuarial cost method. A different actuarial cost method, Entry Age Normal, is required to be used to measure liability for financial reporting purposes per GASB 67/68. As of July 1, 2021, the Entry Age Normal Accrued Liability is \$240,343,827.

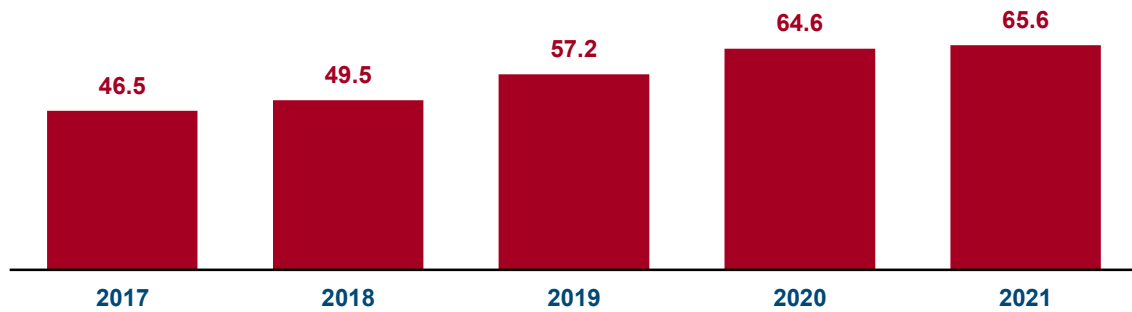
Section I - Executive Summary Funded Status

The Accrued Liability grows over time as active members earn additional benefits, and goes down over time as members receive benefits; it may also change when there are changes to the plan provisions or changes in the actuarial assumptions. The Unfunded Accrued Liability is the dollar difference between the Accrued Liability and the Actuarial Value of Assets; the Funded Ratio is the ratio of the two.

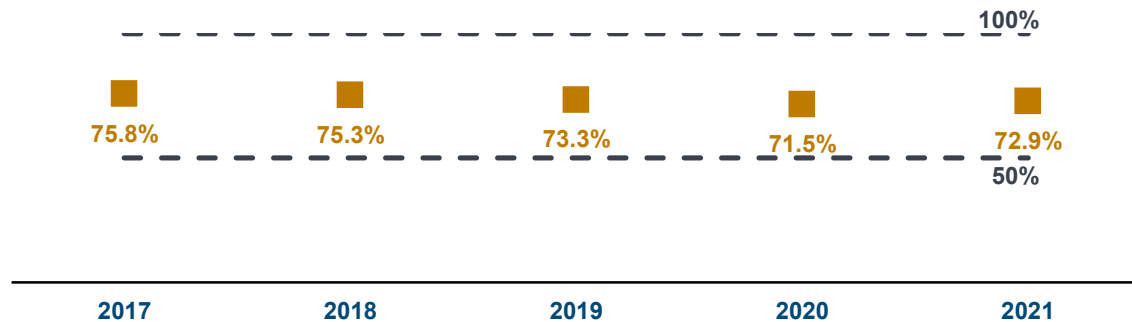
Accrued Liability (\$ millions)



Unfunded Accrued Liability (\$ millions)



