

Sacramento, CA, City of

Municipal Market Disclosure Information Cover Sheet

Type of Filing: ANNUAL FINANCIAL INFORMATION & OPERATING DATA (RULE 15C2-12)
2025 - Annual Continuing Disclosure Report - 2025 Refunding Revenue Bonds
Date of Filing: 03/24/2026

Certification Authorized by	Disclosure Dissemination Agent Contact
Name: Brian Wong Title: Debt Manager Entity: Sacramento, CA, City of Sacramento	DAC 315 East Robinson Street, Suite 300, Orlando, FL 32801-1674 407 515 - 1100 emmaagent@dacbond.com

This information is also available on DAC’s website: www.dacbond.com

Signature of Issuer: Brian Wong /s/

The information set forth herein has been obtained from the obligated entity and other sources believed to be reliable, but such information is not guaranteed as to accuracy or completeness and is not to be construed as a promise or guarantee. This Annual Financial Information & Operating Data (Rule 15c2-12) may contain, in part, estimates and matters of opinion which are not intended as statements of fact, and no representation is made as to the correctness of such estimates and opinions, or that they may be realized. The information and expressions of opinion contained herein are subject to change without notice, and the delivery of this Annual Financial Information & Operating Data (Rule 15c2-12) will not, under any circumstances, create any implication that there have been no changes in the affairs of the entity, or other matters described.

This Filing Applies to:

- 1. Sacramento City Financing Authority, Refunding Revenue Bonds (Master Lease Program Facilities), 2025, \$57,685,000, Dated: September 4, 2025
CUSIPS: 785849XA3, 785849XB1, 785849XC9, 785849XD7, 785849XE5, 785849XF2, 785849XG0, 785849XH8, 785849XJ4, 785849XK1, 785849XL9

Digital Assurance Certification

Filing Certificate

DAC transmitted the Annual Financial Information & Operating Data (Rule 15c2-12) to EMMA/SID (if applicable) on behalf of Sacramento, CA, City of Sacramento under their SEC Rule 15c2-12 Continuing Disclosure Agreement.

Transmission Details: P11463117

Date & Time Stamp:	03/24/2026
Document Name or Event Type:	Annual Financial Information & Operating Data (Rule 15c2-12)
Document Description:	2025 - Annual Continuing Disclosure Report - 2025 Refunding Revenue Bonds
DAC Bond Coversheet:	Yes
Transmitted to:	MSRB-EMMA
Total CUSIPs associated with this Filing:	11
Filing made on Series:	2025

Codes: **P** (Prerefunded), **R** (Refunded), **U** (Unrefunded), **E** (Escrowed), **A** (Advance Refunding), **D** (Defeased), **T** (Tendered), **V** (Derivatives), **UD** (Undetermined), **NLO** (No Longer Outstanding)

Red: Original CUSIPs - filing missed · **Blue:** Non-Original CUSIPs - filing missed · **Green:** Outstanding CUSIPs - filing made · **Black:** Inactive CUSIPs

1. Issue: Sacramento City Financing Authority, Refunding Revenue Bonds (Master Lease Program Facilities), 2025, \$57,685,000, Dated: September 4, 2025
- CUSIP: 785849XA3, 785849XB1, 785849XC9, 785849XD7, 785849XE5, 785849XF2, 785849XG0, 785849XH8, 785849XJ4, 785849XK1, 785849XL9

No missing CUSIPs for this bond issue

City of Sacramento
Annual Continuing Disclosure Report
Fiscal Year 2024-25

Issuer	Sacramento City Financing Authority
Issue	2025 Refunding Revenue Bonds (Master Lease Program Facilities)
Series	Not applicable
Par	\$ 57,685,000
Pricing	August 21, 2025
Closing	September 4, 2025
CUSIP Numbers	785849XA3 785849XB1 785849XC9 785849XD7 785849XE5 785849XF2 785849XG0 785849XH8 785849XJ4 785849XK1 785849XL9

Content of Annual Report

The City's Annual Report shall contain or incorporate by reference the following:

(a) The City's audited Annual Comprehensive Financial Report (ACFR) for the prior fiscal year.

The City's ACFR for the prior fiscal year was uploaded as a separate document to EMMA. The ACFR is also available on the City's website at:

www.cityofsacramento.gov/finance/accounting/reporting

(b) The Annual Budget of the City for the current fiscal year.

The City's Approved Budget for the current fiscal year was uploaded as a separate document to EMMA and is also available on the City's website at:

www.cityofsacramento.gov/finance/budget

- (c) **An update of the information contained in Tables entitled “STATEMENT OF GENERAL FUND REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE,” “GROSS ASSESSED VALUES FOR ALL TAXABLE PROPERTY,” “CITY OF SACRAMENTO LARGEST LOCAL SECURED TAXPAYERS”, “GENERAL FUND OBLIGATION DEBT SERVICE”, and “NOTICES OF DEFAULT AND FORECLOSURES OF PROPERTY WITHIN THE CITY” in the Official Statement substantially in the form of the table by that name included in Appendix A to the Official Statement, for the most recently completed fiscal year.**

See Exhibit A – Statement of General Fund Revenues, Expenditures and Changes in Fund Balance

See Exhibit B – Gross Assessed Values for all Taxable Property

See Exhibit C – Largest Local Secured Taxpayers

See Exhibit D1 – General Fund Obligation Debt Service as of June 30, 2025*

See Exhibit D2 - Debt Service Schedule - 2025 Refunding Revenue Bonds*

*The 2025 Refunding Revenue Bonds refunded the 2015 Refunding Revenue Bonds on September 4, 2025.

The information required by the Continuing Disclosure Certificate – “Notices of Default and Foreclosures of Property within the City of Sacramento” is no longer prepared by the County of Sacramento, Office of the Assessor. At this time, the City of Sacramento is not aware of another reliable source to obtain notice of default and foreclosure information within the City of Sacramento in the same format as is presented on page 8 in Appendix A.

- (d) **The actuarial valuation reports for Miscellaneous Employees Plan and Safety Employees Plan most recently provided to the City by CalPERS to the City as of the date the City files the Annual Report and the actuarial valuation report for SCERS most recently provided to the City as of the date the City files the Annual Report.**

See Exhibit E – GASB 68 Accounting Valuation Report – Miscellaneous Plan as of June 30, 2024

See Exhibit F – GASB 68 Accounting Valuation Report – Safety Plan as of June 30, 2024

See Exhibit G – SCERS Actuarial Valuation as of June 30, 2025

- (e) **Any or all of the items listed in Section 4(a) or 4(b) above may be included by specific reference to other documents (including official statements of debt issues of the City or related public entities) that have been submitted to EMMA or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available through EMMA.**

Voluntary Disclosures

See Exhibit I – GASB 45 Actuarial Valuation Report - Retiree Healthcare Plan as of June 30, 2023*

See Exhibit J – GASB 75 Actuarial Valuation Report - Retiree Healthcare Plan as of June 30, 2025

*The GASB 45 Actuarial Valuation Report is prepared every two years. The report as of June 30, 2025 is anticipated to be completed by September 2026.

Exhibit A

Exhibit A

STATEMENT OF GENERAL FUND REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

(in thousands)

	Actual 2015-16	Actual 2016-17	Actual 2017-18	Actual 2018-19	Actual 2019-20	Actual 2020-21	Actual 2021-22	Actual 2022-23	Actual 2023-24	Actual 2024-25
Revenues:										
Property taxes	\$ 150,424	\$ 143,656	\$ 153,346	\$ 164,412	\$ 177,193	\$ 189,315	\$ 200,758	\$ 216,220	\$ 229,713	\$ 239,941
Sales and use taxes	67,983	80,395	84,887	93,769	90,969	99,325	115,260	115,343	112,422	112,815
Utilities use tax	61,404	62,997	62,989	60,128	60,039	62,164	65,461	69,529	64,133	70,306
Other taxes	26,732	29,961	36,184	39,820	42,506	52,586	58,079	49,558	50,689	50,160
Intergovernmental	16,253	14,009	22,380	16,350	15,919	20,193	24,335	23,623	37,078	41,846
Charges for services	73,632	85,780	100,205	108,972	105,446	99,212	113,565	117,069	110,915	120,550
Fines, forfeitures and penalties	12,110	10,906	12,069	15,964	12,898	7,284	10,057	9,112	9,874	14,976
Interest, rents and concessions	3,002	2,679	1,195	7,810	6,423	887	(14,530)	5,785	20,282	20,585
Assessment levies	172	266	291	356	341	588	483	498	565	671
Contributions and donations	13	14	85	68	20	30	37	1	1	40
Other revenues	245	259	301	536	974	1,250	653	449	139	460
Total revenues	411,970	430,922	473,932	508,185	512,728	532,834	574,158	607,187	635,811	672,350
Expenditures:										
General government	28,909	36,584	48,694	56,498	54,949	60,257	65,855	69,337	67,011	74,093
Police	128,891	132,108	138,473	152,637	158,887	162,136	147,890	220,744	231,397	242,605
Fire	106,399	112,868	119,437	124,324	139,421	143,358	122,548	180,249	194,563	220,062
Public works	11,308	13,233	13,607	15,101	13,393	13,249	14,615	19,766	21,622	23,654
Convention and cultural service:	4,637	4,972	5,620	5,723	6,485	5,462	1,485	5,538	2,517	3,535
Economic development	2,114	2,337	-	-	-	-	-	-	-	-
Youth, parks, and community enrichment	15,144	19,979	21,428	22,286	21,670	21,538	1,653	3,218	8,420	5,765
Community development	25,960	28,554	33,340	36,039	38,629	34,623	30,471	32,077	32,912	34,175
Community response	-	-	-	-	-	-	6,141	8,897	4,792	2,987
Library	7,130	7,130	8,380	9,380	10,130	12,266	-	-	-	-
Utilities	393	1,205	1,816	2,285	3,208	3,670	3,859	67	54	71
Citywide and community support	47,961	48,435	46,576	42,827	50,691	51,632	57,700	53,564	63,139	68,367
Capital outlay	12,577	19,276	21,513	19,392	17,589	22,592	45,776	25,810	43,970	22,437
Debt service	3,219	2,837	2,102	1,189	568	-	322	3,989	3,880	4,093
Total Expenditures	394,642	429,518	460,986	487,681	515,680	530,783	498,315	623,256	674,277	701,844
Excess (deficiency) of revenues over (under) expenditures	17,328	1,404	12,946	20,504	(2,952)	2,051	75,843	(16,069)	(38,466)	(29,494)
Other Financing Sources (uses)										
Transfers in	34,256	33,113	35,414	38,652	44,465	55,636	48,184	46,167	63,068	67,163
Transfers out	(25,032)	(28,959)	(31,545)	(27,919)	(26,680)	(43,133)	(36,010)	(39,178)	(26,211)	(30,836)
Issuance of long-term debt	-	-	-	-	-	-	-	5,549	3,578	1,821
Total other financing sources (uses)	9,224	4,154	3,869	10,733	17,785	12,503	12,174	12,538	40,435	38,148
Special items	-	-	-	7,000	-	-	-	-	-	-
Changes in fund balances	\$ 26,552	\$ 5,558	\$ 16,815	\$ 38,237	\$ 14,833	\$ 14,554	\$ 88,017	\$ (3,531)	\$ 1,969	\$ 8,654
Fund Balance, beginning of year	123,444	149,996	155,554	172,369	210,606	225,439	239,993	328,010	324,479	326,448
Fund Balance, end of year	\$ 149,996	\$ 155,554	\$ 172,369	\$ 210,606	\$ 225,439	\$ 239,993	\$ 328,010	\$ 324,479	\$ 326,448	\$ 335,102
Less reserves and commitments										
Nonspendable	\$ 2	\$ 3,812	\$ 3,845	\$ -	\$ 1,279	\$ 1,084	\$ 2,799	\$ 2,499	\$ 2,408	\$ 2,553
Restricted	2,962	17	-	-	-	-	-	-	-	-
Committed:										
Economic uncertainty	46,950	49,644	52,700	55,200	55,200	58,499	61,310	72,534	74,613	74,613
Capital projects	37,526	49,265	37,583	39,995	57,689	57,417	50,410	58,540	53,795	58,203
Community center theater renovation	8,500	-	-	-	-	-	-	-	-	-
Fire programs	5,720	1,386	6,189	9,568	5,635	7,438	8,426	14,999	25,088	25,088
Housing trust fund	-	-	-	-	-	-	1,000	1,000	-	-
Pension	-	-	5,000	13,500	-	-	-	-	-	-
OPEB	6,752	5,324	2,619	6,644	4,264	6,828	5,727	6,072	6,095	7,876
SCXEA labor for FY2020	-	-	-	4,256	-	-	-	-	-	-
Set-aside for FY26 Budget	-	-	-	-	-	5,500	20,891	26,500	10,443	26,850
Homeless programs	250	-	-	-	-	-	-	-	-	-
Gas tax	-	2,087	2,087	2,087	-	-	-	-	-	-
Other programs	13,953	19,280	37,325	46,052	49,405	72,809	133,367	131,163	123,702	112,416
Assigned:										
Unrealized investment gains	732	-	-	381	1,960	103	-	-	-	-
Unassigned	\$ 26,649	\$ 24,739	\$ 25,021	\$ 32,923	\$ 50,007	\$ 30,315	\$ 44,080	\$ 11,172	\$ 30,304	\$ 27,503

City of Sacramento

Assessed Value and Estimated Actual Value of Taxable Property

Last Ten Fiscal Years

(in thousands)

Fiscal Year End June 30	Gross Assessed Value ⁽¹⁾				Exemptions	Net Assessed Taxable Value	Total Direct Tax Rate ⁽²⁾
	Real Property	Personal Property	Public Utility	Total			
2016	\$ 39,823,777	\$ 1,513,519	\$ 9,267	\$ 41,346,563	\$ 448,778	\$ 40,897,785	1.00
2017	42,300,010	1,623,203	9,193	43,932,406	446,690	43,485,716	1.00
2018	45,389,674	1,692,375	8,974	47,091,023	445,647	46,645,376	1.00
2019	48,919,753	1,868,599	8,701	50,797,053	444,652	50,352,401	1.00
2020	53,124,698	1,869,844	9,185	55,003,727	444,470	54,559,257	1.00
2021	56,812,389	1,993,337	9,069	58,814,795	444,432	58,370,363	1.00
2022	60,043,995	1,951,987	9,069	62,005,051	444,556	61,560,495	1.00
2023	64,677,204	2,136,640	8,950	66,822,794	439,794	66,383,000	1.00
2024	69,335,897	2,468,674	10,448	71,815,019	436,558	71,378,461	1.00
2025	72,524,002	2,972,439	10,501	75,506,942	432,343	75,074,599	1.00

Notes: (1) Article XIII A, added to California Constitution by Proposition 13 in 1978, fixed the base for valuation of property subject to taxes at the full cash value appeared on the Assessor's 1975-76 assessment roll. Therefore, full cash value can be increased to reflect:

- a) annual inflation up to 2%;
- b) current market value at time of ownership change;
- c) market value for new construction.

Estimated actual value of taxable property cannot be easily determined as the property in the City is not reassessed annually. Reassessment normally occurs when ownership changes.

(2) This 1% is shared by all taxing agencies for which the subject property resides within.

Exhibit C

City of Sacramento Principal Property Taxpayers Current Fiscal Year and Nine Years Ago

(in thousands)

Taxpayer	2025			2016		
	Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Sacramento Kings	\$ 389,298	1	0.52 %	-	-	-
Oakmont Properties ALIRA LLC	344,620	2	0.46	-	-	-
BRE Depot Park LLC	253,506	3	0.34	-	-	-
AS LSTE East Owner LLC	250,928	4	0.33	-	-	-
CA Sacramento Commons LLC	226,002	5	0.30	-	-	-
Kaiser Foundation Health Plan INC.	225,944	6	0.27	-	-	-
HP Hood LLC	204,464	7	0.27	\$ 94,529	7	0.23 %
SRI Eleven 601 Capitol Mall LLC	184,472	8	0.25	-	-	-
PW Fund B LP	183,368	9	0.24	-	-	-
PF Portfolio 1 LP	169,844	10	0.23	-	-	-
Hines VAF II Sacramento	-	-	-	289,139	1	0.71
CIM Sacramento LP	-	-	-	198,501	2	0.49
Arden Fair Associates	-	-	-	144,415	3	0.35
621 Capitol Mall LLC	-	-	-	127,878	4	0.31
500 Capitol Mall LLC	-	-	-	123,978	5	0.30
300 Capitol Association NF LP	-	-	-	102,000	6	0.25
Dignity Health	-	-	-	86,008	8	0.21
Target Corp	-	-	-	81,626	9	0.20
Homecoming at Creekside LLC	-	-	-	75,712	10	0.19
	2,432,446		3.21	1,323,786		3.24
All other taxpayers	72,642,153		96.79	39,573,998		96.76
Total	\$ 75,074,599		100.00 %	\$ 40,897,784		100.00 %

Source: County of Sacramento, Office of Auditor/Controller

Exhibit D1

GENERAL FUND OBLIGATION DEBT SERVICE, AS OF JUNE 30, 2025

Forecasted Fiscal Year Net General Fund Revenues (FY2025-26) 838,742,000										
Fiscal Year	2016 Refunding H Street Complex	2006 Capital Improvement Revenue Bonds, Series B ¹	2006 Refunding Revenue Bonds, Series E ²	2015 Lease Revenue Bonds (Golden 1 Center) ³	2015 Revenue Refunding Bonds ⁴	Total Debt Service Obligations Amount	Gross Percentage of Budgeted Fiscal Year General Fund Revenues ⁵	Total Offset Debt Service Amount	Total General Fund Debt Service Amount	Net Percentage of Budgeted Fiscal Year General Fund Revenues
FY26	669,250	3,928,351	20,036,856.25	18,286,258	9,898,313	52,819,027	6.3%	35,992,339	16,826,688	2.0%
FY27	673,630	3,926,060	20,030,900.00	18,289,420	9,904,438	52,824,447	6.3%	35,992,936	16,831,511	2.0%
FY28	672,442	3,926,294	20,031,225.00	18,287,643	9,909,388	52,826,991	6.3%	35,998,479	16,828,512	2.0%
FY29	670,899	3,923,604	20,127,975.00	18,285,364	9,896,838	52,904,680	6.3%	36,010,744	16,893,936	2.0%
FY30	673,859	3,917,692	20,128,787.50	18,286,739	9,897,256	52,904,333	6.3%	36,000,349	16,903,984	2.0%
FY31	676,251	3,908,259	20,128,793.75	18,285,638	5,854,175	48,853,116	5.8%	32,972,981	15,880,136	1.9%
FY32	668,146	3,909,556	20,130,500.00	18,286,217	5,844,050	48,838,469	5.8%	32,962,011	15,876,459	1.9%
FY33	334,686	3,900,987	20,136,150.00	18,282,349	5,394,175	48,048,347	5.7%	32,614,224	15,434,123	1.8%
FY34	-	3,892,251	3,632,925.00	18,283,188	5,384,550	31,192,914	3.7%	20,901,927	10,290,987	1.2%
FY35	-	3,892,453	-	18,282,324	5,130,175	27,304,951	3.3%	19,384,515	7,920,437	0.9%
FY36	-	3,880,993	-	18,283,630	5,120,800	27,285,423	3.3%	19,382,366	7,903,057	0.9%
FY37	-	3,872,424	-	18,280,697	5,120,400	27,273,521	3.3%	19,377,540	7,895,981	0.9%
FY38	-	-	-	18,282,397	-	18,282,397	2.2%	18,282,397	-	0.0%
FY39	-	-	-	18,282,040	-	18,282,040	2.2%	18,282,040	-	0.0%
FY40	-	-	-	18,278,216	-	18,278,216	2.2%	18,278,216	-	0.0%
FY41	-	-	-	18,279,516	-	18,279,516	2.2%	18,279,516	-	0.0%
FY42	-	-	-	18,278,967	-	18,278,967	2.2%	18,278,967	-	0.0%
FY43	-	-	-	18,279,878	-	18,279,878	2.2%	18,279,878	-	0.0%
FY44	-	-	-	18,275,276	-	18,275,276	2.2%	18,275,276	-	0.0%
FY45	-	-	-	18,273,469	-	18,273,469	2.2%	18,273,469	-	0.0%
FY46	-	-	-	18,277,204	-	18,277,204	2.2%	18,277,204	-	0.0%
FY47	-	-	-	18,273,943	-	18,273,943	2.2%	18,273,943	-	0.0%
FY48	-	-	-	18,271,713	-	18,271,713	2.2%	18,271,713	-	0.0%
FY49	-	-	-	18,272,978	-	18,272,978	2.2%	18,272,978	-	0.0%
FY50	-	-	-	18,269,919	-	18,269,919	2.2%	18,269,919	-	0.0%
Total	5,039,163	46,878,921	164,384,113	457,014,983	87,354,556	760,671,736		595,185,926	165,485,809	
Offset	100.0%	28.32%	63.68%	100.0%	17.4%					

The figures above do not reflect the release of respective reserves for final debt service payment if cash reserves are held.

