

January 1, 2016 Actuarial Valuation of the City of Fort Collins General Employees' Retirement Plan

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Agenda

- Overview of Results
- Review Data
 - Member Data
 - Financial Data
- Review Liabilities
- Funding Analysis (Resources vs. Obligations)
- Solvency Projections

Purposes of the Valuation

- Review demographic and financial experience
- Determine the funded status of the plan
- Provide financial reporting information pursuant to accounting standards

Overview of Results - Funding

	2016	2015
1. Market Value (MV) of Assets	\$ 43,050,288	\$ 45,722,416
2. Return on MV (Prior Year)	-0.6%	6.0%
3. Discount Rate for Liabilities	6.50%	6.50%
4. Present Value of Future Benefits	\$ 59,860,251	\$ 60,112,124
5. Actuarial Liability (AL)	\$ 57,914,989	\$ 57,796,305
6. Unfunded Actuarial Liability AL - MV	\$ 14,864,701	\$ 12,073,889
7. Funded Ratio MV ÷ AL	74.33%	79.11%

Overview – GASB 67/68 Disclosure Information

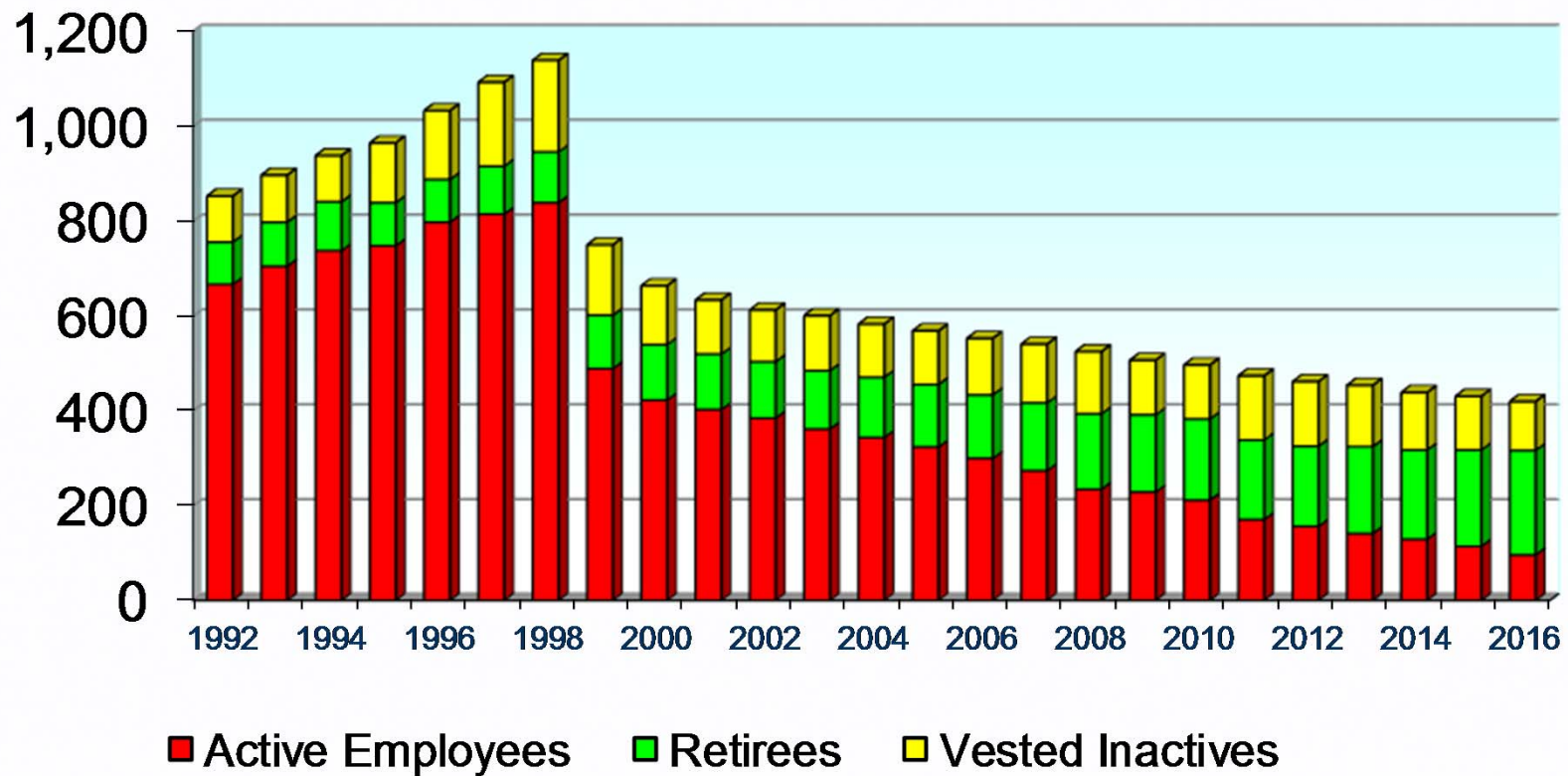
	12/31/2015	12/31/2014
Discount Rate for Liability	6.50%	6.50%
8. Total Pension Liability (TPL)	\$ 57,914,989	\$ 57,796,305
9. Fiduciary Net Position (FNP)	\$ 43,050,288	\$ 45,722,416
10. Net Pension Liability (NPL)	\$ 14,864,701	\$ 12,073,889
11. FNP as a % of TPL	74.33%	79.11%