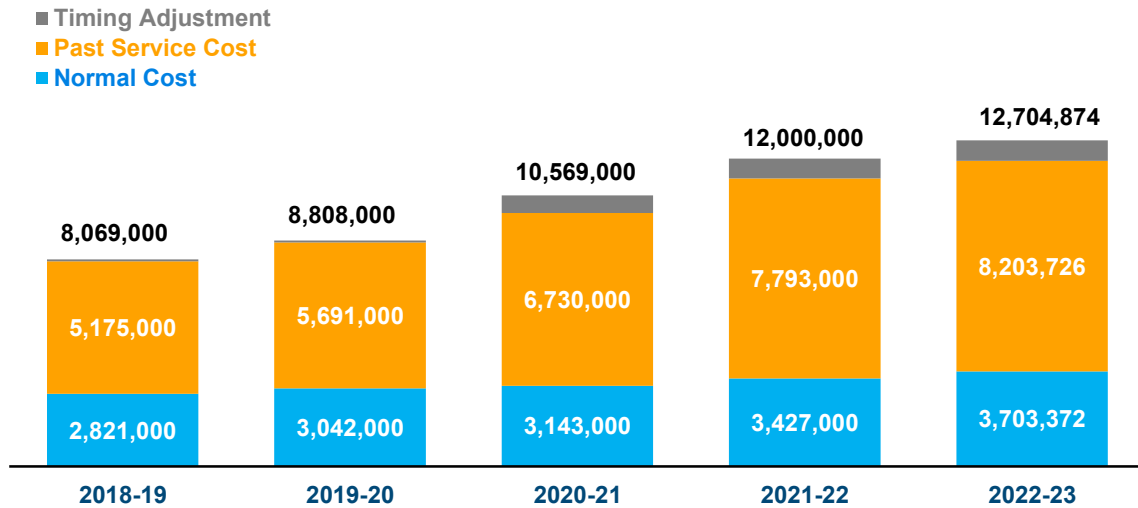
Funded Ratio



Section I - Executive Summary Actuarially Determined Contribution

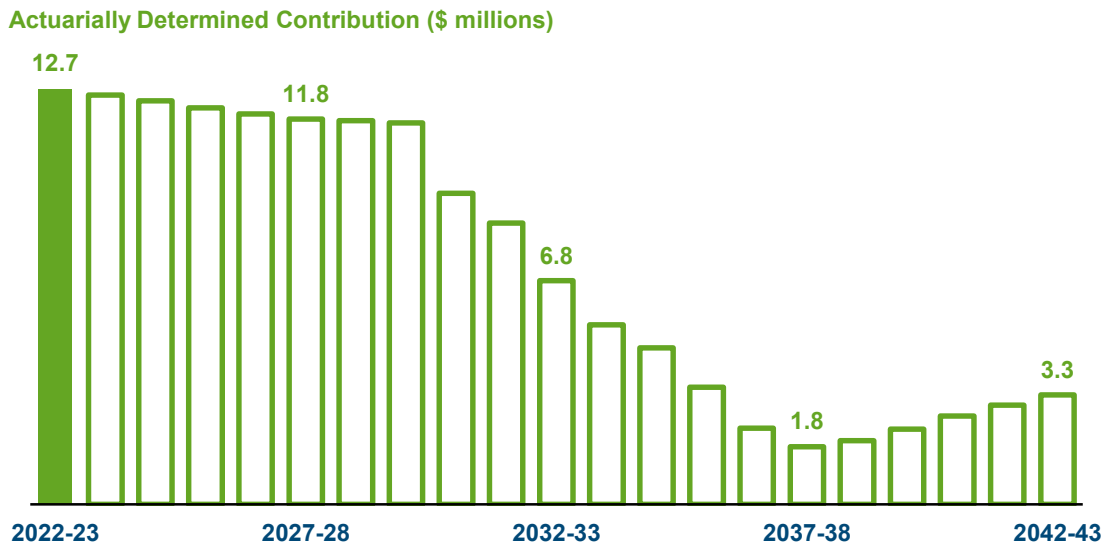
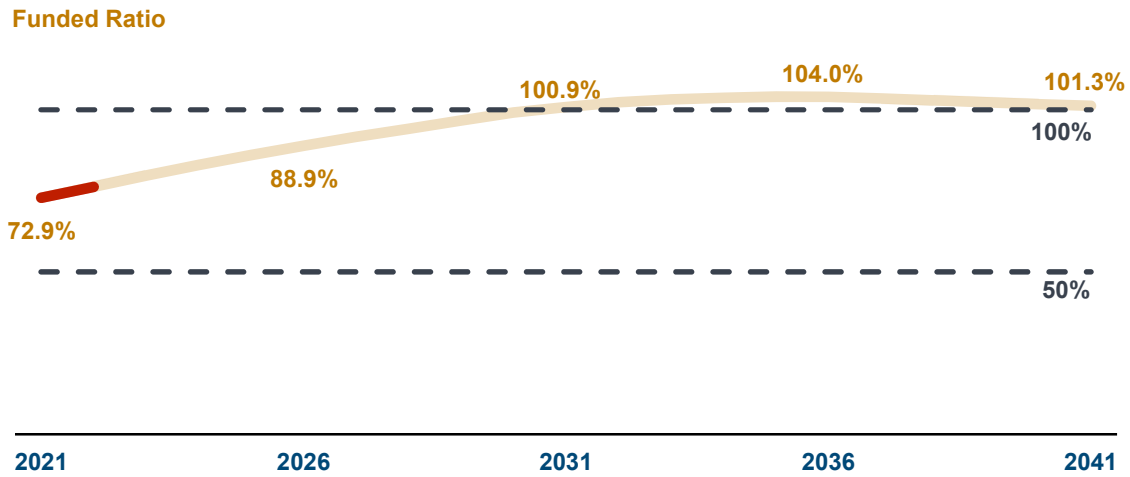
The Actuarially Determined Contribution consists of three pieces: a Normal Cost payment to fund the benefits earned each year, a Past Service Cost to gradually reduce any unfunded or surplus liability, and a Timing Adjustment to reflect the timing of the contribution relative to the valuation date.

The Actuarially Determined Contribution for fiscal year 2022-23 is shown graphically below, along with the comparable figures for the preceding four fiscal years. Note that the Normal Cost is relatively consistent from year to year, whereas the Past Service Cost tends to be more volatile since it reflects the impact of asset performance.



Section I - Executive Summary Long-Range Forecast

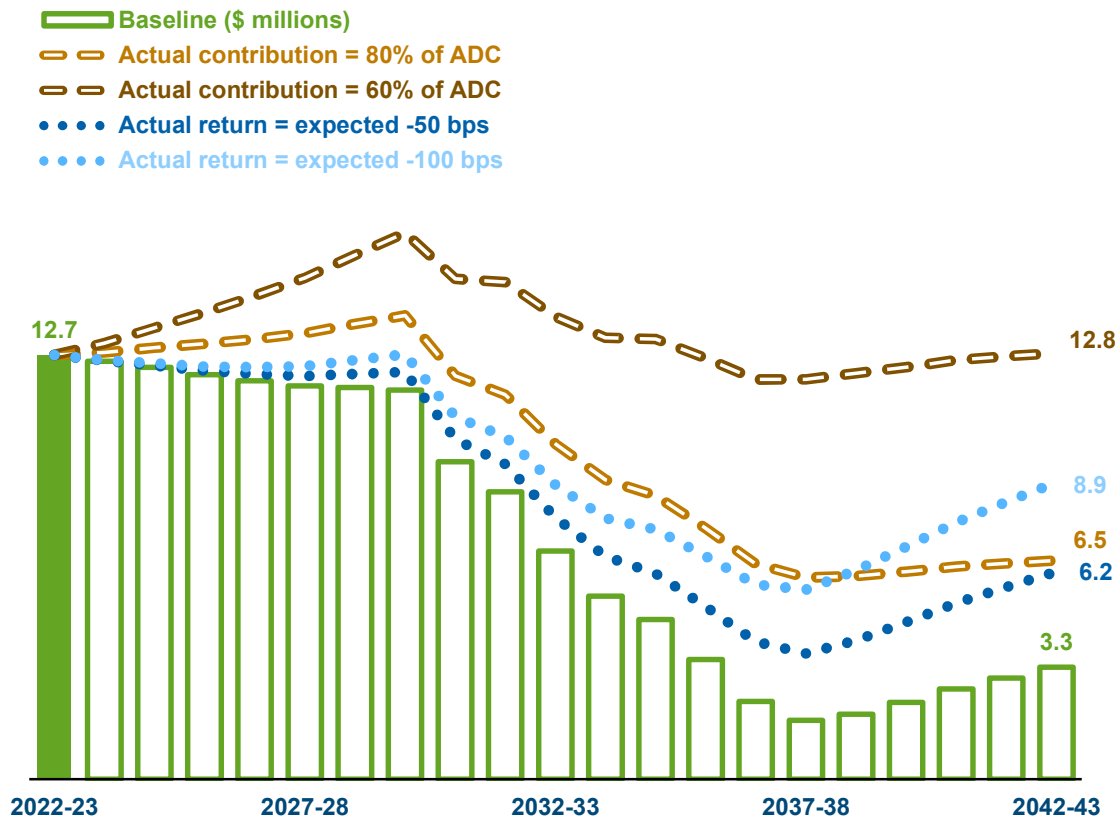
If the City pays the Actuarially Determined Contribution each year, the investments earn exactly the assumed interest rate each year, and there are no changes in the plan provisions or in the actuarial methods and assumptions, then we project the following changes in the plan's funded status and the long-range contribution levels. Because the market gains from 2020-21 have not been fully reflected in the Actuarial Value of Assets, the funded ratio is projected to improve significantly and contributions are projected to decrease.



To the extent that there are future investment or liability gains or losses, changes in the actuarial assumptions or methods, or plan changes, the actual valuation results will differ from these forecasts. Please see Section III C for more details of the long range forecast.

Section I - Executive Summary Long-Range Forecast (continued)

Pension benefits are paid for through a combination of contributions from the City and from employees, and from investment income. If the City pays less than the Actuarially Determined Contribution each year, or if the investments persistently earn less than the assumed interest rate, then the plan's funded status would suffer, and to compensate, the City's contribution levels would be pushed higher. The risks of underfunding and underearning are illustrated in the hypothetical scenarios below:



The scenarios illustrated above are based on deterministic projections that assume emerging plan experience always exactly matches the actuarial assumptions; in particular that actual asset returns will be constant in every year of the projection period. Variation in asset returns, contribution amounts, and many other factors may have a significant impact on the long-term financial health of the plan, the liquidity constraints on plan assets, and the City's future contribution levels. Stochastic projections could be prepared that would enable the City to understand the potential range of future results based on the expected variability in asset returns and other factors. Such analysis was beyond the scope of this engagement.