⁽¹⁾ 2006 Capital Improvement Revenue Bonds, Series B: 71.7% General Fund and 28.3% RASA Master Lease (65th Street, Army Depot, North Sacramento, River District)

⁽²⁾ 2006 Refunding Revenue Bonds, Series E: 53.6% Water Fund, 36.3% General Fund, 8.1% North Natomas Fund, 1.1% RASA Master Lease (Stockton Boulevard), and 0.9% Culture and Leisure Fund.

⁽³⁾ 2015 Lease Revenue Bonds (Golden 1 Center): 66.8% Lease Rental Payments from the Sacramento Kings or its affiliates and the reasonable expectation of 33.2% Parking Fund. Given this debt issue is a general fund lease obligation, in the event there are insufficient funds from anticipated sources to meet the debt service payments, the General Fund may be required to cover the shortfall in meeting debt service in any year these bonds are outstanding.

⁽⁴⁾ 2015 Refunding Revenue Bonds: 82.6% General Fund, 8.9% Solid Waste Fund, and 8.5% Parking Fund.

⁽⁵⁾ Data based on forecasted Fiscal Year 2025-26 Net General Fund Revenue of \$838,742,000.

Source: City of Sacramento

2025 Refunding Revenue Bonds

	"On or after" Date	Call Price (% of Par)
Call Information*	9/1/2035	100%

2025 Refunding Revenue Bonds Debt Service Schedule



GASB 68 Accounting Report

CalPERS ID: 7903930500

Valuation Rate Plan Identifier: 1209

**Prepared for
City of Sacramento
Miscellaneous Plan,
an Agent Multiple-Employer Defined
Benefit Pension Plan**

Measurement Date of June 30, 2024

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Appendix A – Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

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Appendix B – Interest and Total Projected Earnings

Interest on Total Pension Liability and Total Projected Earnings	B-1
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Actuarial Certification

This report provides accounting and financial reporting information as required under Governmental Accounting Standards Board Statement 68 (GASB 68) for the Miscellaneous Plan of the City of Sacramento (the "Plan"), an Agent Multiple-Employer Defined Benefit Pension Plan participating in the California Public Employees' Retirement System (CalPERS), for the measurement period ended June 30, 2024. The undersigned are actuaries who satisfy the *Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States* of the American Academy of Actuaries with regard to pensions.

This report is to be viewed solely for the purpose of financial reporting requirements. Any use of the contents provided in this report for purposes other than financial reporting requirements would be inappropriate.

This accounting report relies on liabilities and related validation work performed by the CalPERS Actuarial Office as part of the June 30, 2023, annual funding valuation for the Plan. The census data and benefit provisions underlying the liabilities were prepared as of June 30, 2023, and certified as part of the annual funding valuation by the CalPERS Actuarial Office. The asset information used in this accounting report is provided by the CalPERS Financial Office.

Actuarial Assumptions and Methods

The June 30, 2023, liabilities, which were rolled forward to June 30, 2024, and used for this accounting report, are based on actuarial assumptions recommended by the Chief Actuary and adopted by the CalPERS Board of Administration. It is our opinion that the assumptions and methods are internally consistent and reasonable for this plan.



Scott Terando, ASA, EA, MAAA, FCA, CFA
Chief Actuary, CalPERS



Randall Dziubek, ASA, MAAA
Deputy Chief Actuary, Valuation Services, CalPERS

Accounting Information and Actuarial Results

With the provided liability and asset information, the total pension liability, net pension liability, deferred inflows and outflows, and pension expense were developed for the measurement period using standard actuarial techniques.

To the best of my knowledge and having relied upon the attestation above that the actuarial assumptions and methods are reasonable, this report is complete and accurate and contains the actuarial information required for employer financial reporting under GASB 68.



May Shuang Yu, ASA, MAAA
Senior Actuary, CalPERS

Introduction

This is the GASB 68 accounting report for the measurement date June 30, 2024. Notes to the Agent Multiple-Employer Defined Benefit Pension Plan GASB 68 accounting reports are in a separate document, which may be accessed on the CalPERS website at www.calpers.ca.gov.

GASB 68 requires that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used.

Valuation Date	June 30, 2023
Measurement Date	June 30, 2024
Measurement Period	July 1, 2023, to June 30, 2024

Pension Plan Fiduciary Net Position

The plan fiduciary net position disclosed in the GASB 68 accounting report may differ from the plan assets reported in the funding valuation report due to several reasons. For example, for the accounting reports, CalPERS must keep items such as deficiency reserves and fiduciary self-insurance included as assets. These amounts are excluded for rate setting purposes in the funding valuation.

Subsequent Events

During the time period between the valuation date and the publication of this report, price inflation has been higher than the assumed rate of 2.3% per annum. Since inflation influences cost-of-living adjustments for retirees and beneficiaries and active member pay increases, higher inflation is likely to put at least some upward pressure on the pension expense and the net pension liability in future valuations. The actual impact of higher inflation on future valuation results will depend on, among other factors, how long higher inflation persists.

Changes in the Net Pension Liability

The following table shows the changes in net pension liability recognized over the measurement period.

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (c) = (a) – (b)
Balance at: 06/30/2023	\$1,776,890,606	\$1,279,405,040	\$497,485,566
Beginning of Year Adjustment	\$0	\$0	\$0
Adjusted Balance at: 06/30/2023	\$1,776,890,606	\$1,279,405,040	\$497,485,566
Changes Recognized for the Measurement Period:			
Service Cost	38,471,868		38,471,868
Interest on Total Pension Liability	122,518,660		122,518,660
Changes of Benefit Terms	0		0
Changes of Assumptions	0		0
Differences Between Expected and Actual Experience	20,299,524		20,299,524
Net Plan to Plan Resource Movement		0	0
Contributions – Employer		56,744,477	(56,744,477)
Contributions – Employees		18,943,993	(18,943,993)
Net Investment Income		123,191,968	(123,191,968)
Benefit Payments, Including Refunds of Employee Contributions	(81,586,601)	(81,586,601)	0
Administrative Expense		(1,041,056)	1,041,056
Other Miscellaneous (Income)/Expense		0	0
Net Changes During 2023-24	\$99,703,451	\$116,252,781	(\$16,549,330)
Balance at: 06/30/2024	\$1,876,594,057	\$1,395,657,821	\$480,936,236

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

	Discount Rate -1% 5.90%	Current Discount Rate 6.90%	Discount Rate + 1% 7.90%
Plan's Net Pension Liability/(Asset)	\$742,820,813	\$480,936,236	\$265,993,625

Pension Expense/(Income) for Measurement Period Ended June 30, 2024

Description	Amount
Service Cost	\$38,471,868
Interest on Total Pension Liability	122,518,660
Changes of Benefit Terms	0
Recognized Changes of Assumptions	16,637,653
Recognized Differences Between Expected and Actual Experience	10,089,131
Net Plan to Plan Resource Movement	0
Employee Contributions	(18,943,993)
Projected Earnings on Pension Plan Investments	(87,981,073)
Recognized Differences Between Projected and Actual Earnings on Plan Investments	3,338,702
Administrative Expense	1,041,056
Other Miscellaneous (Income)/Expense	0
Total Pension Expense/(Income)	\$85,172,004

Deferred Outflows and Deferred Inflows of Resources Related to Pensions

The following table presents deferred outflows and deferred inflows of resources related to pensions as of June 30, 2024. Note that no adjustments have been made for contributions subsequent to the measurement date. Appropriate treatment of any contributions made after the measurement date is the responsibility of the employer.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions	\$0	\$0
Differences Between Expected and Actual Experience	16,073,014	0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	19,012,573	0
Total	\$35,085,587	\$0

Amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in future pension expense as follows:

Measurement Periods Ended June 30:	Deferred Outflows/(Inflows) of Resources
2025	\$9,259,604
2026	38,349,399
2027	(5,481,237)
2028	(7,042,179)
2029	0
Thereafter	0

Expected Average Remaining Service Lifetime (EARSL)

The EARSL for the Plan for the measurement period ending June 30, 2024, is 2.8 years, which was obtained by dividing the total service years of 30,989 (the sum of remaining service lifetimes of the active employees) by 11,019 (the total number of participants: active, inactive, and retired). Inactive employees and retirees have remaining service lifetimes equal to 0. Total future service is based on the members' probability of decrementing due to an event other than receiving a cash refund.

Schedules of Required Supplementary Information

Schedule of Changes in Net Pension Liability and Related Ratios for the Measurement Periods Ended June 30

Measurement Period	2024	2023	2022	2021	2020
TOTAL PENSION LIABILITY:					
Service Cost	\$38,471,868	\$35,816,947	\$34,966,707	\$31,307,149	\$30,235,662
Interest on Total Pension Liability	122,518,660	115,990,627	110,100,729	105,037,410	99,809,812
Changes of Benefit Terms	0	2,151,043	0	0	0
Changes of Assumptions	0	0	58,231,787	0	0
Difference Between Expected and Actual Experience	20,299,524	10,581,620	(3,289,475)	3,742,809	2,600,474
Benefit Payments, Including Refunds of Employee Contributions	(81,586,601)	(76,064,120)	(69,664,675)	(63,352,488)	(59,069,059)
Net Change in Total Pension Liability	\$99,703,451	\$88,476,117	\$130,345,073	\$76,734,880	\$73,576,889
Total Pension Liability – Beginning	1,776,890,606	1,688,414,489	1,558,069,416	1,481,334,536	1,407,757,647
Total Pension Liability – Ending (a)	\$1,876,594,057	\$1,776,890,606	\$1,688,414,489	\$1,558,069,416	\$1,481,334,536
PLAN FIDUCIARY NET POSITION					
Contributions – Employer	\$56,744,477	\$53,644,569	\$47,273,126	\$43,929,699	\$39,117,681
Contributions – Employee	18,943,993	17,787,535	16,051,723	15,898,937	15,017,980
Net Investment Income	123,191,968	75,395,057	(99,651,774)	244,522,362	51,631,631
Benefit Payments, Including Refunds of Employee Contributions	(81,586,601)	(76,064,120)	(69,664,675)	(63,352,488)	(59,069,059)
Net Plan to Plan Resource Movement	0	0	(2,299)	0	0
Administrative Expense	(1,041,056)	(889,433)	(820,005)	(1,075,280)	(1,453,707)
Other Miscellaneous Income/(Expense) ¹	0	0	0	0	0
Net Change in Fiduciary Net Position	\$116,252,781	\$69,873,608	(\$106,813,904)	\$239,923,230	\$45,244,526
Plan Fiduciary Net Position – Beginning ²	\$1,279,405,040	\$1,209,531,432	\$1,316,345,336	\$1,076,422,106	\$1,031,177,580
Plan Fiduciary Net Position – Ending (b)	1,395,657,821	1,279,405,040	1,209,531,432	1,316,345,336	1,076,422,106
Plan Net Pension Liability/(Asset) – (a)-(b)	\$480,936,236	\$497,485,566	\$478,883,057	\$241,724,080	\$404,912,430
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	74.37%	72.00%	71.64%	84.49%	72.67%
Covered Payroll ³	\$229,272,156	\$211,684,086	\$206,536,958	\$203,029,503	\$195,700,077
Plan Net Pension Liability/(Asset) as a Percentage of Covered-Employee Payroll	209.77%	235.01%	231.86%	119.06%	206.90%

¹ During Fiscal Year 2017-18, as a result of Governmental Accounting Standards Board Statement (GASB) No. 75, Accounting and Financial Reporting for Postemployment Benefit Plans Other than Pensions (GASB 75), CalPERS reported its proportionate share of activity related to postemployment benefits for participation in the State of California's agent OPEB plan. Accordingly, CalPERS recorded a one-time expense as a result of the adoption of GASB 75.

Additionally, CalPERS employees participate in various State of California agent pension plans and during Fiscal Year 2017-18, CalPERS recorded a correction to previously reported financial statements to properly reflect its proportionate share of activity related to pensions in accordance with GASB Statement No. 68, Accounting and Financial Reporting for Pensions (GASB 68).

² Includes any beginning of year adjustment.

³ Includes one year's payroll growth using 2.80% payroll growth assumption for fiscal years ended in 2022 through 2024; 2.75% payroll growth assumption for fiscal years ended in 2018 through 2021; 3.00% payroll growth assumption for fiscal years ended in 2015 through 2017.

Schedules of Required Supplementary Information (continued)

Measurement Period	2019	2018	2017	2016	2015
TOTAL PENSION LIABILITY:					
Service Cost	\$29,053,385	\$28,403,688	\$27,795,727	\$23,374,624	\$22,342,045
Interest on Total Pension Liability	94,760,263	89,060,339	84,334,185	79,514,856	74,834,991
Changes of Benefit Terms	0	0	0	0	0
Changes of Assumptions	0	(7,898,485)	75,969,675	0	(20,152,867)
Difference Between Expected and Actual Experience	12,969,987	6,909,054	(837,981)	(333,340)	(8,865,289)
Benefit Payments, Including Refunds of Employee Contributions	(53,695,328)	(48,383,999)	(42,304,813)	(37,980,223)	(34,390,309)
Net Change in Total Pension Liability	\$83,088,307	\$68,090,597	\$144,956,793	\$64,575,917	\$33,768,571
Total Pension Liability – Beginning	1,324,669,340	1,256,578,743	1,111,621,950	1,047,046,033	1,013,277,462
Total Pension Liability – Ending (a)	\$1,407,757,647	\$1,324,669,340	\$1,256,578,743	\$1,111,621,950	\$1,047,046,033
PLAN FIDUCIARY NET POSITION					
Contributions – Employer	\$34,101,948	\$29,514,351	\$28,719,315	\$25,962,718	\$22,826,829
Contributions – Employee	14,288,578	12,633,667	12,190,145	11,991,032	11,302,316
Net Investment Income	64,092,297	76,765,652	91,481,199	4,260,663	18,046,623
Benefit Payments, Including Refunds of Employee Contributions	(53,695,328)	(48,383,999)	(42,304,813)	(37,980,223)	(34,390,309)
Net Plan to Plan Resource Movement	494	(1,746)	73,647	530,976	(3,066,289)
Administrative Expense	(694,412)	(1,412,810)	(1,207,275)	(495,742)	(921,940)
Other Miscellaneous Income/(Expense) ¹	2,256	(2,682,950)	0	0	0
Net Change in Fiduciary Net Position	\$58,095,833	\$66,432,165	\$88,952,218	\$4,269,424	\$13,797,230
Plan Fiduciary Net Position – Beginning ²	\$973,081,747	\$906,649,582	\$817,697,364	\$813,427,940	\$799,630,710
Plan Fiduciary Net Position – Ending (b)	1,031,177,580	973,081,747	906,649,582	817,697,364	813,427,940
Plan Net Pension Liability/(Asset) – (a)-(b)	\$376,580,067	\$351,587,593	\$349,929,161	\$293,924,586	\$233,618,093
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	73.25%	73.46%	72.15%	73.56%	77.69%
Covered Payroll ³	\$185,822,739	\$181,331,004	\$176,795,109	\$166,402,958	\$157,449,221
Plan Net Pension Liability/(Asset) as a Percentage of Covered-Employee Payroll	202.66%	193.89%	197.93%	176.63%	148.38%

¹ During Fiscal Year 2017-18, as a result of Governmental Accounting Standards Board Statement (GASB) No. 75, Accounting and Financial Reporting for Postemployment Benefit Plans Other than Pensions (GASB 75), CalPERS reported its proportionate share of activity related to postemployment benefits for participation in the State of California's agent OPEB plan. Accordingly, CalPERS recorded a one-time expense as a result of the adoption of GASB 75.

Additionally, CalPERS employees participate in various State of California agent pension plans and during Fiscal Year 2017-18, CalPERS recorded a correction to previously reported financial statements to properly reflect its proportionate share of activity related to pensions in accordance with GASB Statement No. 68, Accounting and Financial Reporting for Pensions (GASB 68).

² Includes any beginning of year adjustment.

³ Includes one year's payroll growth using 2.80% payroll growth assumption for fiscal years ended in 2022 through 2024; 2.75% payroll growth assumption for fiscal years ended in 2018 through 2021; 3.00% payroll growth assumption for fiscal years ended in 2015 through 2017.

Schedules of Required Supplementary Information (continued)

Notes to Schedule of Changes in Net Pension Liability and Related Ratios:

Changes of Benefit Terms: The figures above generally include any liability impact that may have resulted from voluntary benefit changes that occurred on or before the Measurement Date. However, offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes) that occurred after the Valuation Date are not included in the figures above, unless the liability impact is deemed to be material by the plan actuary.

Changes of Assumptions: There were no assumption changes in 2023 or 2024. Effective with the June 30, 2021, valuation date (June 30, 2022, measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. In addition, demographic assumptions and the price inflation assumption were changed in accordance with the **2021 CalPERS Experience Study and Review of Actuarial Assumptions**. The accounting discount rate was 7.15% for measurement dates June 30, 2017, through June 30, 2021, and 7.65% for measurement dates June 30, 2015, through June 30, 2016.