- Total Pension Liability calculated using a discount rate of 6.5%, the Plan's long-term expected rate of return assumption
- The use of the long-term expected rate of return assumption is based on Plan's Depletion Date Projection, which takes into account the current Fiduciary Net Position, projected net cash flow, and reliance on the adopted policy of supplemental contributions. If the Plan were projected to run out of money the Total Pension Liability would be calculated using a blended discount rate incorporating the current rates of 20-year tax-exempt municipal bonds. The 20-year Muni Bond rate was 3.57% at 12/31/2015.
- The Depletion Date Projection is reviewed annually based on factors such as the current Fiduciary Net Position and future anticipated level of contributions.

Data Reconciliation

	Actives	Term Vested	Retired	Total
1/1/2015	113	113	205	431
Rehire	N/A	N/A	N/A	0
Terminations	(2)	2	N/A	0
Retirements	(13)	(7)	20	0
Deaths	0	0	(4)	(4)
Cash Outs	(3)	(5)	0	(8)
Other	<u>0</u>	<u>0</u>	<u>1</u>	<u>1</u>
Net Change	(18)	(10)	17	(11)
1/1/2016	95	103	222	420

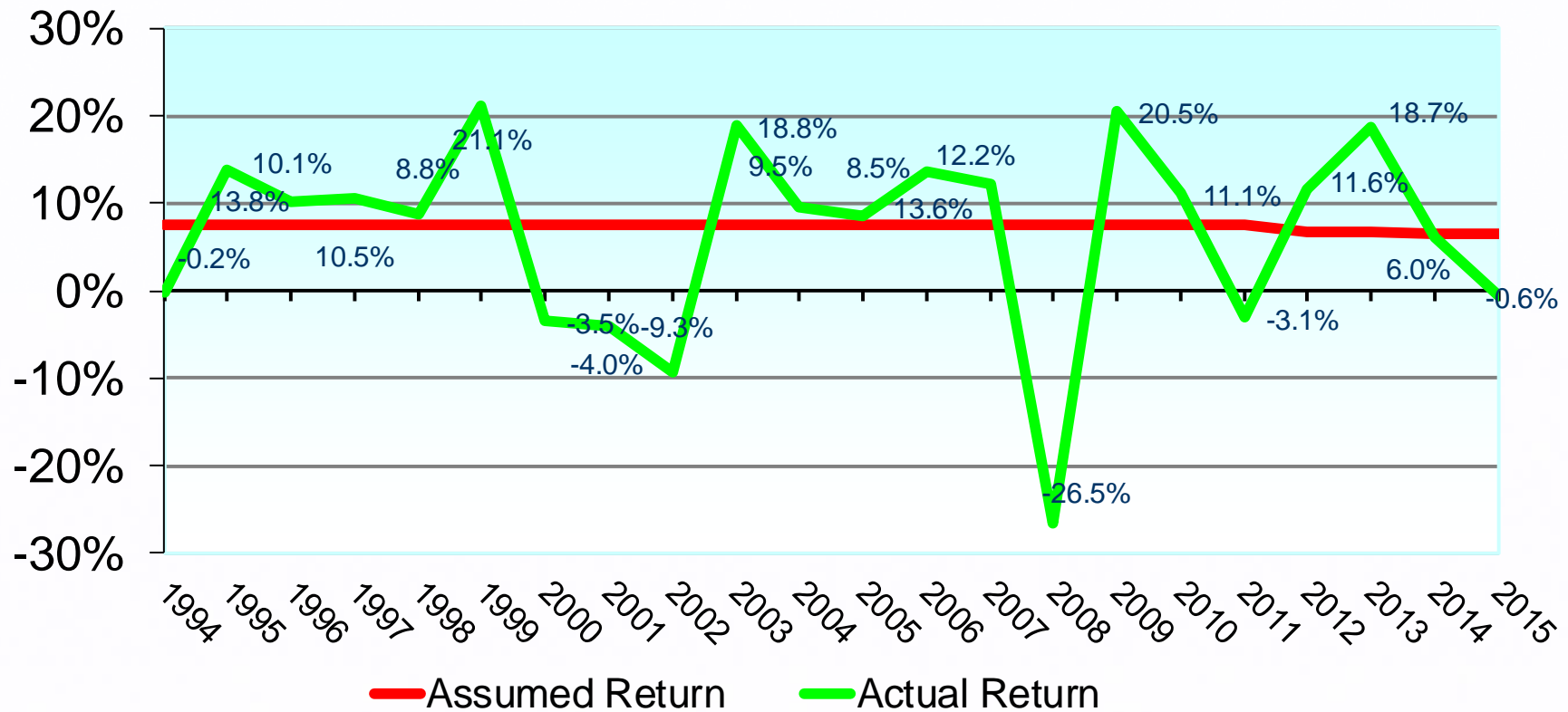
Summary of Plan Participants



Financial Data - 2015

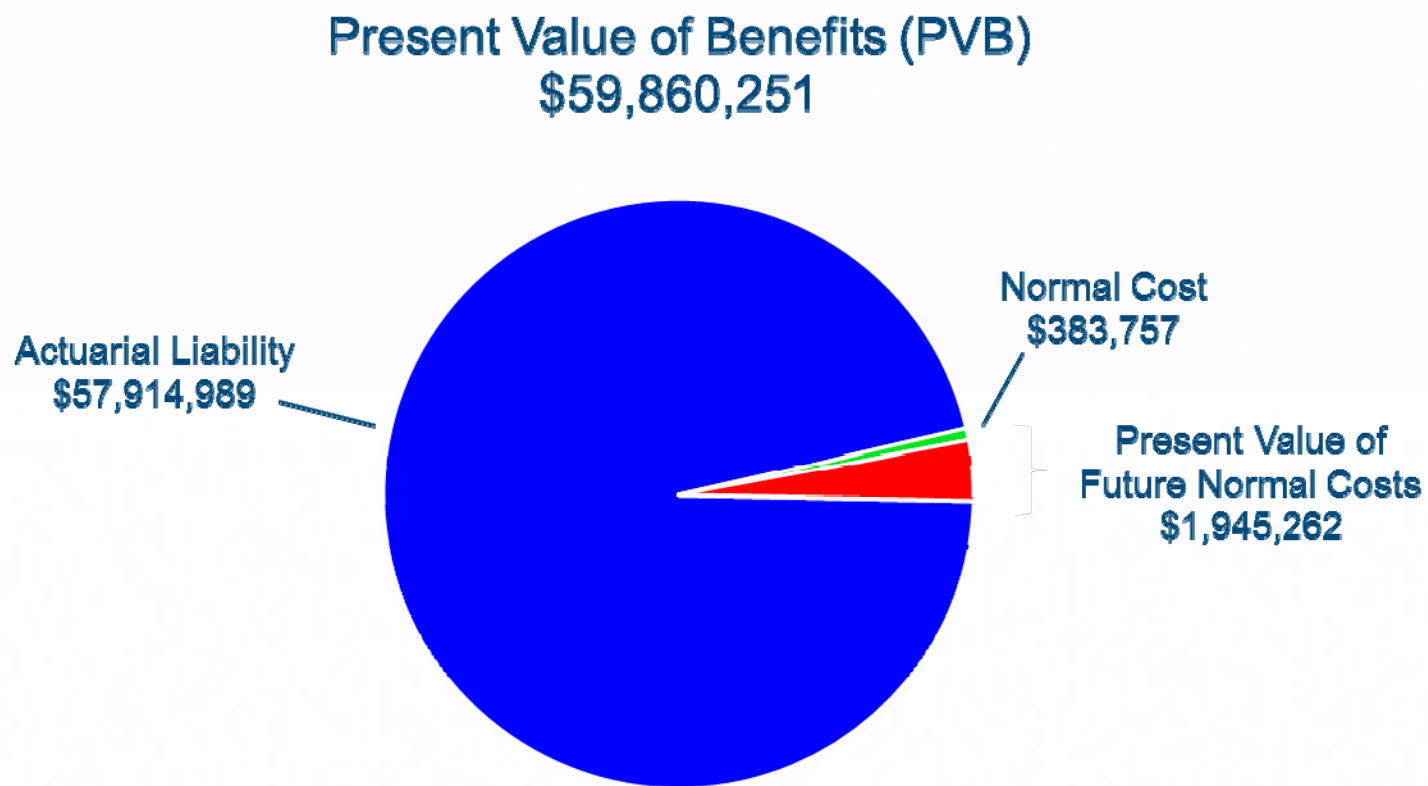
1. Market Value of Assets – 1/1/2015	\$	45,722,416
2. Income		
a. Contributions	\$	1,830,265
b. Income and appreciation		<u>(274,583)</u>
c. Total	\$	1,555,682
3. Disbursements		
a. Monthly benefits	\$	2,766,627
b. Lump sum payments		1,438,477
c. Expenses		<u>22,706</u>
d. Total	\$	4,227,810
4. Net Increase/(Decrease)	\$	(2,672,128)
5. Market Value of Assets – 1/1/2016	\$	43,050,288