Section I - Executive Summary Summary of Principal Results

Membership as of	July 1, 2021	July 1, 2020
Active Members	250	243
Inactive Members	2	1
Members in Pay Status	238	235
Total Count	490	479
Payroll	\$24,398,783	\$23,671,239
Assets and Liabilities as of	July 1, 2021	July 1, 2020
Market Value of Assets	\$186,488,420	\$142,201,335
Actuarial Value of Assets	176,262,258	162,214,469
Accrued Liability for Active Members	106,320,351	101,296,784
Accrued Liability for Inactive Members	1,140,214	671,554
Accrued Liability for Members in Pay Status	134,418,358	124,878,010
Total Accrued Liability	241,878,923	226,846,348
Unfunded Accrued Liability	65,616,665	64,631,879
Funded Ratio	72.9%	71.5%
Actuarially Determined Contribution for Fiscal Year	2022-23	2021-22
Normal Cost	\$3,703,372	\$3,427,000
Past Service Cost	8,203,726	7,793,000
Timing Adjustment	797,776	780,000
Actuarially Determined Contribution	12,704,874	12,000,000

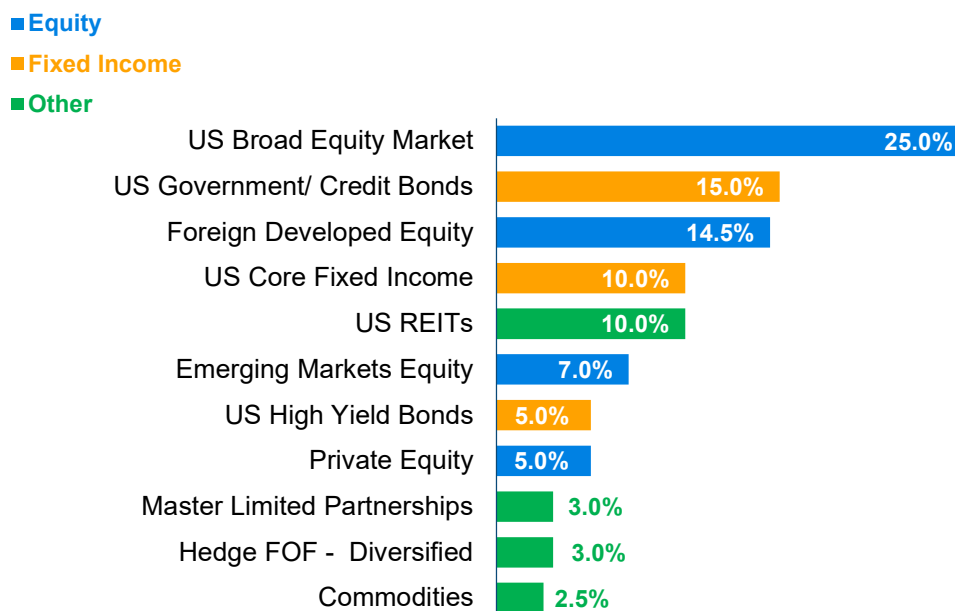
Section II - Plan Assets

A. Summary of Fund Transactions

Market Value as of July 1, 2020	\$142,201,335
City Contributions	10,569,000
Member Contributions	1,256,463
Net Investment Income	44,438,027
Benefit Payments	(11,850,818)
Administrative Expenses	(125,587)
Market Value as of June 30, 2021	
Expected Return on Market Value of Assets	9,876,696
Market Value (Gain)/Loss	(34,561,331)
Approximate Rate of Return *	31.27%

* The rate shown here is not the dollar or time weighted investment yield rate which measures investment performance. It is an approximate net return assuming all activity occurred on average midway through the fiscal year.

Target Asset Allocation as of June 30, 2021



Section II - Plan Assets

B. Development of Actuarial Value of Assets

In order to minimize the impact of market fluctuations on the contribution level, we use an Actuarial Value of Assets that recognizes gains and losses asymptotically over a five year period. The Actuarial Value of Assets as of July 1, 2021 is determined below.

1.	Expected Actuarial Value of Assets:	
	a. Actuarial Value of Assets as of July 1, 2020	\$162,214,469
	b. City and Member Contributions	11,825,463
	c. Benefit Payments and Administrative Expenses	(11,976,405)
	d. Expected Earnings Based on 6.95% Interest	11,642,190
	e. Expected Actuarial Value of Assets as of July 1, 2021	173,705,717
2.	Market Value of Assets as of July 1, 2021	186,488,420
3.	Unrecognized Gains/(Losses): (2) - (1e)	12,782,703
4.	Amount Recognized as of July 1, 2021: 20% of (3)	2,556,541
5.	Preliminary Actuarial Value of Assets as of July 1, 2021: (1e) + (4)	176,262,258
6.	Preliminary Actuarial Value of Assets as a % of Market Value: (5) / (2)	94.5%
7.	Actuarial Value of Assets as of July 1, 2021: (5), within +/- 30% of (2)	176,262,258
8.	Actual Earnings on Actuarial Value of Assets: (7) - [(1a) + (1b) + (1c)]	14,198,731
9.	Approximate Rate of Return on Actuarial Value of Assets	8.75%
10.	Actuarial Value (Gain)/Loss: (1d) - (8)	(2,556,541)

Section III - Development of Contribution

A. Funded Status

	July 1, 2021	July 1, 2020
1. Accrued Liability		
Active Members	\$106,320,351	\$101,296,784
Inactive Members	1,140,214	671,554
Service Retirees	90,828,659	84,228,583
Disabled Retirees	25,062,417	24,636,345
Beneficiaries	18,527,282	16,013,082
Total Accrued Liability	241,878,923	226,846,348
2. Actuarial Value of Assets (see Section IIB)	176,262,258	162,214,469
3. Unfunded Accrued Liability: (1) - (2)	65,616,665	64,631,879
4. Funded Ratio: (2) / (1)	72.9%	71.5%

Section III - Development of Contribution

B. Past Service Cost

In determining the Past Service Cost, the Unfunded Accrued Liability is amortized as a level dollar amount over 15 years. Each year a new amortization base is established for the actuarial gains or losses that have emerged since the last valuation.