Schedule of Plan Contributions for the Fiscal Years Ended June 30¹

Employer Fiscal Year End	2024	2023	2022	2021	2020
Actuarially Determined Contribution ²	\$56,744,477	\$53,644,569	\$47,273,126	\$43,929,699	\$39,117,681
Contributions in Relation to the Actuarially Determined Contribution ²	(56,744,477)	(53,644,569)	(47,273,126)	(43,929,699)	(39,117,681)
Contribution Deficiency (Excess)	\$0	\$0	\$0	\$0	\$0
Covered Payroll ³	\$229,272,156	\$211,684,086	\$206,536,958	\$203,029,503	\$195,700,077
Contributions as a Percentage of Covered Payroll ³	24.75%	25.34%	22.89%	21.64%	19.99%

Employer Fiscal Year End	2019	2018	2017	2016	2015
Actuarially Determined Contribution ²	\$34,101,948	\$29,514,351	\$28,719,315	\$25,962,718	\$22,826,829
Contributions in Relation to the Actuarially Determined Contribution ²	(34,101,948)	(29,514,351)	(28,719,315)	(25,962,718)	(22,826,829)
Contribution Deficiency (Excess)	\$0	\$0	\$0	\$0	\$0
Covered Payroll ³	\$185,822,739	\$181,331,004	\$176,795,109	\$166,402,958	\$157,449,221
Contributions as a Percentage of Covered Payroll ³	18.35%	16.28%	16.24%	15.60%	14.50%

- ¹ As prescribed in GASB 68, paragraph 46, the information presented in the Schedule of Plan Contributions should also be presented as of the employer's most recent fiscal year-end. The employer is responsible for determining this information as prescribed by the standard as this data is not available to CalPERS.
- ² Employers are assumed to make contributions equal to the actuarially determined contributions. However, some employers may choose to make additional contributions towards their unfunded liability. Employer contributions for such plans exceed the actuarially determined contributions.
- ³ Includes one year's payroll growth using 2.80% payroll growth assumption for fiscal years ended in 2022 through 2024; 2.75% payroll growth assumption for fiscal years ended in 2018 through 2021; 3.00% payroll growth assumption for fiscal years ended in 2015 through 2017.

Schedules of Required Supplementary Information (continued)

Notes to Schedule of Plan Contributions:

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2023-24 were derived from the June 30, 2021, funding valuation report.

Actuarial Cost Method	Entry Age Actuarial Cost Method
Amortization Method/Period	For details, see June 30, 2021, funding valuation report.
Asset Valuation Method	Fair Value of Assets. For details, see June 30, 2021, funding valuation report.
Inflation	2.3%
Salary Increases	Varies by entry age and service
Payroll Growth	2.8%
Investment Rate of Return	6.80% net of pension plan investment and administrative expenses; includes inflation.
Retirement Age	The probabilities of retirement are based on the 2021 CalPERS Experience Study and Review of Actuarial Assumptions.
Mortality	The probabilities of mortality are based on the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. Mortality rates incorporate full generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries.

Other Information:

For changes to previous years' information, refer to past GASB 68 reports.

Appendices

- **Appendix A – Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**
- **Appendix B – Interest and Total Projected Earnings**

Appendix A

Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

- Schedule of Changes of Assumptions
- Deferred Outflows of Resources and Deferred Inflows of Resources Arising From Changes of Assumptions
- Schedule of Differences Between Expected and Actual Experience
- Deferred Outflows of Resources and Deferred Inflows of Resources Arising From Differences Between Expected and Actual Experience
- Schedule of Differences Between Projected and Actual Earnings on Pension Plan Investments
- Deferred Outflows of Resources and Deferred Inflows of Resources Arising From Differences Between Projected and Actual Earnings on Pension Plan Investments
- Summary of Recognized Deferred Outflows of Resources and Deferred Inflows of Resources

Schedule of Changes of Assumptions

Increase (Decrease) in Pension Expense Arising From the Recognition of the Effects of Changes of Assumptions									
Measurement Date	Changes of Assumptions	Recognition Period (Years)	2024	2025	2026	2027	2028	2029	Thereafter
2015	(\$20,152,867)	2.9	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2016	0	0.0	0	0	0	0	0	0	0
2017	75,969,675	2.8	0	0	0	0	0	0	0
2018	(7,898,485)	2.9	0	0	0	0	0	0	0
2019	0	0.0	0	0	0	0	0	0	0
2020	0	0.0	0	0	0	0	0	0	0
2021	0	0.0	0	0	0	0	0	0	0
2022	58,231,787	2.8	16,637,653	0	0	0	0	0	0
2023	0	0.0	0	0	0	0	0	0	0
2024	0	0.0	0	0	0	0	0	0	0
Net Increase (Decrease) in Pension Expense			\$16,637,653	\$0	\$0	\$0	\$0	\$0	\$0

Deferred Outflows of Resources and Deferred Inflows of Resources Arising From Changes of Assumptions

Measurement Date	Increase in Total Pension Liability (a)	Decrease in Total Pension Liability (b)	Amounts Recognized in Pension Expense Through June 30, 2024 (c)	Balances at June 30, 2024	
				Deferred Outflows of Resources (a) – (c)	Deferred Inflows of Resources (b) – (c)
2015	\$0	(\$20,152,867)	(\$20,152,867)	\$0	\$0
2016	0	0	0	0	0
2017	75,969,675	0	75,969,675	0	0
2018	0	(7,898,485)	(7,898,485)	0	0
2019	0	0	0	0	0
2020	0	0	0	0	0
2021	0	0	0	0	0
2022	58,231,787	0	58,231,787	0	0
2023	0	0	0	0	0
2024	0	0	0	0	0
				\$0	\$0

Schedule of Differences Between Expected and Actual Experience

Increase (Decrease) in Pension Expense Arising From the Recognition of the Effects of Differences Between Expected and Actual Experience										
Measurement Date	Differences Between Expected and Actual Experience	Recognition Period (Years)	2024	2025	2026	2027	2028	2029	Thereafter	
2015	(\$8,865,289)	2.9	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
2016	(333,340)	3.0	0	0	0	0	0	0	0	
2017	(837,981)	2.8	0	0	0	0	0	0	0	
2018	6,909,054	2.9	0	0	0	0	0	0	0	
2019	12,969,987	2.9	0	0	0	0	0	0	0	
2020	2,600,474	2.9	0	0	0	0	0	0	0	
2021	3,742,809	2.8	0	0	0	0	0	0	0	
2022	(3,289,475)	2.8	(939,849)	0	0	0	0	0	0	
2023	10,581,620	2.8	3,779,150	3,023,320	0	0	0	0	0	
2024	20,299,524	2.8	7,249,830	7,249,830	5,799,864	0	0	0	0	
Net Increase (Decrease) in Pension Expense			\$10,089,131	\$10,273,150	\$5,799,864	\$0	\$0	\$0	\$0	

Deferred Outflows of Resources and Deferred Inflows of Resources Arising From Differences Between Expected and Actual Experience

Measurement Date	Experience Losses (a)	Experience Gains (b)	Amounts Recognized in Pension Expense Through June 30, 2024 (c)	Balances at June 30, 2024	
				Deferred Outflows of Resources (a) – (c)	Deferred Inflows of Resources (b) – (c)
2015	\$0	(\$8,865,289)	(\$8,865,289)	\$0	\$0
2016	0	(333,340)	(333,340)	0	0
2017	0	(837,981)	(837,981)	0	0
2018	6,909,054	0	6,909,054	0	0
2019	12,969,987	0	12,969,987	0	0
2020	2,600,474	0	2,600,474	0	0
2021	3,742,809	0	3,742,809	0	0
2022	0	(3,289,475)	(3,289,475)	0	0
2023	10,581,620	0	7,558,300	3,023,320	0
2024	20,299,524	0	7,249,830	13,049,694	0
				\$16,073,014	\$0

Schedule of Differences Between Projected and Actual Earnings on Pension Plan Investments

Increase (Decrease) in Pension Expense Arising From the Recognition of the Differences Between Projected and Actual Earnings on Pension Plan Investments									
Measurement Date	Differences Between Projected and Actual Earnings on Pension Plan Investments	Recognition Period (Years)	2024	2025	2026	2027	2028	2029	Thereafter
2015	\$42,768,440	5.0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2016	57,793,697	5.0	0	0	0	0	0	0	0
2017	(33,246,191)	5.0	0	0	0	0	0	0	0
2018	(12,429,291)	5.0	0	0	0	0	0	0	0
2019	5,153,560	5.0	0	0	0	0	0	0	0
2020	21,761,244	5.0	4,352,248	0	0	0	0	0	0
2021	(167,815,415)	5.0	(33,563,083)	(33,563,083)	0	0	0	0	0
2022	190,153,863	5.0	38,030,773	38,030,773	38,030,771	0	0	0	0
2023	7,804,714	5.0	1,560,943	1,560,943	1,560,943	1,560,942	0	0	0
2024	(35,210,895)	5.0	(7,042,179)	(7,042,179)	(7,042,179)	(7,042,179)	(7,042,179)	0	0
Net Increase (Decrease) in Pension Expense			\$3,338,702	(\$1,013,546)	\$32,549,535	(\$5,481,237)	(\$7,042,179)	\$0	\$0

Deferred Outflows of Resources and Deferred Inflows of Resources Arising From Differences Between Projected and Actual Earnings on Pension Plan Investments

Measurement Date	Investment Earnings Less Than Projected (a)	Investment Earnings Greater Than Projected (b)	Amounts Recognized in Pension Expense Through June 30, 2024 (c)	Balances at June 30, 2024	
				Deferred Outflows of Resources (d) = (a) – (c)	Deferred Inflows of Resources (e) = (b) – (c)
2015	\$42,768,440	\$0	\$42,768,440	\$0	\$0
2016	57,793,697	0	57,793,697	0	0
2017	0	(33,246,191)	(33,246,191)	0	0
2018	0	(12,429,291)	(12,429,291)	0	0
2019	5,153,560	0	5,153,560	0	0
2020	21,761,244	0	21,761,244	0	0
2021	0	(167,815,415)	(134,252,332)	0	(33,563,083)
2022	190,153,863	0	114,092,319	76,061,544	0
2023	7,804,714	0	3,121,886	4,682,828	0
2024	0	(35,210,895)	(7,042,179)	0	(28,168,716)
				\$80,744,372	(\$61,731,799)
				Net Deferred Outflows/(Inflows) of Resources (d) + (e)	
				\$19,012,573	

Note: GASB 68 paragraph 33 requires that deferred outflows of resources and deferred inflows of resources arising from differences between projected and actual pension plan investment earnings in different measurement periods should be aggregated and reported as a net deferred outflow or inflow.

Summary of Recognized Deferred Outflows of Resources and Deferred Inflows of Resources

	Net Increase (Decrease) in Pension Expense						
	2024	2025	2026	2027	2028	2029	Thereafter
Changes of Assumptions	\$16,637,653	\$0	\$0	\$0	\$0	\$0	\$0
Differences Between Expected and Actual Experience	10,089,131	10,273,150	5,799,864	0	0	0	0
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	3,338,702	(1,013,546)	32,549,535	(5,481,237)	(7,042,179)	0	0
Grand Total	\$30,065,486	\$9,259,604	\$38,349,399	(\$5,481,237)	(\$7,042,179)	\$0	\$0

Appendix B

Interest and Total Projected Earnings

- Interest on Total Pension Liability and Total Projected Earnings

Interest on Total Pension Liability and Total Projected Earnings

Interest on Total Pension Liability	Amount for Period (a)	Portion of Period (b)	Interest Rate (c)	Interest on the Total Pension Liability (a) X (b) X (c)
Beginning Total Pension Liability	\$1,776,890,606	100%	6.90%	\$122,605,452
Changes of Benefit Terms	0	100%	6.90%	0
Changes of Assumptions	0	100%	6.90%	0
Difference Between Expected and Actual Experience	20,299,524	100%	6.90%	1,400,667
Service Cost	38,471,868	50%	6.90%	1,327,279
Benefit Payments, Including Refunds of Employee Contributions	(81,586,601)	50%	6.90%	(2,814,738)
Total Interest on Total Pension Liability				\$122,518,660

Projected Earnings on Pension Plan Investments	Amount for Period (a)	Portion of Period (b)	Projected Rate of Return (c)	Projected Earnings (a) X (b) X (c)
Beginning Plan Fiduciary Net Position Excluding Receivables ¹	\$1,278,522,990	100%	6.90%	\$88,218,086
Net Plan to Plan Resource Movement	0	50%	6.90%	0
Employer Contributions	56,744,477	50%	6.90%	1,957,684
Employee Contributions ²	19,013,240	50%	6.90%	655,957
Benefit Payments, Including Refunds of Employee Contributions	(81,586,601)	50%	6.90%	(2,814,738)
Administrative Expense	(1,041,056)	50%	6.90%	(35,916)
Other Miscellaneous Income/(Expense)	0	50%	6.90%	0
Total Projected Earnings				\$87,981,073

¹ Includes any beginning of year adjustment. Contribution receivables for employee service buybacks, totaling \$882,050 as of June 30, 2023, were excluded for purposes of calculating projected earnings on pension plan investments.

² The increase/(decrease) in contribution receivables for employee service buybacks, totaling (\$69,247) during fiscal year 2023-24, was excluded for purposes of calculating projected earnings on pension plan investments.



GASB 68 Accounting Report

CalPERS ID: 7903930500

Valuation Rate Plan Identifier: 1210

**Prepared for
City of Sacramento
Safety Plan,
an Agent Multiple-Employer Defined
Benefit Pension Plan**

Measurement Date of June 30, 2024

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Appendix A – Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

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Appendix B – Interest and Total Projected Earnings

Interest on Total Pension Liability and Total Projected Earnings	B-1
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Actuarial Certification

This report provides accounting and financial reporting information as required under Governmental Accounting Standards Board Statement 68 (GASB 68) for the Safety Plan of the City of Sacramento (the "Plan"), an Agent Multiple-Employer Defined Benefit Pension Plan participating in the California Public Employees' Retirement System (CalPERS), for the measurement period ended June 30, 2024. The undersigned are actuaries who satisfy the *Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States* of the American Academy of Actuaries with regard to pensions.

This report is to be viewed solely for the purpose of financial reporting requirements. Any use of the contents provided in this report for purposes other than financial reporting requirements would be inappropriate.

This accounting report relies on liabilities and related validation work performed by the CalPERS Actuarial Office as part of the June 30, 2023, annual funding valuation for the Plan. The census data and benefit provisions underlying the liabilities were prepared as of June 30, 2023, and certified as part of the annual funding valuation by the CalPERS Actuarial Office. The asset information used in this accounting report is provided by the CalPERS Financial Office.

Actuarial Assumptions and Methods

The June 30, 2023, liabilities, which were rolled forward to June 30, 2024, and used for this accounting report, are based on actuarial assumptions recommended by the Chief Actuary and adopted by the CalPERS Board of Administration. It is our opinion that the assumptions and methods are internally consistent and reasonable for this plan.



Scott Terando, ASA, EA, MAAA, FCA, CFA
Chief Actuary, CalPERS



Randall Dziubek, ASA, MAAA
Deputy Chief Actuary, Valuation Services, CalPERS

Accounting Information and Actuarial Results

With the provided liability and asset information, the total pension liability, net pension liability, deferred inflows and outflows, and pension expense were developed for the measurement period using standard actuarial techniques.

To the best of my knowledge and having relied upon the attestation above that the actuarial assumptions and methods are reasonable, this report is complete and accurate and contains the actuarial information required for employer financial reporting under GASB 68.



May Shuang Yu, ASA, MAAA
Senior Actuary, CalPERS

Introduction

This is the GASB 68 accounting report for the measurement date June 30, 2024. Notes to the Agent Multiple-Employer Defined Benefit Pension Plan GASB 68 accounting reports are in a separate document, which may be accessed on the CalPERS website at www.calpers.ca.gov.

GASB 68 requires that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used.

Valuation Date	June 30, 2023
Measurement Date	June 30, 2024
Measurement Period	July 1, 2023, to June 30, 2024

Pension Plan Fiduciary Net Position

The plan fiduciary net position disclosed in the GASB 68 accounting report may differ from the plan assets reported in the funding valuation report due to several reasons. For example, for the accounting reports, CalPERS must keep items such as deficiency reserves and fiduciary self-insurance included as assets. These amounts are excluded for rate setting purposes in the funding valuation.

Subsequent Events

During the time period between the valuation date and the publication of this report, price inflation has been higher than the assumed rate of 2.3% per annum. Since inflation influences cost-of-living adjustments for retirees and beneficiaries and active member pay increases, higher inflation is likely to put at least some upward pressure on the pension expense and the net pension liability in future valuations. The actual impact of higher inflation on future valuation results will depend on, among other factors, how long higher inflation persists.

Changes in the Net Pension Liability

The following table shows the changes in net pension liability recognized over the measurement period.

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (c) = (a) – (b)
Balance at: 06/30/2023	\$2,547,112,331	\$1,702,230,409	\$844,881,922
Beginning of Year Adjustment	\$0	\$0	\$0
Adjusted Balance at: 06/30/2023	\$2,547,112,331	\$1,702,230,409	\$844,881,922
Changes Recognized for the Measurement Period:			
Service Cost	52,703,512		52,703,512
Interest on Total Pension Liability	176,765,478		176,765,478
Changes of Benefit Terms	0		0
Changes of Assumptions	0		0
Differences Between Expected and Actual Experience	51,881,749		51,881,749
Net Plan to Plan Resource Movement		0	0
Contributions – Employer		86,394,005	(86,394,005)
Contributions – Employees		27,797,394	(27,797,394)
Net Investment Income		164,479,075	(164,479,075)
Benefit Payments, Including Refunds of Employee Contributions	(127,054,652)	(127,054,652)	0
Administrative Expense		(1,385,110)	1,385,110
Other Miscellaneous (Income)/Expense		0	0
Net Changes During 2023-24	\$154,296,087	\$150,230,712	\$4,065,375
Balance at: 06/30/2024	\$2,701,408,418	\$1,852,461,121	\$848,947,297

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

	Discount Rate -1% 5.90%	Current Discount Rate 6.90%	Discount Rate + 1% 7.90%
Plan's Net Pension Liability/(Asset)	\$1,228,413,771	\$848,947,297	\$539,514,910

Pension Expense/(Income) for Measurement Period Ended June 30, 2024

Description	Amount
Service Cost	\$52,703,512
Interest on Total Pension Liability	176,765,478
Changes of Benefit Terms	0
Recognized Changes of Assumptions	15,204,392
Recognized Differences Between Expected and Actual Experience	23,792,790
Net Plan to Plan Resource Movement	0
Employee Contributions	(27,797,394)
Projected Earnings on Pension Plan Investments	(116,908,471)
Recognized Differences Between Projected and Actual Earnings on Plan Investments	4,173,229
Administrative Expense	1,385,110
Other Miscellaneous (Income)/Expense	0
Total Pension Expense/(Income)	\$129,318,646

Deferred Outflows and Deferred Inflows of Resources Related to Pensions

The following table presents deferred outflows and deferred inflows of resources related to pensions as of June 30, 2024. Note that no adjustments have been made for contributions subsequent to the measurement date. Appropriate treatment of any contributions made after the measurement date is the responsibility of the employer.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions	\$34,970,100	\$0
Differences Between Expected and Actual Experience	61,067,777	0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	24,820,037	0
Total	\$120,857,914	\$0

Amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in future pension expense as follows:

Measurement Periods Ended June 30:	Deferred Outflows/(Inflows) of Resources
2025	\$32,422,655
2026	75,398,387
2027	12,563,210
2028	473,662
2029	0
Thereafter	0

Expected Average Remaining Service Lifetime (EARSL)

The EARSL for the Plan for the measurement period ending June 30, 2024, is 4.9 years, which was obtained by dividing the total service years of 16,427 (the sum of remaining service lifetimes of the active employees) by 3,331 (the total number of participants: active, inactive, and retired). Inactive employees and retirees have remaining service lifetimes equal to 0. Total future service is based on the members' probability of decrementing due to an event other than receiving a cash refund.