Return on Market Value of Assets Net of Investment Expenses*

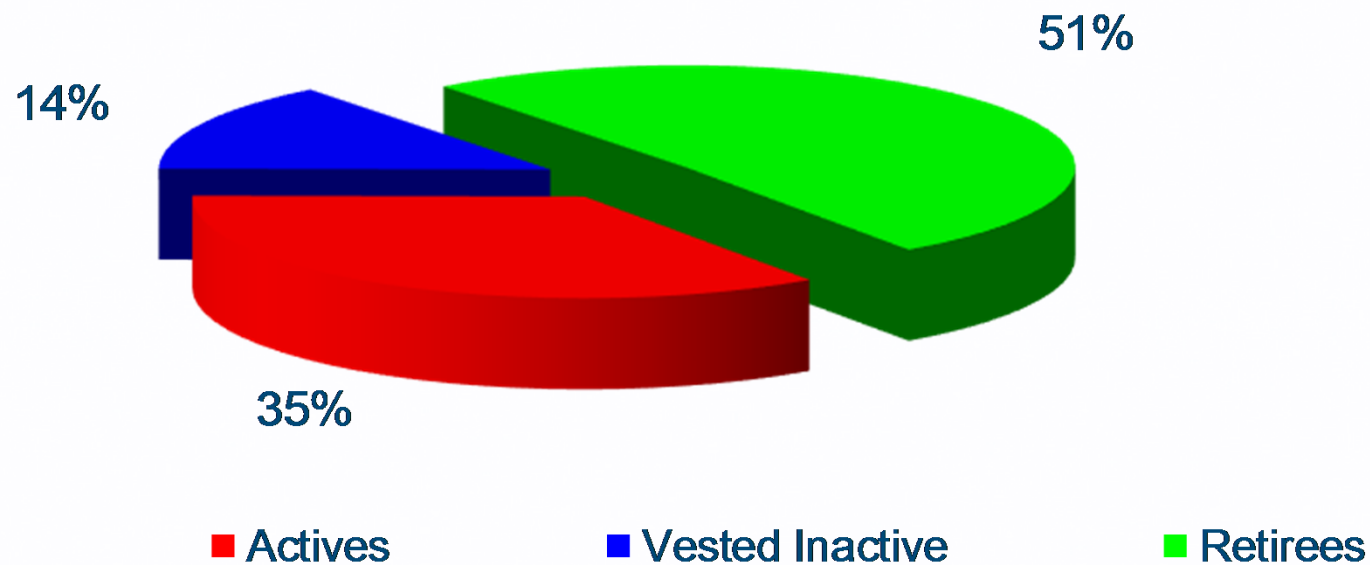


*Net of all expenses prior to 2014

Entry Age Normal Cost Method



Actuarial Liability



Unfunded Actuarial Liability

Actuarial Liability

\$57,914,989

Assets