1. Amortization Bases Established in Prior Years

Date Established	Original Amount	(a) Outstanding Balance July 1, 2021	Years Remaining July 1, 2021	(b) Annual Amortization Payment
July 1, 2014	N/A	\$12,244,888	8	\$1,899,576
July 1, 2015	N/A	3,797,373	9	539,296
July 1, 2016	N/A	12,230,347	10	1,609,426
July 1, 2017	N/A	8,359,442	11	1,029,231
July 1, 2018	N/A	4,561,453	12	529,661
July 1, 2019	N/A	9,374,083	13	1,033,384
July 1, 2020	N/A	10,222,083	14	1,075,823
Total		60,789,669		7,716,397

2. Unfunded Accrued Liability as of July 1, 2021 (see Section IIIA)	65,616,665
3. New Amortization Base Established July 1, 2021: (2) - (1a Total)	4,826,996
4. Amortization Period for New Amortization Base	15
5. Amortization Growth Rate	0.00%
6. Amortization Payment for July 1, 2021: (3) amortized over (4)	487,329
7. Past Service Cost: (1b Total) + (6)	8,203,726

Section III - Development of Contribution

C. Actuarially Determined Contribution

	2022-23	2021-22
1. Total Normal Cost	\$4,984,889	\$4,660,084
2. Expected Member Contributions	1,401,517	1,355,024
3. Expected Administrative Expenses	120,000	122,000
4. Net Normal Cost: (1) - (2) + (3)	3,703,372	3,427,060
5. Past Service Cost (see Section IIIB)	8,203,726	7,792,543
6. Interest on (4) + (5) to start of the fiscal year	797,776	780,000
7. Actuarially Determined Contribution: (4) + (5) + (6)	12,704,874	12,000,000

Section III - Development of Contribution

D. Long Range Forecast

This forecast is based on the results of the July 1, 2021 actuarial valuation and assumes that the City will pay the Actuarially Determined Contribution each year, the assets will return the assumed interest rate on a market value basis each year, and there are no future changes in the actuarial methods or assumptions or in the plan provisions. Actual results at each point in time will yield different values, reflecting the actual experience of the plan membership and assets.

Valuation Date	Values as of the Valuation Date				Fiscal Year	Cash Flows Projected to the Following Fiscal Year			
	Accrued Liability	Actuarial Value of Assets	Unfunded Accrued Liability	Funded Ratio		City Contributions	Member Contributions	Benefit Payments	Net Cash Flows
7/1/2021	\$241,878,923	\$176,262,258	\$65,616,665	72.9%	2022-23	\$12,704,874	\$1,466,346	(\$13,482,319)	\$688,901
7/1/2022	250,759,000	191,229,000	59,530,000	76.3%	2023-24	12,510,000	1,510,000	(14,080,000)	(60,000)
7/1/2023	259,411,000	206,910,000	52,501,000	79.8%	2024-25	12,329,000	1,577,000	(14,718,000)	(812,000)
7/1/2024	268,111,000	222,585,000	45,526,000	83.0%	2025-26	12,115,000	1,645,000	(15,394,000)	(1,634,000)
7/1/2025	276,892,000	238,291,000	38,601,000	86.1%	2026-27	11,930,000	1,716,000	(16,111,000)	(2,465,000)
7/1/2026	285,631,000	253,989,000	31,642,000	88.9%	2027-28	11,772,000	1,709,000	(16,850,000)	(3,369,000)
7/1/2027	294,340,000	269,699,000	24,641,000	91.6%	2028-29	11,726,000	1,744,000	(17,622,000)	(4,152,000)
7/1/2028	302,984,000	285,374,000	17,610,000	94.2%	2029-30	11,651,000	1,826,000	(18,388,000)	(4,911,000)
7/1/2029	311,510,000	301,160,000	10,350,000	96.7%	2030-31	9,503,000	1,908,000	(19,128,000)	(7,717,000)
7/1/2030	319,876,000	317,107,000	2,769,000	99.1%	2031-32	8,598,000	1,908,000	(19,806,000)	(9,300,000)
7/1/2031	328,106,000	331,056,000	(2,950,000)	100.9%	2032-33	6,828,000	1,995,000	(20,515,000)	(11,692,000)
7/1/2032	336,252,000	344,192,000	(7,940,000)	102.4%	2033-34	5,481,000	2,057,000	(21,234,000)	(13,696,000)
7/1/2033	344,380,000	355,605,000	(11,225,000)	103.3%	2034-35	4,776,000	2,152,000	(21,949,000)	(15,021,000)
7/1/2034	352,360,000	365,606,000	(13,246,000)	103.8%	2035-36	3,574,000	2,210,000	(22,682,000)	(16,898,000)
7/1/2035	360,269,000	374,831,000	(14,562,000)	104.0%	2036-37	2,326,000	2,248,000	(23,341,000)	(18,767,000)
7/1/2036	368,031,000	382,647,000	(14,616,000)	104.0%	2037-38	1,754,000	2,325,000	(23,981,000)	(19,902,000)
7/1/2037	375,712,000	388,973,000	(13,261,000)	103.5%	2038-39	1,937,000	2,419,000	(24,574,000)	(20,218,000)
7/1/2038	383,375,000	394,494,000	(11,119,000)	102.9%	2039-40	2,294,000	2,462,000	(25,127,000)	(20,371,000)
7/1/2039	391,036,000	400,034,000	(8,998,000)	102.3%	2040-41	2,697,000	2,565,000	(25,672,000)	(20,410,000)
7/1/2040	398,821,000	405,771,000	(6,950,000)	101.7%	2041-42	3,027,000	2,651,000	(26,206,000)	(20,528,000)

Section III - Development of Contribution

E. History of Funded Status

Valuation Date	Actuarial Value of Assets	Accrued Liability	Unfunded Accrued Liability	Funded Ratio
July 1, 2021	\$176,262,258	\$241,878,923	\$65,616,665	72.9%
July 1, 2020	162,214,469	226,846,348	64,631,879	71.5%
July 1, 2019	157,218,908	214,378,419	57,159,511	73.3%
July 1, 2018	150,614,054	200,137,158	49,523,104	75.3%
July 1, 2017	145,237,334	191,731,469	46,494,135	75.8%
July 1, 2016	142,545,253	180,482,066	37,936,813	79.0%
July 1, 2015	142,539,557	165,668,058	23,128,501	86.0%
July 1, 2014	141,313,028	159,884,000	18,570,972	88.4%
July 1, 2013	138,438,777	152,247,000	13,808,223	90.9%
July 1, 2012	137,082,000	147,783,000	10,701,000	92.8%
July 1, 2011	135,656,323	139,939,000	4,282,677	96.9%

Section III - Development of Contribution
F. History of City Contributions

Fiscal Year	Actuarially Determined Contribution	Actual City Contribution	Payroll	Actual Contribution as a Percent of Payroll
2022-23	\$12,704,874	TBD	\$24,398,783	TBD
2021-22	12,000,000	TBD	23,671,239	TBD
2020-21	10,569,000	\$10,569,000	23,621,481	44.7%
2019-20	8,808,000	8,808,000	24,035,714	36.6%
2018-19	8,069,000	8,069,000	22,040,167	36.6%
2017-18	6,980,000	6,980,000	22,756,531	30.7%
2016-17	5,140,000	5,140,000	20,118,733	25.5%
2015-16	4,342,000	4,342,000	20,118,733	21.6%
2014-15	3,575,000	3,515,000	21,702,858	16.2%
2013-14	3,119,000	3,119,000	20,850,430	15.0%

Section IV - Membership Data

A. Reconciliation of Membership from Prior Valuation

Details of the changes in the Plan membership since the last valuation are shown below. Additional details on the Plan membership are provided in the remainder of Section IV.