Schedules of Required Supplementary Information

Schedule of Changes in Net Pension Liability and Related Ratios for the Measurement Periods Ended June 30

Measurement Period	2024	2023	2022	2021	2020
TOTAL PENSION LIABILITY:					
Service Cost	\$52,703,512	\$50,781,883	\$51,607,745	\$44,415,037	\$42,306,347
Interest on Total Pension Liability	176,765,478	166,573,591	158,263,230	151,131,373	143,878,049
Changes of Benefit Terms	0	798,293	0	0	0
Changes of Assumptions	0	0	80,583,276	0	0
Difference Between Expected and Actual Experience	51,881,749	23,382,576	4,868,446	12,440,770	20,245,556
Benefit Payments, Including Refunds of Employee Contributions	(127,054,652)	(117,924,437)	(108,473,377)	(100,826,561)	(95,642,311)
Net Change in Total Pension Liability	\$154,296,087	\$123,611,906	\$186,849,320	\$107,160,619	\$110,787,641
Total Pension Liability – Beginning	2,547,112,331	2,423,500,425	2,236,651,105	2,129,490,486	2,018,702,845
Total Pension Liability – Ending (a)	\$2,701,408,418	\$2,547,112,331	\$2,423,500,425	\$2,236,651,105	\$2,129,490,486
PLAN FIDUCIARY NET POSITION					
Contributions – Employer	\$86,394,005	\$82,171,687	\$74,644,892	\$67,242,162	\$58,583,694
Contributions – Employee	27,797,394	27,327,343	25,718,073	25,903,510	23,832,448
Net Investment Income	164,479,075	100,457,530	(133,569,900)	327,345,196	69,226,226
Benefit Payments, Including Refunds of Employee Contributions	(127,054,652)	(117,924,437)	(108,473,377)	(100,826,561)	(95,642,311)
Net Plan to Plan Resource Movement	0	0	2,299	0	0
Administrative Expense	(1,385,110)	(1,184,936)	(1,092,733)	(1,434,401)	(1,948,101)
Other Miscellaneous Income/(Expense) ¹	0	0	0	0	0
Net Change in Fiduciary Net Position	\$150,230,712	\$90,847,187	(\$142,770,746)	\$318,229,906	\$54,051,956
Plan Fiduciary Net Position – Beginning ²	\$1,702,230,409	\$1,611,383,222	\$1,754,153,968	\$1,435,924,062	\$1,381,872,106
Plan Fiduciary Net Position – Ending (b)	1,852,461,121	1,702,230,409	1,611,383,222	1,754,153,968	1,435,924,062
Plan Net Pension Liability/(Asset) – (a)-(b)	\$848,947,297	\$844,881,922	\$812,117,203	\$482,497,137	\$693,566,424
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	68.57%	66.83%	66.49%	78.43%	67.43%
Covered Payroll ³	\$173,881,596	\$167,210,677	\$168,487,578	\$157,332,756	\$147,408,874
Plan Net Pension Liability/(Asset) as a Percentage of Covered-Employee Payroll	488.23%	505.28%	482.00%	306.67%	470.51%

¹ During Fiscal Year 2017-18, as a result of Governmental Accounting Standards Board Statement (GASB) No. 75, Accounting and Financial Reporting for Postemployment Benefit Plans Other than Pensions (GASB 75), CalPERS reported its proportionate share of activity related to postemployment benefits for participation in the State of California's agent OPEB plan. Accordingly, CalPERS recorded a one-time expense as a result of the adoption of GASB 75.

Additionally, CalPERS employees participate in various State of California agent pension plans and during Fiscal Year 2017-18, CalPERS recorded a correction to previously reported financial statements to properly reflect its proportionate share of activity related to pensions in accordance with GASB Statement No. 68, Accounting and Financial Reporting for Pensions (GASB 68).

² Includes any beginning of year adjustment.

³ Includes one year's payroll growth using 2.80% payroll growth assumption for fiscal years ended in 2022 through 2024; 2.75% payroll growth assumption for fiscal years ended in 2018 through 2021; 3.00% payroll growth assumption for fiscal years ended in 2015 through 2017.

Schedules of Required Supplementary Information (continued)

Measurement Period	2019	2018	2017	2016	2015
TOTAL PENSION LIABILITY:					
Service Cost	\$40,221,149	\$38,385,859	\$37,372,520	\$31,672,063	\$29,653,042
Interest on Total Pension Liability	136,322,857	127,930,127	123,131,887	118,821,553	112,331,793
Changes of Benefit Terms	0	0	0	0	0
Changes of Assumptions	0	(17,241,688)	107,046,066	0	(28,604,249)
Difference Between Expected and Actual Experience	35,990,497	3,954,107	(15,086,475)	14,397,639	(592,555)
Benefit Payments, Including Refunds of Employee Contributions	(88,687,941)	(82,998,648)	(78,231,814)	(74,572,323)	(70,544,699)
Net Change in Total Pension Liability	\$123,846,562	\$70,029,757	\$174,232,184	\$90,318,932	\$42,243,332
Total Pension Liability – Beginning	1,894,856,283	1,824,826,526	1,650,594,342	1,560,275,410	1,518,032,078
Total Pension Liability – Ending (a)	\$2,018,702,845	\$1,894,856,283	\$1,824,826,526	\$1,650,594,342	\$1,560,275,410
PLAN FIDUCIARY NET POSITION					
Contributions – Employer	\$49,875,203	\$41,588,489	\$40,608,891	\$36,000,897	\$30,798,271
Contributions – Employee	22,751,971	21,563,568	18,980,493	18,465,310	15,564,873
Net Investment Income	86,281,951	104,660,890	125,585,855	4,971,102	25,341,704
Benefit Payments, Including Refunds of Employee Contributions	(88,687,941)	(82,998,648)	(78,231,814)	(74,572,323)	(70,544,699)
Net Plan to Plan Resource Movement	(494)	(3,555)	(73,647)	(340)	533
Administrative Expense	(936,689)	(1,921,893)	(1,665,625)	(697,193)	(1,287,544)
Other Miscellaneous Income/(Expense) ¹	3,046	(3,649,707)	0	0	0
Net Change in Fiduciary Net Position	\$69,287,047	\$79,239,144	\$105,204,153	(\$15,832,547)	(\$126,862)
Plan Fiduciary Net Position – Beginning ²	\$1,312,585,059	\$1,233,345,915	\$1,128,141,762	\$1,143,974,309	\$1,144,101,171
Plan Fiduciary Net Position – Ending (b)	1,381,872,106	1,312,585,059	1,233,345,915	1,128,141,762	1,143,974,309
Plan Net Pension Liability/(Asset) – (a)-(b)	\$636,830,739	\$582,271,224	\$591,480,611	\$522,452,580	\$416,301,101
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	68.45%	69.27%	67.59%	68.35%	73.32%
Covered Payroll ³	\$138,717,533	\$132,205,472	\$126,437,920	\$120,120,082	\$112,067,431
Plan Net Pension Liability/(Asset) as a Percentage of Covered-Employee Payroll	459.08%	440.43%	467.80%	434.94%	371.47%

¹ During Fiscal Year 2017-18, as a result of Governmental Accounting Standards Board Statement (GASB) No. 75, Accounting and Financial Reporting for Postemployment Benefit Plans Other than Pensions (GASB 75), CalPERS reported its proportionate share of activity related to postemployment benefits for participation in the State of California's agent OPEB plan. Accordingly, CalPERS recorded a one-time expense as a result of the adoption of GASB 75.

Additionally, CalPERS employees participate in various State of California agent pension plans and during Fiscal Year 2017-18, CalPERS recorded a correction to previously reported financial statements to properly reflect its proportionate share of activity related to pensions in accordance with GASB Statement No. 68, Accounting and Financial Reporting for Pensions (GASB 68).

² Includes any beginning of year adjustment.

³ Includes one year's payroll growth using 2.80% payroll growth assumption for fiscal years ended in 2022 through 2024; 2.75% payroll growth assumption for fiscal years ended in 2018 through 2021; 3.00% payroll growth assumption for fiscal years ended in 2015 through 2017.

Schedules of Required Supplementary Information (continued)

Notes to Schedule of Changes in Net Pension Liability and Related Ratios:

Changes of Benefit Terms: The figures above generally include any liability impact that may have resulted from voluntary benefit changes that occurred on or before the Measurement Date. However, offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes) that occurred after the Valuation Date are not included in the figures above, unless the liability impact is deemed to be material by the plan actuary.

Changes of Assumptions: There were no assumption changes in 2023 or 2024. Effective with the June 30, 2021, valuation date (June 30, 2022, measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. In addition, demographic assumptions and the price inflation assumption were changed in accordance with the **2021 CalPERS Experience Study and Review of Actuarial Assumptions**. The accounting discount rate was 7.15% for measurement dates June 30, 2017, through June 30, 2021, and 7.65% for measurement dates June 30, 2015, through June 30, 2016.

Schedule of Plan Contributions for the Fiscal Years Ended June 30¹

Employer Fiscal Year End	2024	2023	2022	2021	2020
Actuarially Determined Contribution ²	\$86,394,005	\$82,171,687	\$74,644,892	\$67,242,162	\$58,583,694
Contributions in Relation to the Actuarially Determined Contribution ²	(86,394,005)	(82,171,687)	(74,644,892)	(67,242,162)	(58,583,694)
Contribution Deficiency (Excess)	\$0	\$0	\$0	\$0	\$0
Covered Payroll ³	\$173,881,596	\$167,210,677	\$168,487,578	\$157,332,756	\$147,408,874
Contributions as a Percentage of Covered Payroll ³	49.69%	49.14%	44.30%	42.74%	39.74%

Employer Fiscal Year End	2019	2018	2017	2016	2015
Actuarially Determined Contribution ²	\$49,875,203	\$41,588,489	\$40,608,891	\$36,000,897	\$30,798,271
Contributions in Relation to the Actuarially Determined Contribution ²	(49,875,203)	(41,588,489)	(40,608,891)	(36,000,897)	(30,798,271)
Contribution Deficiency (Excess)	\$0	\$0	\$0	\$0	\$0
Covered Payroll ³	\$138,717,533	\$132,205,472	\$126,437,920	\$120,120,082	\$112,067,431
Contributions as a Percentage of Covered Payroll ³	35.95%	31.46%	32.12%	29.97%	27.48%

- ¹ As prescribed in GASB 68, paragraph 46, the information presented in the Schedule of Plan Contributions should also be presented as of the employer's most recent fiscal year-end. The employer is responsible for determining this information as prescribed by the standard as this data is not available to CalPERS.
- ² Employers are assumed to make contributions equal to the actuarially determined contributions. However, some employers may choose to make additional contributions towards their unfunded liability. Employer contributions for such plans exceed the actuarially determined contributions.
- ³ Includes one year's payroll growth using 2.80% payroll growth assumption for fiscal years ended in 2022 through 2024; 2.75% payroll growth assumption for fiscal years ended in 2018 through 2021; 3.00% payroll growth assumption for fiscal years ended in 2015 through 2017.

Schedules of Required Supplementary Information (continued)

Notes to Schedule of Plan Contributions:

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2023-24 were derived from the June 30, 2021, funding valuation report.

Actuarial Cost Method	Entry Age Actuarial Cost Method
Amortization Method/Period	For details, see June 30, 2021, funding valuation report.
Asset Valuation Method	Fair Value of Assets. For details, see June 30, 2021, funding valuation report.
Inflation	2.3%
Salary Increases	Varies by entry age and service
Payroll Growth	2.8%
Investment Rate of Return	6.80% net of pension plan investment and administrative expenses; includes inflation.
Retirement Age	The probabilities of retirement are based on the 2021 CalPERS Experience Study and Review of Actuarial Assumptions.
Mortality	The probabilities of mortality are based on the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. Mortality rates incorporate full generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries.

Other Information:

For changes to previous years' information, refer to past GASB 68 reports.

Appendices

- **Appendix A – Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**
- **Appendix B – Interest and Total Projected Earnings**

Appendix A

Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

- Schedule of Changes of Assumptions
- Deferred Outflows of Resources and Deferred Inflows of Resources Arising From Changes of Assumptions
- Schedule of Differences Between Expected and Actual Experience
- Deferred Outflows of Resources and Deferred Inflows of Resources Arising From Differences Between Expected and Actual Experience
- Schedule of Differences Between Projected and Actual Earnings on Pension Plan Investments
- Deferred Outflows of Resources and Deferred Inflows of Resources Arising From Differences Between Projected and Actual Earnings on Pension Plan Investments
- Summary of Recognized Deferred Outflows of Resources and Deferred Inflows of Resources

Schedule of Changes of Assumptions

Increase (Decrease) in Pension Expense Arising From the Recognition of the Effects of Changes of Assumptions									
Measurement Date	Changes of Assumptions	Recognition Period (Years)	2024	2025	2026	2027	2028	2029	Thereafter
2015	(\$28,604,249)	5.3	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2016	0	0.0	0	0	0	0	0	0	0
2017	107,046,066	5.3	0	0	0	0	0	0	0
2018	(17,241,688)	5.3	0	0	0	0	0	0	0
2019	0	0.0	0	0	0	0	0	0	0
2020	0	0.0	0	0	0	0	0	0	0
2021	0	0.0	0	0	0	0	0	0	0
2022	80,583,276	5.3	15,204,392	15,204,392	15,204,392	4,561,316	0	0	0
2023	0	0.0	0	0	0	0	0	0	0
2024	0	0.0	0	0	0	0	0	0	0
Net Increase (Decrease) in Pension Expense			\$15,204,392	\$15,204,392	\$15,204,392	\$4,561,316	\$0	\$0	\$0

Deferred Outflows of Resources and Deferred Inflows of Resources Arising From Changes of Assumptions

Measurement Date	Increase in Total Pension Liability (a)	Decrease in Total Pension Liability (b)	Amounts Recognized in Pension Expense Through June 30, 2024 (c)	Balances at June 30, 2024	
				Deferred Outflows of Resources (a) – (c)	Deferred Inflows of Resources (b) – (c)
2015	\$0	(\$28,604,249)	(\$28,604,249)	\$0	\$0
2016	0	0	0	0	0
2017	107,046,066	0	107,046,066	0	0
2018	0	(17,241,688)	(17,241,688)	0	0
2019	0	0	0	0	0
2020	0	0	0	0	0
2021	0	0	0	0	0
2022	80,583,276	0	45,613,176	34,970,100	0
2023	0	0	0	0	0
2024	0	0	0	0	0
				\$34,970,100	\$0

Schedule of Differences Between Expected and Actual Experience

Increase (Decrease) in Pension Expense Arising From the Recognition of the Effects of Differences Between Expected and Actual Experience									
Measurement Date	Differences Between Expected and Actual Experience	Recognition Period (Years)	2024	2025	2026	2027	2028	2029	Thereafter
2015	(\$592,555)	5.3	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2016	14,397,639	5.2	0	0	0	0	0	0	0
2017	(15,086,475)	5.3	0	0	0	0	0	0	0
2018	3,954,107	5.3	0	0	0	0	0	0	0
2019	35,990,497	5.2	1,384,252	0	0	0	0	0	0
2020	20,245,556	5.1	3,969,717	396,971	0	0	0	0	0
2021	12,440,770	5.3	2,347,315	2,347,315	704,195	0	0	0	0
2022	4,868,446	5.3	918,575	918,575	918,575	275,571	0	0	0
2023	23,382,576	5.1	4,584,819	4,584,819	4,584,819	4,584,819	458,481	0	0
2024	51,881,749	4.9	10,588,112	10,588,112	10,588,112	10,588,112	9,529,301	0	0
Net Increase (Decrease) in Pension Expense			\$23,792,790	\$18,835,792	\$16,795,701	\$15,448,502	\$9,987,782	\$0	\$0

Deferred Outflows of Resources and Deferred Inflows of Resources Arising From Differences Between Expected and Actual Experience

Measurement Date	Experience Losses (a)	Experience Gains (b)	Amounts Recognized in Pension Expense Through June 30, 2024 (c)	Balances at June 30, 2024	
				Deferred Outflows of Resources (a) – (c)	Deferred Inflows of Resources (b) – (c)
2015	\$0	(\$592,555)	(\$592,555)	\$0	\$0
2016	14,397,639	0	14,397,639	0	0
2017	0	(15,086,475)	(15,086,475)	0	0
2018	3,954,107	0	3,954,107	0	0
2019	35,990,497	0	35,990,497	0	0
2020	20,245,556	0	19,848,585	396,971	0
2021	12,440,770	0	9,389,260	3,051,510	0
2022	4,868,446	0	2,755,725	2,112,721	0
2023	23,382,576	0	9,169,638	14,212,938	0
2024	51,881,749	0	10,588,112	41,293,637	0
				\$61,067,777	\$0

Schedule of Differences Between Projected and Actual Earnings on Pension Plan Investments

Increase (Decrease) in Pension Expense Arising From the Recognition of the Differences Between Projected and Actual Earnings on Pension Plan Investments									
Measurement Date	Differences Between Projected and Actual Earnings on Pension Plan Investments	Recognition Period (Years)	2024	2025	2026	2027	2028	2029	Thereafter
2015	\$61,061,962	5.0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2016	81,619,456	5.0	0	0	0	0	0	0	0
2017	(45,755,815)	5.0	0	0	0	0	0	0	0
2018	(17,467,045)	5.0	0	0	0	0	0	0	0
2019	6,874,115	5.0	0	0	0	0	0	0	0
2020	28,953,792	5.0	5,790,760	0	0	0	0	0	0
2021	(225,079,128)	5.0	(45,015,826)	(45,015,824)	0	0	0	0	0
2022	254,224,509	5.0	50,844,902	50,844,902	50,844,901	0	0	0	0
2023	10,337,569	5.0	2,067,514	2,067,514	2,067,514	2,067,513	0	0	0
2024	(47,570,604)	5.0	(9,514,121)	(9,514,121)	(9,514,121)	(9,514,121)	(9,514,120)	0	0
Net Increase (Decrease) in Pension Expense			\$4,173,229	(\$1,617,529)	\$43,398,294	(\$7,446,608)	(\$9,514,120)	\$0	\$0

Deferred Outflows of Resources and Deferred Inflows of Resources Arising From Differences Between Projected and Actual Earnings on Pension Plan Investments

Measurement Date	Investment Earnings Less Than Projected (a)	Investment Earnings Greater Than Projected (b)	Amounts Recognized in Pension Expense Through June 30, 2024 (c)	Balances at June 30, 2024	
				Deferred Outflows of Resources (d) = (a) – (c)	Deferred Inflows of Resources (e) = (b) – (c)
2015	\$61,061,962	\$0	\$61,061,962	\$0	\$0
2016	81,619,456	0	81,619,456	0	0
2017	0	(45,755,815)	(45,755,815)	0	0
2018	0	(17,467,045)	(17,467,045)	0	0
2019	6,874,115	0	6,874,115	0	0
2020	28,953,792	0	28,953,792	0	0
2021	0	(225,079,128)	(180,063,304)	0	(45,015,824)
2022	254,224,509	0	152,534,706	101,689,803	0
2023	10,337,569	0	4,135,028	6,202,541	0
2024	0	(47,570,604)	(9,514,121)	0	(38,056,483)
				\$107,892,344	(\$83,072,307)
				Net Deferred Outflows/(Inflows) of Resources (d) + (e)	
				\$24,820,037	

Note: GASB 68 paragraph 33 requires that deferred outflows of resources and deferred inflows of resources arising from differences between projected and actual pension plan investment earnings in different measurement periods should be aggregated and reported as a net deferred outflow or inflow.