\$43,050,288

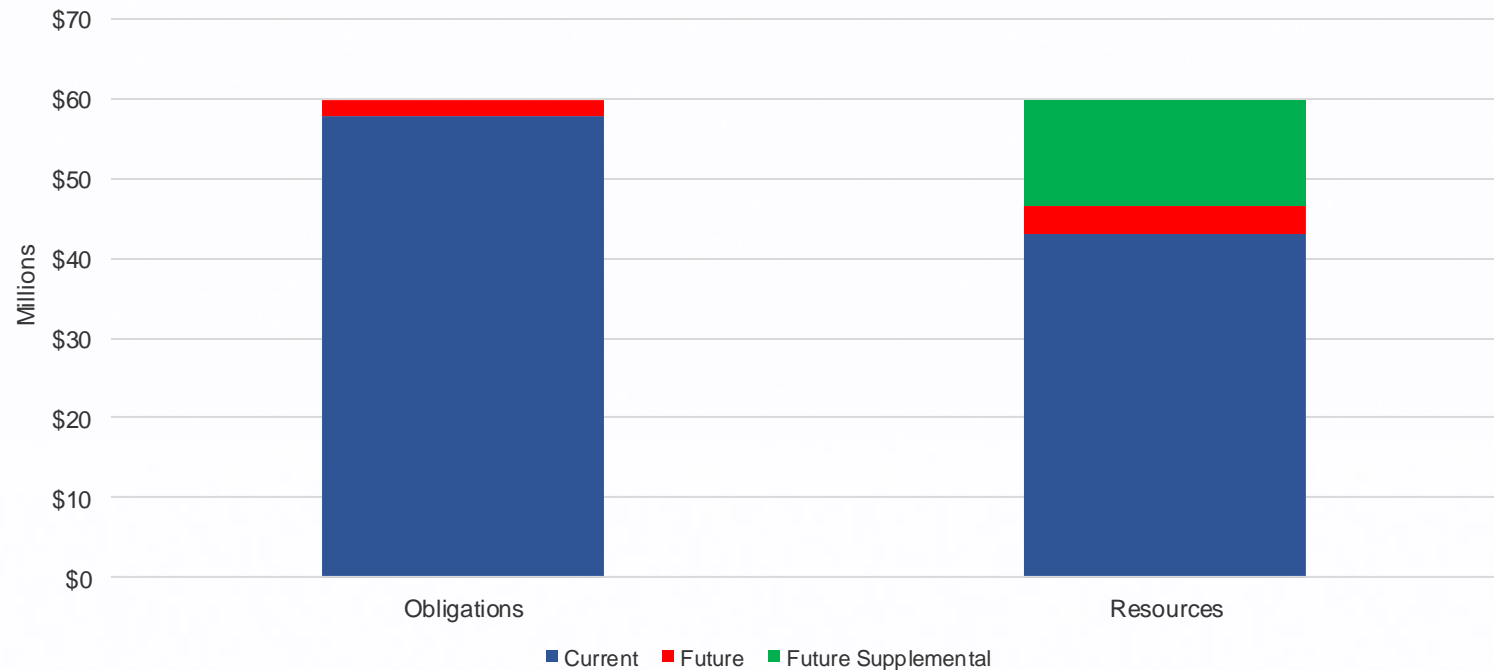
Unfunded Actuarial Liability

\$14,864,701

Gain/Loss

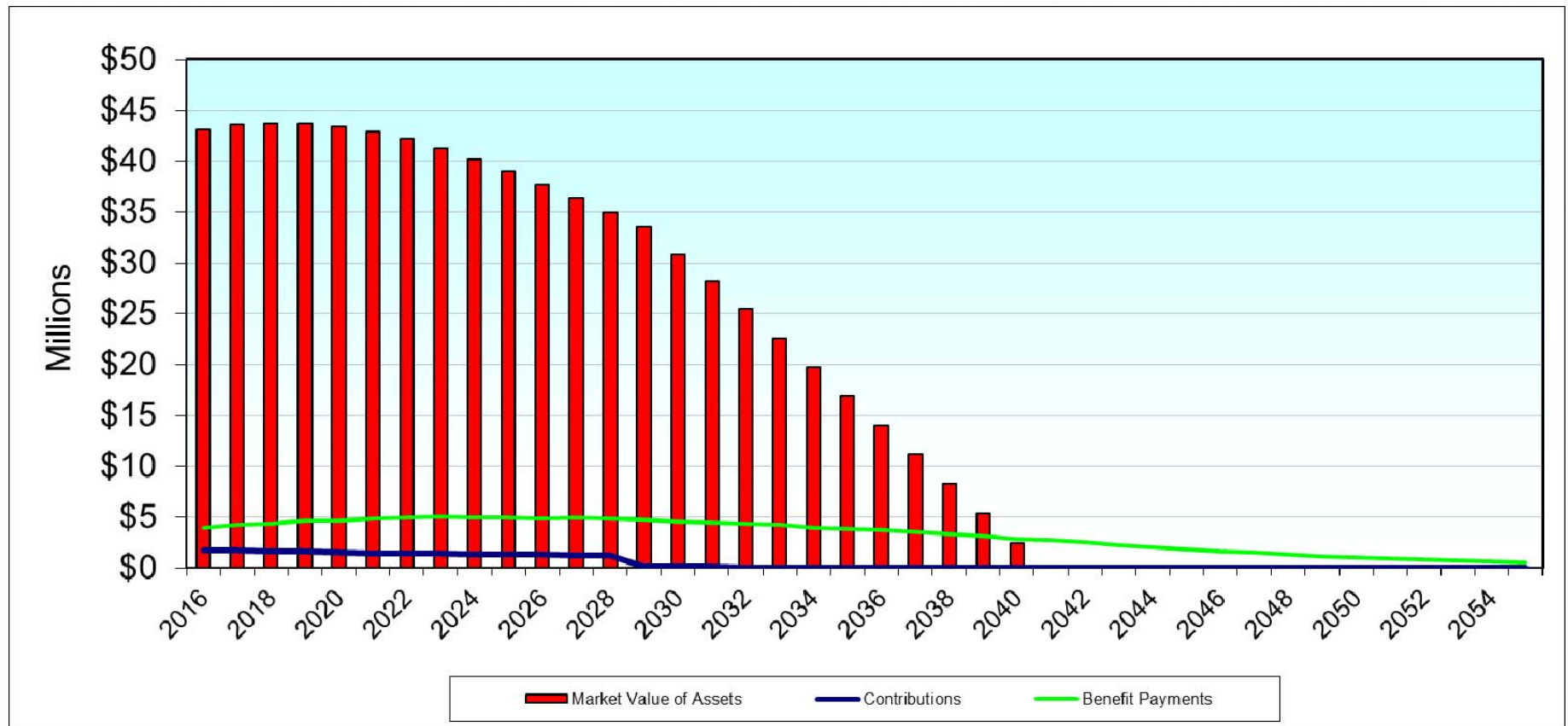
1. Actual UAL, 1/1/2015	\$ 12,073,889
2. Expected changes during 2015	<u>(603,787)</u>
3. Expected UAL, 1/1/2016	\$ 11,470,102
Changes:	
4. Asset (gain)/loss	\$ 3,169,846
5. Salary change different than assumed	(114,595)
6. Pensioner Mortality Experience	33,660
7. Retirement and other terminations	236,880
8. Other demographic	<u>68,808</u>
9. Total	\$ 3,394,599
10. Actual UAL, 1/1/2016	\$ 14,864,701