	Active Members	Terminated Vested Members	Nonvested Members Due Refunds	Service Retirees	Disabled Retirees	Beneficiaries	Total
Count July 1, 2020	243	1	0	130	44	61	479
Terminated							
- due refund	-	-	-	-	-	-	0
- paid refund	-	-	-	-	-	-	0
- vested benefits due	(1)	1	-	-	-	-	0
Retired	(9)	-	-	9	-	-	0
Disabled	(2)	-	-	-	2	-	0
Died							
- with beneficiary	-	-	-	(3)	(3)	6	0
- no beneficiary	-	-	-	(2)	(2)	(4)	(8)
Benefits expired	-	-	-	-	-	-	0
New member	19	-	-	-	-	-	19
Rehired	-	-	-	-	-	-	0
New Alternate Payee	-	-	-	-	-	-	0
Correction	-	-	-	-	-	-	0
Count July 1, 2021	250	2	0	134	41	63	490

Section IV - Membership Data
B. Statistics of Active Membership

	As of July 1, 2021	As of July 1, 2020
Number of Active Members	250	243
Average Age	46.7	47.6
Average Service	17.4	18.3
Total Payroll	\$24,398,783	\$23,671,239
Average Payroll	97,595	97,413

Section IV - Membership Data

C. Statistics of Inactive Membership

	As of July 1, 2021	As of July 1, 2020
Terminated Vested Members		
Number	2	1
Total Annual Benefit	\$89,065	\$50,562
Average Annual Benefit	44,533	49,483
Average Age	45.4	47.1
Nonvested Members Due Refunds		
Number	0	0
Service Retirees		
Number	134	130
Total Annual Benefit	\$7,778,363	\$7,391,133
Average Annual Benefit	58,047	56,855
Average Age	69.9	70.2
Disabled Retirees		
Number	41	44
Total Annual Benefit	\$2,159,437	\$2,248,794
Average Annual Benefit	52,669	51,109
Average Age	69.8	71.1
Beneficiaries		
Number	63	61
Total Annual Benefit	\$2,277,757	\$1,988,601
Average Annual Benefit	36,155	32,600
Average Age	78.9	78.6

Section IV - Membership Data
D. Distribution of Inactive Members as of July 1, 2021

	Age	Number	Annual Benefits
Terminated Vested Members	< 50	2	\$89,065
	50 - 59	0	0
	60 - 69	0	0
	70 - 79	0	0
	80 - 89	0	0
	90 +	0	0
	Total	2	89,065
Service Retirees	< 50	6	\$314,858
	50 - 59	14	1,055,370
	60 - 69	47	2,990,852
	70 - 79	48	2,875,292
	80 - 89	11	319,176
	90 +	8	222,816
	Total	134	7,778,363
Disabled Retirees	< 50	0	\$0
	50 - 59	7	490,389
	60 - 69	11	655,062
	70 - 79	20	921,963
	80 - 89	2	47,359
	90 +	1	44,664
	Total	41	2,159,437
Beneficiaries	< 50	1	\$46,147
	50 - 59	1	29,445
	60 - 69	11	473,731
	70 - 79	16	\$585,780
	80 - 89	23	828,172
	90 +	11	314,483
	Total	63	2,277,757

Section V - Analysis of Risk

A. Introduction

The results of this actuarial valuation are based on one set of reasonable assumptions. However, it is almost certain that future experience will not exactly match these assumptions. As an example, the plan's investments may perform better or worse than assumed in any single year and over any longer time horizon. It is therefore important to consider the potential impacts of these likely differences when making decisions that may affect the future financial health of the plan, or of the plan's members.

In addition, as plans mature they accumulate larger pools of assets and liabilities. The increase in size in turn increases the potential magnitude of adverse experience. As an example, the dollar impact of a 10% investment loss on a plan with \$1 billion in assets and liabilities is much greater than the dollar impact for a plan with \$1 million in assets and liabilities. Since pension plans make long-term promises and rely on long-term funding, it is important to consider how mature the plan is today, and how mature it may become in the future.

Actuarial Standard of Practice No. 51 (ASOP 51) directs actuaries to provide pension plan sponsors with information concerning the risks associated with the plan:

- Identify risks that may be significant to the plan.
- Assess the risks identified as significant to the plan. The assessment does not need to include numerical calculations.
- Disclose plan maturity measures and historical information that are significant to understanding the plan's risks.

This section of the report uses the framework of ASOP 51 to communicate important information about significant risks to the plan, the plan's maturity, and relevant historical plan data.

Please see Section III C for more information on the basis for the projected results shown on the following pages.

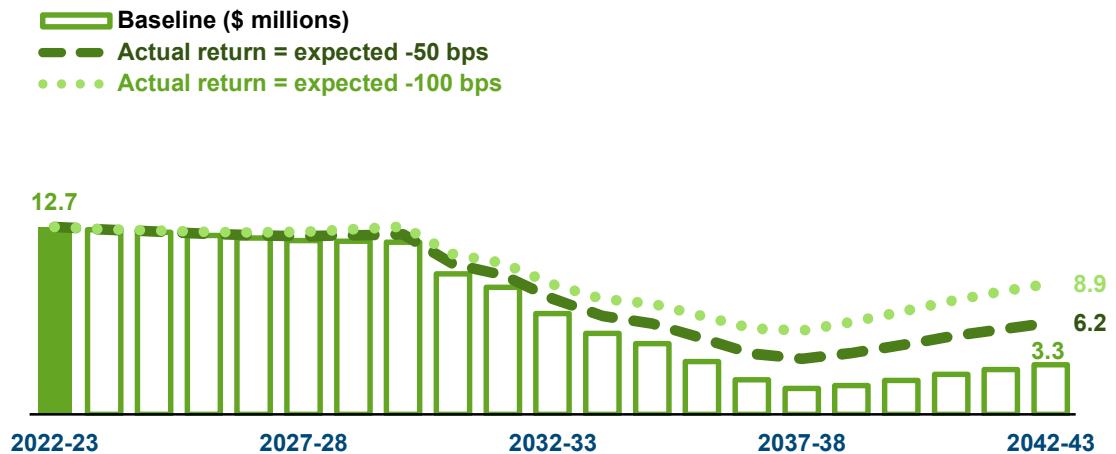
Section V - Analysis of Risk

B. Risk Identification and Assessment

Investment Risk

Definition: This is the potential that investment returns will be different than expected.