Summary of Recognized Deferred Outflows of Resources and Deferred Inflows of Resources

	Net Increase (Decrease) in Pension Expense						
	2024	2025	2026	2027	2028	2029	Thereafter
Changes of Assumptions	\$15,204,392	\$15,204,392	\$15,204,392	\$4,561,316	\$0	\$0	\$0
Differences Between Expected and Actual Experience	23,792,790	18,835,792	16,795,701	15,448,502	9,987,782	0	0
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	4,173,229	(1,617,529)	43,398,294	(7,446,608)	(9,514,120)	0	0
Grand Total	\$43,170,411	\$32,422,655	\$75,398,387	\$12,563,210	\$473,662	\$0	\$0

Appendix B

Interest and Total Projected Earnings

- Interest on Total Pension Liability and Total Projected Earnings

Interest on Total Pension Liability and Total Projected Earnings

Interest on Total Pension Liability	Amount for Period (a)	Portion of Period (b)	Interest Rate (c)	Interest on the Total Pension Liability (a) X (b) X (c)
Beginning Total Pension Liability	\$2,547,112,331	100%	6.90%	\$175,750,751
Changes of Benefit Terms	0	100%	6.90%	0
Changes of Assumptions	0	100%	6.90%	0
Difference Between Expected and Actual Experience	51,881,749	100%	6.90%	3,579,841
Service Cost	52,703,512	50%	6.90%	1,818,271
Benefit Payments, Including Refunds of Employee Contributions	(127,054,652)	50%	6.90%	(4,383,385)
Total Interest on Total Pension Liability				\$176,765,478

Projected Earnings on Pension Plan Investments	Amount for Period (a)	Portion of Period (b)	Projected Rate of Return (c)	Projected Earnings (a) X (b) X (c)
Beginning Plan Fiduciary Net Position Excluding Receivables ¹	\$1,701,405,853	100%	6.90%	\$117,397,004
Net Plan to Plan Resource Movement	0	50%	6.90%	0
Employer Contributions	86,394,005	50%	6.90%	2,980,593
Employee Contributions ²	27,885,372	50%	6.90%	962,045
Benefit Payments, Including Refunds of Employee Contributions	(127,054,652)	50%	6.90%	(4,383,385)
Administrative Expense	(1,385,110)	50%	6.90%	(47,786)
Other Miscellaneous Income/(Expense)	0	50%	6.90%	0
Total Projected Earnings				\$116,908,471

¹ Includes any beginning of year adjustment. Contribution receivables for employee service buybacks, totaling \$824,556 as of June 30, 2023, were excluded for purposes of calculating projected earnings on pension plan investments.

² The increase/(decrease) in contribution receivables for employee service buybacks, totaling (\$87,978) during fiscal year 2023-24, was excluded for purposes of calculating projected earnings on pension plan investments.



City of Sacramento



FOSTER & FOSTER
ACTUARIES AND CONSULTANTS

Sacramento City Employees' Retirement System

**June 30, 2025
Actuarial Valuation**

October 17, 2025

ACTUARIAL VALUATION

CITY OF SACRAMENTO SACRAMENTO CITY EMPLOYEES' RETIREMENT SYSTEM (SCERS) DEFINED BENEFIT PLAN

We are pleased to present the results of our June 30, 2025 actuarial valuation of the Sacramento City Employees' Retirement System (SCERS).

The purpose of this valuation is to:

- Determine the System's June 30, 2025 Funded Status, and
- Calculate the fiscal year 2026/27 Actuarially Determined Contribution (ADC).

The information in this report may not be appropriate for purposes other than System funding but may be useful to the City for the System's financial management. Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as: plan experience differing from that anticipated by the assumptions; changes in assumptions; changes expected as part of the natural progression of the plan; and changes in plan provisions or applicable law. Actuarial models necessarily rely on the use of estimates and are sensitive to changes. Small variations in estimates may lead to significant changes in actuarial measurements. Due to the limited scope of this assignment, we did not perform an analysis of the potential range of such measurements.

The valuation is based on the System's benefit provisions summarized in Section 9, employee data, and on the System's financial information, all furnished by the City. We reviewed the financial and employee data for reasonableness, including comparing to prior year data, but did not perform an audit.

To the best of our knowledge, this report is complete and accurate and has been conducted using generally accepted actuarial principles and practices. As members of the American Academy of Actuaries, meeting Academy Qualification Standards, we certify the actuarial results and opinions herein.

Respectfully submitted,



Drew Ballard, FSA, MAAA, EA
Senior Consulting Actuary



Braelen Ballard, FSA, MAAA, EA
Consulting Actuary



Katherine Moore, ASA, MAAA
Consulting Actuary

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SECTION 1

EXECUTIVE SUMMARY

Following are the valuation results. See notes following the table for a description of terms.
Results from the June 30, 2024 valuation are provided for comparative purposes.

	-----amounts in \$000's-----		
	June 30, 2024	June 30, 2025	% change
■ Participant Counts			
• Actives	1	1	0.0%
• Terminated Vesteds & Reciprocals	3	3	0.0%
• Service Retirees	396	376	-5.1%
• Disableds	74	71	-4.1%
• Beneficiaries	265	259	-2.3%
• Total	739	710	-3.9%
■ Actuarial Liabilities			
• Present Value of Projected Benefits	\$ 249,411	\$ 231,205	-7.3%
• Actuarial Accrued Liability	249,409	231,205	-7.3%
■ Assets			
• Market Value of Assets	253,497	253,354	-0.1%
• Approximate Annual Rate of Return	12.3%	10.3%	
• Actuarial Value of Assets	243,646	n/a	n/a
• Approximate Annual Rate of Return	8.1%	n/a	
■ Plan Funded Status			
• Actuarial Accrued Liability	249,409	231,205	-7.3%
• Plan Assets	243,646	253,354	4.0%
• Unfunded Actuarial Accrued Liability	5,763	(22,149)	-484.3%
• Funded Ratio, Actuarial Value Basis	97.7%	n/a	n/a
• Funded Ratio, Market Value Basis	101.6%	109.6%	7.9%
	2025/26	2026/27	% change
■ Annual Cost¹	\$163	\$ 0	-100.0%
■ Annual Cost (% Proj. Plan Payroll)¹	185.0%	0.0%	
■ Annual Cost (% Proj. City Payroll)	0.0%	0.0%	

¹ See page 11 for details.



SECTION 1

EXECUTIVE SUMMARY

Purpose of Actuarial Valuation

The actual costs of a defined benefit plan are determined entirely by the amount of the benefit promise, the actual salaries and service of the plan participants, and how long they and their beneficiaries live to receive payments. An actuarial valuation is a mathematical model which attempts to quantify this actual cost by setting assumptions that, it is hoped, duplicate reality as closely as possible. In addition, the actuarial methodology provides a reasonable plan, or method, towards funding the expected plan costs. This information assists the plan trustees so they can make informed decisions regarding plan investments and how much in contributions will be required from the employer to eventually fully pay the plan's costs.

Summary Information & Results

The Sacramento City Employees' Retirement System (SCERS) is a closed defined benefit pension plan. It has not accepted new members since January 28, 1977, and only 1 active member (out of a total plan membership of 710) remains.

Since the last valuation, the plan experienced overall gains on liabilities and assets. Plan liabilities decreased more than expected, by \$6.0 million. This was primarily due to updated data for current retirees' beneficiaries (\$6.8 million) but was offset by retirees living longer than expected (\$0.5 million) and a larger COLA than expected² (\$0.3 million). Market value return on assets was greater than expected, about 10.3% for the year, which resulted in a gain of \$7.0 million on the actuarial (smoothed) value of assets.

We recommend changing from actuarial value of assets to market value of assets. This change resulted in an additional \$13.9 million gain on assets.

Since the last valuation, the plan's asset allocation was changed to be slightly more conservative. The discount rate used in the valuation has not changed. We believe 6.0% is a reasonable discount rate for this plan.

No assumptions were changed since the prior valuation.

At July 1, 2025 the plan is overfunded. The plan has surplus assets of \$22.1 million, as compared to an expected unfunded actuarial accrued liability (UAAL) of \$4.7 million.

The plan's funded ratio using market value of assets basis is 109.6%, an increase from 101.6% in the prior valuation.

Since the plan is overfunded, the City's contribution has decreased from \$0.163 million for fiscal year 2025/26 to \$0 for fiscal year 2026/27.

The average life expectancy of the plan's retirees is now 9.8 years, down from 10.2 years as of June 30, 2024. We recommend keeping the amortization at a rolling 10-year period for the 2026/27 recommended contribution.

² The CPI used for COLA increases was 2.8%. The prior valuation assumed CPI of 2.5%.

Although the full 3% COLA was paid, COLA banks did not decrease as much as expected. (Index used is CPI-U for San Francisco/Oakland/Hayward area.)



SECTION 1

EXECUTIVE SUMMARY

Discussion of Plan Risks

Actuarial Standard of Practice No. 51, Assessment and Disclosure of Risk Associated with Measuring Pension Obligations and Determining Pension Plan Contributions, requires the actuary to assess and disclose the risk that actual future measurements may differ significantly from expected future measurements.

This plan is considered a very mature pension plan since almost all of its liabilities are for retirees, and there is one remaining active employee with very little associated payroll. The following table presents various measures illustrating the plan's maturity:

	June 30, 2024	June 30, 2025
■ Maturity Ratios		
• Inactive AAL/total AAL	99.9%	99.9%
• Inactive participant count/total count	99.9%	99.9%
• Benefit payments/market value of assets	10.6%	10.4%
• Benefit payments/employer contributions	1,928.4%	1,938.0%

A very mature pension plan presents unique risks. The plan has negative cash flow (benefit payments exceed contributions), and benefit payments are relatively large compared to the asset value. The plan's investment manager must carefully manage the plan's liquidity needs as the plan "winds down" over the next 50 or more years. In addition to investment risk (investment returns being different than expected), asset/liability mismatch risk (changes in asset values not matched by changes in liabilities) could be significant for this plan. The plan is also subject to longevity risk (the potential that participants will live longer than projected) but we believe this risk is less significant than investment and asset/liability mismatch risk.

The scope of this valuation did not include a risk assessment - an evaluation of the potential impacts of these factors on the plan's funded status or projected employer contributions. However, we have included the following to assist in the plan's management:

- Table of expected benefit payments for the next 50 years
- Sensitivity analysis: Contributions calculated under different discount rates

Low Default-Risk Obligation Measure

Actuarial Standards of Practice ("ASOP") No. 4, Measuring Pension Obligations and Determining Pension Plan Costs or Contributions, was revised as of December 2021 to include communication of a "low-default-risk obligation measure" (LDROM). This liability measure is consistent with the determination of the actuarial accrued liability shown on page 5 in terms of member data, plan provisions, and assumptions/methods, including the use of the Entry Age Normal Cost Method, except that the discount rate is tied to low-default-risk fixed income securities. The S&P Municipal Bond 20 Year High Grade Rate Index (daily rate closest to, but not later than, the measurement date of June 30, 2025) 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 discount rate used in this LDROM valuation was 4.81%, resulting in an LDROM of \$251 million. 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.

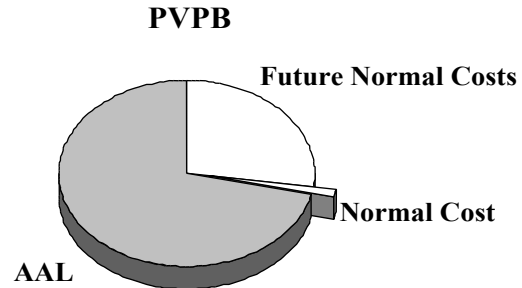


SECTION 1

EXECUTIVE SUMMARY

Definitions

The Present Value of Projected Benefits (PVPB) is the present value of all future benefits for current plan participants. The Actuarial Accrued Liability (AAL) represents the portion of the PVPB attributable to past service. The AAL is recognized over service through the date a participant is expected to commence benefits. Therefore, the AAL is equal to the PVPB for current retirees. The Normal Cost is the portion of the PVPB allocated or earned during the year following the valuation date.



SECTION 2

LIABILITY INFORMATION & FUNDED STATUS

A comparison of the Present Value of Benefits, Actuarial Accrued Liability, Employer Normal Cost, and the Funded Ratio for the current and prior valuations follows. (Note that numbers throughout the report may not add due to rounding.)

(amounts in \$000's)

	June 30, 2024	June 30, 2025
Present Value of Projected Benefits		
■ Active Employees	\$ 235	\$ 239
■ Vested Terminated & Reciprocals	308	286
■ Service Retirees	175,234	161,913
■ Disabled Participants	22,550	20,177
■ Beneficiaries	51,084	48,590
■ Total	249,411	231,205

Actuarial Accrued Liability

■ Active Employees	\$ 233	\$ 239
■ Vested Terminated & Reciprocals	308	286
■ Service Retirees	175,234	161,913
■ Disabled Participants	22,550	20,177
■ Beneficiaries	51,084	48,590
■ Total	249,409	231,205

	2024/25	2025/26
Normal Cost		
■ Employer Normal Cost (beginning of year)	\$ 1	\$ 0

	June 30, 2024	June 30, 2025
Plan Funded Status		
■ Total Actuarial Accrued Liability	\$ 249,409	\$ 231,205
■ Plan Assets (AVA at 6/30/24, MVA at 6/30/25)	243,646	253,354
■ Unfunded Actuarial Accrued Liability	5,763	(22,149)
■ Funded Ratio	97.7%	109.6%
■ Market Value of Assets	253,497	253,354
■ Funded Ratio – Market Value Basis	101.6%	109.6%



SECTION 2

LIABILITY INFORMATION & FUNDED STATUS

Details of the June 30, 2025 Present Value of Benefits, Actuarial Accrued Liability and Employer Normal Cost by employee category:

(amounts in \$000's)

	Safety	Miscellaneous	Total
Present Value of Projected Benefits			
■ Active Employees	\$ 0	\$ 239	\$ 239
■ Vested Terminated & Reciprocals	0	286	286
■ Service Retirees	5,090	156,823	161,913
■ Disabled Participants	7,356	12,821	20,177
■ Beneficiaries	12,558	36,032	48,590
■ Total	25,005	206,201	231,205

Actuarial Accrued Liability

■ Active Employees	0	239	239
■ Vested Terminated & Reciprocals	0	286	286
■ Service Retirees	5,090	156,823	161,913
■ Disabled Participants	7,356	12,821	20,177
■ Beneficiaries	12,558	36,032	48,590
■ Total	25,005	206,201	231,205

	Safety	Miscellaneous	Total
Normal Cost			
■ Employer Normal Cost (on June 30, 2025)	\$ 0	\$ 0	\$ 0



SECTION 2

LIABILITY INFORMATION & FUNDED STATUS

Details of the June 30, 2025 Present Value of Benefits, Actuarial Accrued Liability and Employer Normal Cost by benefit section:

(amounts in \$000's)

	Section 175	Sections 302 & 399	Total
Present Value of Projected Benefits			
■ Active Employees	\$ 0	\$ 239	\$ 239
■ Vested Terminated & Reciprocal	0	286	286
■ Service Retirees	3,027	158,887	161,913
■ Disabled Participants	106	20,071	20,177
■ Beneficiaries	2,787	45,803	48,590
■ Total	5,920	225,285	231,205

Actuarial Accrued Liability

■ Active Employees	0	239	239
■ Vested Terminated & Reciprocal	0	286	286
■ Service Retirees	3,027	158,887	161,913
■ Disabled Participants	106	20,071	20,177
■ Beneficiaries	2,787	45,803	48,590
■ Total	5,920	225,285	231,205

	Section 175	Sections 302 & 399	Total
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Normal Cost

■ Employer Normal Cost (on June 30, 2025)	\$ 0	\$ 0	\$ 0
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SECTION 3

ASSET INFORMATION

Assets for SCERS are held in trust. Trust monies may be used to pay benefits to plan participants and their beneficiaries. The trust is managed under the direction of the Administration, Investment, and Fiscal Management Board. Asset information is provided by the City of Sacramento, and has not yet been audited.

Asset Reconciliation – Market Value of Assets

Following reconciles the June 30, 2023 through June 30, 2024 and the June 30, 2024 through June 30, 2025 market value of assets. Numbers may not add due to rounding.

	(amounts in \$000's)	
	2023/24	2024/25
■ Beginning of Year Balance:	\$ 249,966	\$ 253,497
• Member Contributions	\$ 1	\$ 1
• City Contributions	1,399	1,362
• Investment Income	<u>30,135</u>	<u>25,939</u>
■ Total Additions	31,535	27,302
• Benefit Payments	26,933	26,395
• Member Refunds	45	-
• Investment Expenses	<u>1,026</u>	<u>1,050</u>
■ Total Deductions	<u>28,004</u>	<u>27,445</u>
■ Net Assets at End of Year	253,497	253,354
■ Approximate Return on Assets	12.3%	10.3%



SECTION 3

ASSET INFORMATION

Asset Allocation – Market Value of Assets

The July 1, 2025 trust asset allocation is provided by the City of Sacramento and based on an allocation strategy of 40.0% fixed income and 60.0% equity. Details are shown below.

(amounts in \$000's)		
	Market Value	Percentage
■ Cash & Short Term Investments	\$ 2,626	1.0%
■ Receivables	1,116	0.4%
■ Investments		
• US Agencies	\$ 4,590	1.8%
• US Treasury Bonds	3,952	1.6%
• Corporate Bonds	67,855	26.8%
• Equities	15,175	6.0%
• Exchange Traded Funds	137,454	54.3%
• Money Market Mutual Funds	395	0.2%
• Municipal Bonds	22,313	8.8%
■ Total Investments	251,734	
■ Total Assets	255,476	
■ Other Liabilities Payable	(2,122)	-0.8%
■ Net Pension Benefit Trust Assets	253,354	100.0%

Target Allocation by Asset Class

The Administration, Investment and Fiscal Management Board of the Sacramento City Employees' Retirement System changed the asset allocation May 15, 2025. The fund is rebalanced each year.

	Current Allocation	Prior Allocation
■ Fixed Bonds/Real Estate	40.0%	37.5%
Total Fixed	40.0%	37.5%
■ Large Cap Growth	30.0%	30.0%
■ Equity Income	30.0%	30.0%
■ International Equities	0.0%	2.5%
Total Equity	60.0%	62.5%
Total Fixed & Equity	100.0%	100.0%



SECTION 4

CONTRIBUTION DEVELOPMENT

Actuarially Determined Contribution

Following is the development of the 2026/27 Actuarially Determined Contribution. The 2025/26 Actuarially Determined Contribution was calculated in the June 30, 2024 actuarial valuation and is shown for comparison.