Summary of Resources and Obligations



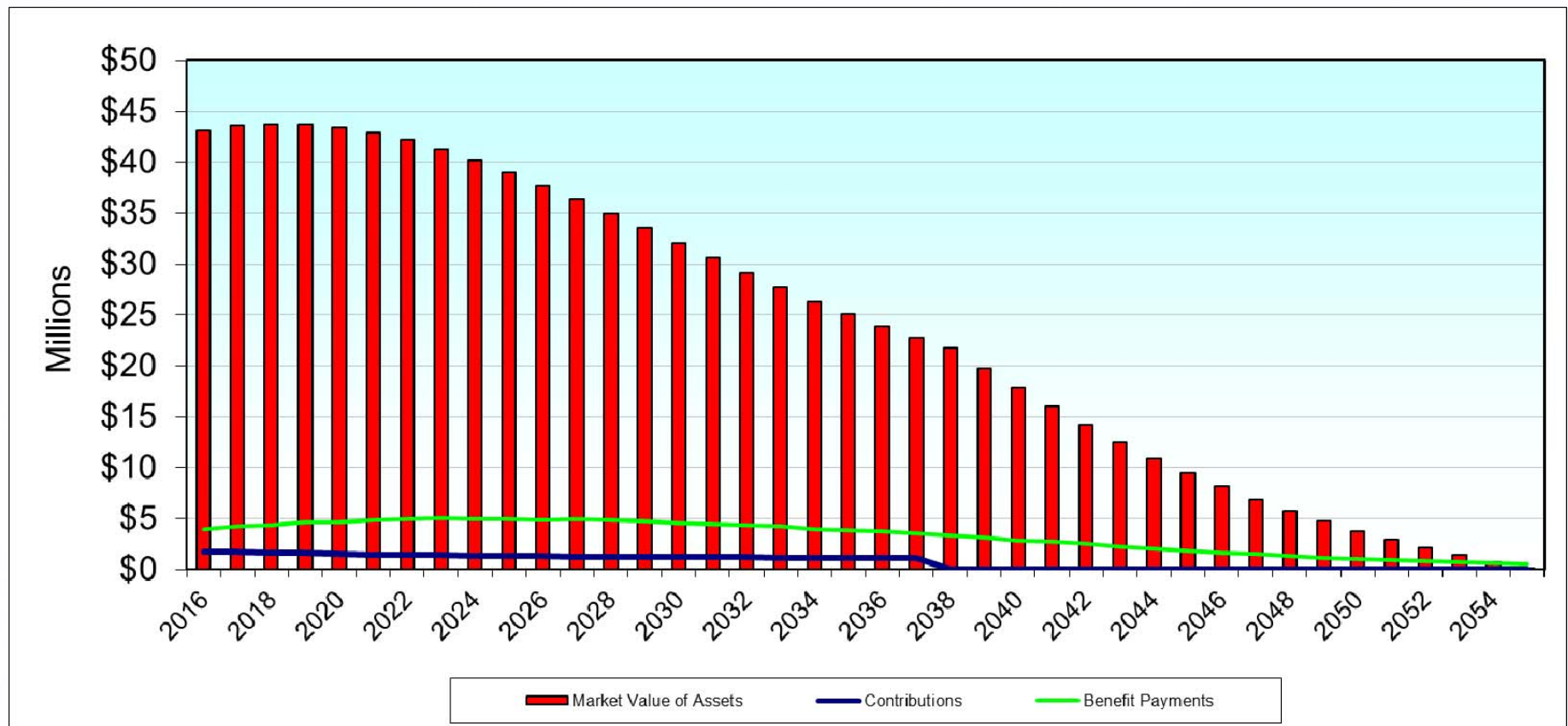
- Obligations consist of the Actuarial Liability (Current) and the amount of the total liability attributable to future service, the Present Value of Future Normal Costs (Future)
- Resources consist of the current market value of assets (Current) and the present value of the future anticipated payroll contributions of 10.5% of compensation (Future)
- The difference of \$13.3 million is the amount anticipated to be funded through the supplemental contribution of \$1.12 million per year. This equates to about 22 years as of the valuation date.