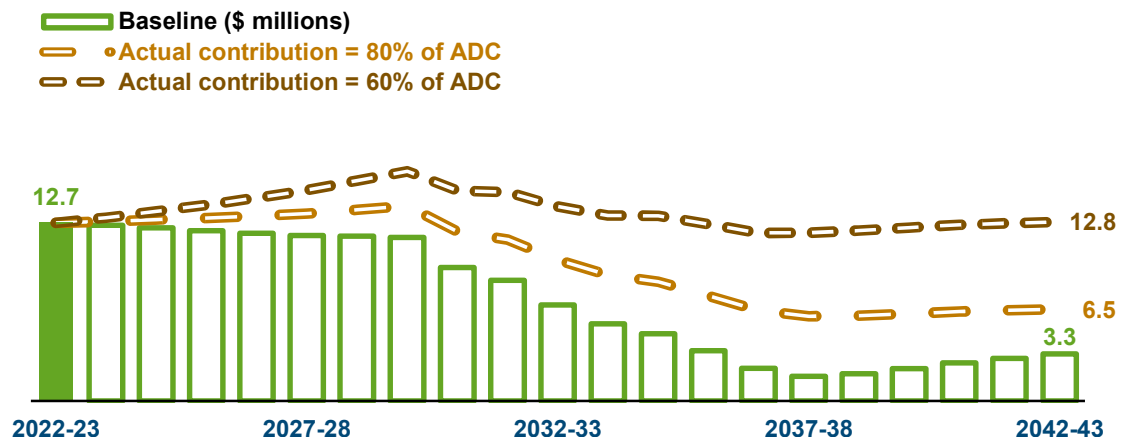
Identification: To the extent that actual investment returns differ from the assumed investment return, the plan's future assets, Actuarially Determined Contributions, and funded status may differ significantly from those presented in this valuation. The consequences of persistent underperformance on future Actuarially Determined Contribution levels are illustrated below:



Contribution Risk

Definition: This is the potential that actual future contributions will be less than the Actuarially Determined Contribution.

Identification: Over the past 8 years, actual contributions have been 99.9% of the Actuarially Determined Contribution in total. The consequences of persistent underfunding on future Actuarially Determined Contribution levels are illustrated below:



Section V - Analysis of Risk

B. Risk Identification and Assessment

Liquidity Risk

Definition: This is the potential that assets must be liquidated at a loss earlier than planned in order to pay for the plan's benefits and operating costs. This risk is heightened for plans with negative cash flows, in which contributions are not sufficient to cover benefit payments plus expenses.

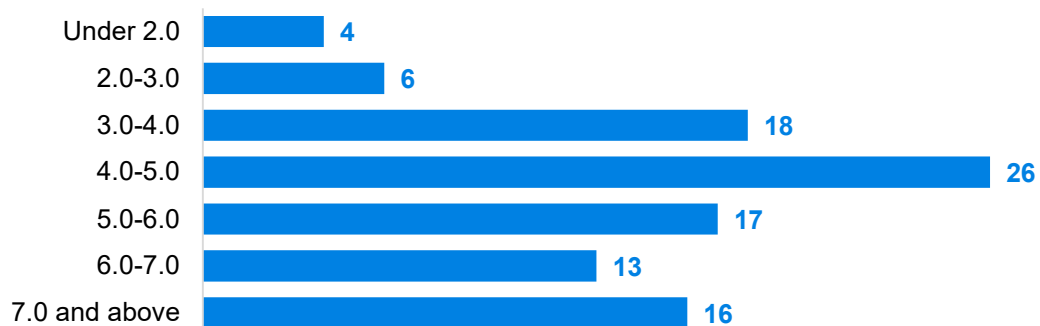
Identification: In 2020-21, the plan had negative cash flow, with city and member contributions to the plan of \$11,825,463 compared to \$11,976,405 of benefit payments and administrative expenses paid out of the plan. We suggest that you consult with your investment advisors with respect to the liquidity characteristics of the plan's investment holdings.

Maturity Risk

Definition: This is the potential for total plan liabilities to become more heavily weighted toward inactive liabilities over time, and for plan assets and/or liabilities to become larger relative to the active member liability.

Identification: The plan is subject to maturity risk because as plan assets and liabilities continue to grow, the dollar impact of any gains or losses on the assets or liabilities also becomes larger.

Assessment: As of July 1, 2021, the plan's Asset Volatility Ratio (the ratio of the market value of plan assets to payroll) is 7.6. According to Milliman's 2021 Public Pension Funding Study, the 100 largest US public pension plans have the following range of Asset Volatility Ratios:



Inflation Risk

Definition: This is the potential for a pension to lose purchasing power over time due to inflation.

Identification: The members of pension plans without fully inflation-indexed benefits are subject to the risk that their purchasing power will be reduced over time due to inflation.

Assessment: This plan does not contain a mechanism to regularly increase benefits after retirement, so members bear all of the inflation risk.

Section V - Analysis of Risk

B. Risk Identification and Assessment

Insolvency Risk

Definition: This is the potential that a plan will become insolvent; that is, assets will be fully depleted.

Identification: If a plan becomes insolvent, contractually required benefits must be paid from the plan sponsor's other remaining assets.

Assessment: Under the GASB 68 depletion date methodology, the plan is not projected to become insolvent. Please see the GASB 68 report for more details on the underlying analysis.

Demographic Risks

Definition: This is the potential that mortality, turnover, retirement, or other demographic experience will be different than expected.

Identification: The pension liabilities reported herein have been calculated by assuming that members will follow patterns of demographic experience as described in Appendix B. If actual demographic experience or future demographic assumptions are different from what is assumed to occur in this valuation, future pension liabilities, Actuarially Determined Contributions, and funded status may differ significantly from those presented in this valuation. Formal Experience Studies performed on a regular basis are helpful in ensuring that the demographic assumptions reflect emerging plan experience.

Retirement Risk

Definition: This is the potential for members to retire and receive subsidized benefits that are more valuable than expected.

Identification: This plan permits members to retire with unreduced benefits at young ages. If members retire at earlier ages than are anticipated by the actuarial assumptions, this will put upward pressure on subsequent Actuarially Determined Contributions.

Additional Pension Credit Risk

Definition: This is the potential for active members to trade in unused sick and/or vacation days and receive pension benefits that are higher than expected.