Contribution Year	(amounts in \$000's)	
	2025/26	2026/27
■ Actuarially Determined Contribution		
• Employer Normal Cost	\$ 1	\$ 0
• UAAL Amortization ³	162	(3,120)
• Total Cost	163	0
■ Projected Plan Payroll	88	0
■ Actuarially Determined Contribution (as a percent of plan payroll)		
• Employer Normal Cost	1.2%	n/a
• UAAL Amortization	183.8%	n/a
• Total Contribution	185.0%	n/a
■ Projected Total City Payroll	469,362	495,345
■ Actuarially Determined Contribution (as a percent of total City payroll)		
• Employer Normal Cost	0.0%	0.0%
• UAAL Amortization	0.0%	-0.6%
• Total Contribution	0.0%	0.0%

³ The Unfunded Actuarial Accrued Liability (UAAL) as of the beginning of the contribution year is being amortized as a level dollar amount over a rolling 10- year period for 2025/26 and 2026/27. As the plan continues to mature, this amortization period will be monitored.



SECTION 5

SCHEDULE OF FUTURE CONTRIBUTIONS

Below are the historic and projected contributions and benefit payments. City contributions for years ending 6/30/2028 and later are estimated assuming 6/30/26 and subsequent market value of assets earn 6.00% and assuming the Actuarially Determined Contribution is contributed each year. These contributions are designed to achieve 100% funding of the system.

Year Ending ⁴	Member Contributions	City Contributions	Benefit Payments
6/30/1999	\$1,136,000	\$0	\$24,249,000
6/30/2000	1,079,000	0 ⁵	24,901,000
6/30/2001	989,000	0	25,087,000
6/30/2002	1,011,000	0	25,588,000
6/30/2003	978,000	0	26,619,000
6/30/2004	1,056,000	0	26,772,000
6/30/2005	809,000	0	27,524,000
6/30/2006	789,000	0	28,749,000
6/30/2007	699,000	0	29,604,000
6/30/2008	596,000	3,534,000	29,896,000
6/30/2009	607,000	3,159,000	30,707,000
6/30/2010	377,000	3,431,000	31,719,000
6/30/2011	342,000	10,547,000	33,003,000
6/30/2012	332,000	10,361,000	33,057,000
6/30/2013	219,000	10,573,000	33,237,000
6/30/2014	161,000	9,649,000	33,688,000
6/30/2015	82,000	9,183,000	33,791,000
6/30/2016	69,000	8,645,000	32,683,000
6/30/2017	63,000	8,645,000	32,171,000
6/30/2018	55,000	8,645,000	31,583,000
6/30/2019	49,000	7,507,000	31,134,000
6/30/2020	25,000	4,410,000	30,457,000
6/30/2021	16,000	3,822,000	28,992,000
6/30/2022	9,000	3,479,000	28,145,000
6/30/2023	3,000	0	27,501,000
6/30/2024	1,000	1,399,000	26,978,000
6/30/2025	1,000	1,362,000	26,395,000
6/30/2026	1,000	163,000	25,901,000
6/30/2027	0	0	25,093,000
6/30/2028	0	0	24,266,000
6/30/2029	0	0	23,423,000
6/30/2030	0	0	22,562,000

⁴ Information prior to 6/30/2006 valuation is taken from prior actuary's valuation report. Member contributions and benefit payments for years ending 6/30/2026 and later are estimated.

⁵ Shown as a negative 1.367 million by prior actuary.



SECTION 6

ACTUARIAL (GAIN)/LOSS ANALYSIS

The gain/loss analysis of plan assets, actuarial liability, and unfunded actuarial liability for the one year period between valuation dates:

	(amounts in \$000's)		
	Actuarial Accrued Liability (Gain)/Loss	Actuarial Value of Assets Gain/(Loss)	Unfunded Actuarial Accrued Liability (Gain)/Loss
■ June 30, 2024 Actual Value	\$ 249,409	\$ 243,646	\$ 5,763
■ June 30, 2025 Expected Value ⁶	237,210	232,503	4,708
• Demographic (Gain)/Loss	546		
• Updated beneficiary data	(6,821)		
• COLA more than expected	269		
• Investment gain on Actuarial Value of Assets basis		6,953	
• Benefit payments greater than expected		(10)	
• Change from Actuarial Value of Assets to Market Value of Assets		13,908	
■ Total (Gain)/Loss			(26,857)
■ June 30, 2025 Actual Value	231,205	253,354	(22,149)

⁶ Based on expected 2024/25 benefit payments and contributions.



SECTION 7

SENSITIVITY ANALYSIS

The Plan's June 30, 2025 funded status and 2026/27 fiscal year contribution are shown below at 5.00%, 6.00%, and 7.00% discount rates.

Discount Rate	(amounts in \$000's)		
	5.00%	Current 6.00%	7.00%
■ Present Value of Projected Benefits	\$ 247,497	\$ 231,205	\$ 216,796
■ Funded Status			
• Actuarial Accrued Liability	247,497	231,205	216,796
• Plan Assets	<u>253,354</u>	<u>253,354</u>	<u>253,354</u>
• Unfunded Actuarial Accrued Liability	(5,857)	(22,149)	(36,558)
■ Funded Ratio	102.4%	109.6%	116.9%
■ 2026/27 Actuarially Determined Contribution			
• Employer Normal Cost	0	0	0
• UAAL Amortization (10 years)	<u>(798)</u>	<u>(3,120)</u>	<u>(5,407)</u>
• Total Contribution (not less than 0)	0	0	0
• Total Employer Contribution (as a percent of Plan payroll)	n/a	n/a	n/a
• Total Employer Contribution (as a percent of total City payroll)	0.0%	0.0%	0.0%



SECTION 8

HEADCOUNT AND BENEFIT PAYMENT PROJECTION

Headcount and Benefit Payment Projection

Fiscal Year Ending June 30,	Active Count	Term Vested Count	Retiree Count	Annual Benefit Payments (000's)
2026	1	3	706	\$ 25,901
2027	0	3	669	25,093
2028	0	3	632	24,266
2029	0	3	596	23,423
2030	0	3	560	22,562
2031	0	3	526	21,682
2032	0	3	492	20,780
2033	0	3	459	19,835
2034	0	3	427	18,795
2035	0	3	396	17,735
2036	0	3	365	16,656
2037	0	2	336	15,558
2038	0	2	307	14,446
2039	0	2	279	13,324
2040	0	2	252	12,202
2041	0	2	226	11,088
2042	0	2	201	9,994
2043	0	1	178	8,931
2044	0	1	156	7,911
2045	0	1	135	6,939
2046	0	1	117	6,025
2047	0	1	100	5,174
2048	0	1	84	4,394
2049	0	0	71	3,688
2050	0	0	58	3,060
2051	0	0	48	2,511
2052	0	0	39	2,037
2053	0	0	32	1,636
2054	0	0	25	1,301
2055	0	0	20	1,026



SECTION 8

HEADCOUNT AND BENEFIT PAYMENT PROJECTION

Fiscal Year Ending June 30,	Active Count	Term Vested Count	Retiree Count	Annual Benefit Payments (000's)
2056	0	0	16	\$ 805
2057	0	0	13	631
2058	0	0	10	494
2059	0	0	8	390
2060	0	0	7	310
2061	0	0	5	251
2062	0	0	4	206
2063	0	0	4	173
2064	0	0	3	149
2065	0	0	3	131
2066	0	0	2	117
2067	0	0	2	107
2068	0	0	2	98
2069	0	0	2	91
2070	0	0	1	85
2071	0	0	1	79
2072	0	0	1	75
2073	0	0	1	70
2074	0	0	1	67
2075	0	0	1	63



SECTION 9

PLAN PROVISIONS

A. Plan Effective Date

Originally established effective April 1, 1935.

B. Plan Year

July 1 to June 30.

C. Participation

The plan is closed with no new members since January 28, 1977.

D. Eligibility to Retire

Section 175: Age 70, or age 55 and 20 years of service.

Sections 302 and 399: Age 70, or age 50 and 5 years of service.

E. Vesting

100% vesting with five years of participation.

F. Average Monthly Compensation

Average monthly salary for the 36 months prior to termination.

G. Employee Contributions

Each participant contributes a certain percentage based on his or her age at entry into the plan.

H. Service Retirement Benefit

Section 175:

Average Monthly Compensation times years of service times Benefit Factor. For retirement after age 65 with 20 years of service, benefit is a minimum of \$60 per month.

Sections 302 and 399:

Average Monthly Compensation times years of service times Benefit Factor, but no larger than 75% of final average earnings.

Benefit Factors at sample ages:

<u>Retirement Age</u>	<u>Section 175</u>	<u>Sections 302 and 399</u>
50	n/a	1.10%
55	1.10%	1.75%
60	1.67%	2.40%
65	2.44%	2.40%



SECTION 9

PLAN PROVISIONS

I. Vested Termination Benefit

Return of employee contributions with interest, or if the value is greater than \$500, the member may choose to leave the contributions in the system. The member may become eligible in the future for retirement, disability or death benefits.

J. Non-Industrial (Ordinary) Disability Benefit

Eligibility is ten years of service.

Section 175:

With 16 2/3 years of service: 1½% of final average salary times years of service to disability.

Less than 16 2/3 years of service: Minimum of 1½% of final average salary times years of service would have earned to age 60, or 25% of final average earnings.

Sections 302 and 399:

Not Eligible for Retirement: Lesser of 1½% of Final Average Earnings times years of service or final average earnings times benefit factor at age 50 times years of service at age 50, minimum of 25% of final average earnings.

Eligible for Retirement: Maximum of retirement allowance or 25% of final average earnings.

K. Industrial Disability Benefit

Sections 302 and 399:

Not Eligible for Retirement: 50% of final average earnings.

Eligible for retirement: Maximum of retirement allowance or 50% of final average earnings.

L. Death Benefit – Pre Retirement Eligibility

Return of employee contributions with interest, plus 1/12 of salary in the year preceding death multiplied by the smaller of 6 or years of service.

M. Death Benefit – Post Retirement Eligibility

50% of the member's benefit as if the member retired at the time of death, paid as a lifetime benefit to the spouse.

N. Death Benefit – Post Retirement Death

\$500 paid to the member's estate upon death.



SECTION 9

PLAN PROVISIONS

O. Social Security Reduction at age 62

For members participating in Social Security, their benefit will be reduced at the later of age 62 or actual retirement age. The amount of the reduction is one half of the PIA from Social Security, multiplied by the ratio of the sum of salary earned from the City to the sum of salary from all sources used in the calculation of the Social Security amount. The member's benefit under the System plus the amount received from Social Security cannot be less than the member's benefit under the System calculated with no reductions as of his retirement age. The City applies this offset to service retirees, not to disabled retirees.

P. Reduction Account

A member can choose to reduce his normal contributions to the System by an amount equal to the taxes paid for Social Security coverage. At the time of retirement, the regular retirement benefit will be reduced by the actuarial equivalent of the accumulated value of the reduction of contributions.

Q. Cost of Living

Benefits will be increased each July 1 by the change in the CPI for the San Francisco/Oakland area for the preceding calendar year limited to 3% (with COLA bank).

R. Benefit Forms

Section 175:

Lifetime benefit to the member, which may be actuarially reduced to provide a continuance to a beneficiary.

Section 302 and 399:

Lifetime benefit to the member, with an automatic 50% continuance to the spouse.



SECTION 10

METHODS AND ASSUMPTIONS

Actuarial Methods

The actuarial cost method used for this valuation is the Entry Age Normal (EAN) method. The Present Value of Projected Benefits (PVPB) is the present value of all future benefits for current plan participants. The Actuarial Accrued Liability (AAL) represents the portion of the PVPB attributable to past service. The AAL is recognized over service through the date a participant is expected to commence benefits.

We recommend amortizing the current unfunded AAL over an 10-year rolling period as a level dollar amount. Because the plan is closed, the amortization period should be regularly reviewed. The Board has regularly reduced the amortization period in the recent past. Under current Board policy, when the average future life expectancy of the plan participants drops below 5 years, the amortization period will be reduced to no more than 5 years.

Plan funded status based on excess of

- 1) Value of Normal Retirement Benefit in excess of employee contributions over
- 2) Plan Assets

The contribution generated by the current valuation will be payable for the City's fiscal year beginning one year later (2026/27). The June 30, 2024 valuation generated a contribution for fiscal year 2025/26.

Plan assets are set to the Market Value of Assets. In the prior valuation, smoothed Actuarial Value of Assets were used with investment gains and losses recognized over a three year period.

Data

The City provided participant data as of 7/1/2025. We reviewed the data for reasonableness and resolved any questions with the City. We believe the resulting data can be relied on for all purposes of this valuation without limitation.

Basis for Assumptions

Mortality assumptions are based on CalPERS 2000-2019 experience study, since that study is based on populations similar to this plan. Mortality improvement is the Society of Actuaries Scale MP-2021. Inflation is based on our estimate for the plan's very long-time horizon. The salary merit assumption is based on our expectation of overall payroll growth, due to the current age of the remaining employee. The 6.00% discount rate was selected by the Board. Foster & Foster estimates that a passively managed portfolio with a similar asset allocation would exceed that selected rate about 45% of the time. We believe the 6.00% discount rate is reasonable.

Retirement and disablement rates are insignificant due to the age of the remaining participants and are based on rates used historically.

The Social Security offset, marriage, retirement age for deferred vesteds, and reciprocal assumptions are based in part on plan experience. Due to the small number and age of remaining employees and deferred vested, these assumptions are not significant.



SECTION 10

METHODS AND ASSUMPTIONS

Actuarial Assumptions

Assumptions used in the valuation are as follows:

- **Discount Rate**
6.00% net of investment expenses⁷.
Selected by the Board.
- **Inflation**
2.5%
- **Salary Scale**
2.5% CPI
0.50% Merit
- **Social Security Wage Base**
2.75%
- **Termination**
None assumed. The one remaining active is retirement-eligible.
- **Retirement**
Rates vary based on age. Sample rates follow:

<u>Age</u>	<u>Non Sec 175</u>
69	33%
70	100%

- **Disability**
Rates vary based on age, gender and if the disability is job-related or not. Sample rates follow:

	<u>Job Related</u>		<u>Ordinary</u>	
	<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>
59	.00612	.00336	.01683	.00924
60	.00639	.00351	.01761	.00969
61+	.00000	.00000	.00000	.00000

⁷ Administrative expenses are not paid from plan assets.



SECTION 10

METHODS AND ASSUMPTIONS

■ **Healthy Mortality**

CalPERS 2000-2019 Pre-Retirement Mortality table for males and females and CalPERS 2000-2019 Post-Retirement Mortality table for males and females. Sample rates are as follows:

<u>Age</u>	<u>Pre-Retirement</u>		<u>Post-Retirement</u>	
	<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>
50	0.13%	0.08%	0.27%	0.20%
60	0.29%	0.18%	0.57%	0.46%
70	0.59%	0.40%	1.34%	1.00%
80	1.03%	0.76%	4.38%	3.40%
90	n/a	n/a	14.54%	11.09%
100	n/a	n/a	36.20%	31.58%

■ **Post-Retirement Disabled Mortality**

For Miscellaneous retirees, CalPERS 2000-2019 Non-Work-Related Disability table for males and females. For Safety retirees, CalPERS 2000-2019 Work-Related Disability table for males and females. Sample rates are as follows:

<u>Age</u>	<u>Non-Work-Related</u>		<u>Work-Related</u>	
	<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>
50	1.73%	1.44%	0.44%	0.31%
60	2.68%	1.96%	0.94%	0.87%
70	4.06%	2.91%	2.19%	1.86%
80	8.04%	6.11%	5.93%	5.18%
90	16.77%	14.40%	16.74%	12.43%
100	36.20%	31.58%	36.20%	31.58%

■ **Mortality Improvement Projection**

Post-retirement mortality projected fully generational with Society of Actuaries Scale MP-2021.

■ **Social Security Offset**

Monthly benefits for current retirees and vested terminated assumed to decrease at the later of age 62 or actual retirement, based on the average expected offset of future retirees.

■ **Marriage**

85% of male employees and 60% of female employees are assumed to be married. Wives are assumed to be four years younger than husbands.



SECTION 10

METHODS AND ASSUMPTIONS

- **Retirement Age**

Deferred vested members covered under Section 399 are assumed to retire at age 62; those covered under Section 175 are assumed to retire at age 65.

- **Reciprocal Members**

All remaining deferred vested members are assumed to have reciprocity with other retirement systems, and their pay is assumed to increase with salary scale after separation from the City.

- **COLA**

2.5% CPI

Future benefits increased with CPI up to 3.0% per year with actual COLA banks.

- **Actuarial Modeling**

Our valuation was performed using and relying on ProVal, an actuarial model leased from WinTech. Our use of ProVal is consistent with its intended purpose. We have reviewed and understand ProVal and its operation, sensitivities and dependencies.



SECTION 11

PARTICIPANT DATA

Data Summary

Following summarizes participant demographic information for the June 30, 2024 and June 30, 2025 actuarial valuations.

	June 30, 2024	June 30, 2025
■ Participant Counts		
• Actives	1	1
• Terminated Vesteds	2	2
• Reciprocals	1	1
• Service Retirees	396	376
• Disableds	74	71
• Beneficiaries	265	259
• Total	739	710
■ Actives		
• Average Age	69.5	70.5
• Average Service	47.3	48.3
• Salary		
➤ Total	\$88,038	\$91,560
➤ Average	88,038	91,560
• Overall City Payroll	442,419,000	466,910,000
■ Terminated Vesteds & Reciprocals		
• Average Age	73.7	74.7
■ Retirees, Disableds & Beneficiaries		
• Average Age	81.0	81.8
• Average Monthly Benefit	\$3,052	\$3,135
• Life Expectancy	10.2	9.8



SECTION 11 PARTICIPANT DATA

June 30, 2025 Participant Data

Following summarizes participant demographic information for the June 30, 2025 actuarial valuation, broken out by employee category and benefit section.

	Safety		Miscellaneous		Total
	Section 175	Section 302 & 399	Section 175	Section 302 & 399	
■ Actives					
• Count	-	-	-	1	1
• Average Age	n/a	n/a	n/a	70.5	70.5
• Average Service	n/a	n/a	n/a	48.3	48.3
• Projected Salary					
➤ Average	\$ -	\$ -	\$ -	\$91,560	\$91,560
➤ Total	-	-	-	91,560	91,560
■ Vested Terms & Reciprocals					
• Count	-	-	-	3	3
• Average Age	n/a	n/a	n/a	74.7	74.7
■ All Inactives					
• Count	14	87	14	591	706
• Average Age	88.3	85.8	85.2	80.9	81.8
• Avg. Monthly Benefit	\$2,494	\$3,497	\$2,491	\$3,112	\$3,135
■ Service Retirees					
• Count	3	13	7	353	376
• Average Age	94.5	89.9	83.4	80.0	80.5
• Average Retirement Age	54.9	54.9	62.5	59.5	59.4
• Avg. Monthly Benefit	\$3,482	\$5,953	\$3,114	\$3,790	\$3,850
■ Disabled Retirees					
• Count	-	25	2	44	71
• Average Age	n/a	82.8	91.9	78.9	80.7
• Average Retirement Age	n/a	41.1	50.8	49.1	46.3
• Avg. Monthly Benefit	n/a	\$3,319	\$1,467	\$2,740	\$2,908
■ Beneficiaries					
• Count	11	49	5	194	259
• Average Age	86.6	86.3	85.2	83.0	83.9
• Avg. Monthly Benefit	\$2,224	\$2,935	\$2,029	\$1,963	\$2,160



SECTION 11 PARTICIPANT DATA

Data Reconciliation 6/30/2024 to 6/30/2025

	Actives	Terminated		Receiving Payments			Total
		Vested	Reciprocal	Disabled	Benefic.	Retirees	
■ June 30, 2024	1	2	1	74	265	396	739
• New Hires	-	-	-	-	-	-	-
• Disabled	-	-	-	-	-	-	-
• Terminated	-	-	-	-	-	-	-
• Cashed Out	-	-	-	-	-	-	-
• Deceased	-	-	-	(3)	(16)	(20)	(39)
• New Beneficiaries	-	-	-	-	10	-	10
• Retired	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
■ June 30, 2025	1	2	1	71	259	376	710



SECTION 11

PARTICIPANT DATA

Active Age/Service

Following are active counts by age and service groups:

Age	Service							Total
	0-4	5-9	10-14	15-19	20-24	25-29	30 & Over	
Under 25	-	-	-	-	-	-	-	-
25-29	-	-	-	-	-	-	-	-
30-34	-	-	-	-	-	-	-	-
35-39	-	-	-	-	-	-	-	-
40-44	-	-	-	-	-	-	-	-
45-49	-	-	-	-	-	-	-	-
50-54	-	-	-	-	-	-	-	-
55-59	-	-	-	-	-	-	-	-
60-64	-	-	-	-	-	-	-	-
65 & Over	-	-	-	-	-	-	1	1
Total	-	-	-	-	-	-	1	1



SECTION 11

PARTICIPANT DATA

Inactives Age/Status/Monthly Benefit

Following are inactive counts and monthly benefit by age and status.