Projection of Contributions, Benefit Payments, and Market Value of Assets



Assumes Market Value of Assets earns 6.5% per annum, and contributions are 10.5% of compensation. Includes excess contributions of \$1,120,000 for 2016-2028.

Projection of Contributions, Benefit Payments, and Market Value of Assets



Assumes Market Value of Assets earns 6.5% per annum, and contributions are 10.5% of compensation.
Includes excess contributions of \$1,120,000 for 2016- 2037.

Projection of Contributions, Benefit Payments, and Market Value of Assets

Year	Market Value	Expected Contribution	Benefit Payment	Year	Market Value	Expected Contribution	Benefit Payment
2016	43,050,288	1,770,095	3,973,257	2036	23,907,181	1,150,131	3,692,284
2017	43,552,227	1,706,173	4,282,184	2037	22,801,038	1,143,271	3,517,506
2018	43,701,286	1,638,809	4,390,250	2038	21,795,488	17,590	3,317,261
2019	43,678,350	1,579,351	4,620,669	2039	19,768,159	13,082	3,093,393
2020	43,354,059	1,520,598	4,644,073	2040	17,834,614	10,372	2,884,713
2021	42,923,281	1,469,828	4,886,247	2041	15,987,102	7,788	2,727,667
2022	42,161,443	1,418,041	4,900,671	2042	14,178,009	3,944	2,490,721
2023	41,281,113	1,377,887	5,065,430	2043	12,491,004	1,968	2,259,232
2024	40,131,364	1,334,514	4,963,337	2044	10,930,290	1,420	2,053,053
2025	38,966,868	1,303,793	4,984,490	2045	9,479,394	1,025	1,870,869
2026	37,672,462	1,278,099	4,862,274	2046	8,120,810	0	1,664,682
2027	36,392,907	1,259,758	4,950,309	2047	6,884,645	0	1,486,816
2028	34,919,657	1,236,093	4,801,833	2048	5,750,645	0	1,320,661
2029	33,478,805	1,220,351	4,741,795	2049	4,713,331	0	1,166,869
2030	31,989,308	1,204,389	4,545,565	2050	3,766,193	0	1,025,827
2031	30,588,378	1,194,287	4,495,908	2051	2,901,900	0	897,393
2032	29,136,467	1,181,995	4,386,485	2052	2,112,787	0	781,228
2033	27,689,688	1,170,401	4,229,594	2053	1,391,043	0	677,116
2034	26,298,087	1,160,368	3,986,922	2054	728,570	0	584,559
2035	25,055,412	1,155,340	3,811,377	2055	117,257	0	502,528

Assumes Market Value of Assets earns 6.5% per annum, and contributions are 10.5% of compensation.
Includes excess contributions of \$1,120,000 for 2016 - 2037.

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