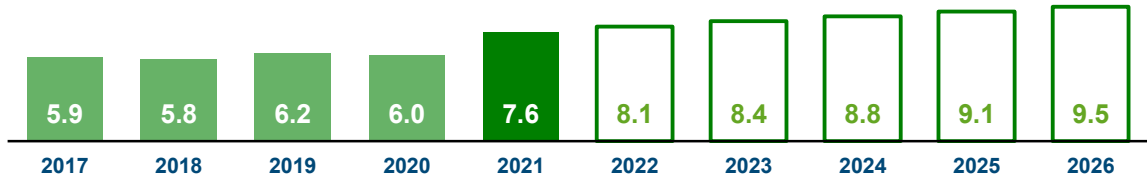
Identification: This plan permits some members to trade in unused sick and/or vacation days and increase their total pension multiplier. We assume that on average members elect to receive 68% of the maximum additional pension credit. If members elect to receive more than 68% of the maximum additional pension credit on average, then plan costs will rise over time.

Section V - Analysis of Risk

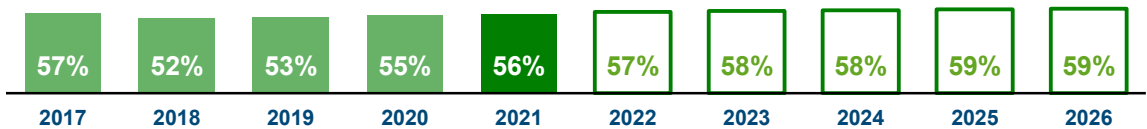
C. Maturity Measures

The metrics presented below are different ways of understanding the plan's maturity level, both in the past and as it is expected to change in the coming years.

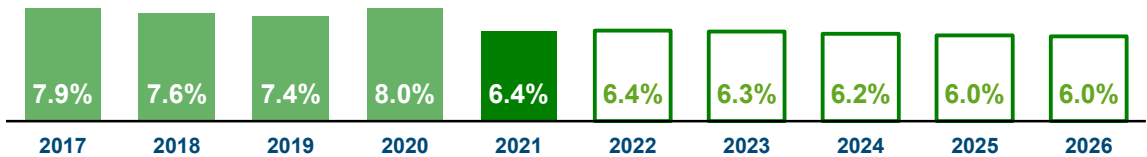
Asset Volatility Ratio: Market Value of Assets compared to Payroll



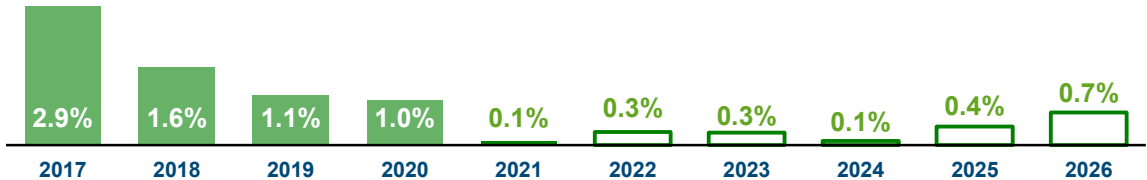
Accrued Liability for members in pay status compared to total Accrued Liability



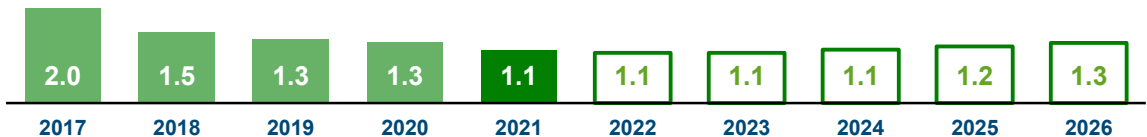
Benefit Payments compared to Market Value of Assets



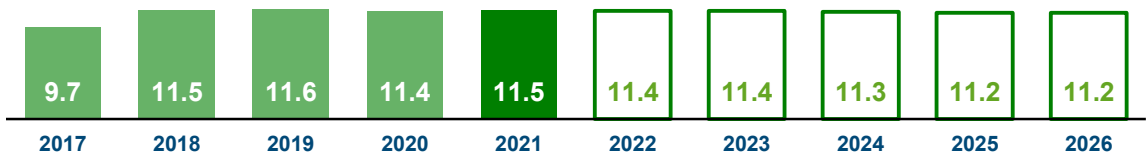
Net Cash Flows compared to Market Value of Assets



Benefit Payments compared to City Contributions



Duration of Accrued Liability (based on GASB 68 sensitivity disclosures)



Appendix A - Actuarial Funding Method

The actuarial funding method used in the valuation of this Plan is known as the Projected Unit Credit Cost Method. The Actuarially Determined Contribution consists of three pieces: Normal Cost plus a Past Service Cost payment to gradually eliminate the Unfunded Accrued Liability plus a Timing Adjustment to reflect the timing of the contribution relative to the valuation date.

Under this cost method a projected retirement benefit at assumed retirement age is computed for each member. The Normal Cost for each member is computed as the present value of the pro-rata portion of the member's projected benefit which is accrued or earned during the plan year being valued. The normal cost of the plan is the total of the individually computed normal costs for all members. The Accrued Liability at any point in time for an active member is the present value of that portion of the projected benefit which has been accrued up to the valuation date. For members receiving benefits or entitled to a deferred benefit, the accrued liability is equal to the present value of their future benefit payments. The accrued liability for the plan is the total of individually computed accrued liability amounts for all members.

The funding cost of the Plan is derived by making certain specific assumptions as to rates of interest, mortality, turnover, etc. which are assumed to hold for many years into the future. Since actual experience may differ somewhat from the assumptions, the costs determined by the valuation must be regarded as estimates of the true costs of the Plan.

The Unfunded Accrued Liability is the excess of the Accrued Liability over the assets which have been accumulated for the plan. This Unfunded Accrued Liability is amortized as a level dollar amount over an open period of 15 years. Each year a new amortization base is established for the actuarial gains or losses that have emerged since the last valuation.

The Actuarial Value of Assets is determined by recognizing market gains and losses asymptotically over a five year period; the result is constrained to within +/- 30% of the market value of assets as of the valuation date.

The long-range forecasts included in this report have been developed by assuming that members will terminate, retire, become disabled, and die according to the actuarial assumptions with respect to these causes of decrement, and that pay increases, cost of living adjustments, and so forth will likewise occur according to the actuarial assumptions. For those unions whose new employees are eligible to participate in this plan, members who are projected to leave active employment are assumed to be replaced by new active members with the same age, service, gender, and pay characteristics as those hired in the past few years, as well as incorporating the characteristics of the current active employees as a whole.

Appendix B - Actuarial Assumptions

Each of the assumptions used in this valuation was set based on a formal study of the plan's experience as of July 1, 2019 which reflected industry standard published tables and data, the particular characteristics of the plan, relevant information from the plan sponsor or other sources about future expectations, and our professional judgment regarding future plan experience. We believe the assumptions are reasonable for the contingencies they are measuring, and are not anticipated to produce significant cumulative actuarial gains or losses over the measurement period.

Interest Rate 6.70% (prior: 6.95%)

Inflation Rate 2.60%

Expenses The average of the prior two year's administrative expenses, rounded to the nearest \$1,000.