Safety

Age		Service Retirees	Disability Retirees	Beneficiaries	Total
Under 50	Count	-	-	-	-
	Avg. Benefit	-	-	-	-
50-54	Count	-	-	-	-
	Avg. Benefit	-	-	-	-
55-59	Count	-	-	-	-
	Avg. Benefit	-	-	-	-
60-64	Count	-	-	-	-
	Avg. Benefit	-	-	-	-
65-69	Count	-	-	1	1
	Avg. Benefit	-	-	2,164	2,164
70-74	Count	1	-	2	3
	Avg. Benefit	5,327	-	2,339	3,335
75-79	Count	1	9	12	22
	Avg. Benefit	8,506	3,919	2,427	3,314
80-84	Count	2	9	12	23
	Avg. Benefit	2,036	2,703	2,614	2,599
85 & Over	Count	12	7	33	52
	Avg. Benefit	5,828	3,341	3,060	3,736
Total	Count	16	25	60	101
	Avg. Benefit	5,490	3,319	2,805	3,358



SECTION 11

PARTICIPANT DATA

Miscellaneous

Age		Service Retirees	Disability Retirees	Beneficiaries	Total
Under 50	Count	-	-	-	-
	Avg. Benefit	-	-	-	-
50-54	Count	-	-	-	-
	Avg. Benefit	-	-	-	-
55-59	Count	-	-	-	-
	Avg. Benefit	-	-	-	-
60-64	Count	-	-	4	4
	Avg. Benefit	-	-	1,408	1,408
65-69	Count	13	2	9	24
	Avg. Benefit	3,356	2,413	1,547	2,599
70-74	Count	73	16	19	108
	Avg. Benefit	3,855	2,782	1,994	3,369
75-79	Count	110	10	41	161
	Avg. Benefit	3,871	3,448	1,932	3,351
80-84	Count	83	3	39	125
	Avg. Benefit	3,753	1,967	1,980	3,157
85 & Over	Count	81	15	87	183
	Avg. Benefit	3,672	2,252	2,036	2,778
Total	Count	360	46	199	605
	Avg. Benefit	3,777	2,685	1,965	3,098





RETIREE HEALTHCARE PLAN

June 30, 2023 Actuarial Valuation

Foster & Foster, Inc.

Drew Ballard, FSA, EA, MAAA

Catherine Wandro, ASA, MAAA

Tak Frazita, FSA, EA, MAAA

September 9, 2024

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BENEFIT SUMMARY

	Fire	Police & Miscellaneous									
■ Eligibility	■ Hired before plan change dates and retire directly from the City: • Age 50 & 10 years City service, or • 30 years City service, or • Industrial disability, or • Death in line of duty										
■ Benefit for Hires before Plan Change Date Medical, Dental & Vision	■ Retire before 1/1/20: • Retiree only - lowest cost \$25 co-pay medical plan premium plus additional 5.28% of cost plus lowest cost PPO dental plan premium, plus \$25 ■ Retire on or after 1/1/20: • Exclude 5.28% multiplier ■ Monthly Fire Caps: <table border="1" style="margin-left: 20px;"> <thead> <tr> <th>Fire Caps</th><th>2023</th><th>2024</th></tr> </thead> <tbody> <tr> <td>DOR < 1/1/20</td><td>\$899.91</td><td>\$987.02</td></tr> <tr> <td>DOR > 1/1/20</td><td>\$859.14</td><td>\$941.82</td></tr> </tbody> </table>	Fire Caps	2023	2024	DOR < 1/1/20	\$899.91	\$987.02	DOR > 1/1/20	\$859.14	\$941.82	■ Retiree only - \$300/mo ■ Retiree + Dependents - \$365/mo
Fire Caps	2023	2024									
DOR < 1/1/20	\$899.91	\$987.02									
DOR > 1/1/20	\$859.14	\$941.82									



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City of
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BENEFIT SUMMARY

	Fire	Police & Miscellaneous
■ Vesting Schedule	■ <u>Service</u> <u>% of Cap</u> 10 50% 15 75% 20+ 100% ID&D Disability 100%	■ Same
■ Medical Plans	■ Retiree may participate in City medical plans or purchase outside plans and be reimbursed by the City up to the cap	
■ Benefit for Hires after Plan Change Date	■ Benefit - No City cash contribution but allowed to participate in City health plans by paying the full premium if hired after: ● 6/30/12 - Exempt Employees and Stationary Engineers Units ● 7/20/12 - Unrepresented Employees ● 9/3/13 - Police ● 11/15/14 - Plumbers and Pipe Fitters ● 1/1/20 - Fire ● 6/30/13 - All other bargaining units	



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BENEFIT SUMMARY

	Fire	Police & Miscellaneous						
■ Pre 1/1/91 Deferred Retirement	■ None	■ Eligibility: Age 50 & 10 years ■ Benefit: Pre-plan change benefit ■ <table><tr><td><u>Service</u></td><td><u>%</u></td></tr><tr><td>10</td><td>50%</td></tr><tr><td>20+</td><td>100%</td></tr></table>	<u>Service</u>	<u>%</u>	10	50%	20+	100%
<u>Service</u>	<u>%</u>							
10	50%							
20+	100%							
■ Surviving Spouse Benefit	■ Same benefit continues to surviving spouse							
■ Other OPEB	■ No City contribution for life insurance or Medicare Part B premiums							



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BENEFIT SUMMARY

	Fire		Police & Miscellaneous	
■ Pay-As-You-Go Costs (\$000's)	<u>Fiscal Year</u>	<u>Cash</u>	<u>Implicit Subsidy</u>	<u>Total</u>
	■ FY 2022/23	\$11,003	\$4,318	\$15,321
	■ FY 2021/22	\$10,865	\$5,183	\$16,048
	■ FY 2020/21	\$10,840	\$4,785	\$15,625
	■ FY 2019/20	\$10,832	\$4,932	\$15,764
	■ FY 2018/19	\$10,407	\$4,483	\$14,890
	■ FY 2017/18	\$10,123	\$2,780	\$12,903
	■ FY 2016/17	\$10,011	\$2,554	\$12,565
	■ FY 2015/16	\$9,847	\$2,516	\$12,363
	■ FY 2014/15	\$9,904	\$3,620	\$13,524
	■ FY 2013/14	\$9,970	\$3,503	\$13,473
	■ FY 2012/13	\$9,758	\$3,085	\$12,843
	■ FY 2011/12	\$9,462	\$2,729	\$12,191
	■ FY 2010/11	\$9,230	\$2,661	\$11,891



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BENEFIT SUMMARY

	Fire	Police & Miscellaneous																					
■ Implicit Subsidy	■ Non-Medicare retirees pay blended rates instead of actual cost ■ Active employee premiums subsidize non-Medicare retiree cost 2023 Kaiser HMO \$25 Co-Pay - Male <table><tr><th></th><th>Age 40</th><th>Age 45</th><th>Age 50</th><th>Age 55</th><th>Age 60</th><th>Age 65</th></tr><tr><td>Active/Early Retiree Premium</td><td>\$772</td><td>\$772</td><td>\$772</td><td>\$772</td><td>\$772</td><td>\$772</td></tr><tr><td>Estimated Cost</td><td>\$468</td><td>\$588</td><td>\$764</td><td>\$997</td><td>\$1,286</td><td>\$1,619</td></tr></table>			Age 40	Age 45	Age 50	Age 55	Age 60	Age 65	Active/Early Retiree Premium	\$772	\$772	\$772	\$772	\$772	\$772	Estimated Cost	\$468	\$588	\$764	\$997	\$1,286	\$1,619
	Age 40	Age 45	Age 50	Age 55	Age 60	Age 65																	
Active/Early Retiree Premium	\$772	\$772	\$772	\$772	\$772	\$772																	
Estimated Cost	\$468	\$588	\$764	\$997	\$1,286	\$1,619																	
	■ GASB OPEB includes active “implicit subsidy” with retiree cost ■ Medical: ● Value to age 65 for Medicare eligible retirees ● Value for life for non-Medicare eligible retirees ■ Dental & vision: no implicit subsidy valued																						



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PARTICIPANT STATISTICS

Participant Statistics by Cash Benefit Eligibility - June 30, 2023

	Eligible for Cash Benefit	Not Eligible for Cash Benefit ¹	Total
■ Actives • Count • Average Age • Average City Service • Average PERSable Salary • Total Salary (\$000's)	1,666 48.6 19.0 \$ 108,095 180,087	2,307 38.7 4.3 \$ 82,606 190,571	3,973 42.9 10.4 \$ 93,294 370,658
■ Pre 1/1/91 Inactive Vested • Count • Average Age	3 72.4	2 73.2	5 72.7
■ Retirees • Count • Average Age • Average Retirement Age	3,229 71.3 56.3	175 72.6 60.0	3,404 71.3 56.5

¹ For actives, reflects those hired after plan change date. For retirees and pre 1/1/91 inactive vested, reflects those with a 0% City contribution percent in the data.



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PARTICIPANT STATISTICS

Participant Statistics by Group – June 30, 2023

	Misc	Police	Fire	Total
■ Actives				
• Count	2,696	696	581	3,973
• Average Age	44.5	37.2	42.3	42.9
• Average City Service	9.5	11.4	13.4	10.4
• Average PERSable Salary	\$ 84,466	\$ 111,890	\$ 111,983	\$ 93,294
• Total Salary (\$000's)	227,721	77,875	65,062	370,658
■ Pre 1/1/91 Inactive Vested				
• Count	5	-	-	5
• Average Age	72.7	-	-	72.7
■ Retirees				
• Count - Medical	1,069	242	431	1,742
• Count - Dental	1,686	559	496	2,741
• Count - Vision	1,065	374	351	1,790
• Count - In Lieu	174	121	36	331
• Count - Total	2,190	665	549	3,404
• Average Age	72.3	68.3	71.2	71.3
• Average Retirement Age	58.7	50.9	54.7	56.5



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PARTICIPANT STATISTICS

Participant Statistics – June 30, 2021

	Misc	Police	Fire	Total
■ Actives				
• Count	2,560	732	607	3,899
• Average Age	44.9	37.2	41.9	43.0
• Average City Service	10.4	11.2	13.2	11.0
• Average PERSable Salary	\$ 79,994	\$ 100,408	\$ 98,999	\$ 86,785
• Total Salary (\$000's)	204,784	73,499	60,092	338,375
■ Pre 1/1/91 Inactive Vested				
• Count	5	-	-	5
• Average Age	70.7	-	-	70.7
■ Retirees				
• Count - Medical	1,096	243	420	1,759
• Count - Dental	1,701	547	476	2,724
• Count - Vision	1,006	345	320	1,671
• Count - In Lieu	187	126	25	338
• Count - Total	2,202	645	522	3,369
• Average Age	72.1	68.5	71.3	71.3
• Average Retirement Age	59.0	51.4	55.1	57.0



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PARTICIPANT STATISTICS

Participant Reconciliation – Actives

Actives Participants	Misc	Police	Fire	Total
■ June 30, 2021 Valuation	2,560	732	607	3,899
• New Hires	611	52	47	710
• Departures	(311)	(50)	(29)	(390)
• New Retirements	(197)	(44)	(46)	(287)
• Adjustments	33	6	2	41
■ June 30, 2023 Valuation	2,696	696	581	3,973



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City of
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PARTICIPANT STATISTICS

Participant Reconciliation – Retirees

Retired Participants	Misc	Police	Fire	Total
■ June 30, 2021 Valuation	2,202	645	522	3,369
• Departures	(259)	(31)	(23)	(313)
• New Retirements	197	44	46	287
• Adjustments ²	50	7	4	61
■ June 30, 2023 Valuation	2,190	665	549	3,404

² 28 have waived medical coverage, and 24 of those are not receiving a cash in lieu benefit.



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ACTUARIAL ASSUMPTIONS HIGHLIGHTS

	June 30, 2021 Valuation	June 30, 2023 Valuation
■ Valuation Date	■ June 30, 2021 ■ Fiscal Years 2022/23 & 2023/24	■ June 30, 2023 ■ Fiscal Years 2024/25 & 2025/26
■ Discount Rate	■ 6.25% ■ Based on closed group crossover analysis following GASBS 75 methodology: • Projected City contributions of \$1.5 million each year • 6.25% rate for funded benefits and S&P 20-year bond index rate (2.18% as of 6/30/21) for pay-go only ■ 2022 CERBT asset allocation strategy #1 (49% global equity, 23% fixed income, 5% TIPS, 20% REITs, 3% commodities)	■ 6.25% ■ Based on closed group crossover analysis following GASBS 75 methodology: • Projected City contributions of \$7.8 million each year (average of last 5 years) • 6.25% rate for funded benefits and S&P 20-year bond index rate (4.13% as of 6/30/23) for pay-go only ■ CERBT asset allocation strategy #1 (49% global equity, 23% fixed income, 5% TIPS, 20% REITs, 3% commodities)



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ACTUARIAL ASSUMPTIONS HIGHLIGHTS

	June 30, 2021 Valuation	June 30, 2023 Valuation
■ General Inflation	■ 2.50% per year ■ Used for economic assumptions	■ Same
■ Retirement, Mortality, Termination, Disability	■ CalPERS – 2000-2019 Experience Study ■ SCERS – 6/30/21 Valuation Assumptions (limited applicability) ■ Mortality projected fully generational with Scale MP-21	■ CalPERS – 2000-2019 Experience Study ■ SCERS – 6/30/23 Valuation Assumptions (limited applicability) ■ Mortality projected fully generational with Scale MP-21



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ACTUARIAL ASSUMPTIONS HIGHLIGHTS

	June 30, 2021 Valuation	June 30, 2023 Valuation																																												
■ Participation at Retirement	■ Based on retirements during fiscal years 2015 to 2017, varies by % of cash benefit earned at retirement: <table><tr><th rowspan="2">Plan</th><th colspan="4">% of Benefit Earned</th></tr><tr><th>0%</th><th>50%</th><th>75%</th><th>100%</th></tr><tr><td>M&D&V</td><td>10%</td><td>23%</td><td>30%</td><td>35%</td></tr><tr><td>D & V</td><td>10%</td><td>40%</td><td>35%</td><td>30%</td></tr><tr><td>M & D</td><td>0%</td><td>10%</td><td>14%</td><td>20%</td></tr><tr><td>M & V</td><td>0%</td><td>3%</td><td>0%</td><td>4%</td></tr><tr><td>M Only</td><td>10%</td><td>12%</td><td>9.5%</td><td>7%</td></tr><tr><td>D Only</td><td>10%</td><td>3%</td><td>1.5%</td><td>0.5%</td></tr><tr><td>V Only</td><td>0%</td><td>0%</td><td>1%</td><td>0.5%</td></tr></table> M = Medical, D = Dental, V = Vision	Plan	% of Benefit Earned				0%	50%	75%	100%	M&D&V	10%	23%	30%	35%	D & V	10%	40%	35%	30%	M & D	0%	10%	14%	20%	M & V	0%	3%	0%	4%	M Only	10%	12%	9.5%	7%	D Only	10%	3%	1.5%	0.5%	V Only	0%	0%	1%	0.5%	■ No change ■ Assumption was reviewed using 2023 valuation data and is still reasonable
Plan	% of Benefit Earned																																													
	0%	50%	75%	100%																																										
M&D&V	10%	23%	30%	35%																																										
D & V	10%	40%	35%	30%																																										
M & D	0%	10%	14%	20%																																										
M & V	0%	3%	0%	4%																																										
M Only	10%	12%	9.5%	7%																																										
D Only	10%	3%	1.5%	0.5%																																										
V Only	0%	0%	1%	0.5%																																										



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ACTUARIAL ASSUMPTIONS HIGHLIGHTS

	June 30, 2021 Valuation				June 30, 2023 Valuation			
■ Medical Trend (Increase in health care costs for all reasons except aging)	Increase from Prior Year				Increase from Prior Year			
	Calendar Year	Pre-Medicare	Post-Medicare Other	Post-Medicare Kaiser	Calendar Year	Pre-Medicare	Post-Medicare Other	Post-Medicare Kaiser
	2021	Actual Premiums			2021	n/a		
	2022	Actual Premiums			2022	n/a		
	2023	6.50%	5.65%	4.60%	2023	Actual Premiums		
	2024	6.25%	5.45%	4.45%	2024	Actual Premiums		
	2025	6.00%	5.25%	4.35%	2025	8.50%	7.50%	6.25%
	2026	5.75%	5.05%	4.25%	2026	7.90%	6.90%	5.65%
	2027	5.55%	4.90%	4.20%	2027	7.35%	6.50%	5.45%
	2028	5.35%	4.75%	4.15%	2028	6.75%	6.10%	5.25%
	2029	5.15%	4.60%	4.10%	2029	6.20%	5.70%	5.05%
	2030	4.95%	4.45%	4.05%	2030	5.60%	5.25%	4.85%
	2031-35	4.80%	4.35%	4.00%	2031	5.05%	4.85%	4.65%
	2036-45	4.65%	4.25%	3.95%	2032-38	4.45%	4.45%	4.45%
	2046-55	4.50%	4.20%	3.90%	2039-40	4.35%	4.35%	4.35%
	2056-65	4.35%	4.15%	3.85%	2041	4.30%	4.30%	4.30%
	2066-75	4.05%	3.95%	3.80%	2042-44	4.25%	4.25%	4.25%
	2076+	3.75%	3.75%	3.75%	2045-47	4.20%	4.20%	4.20%
					2048-50	4.15%	4.15%	4.15%
					↓	↓	↓	↓
				2076+	3.45%	3.45%	3.45%	



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ACTUARIAL ASSUMPTIONS HIGHLIGHTS

	June 30, 2021 Valuation	June 30, 2023 Valuation
■ Dental & Vision Trend	■ 2.50%	■ Same
■ Cap Increase Rates	■ Fire hired before 1/14/15: • Lowest cost \$25 co-pay medical premium – medical trend • Lowest cost PPO dental premium – dental trend ■ Misc and Police: 0%	■ Same