Salary Scale	Service	Rate
	0	14.75%
	1-2	9.75%
	3	8.75%
	4	7.75%
	5	6.75%
	6-7	5.75%
	8	4.75%
	9	3.75%
	10+	3.25%

Note: Retroactive pay increases of 2.25% were assumed back to 07/01/2019.

Turnover	Current:	
	Age	Rate
	20	2.72%
	25	2.45%
	30	1.85%
	35	1.18%
	40	0.72%
	45+	0.00%
	Prior:	
	Age	Rate
	20	5.44%
	25	4.89%
	30	3.70%
	35	2.35%
	40+	0.00%

Appendix B - Actuarial Assumptions

Retirement

Age	Rate
48	4%
49-51	1%
52-54	2%
55	5%
56	6%
57	5%
58	12%
59	10%
60	18%
61-62	10%
63-64	25%
65-69	65%
70+	100%

Disability

Age	Male	Female
20	0.09%	0.05%
25	0.13%	0.09%
30	0.18%	0.15%
35	0.25%	0.23%
40	0.35%	0.32%
45	0.47%	0.44%
50	0.68%	0.66%
55	1.14%	1.06%
60	1.72%	1.23%
65	2.30%	1.43%
70	0.00%	0.00%

Disability benefits are assumed to be service connected and equal to 75% of pay.

Mortality

PubS-2010 Mortality Table with generational projection per the MP-2019 Ultimate scale, with employee rates before benefit commencement and healthy, disabled and contingent annuitant rates after benefit commencement. This assumption includes a margin for mortality improvement beyond the valuation date.

Pre-retirement deaths are assumed to be not service connected.

Marital Status

80% of active participants are assumed to be married. Female spouses are assumed to be 4 years younger than male spouses.

Vacation Bank

Retiring members are assumed to elect 68% (prior 60%) of the maximum additional pension credit as an annuity from the fund.

Appendix C - Summary of Plan Provisions

This exhibit summarizes the major provisions of the Plan. It is not intended to be, nor should it be interpreted as a complete statement of all plan provisions. All eligibility requirements and benefit amounts shall be determined in strict accordance with the plan document itself. To the extent that this summary does not accurately reflect the plan provisions, then the results of this valuation may not be accurate.

Pension Earnings	Base salary in the final year of employment excluding bonuses and overtime, and including differential amounts.
Normal Retirement Eligibility	Age 48 with 20 years of service if hired after January 1, 1981; 20 years of service if hired before January 1, 1981.
Normal Retirement Benefit	2.5% of Pension Earnings multiplied by years of service up to 20 plus an additional 2.0% of Pension Earnings for each additional year of service. For employees hired before July 1, 2016, the maximum benefit is 74% of Pension Earnings. 2.25% times years of service multiplied by a three-year average Pension Earnings for employees hired after July 1, 2016. The maximum benefit multiplier is 100% for these employees.
Non-Service Disability Eligibility	20 years of service.
Non-Service Disability Benefit	50% of salary, but not less than the accrued benefit.
Service Disability Eligibility	No service requirement.
Service Disability Benefit	100% or 75% of salary depending on the extent of the disability.
Non-Service Preretirement Death Eligibility	No service requirement.
Non-Service Preretirement Death Benefit	Return of contributions with interest for employees with less than 10 years of service. Greater of 100% of the Normal Retirement Benefit and 50% of salary for employees with more than 10 years of service.
Service Preretirement Death Eligibility	No service requirement.
Service Preretirement Death Benefit	Greater of 100% of the Normal Retirement Benefit and 50% of salary for employees with more than 10 years of service.

Appendix C - Summary of Plan Provisions

Postretirement Spouse's Benefit	100% of the benefit the retiree was receiving for employees hired before July 1, 2016. Employees may elect a reduced joint & survivor annuity at retirement if hired after July 1, 2016.
Postretirement Death Benefit	Lump sum equal to the excess, if any, of accumulated contributions over the total benefits paid to the member or survivors.
Vesting	100% after 15 years of service.
Termination Benefit	<p>If the member is not vested, the member is paid a refund of their accumulated contributions.</p> <p>If the member is vested, the member can elect to receive the member's accrued benefit beginning when the member would have reached the 20th anniversary of date of hire.</p>
Employee Contributions	<p>Active members contribute a percentage of salary:</p> <p>7.25% for employees hired after July 1, 2016.</p> <p>6.25% for employees hired before July 1, 2016. No member contributions are made by employees with 32+ years of service.</p>
Vacation Exchange	<p>Employees can trade in vacation leave time for additional pension credit. Each 20 days grants an additional 1.5% of salary up to a maximum of 7.5%.</p> <p>Those hired after July 1, 2016 are not eligible for this additional retirement benefit.</p>

Appendix D - Glossary

Actuarial Cost Method - This is a procedure for determining the Actuarial Present Value of Benefits and allocating it to time periods to produce the Actuarial Accrued Liability and the Normal Cost.

Accrued Liability - This is the portion of the Actuarial Present Value of Benefits attributable to periods prior to the valuation date by the Actuarial Cost Method (i.e., that portion not provided by future Normal Costs).

Actuarial Assumptions - With any valuation of future benefits, assumptions of anticipated future events are required. If actual events differ from the assumptions made, the actual cost of the plan will vary as well. Some examples of key assumptions include the interest rate, salary scale, and rates of mortality, turnover and retirement.

Actuarial Present Value of Benefits - This is the present value, as of the valuation date, of future payments for benefits and expenses under the Plan, where each payment is: a) multiplied by the probability of the event occurring on which the payment is conditioned, such as the probability of survival, death, disability, termination of employment, etc.; and b) discounted at the assumed interest rate.

Actuarial Value of Assets - This is the value of cash, investments and other property belonging to the plan, typically adjusted to recognize investment gains or losses over a period of years to dampen the impact of market volatility on the Actuarially Determined Contribution.

Actuarially Determined Contribution (“ADC”) - This is the employer’s periodic contributions to a defined benefit plan, calculated in accordance with actuarial standards of practice.

Attribution Period - The period of an employee’s service to which the expected benefit obligation for that employee is assigned. The beginning of the attribution period is the employee’s date of hire and costs are spread across all employment.

Interest Rate - This is the long-term expected rate of return on any investments set aside to pay for the benefits. In a financial reporting context (e.g., GASB 68) this is termed the Discount Rate.

Normal Cost - This is the portion of the Actuarial Present Value of Benefits allocated to a valuation year by the Actuarial Cost Method.

Past Service Cost - This is a catch-up payment to fund the Unfunded Accrued Liability over time (generally 10 to 30 years). A closed amortization period is a specific number of years counted from one date and reducing to zero with the passage of time; an open amortization period is one that begins again or is recalculated at each valuation date. Also known as the Amortization Payment.

Return on Plan Assets - This is the actual investment return on plan assets during the fiscal year.

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