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ACTUARIAL ASSUMPTIONS HIGHLIGHTS

	June 30, 2021 Valuation	June 30, 2023 Valuation
■ Basis for Assumptions	■ No experience study performed for this Plan with the exception of the participation at retirement assumption. ■ CalPERS 2000-2019 experience study was used for participants in the CalPERS plan, SCERS 6/30/23 valuation assumptions for participants in the SCERS plan (limited applicability) ■ Mortality improvement is based on Society of Actuaries tables ■ Inflation is based on our estimate for the Plan's long time horizon ■ Capital market assumptions based on 2021 Foster & Foster stochastic analysis, taking into account capital market assumptions of investment advisory firms ■ Age-based claims for the June 30, 2023 valuation are based on factors published by the Society of Actuaries. ■ Medical trends were based on expectations over the short term blended into long term medical trends developed using the Society of Actuaries' Getzen Model on Long-Run Medical Cost Trends ■ Spouse participation based in part on Plan experience	



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ACTUARIAL METHODS

Method	June 30, 2021 Valuation	June 30, 2023 Valuation
■ Cost Method	■ Entry Age Normal Cost method	
■ Funding Policy	■ Premiums paid from City resources. ■ Pre-funding: Continue budget appropriations as well as contribute one time resources into CERBT asset allocation strategy #1	
■ Actuarial Value of Assets	■ Investment gains/losses spread over 5-year rolling period ■ Not less than 80% nor more than 120% of market value	
■ Amortization Method	■ Level percent of payroll (payments escalate 2.75% per year)	
■ Amortization Period	■ 16 year closed amortization of 6/30/22 UAAL	■ 14 year closed amortization of 6/30/24 UAAL



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ACTUARIAL METHODS

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ASSETS

Market Value of Plan Assets (MVA)

(Amounts in 000's)

	2019/20	2020/21	2021/22	2022/23
■ MVA (Beginning of Year)	\$43,294	\$53,482	\$74,825	\$71,157
• Employer Contribution	9,144	6,062	19,492	18,849
• Benefit Payments	-	-	(10,865)	(11,003)
• Administrative Expenses	(23)	(32)	(43)	(42)
• Investment Expenses	(17)	(23)	(31)	(30)
• Investment Return	<u>1,084</u>	<u>15,336</u>	<u>(12,221)</u>	<u>5,870</u>
■ MVA (End of Year)	53,482	74,825	71,157	84,801
■ Approximate Annual Return	2.3%	27.0%	(13.9%)	7.1%



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ASSETS

Actuarial (Smoothed) Value of Plan Assets (AVA)

(Amounts in 000's)

	2019/20	2020/21	2021/22 ³	2022/23
■ AVA (Beginning of Year)	\$42,932	\$54,862	\$67,252	\$78,933
• Employer Contribution	9,144	6,062	19,492	18,849
• Benefit Payments	-	-	(10,865)	(11,003)
• Administrative Expenses	n/a	n/a	(43)	(42)
• Expected Investment Return	<u>3,131</u>	<u>4,435</u>	<u>5,040</u>	<u>5,638</u>
■ Expected AVA (End of Year)	55,207	65,359	80,877	92,375
■ MVA (End of Year)	53,482	74,825	71,157	84,801
■ Preliminary AVA⁴	54,862	67,252	78,933	90,860
• Minimum AVA (80% of MVA)	42,785	59,860	56,926	67,841
• Maximum AVA (120% of MVA)	64,178	89,790	85,389	101,762
■ AVA (End of Year)	54,862	67,252	78,933	90,860
■ Approximate Annual Return	6.0%	10.9%	3.8%	4.6%

³ Revised from prior valuation based on actual 6/30/20 MVA, only for the purpose of calculating future AVAs.

⁴ Expected AVA plus 20% of the difference between the MVA and expected AVA.



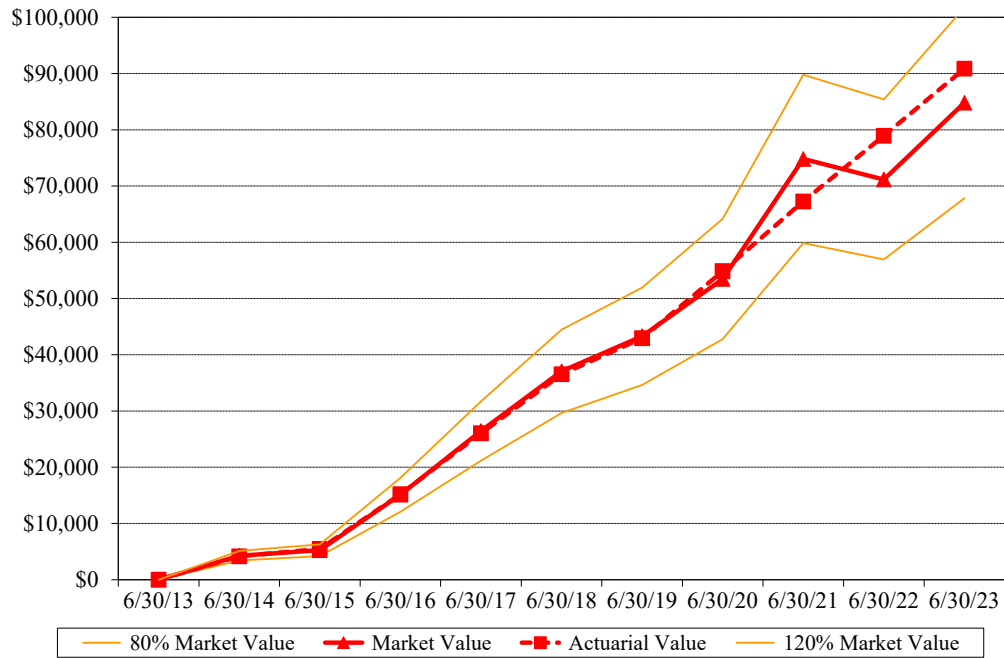
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ASSETS

Historical Plan Assets (Amounts in \$000's)



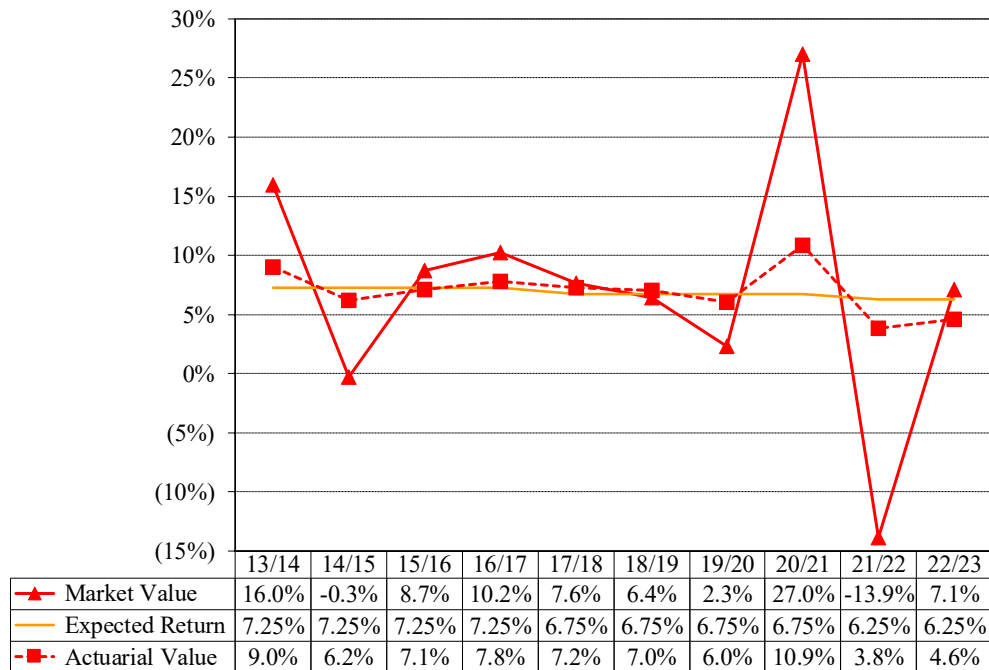
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ASSETS

Historical Asset Returns



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RESULTS

Actuarial Obligations

(Amounts in 000's)

	6/30/21 Valuation	6/30/23 Valuation
■ Discount Rate	6.25%	6.25%
■ Present Value of Benefits		
• Actives (future retirees)	\$ 149,206	\$160,828
• Retirees	<u>177,208</u>	<u>191,076</u>
• Total	326,414	351,904
■ Actuarial Accrued Liability		
• Actives (future retirees)	94,404	105,616
• Retirees	<u>177,208</u>	<u>191,076</u>
• Total	271,612	296,692
■ Actuarial Value of Assets	<u>(67,252)</u>	<u>(90,860)</u>
■ Unfunded AAL	204,360	205,832
■ AVA Funded Ratio	24.8%	30.6%
■ Normal Cost⁵ 2024/25	5,734	6,123
■ Pay-As-You-Go Cost 2024/25	15,433	16,333

⁵ Includes administrative fees.



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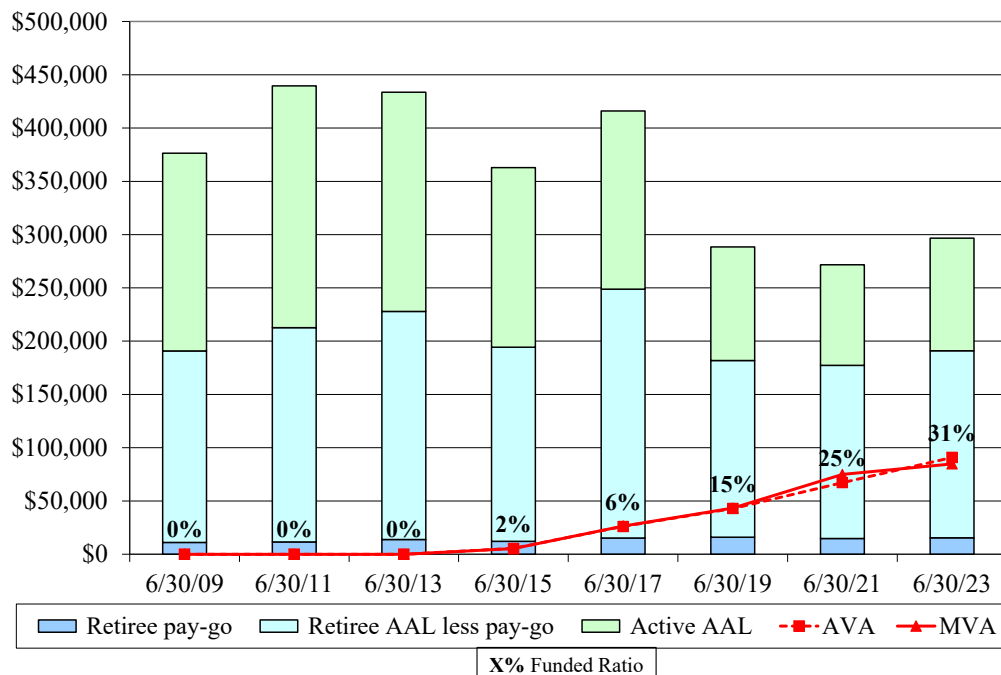
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RESULTS

Historical Actuarial Accrued Liability

(Amounts in 000's)



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RESULTS

Estimated Actuarial Gain/Loss Analysis

(Amounts in 000's)

	Actuarial Accrued Liability
■ Actual on 6/30/21	\$ 271,612
■ Expected on 6/30/23	285,837
■ Experience (Gains)/Losses:	
• Premiums/Claims different than expected	4,125
• Demographic differences	(4,395)
■ Assumption Changes:	
• Medical Trend Updated	11,125
■ Total (Gains)/Losses	10,855
■ Actual on 6/30/23	296,692



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RESULTS

Schedule of Funding Progress

(Amounts in 000's)

Actuarial Valuation Date ⁶	Actuarial Value of Assets (a)	Entry Age Actuarial Accrued Liability (b)	Unfunded Actuarial Accrued Liability (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as Percentage of Covered Payroll ((b-a)/c)
6/30/07	\$ -	\$ 380,373	\$ 380,373	0.0%	\$ 266,317	142.8%
6/30/09	-	376,417	376,417	0.0%	275,252	136.8%
6/30/11	-	439,592	439,592	0.0%	253,528	173.4%
6/30/12	-	447,406	447,406	0.0%	261,768	170.9%
6/30/13	-	433,695	433,695	0.0%	257,498	168.4%
6/30/15	5,461	362,824	357,363	1.5%	270,677	132.0%
6/30/17	26,041	415,957	389,916	6.3%	285,932	136.4%
6/30/19	42,932	288,399	245,467	14.9%	320,534	76.6%
6/30/21	67,252	271,612	204,360	24.8%	347,681	58.8%
6/30/23	90,860	296,692	205,832	30.6%	380,851	54.0%

⁶ The valuations for 6/30/07 through the 6/30/11 are based on a 4.25% discount rate. The 6/30/13 & 6/30/15 valuations are based on a 4.50% discount rate. The 6/30/17 valuation is based on a 3.95% discount rate, the 6/30/19 valuation is based on a 6.75% discount rate, and the 6/30/21 and 6/30/23 valuations are based on a 6.25% discount rate.



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SACRAMENTO

RESULTS

Actuarially Determined Contribution (ADC)

(Amounts in 000's)

	6/30/21 Valuation		6/30/23 Valuation	
	2022/23	2023/24	2024/25	2025/26
■ ADC - \$				
• Normal Cost ⁷	\$ 5,734	\$ 5,828	\$ 6,123	\$ 6,131
• UAAL Amortization	<u>16,672</u>	<u>17,506</u>	<u>18,811</u>	<u>19,328</u>
• ADC (End of Year)	22,407	23,334	24,934	25,459
■ Projected Payroll	357,242	367,066	391,325	402,086
■ ADC - % Total Payroll				
• Normal Cost	1.6%	1.6%	1.6%	1.5%
• UAAL Amortization	<u>4.7%</u>	<u>4.8%</u>	<u>4.8%</u>	<u>4.8%</u>
• ADC	6.3%	6.4%	6.4%	6.3%

⁷ Includes administrative fees.



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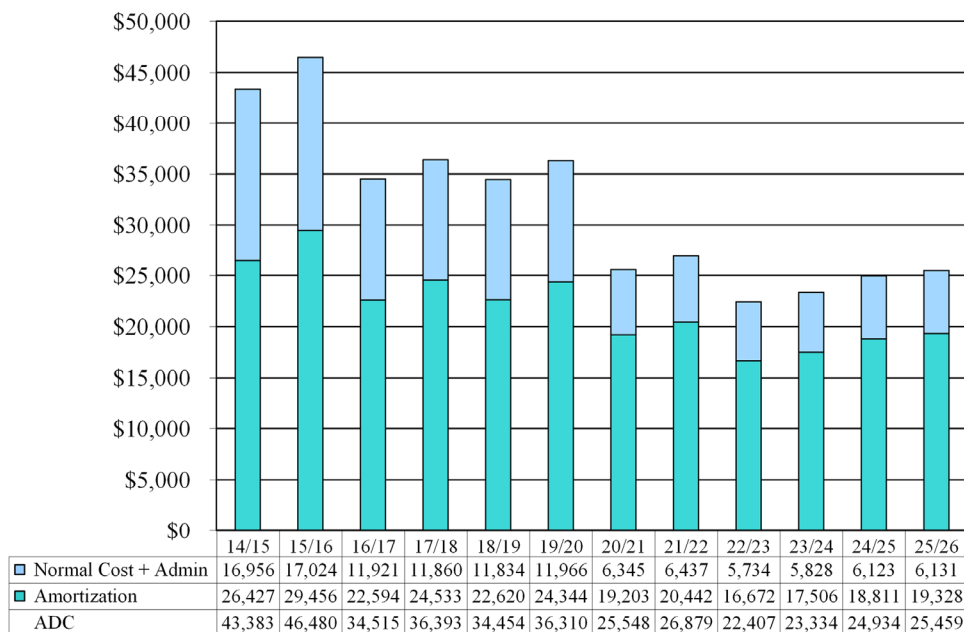
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City of
SACRAMENTO

RESULTS

Historical Actuarially Determined Contributions

(Amounts in 000's)



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City of
SACRAMENTO

RESULTS

Actuarial Obligations by Cash/Implicit Subsidy

June 30, 2023

(Amounts in 000's)

	Cash Subsidy	Implicit Subsidy	Total
■ Present Value of Benefits			
• Actives (future retirees)	\$ 82,568	\$ 78,260	\$ 160,828
• Retirees	<u>132,560</u>	<u>58,516</u>	<u>191,076</u>
• Total	215,128	136,776	351,904
■ Actuarial Accrued Liability			
• Actives (future retirees)	54,935	50,681	105,616
• Retirees	<u>132,560</u>	<u>58,516</u>	<u>191,076</u>
• Total	187,495	109,197	296,692
■ Actuarial Value of Assets⁸	<u>(90,860)</u>	-	<u>(90,860)</u>
■ Unfunded AAL	96,635	109,197	205,832
■ AVA Funded Ratio	48.5%	n/a	30.6%
■ Normal Cost 2024/25	3,087	3,036	6,123
■ Pay-As-You-Go 2024/25	11,244	5,089	16,333

⁸ All assets allocated to cash subsidy.



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City of
SACRAMENTO

RESULTS

Actuarially Determined Contribution (ADC) by Cash/Implicit Subsidy

2024/25 Fiscal Year

(Amounts in 000's)

	Cash Subsidy	Implicit Subsidy	Total
■ ADC - \$			
• Normal Cost	\$ 3,087	\$ 3,036	\$ 6,123
• UAAL Amortization	<u>8,831</u>	<u>9,980</u>	<u>18,811</u>
• Total	11,918	13,016	24,934
■ Projected Payroll	391,325	391,325	391,325
■ ADC - %			
• Normal Cost	0.8%	0.8%	1.6%
• UAAL Amortization	<u>2.3%</u>	<u>2.5%</u>	<u>4.8%</u>
• Total	3.1%	3.3%	6.4%



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City of
SACRAMENTO

RESULTS

Actuarial Obligations by Group

(Amounts in 000's)

	Misc	Police	Fire	Total
■ Present Value of Benefits				
• Actives (future retirees)	\$ 52,601	\$ 30,950	\$ 77,277	\$ 160,828
• Retirees	<u>73,022</u>	<u>35,969</u>	<u>82,085</u>	<u>191,076</u>
• Total	125,623	66,919	159,362	351,904
■ Actuarial Accrued Liability				
• Actives (future retirees)	38,194	21,442	45,980	105,616
• Retirees	<u>73,022</u>	<u>35,969</u>	<u>82,085</u>	<u>191,076</u>
• Total	111,216	57,411	128,065	296,692
■ Actuarial Value of Assets⁹	<u>(34,059)</u>	<u>(17,582)</u>	<u>(39,219)</u>	<u>(90,860)</u>
■ Unfunded AAL	77,157	39,829	88,846	205,832
■ Funded Ratio	30.6%	30.6%	30.6%	30.6%
■ Normal Cost 2024/25	1,832	1,232	3,060	6,123
■ Pay-As-You-Go 2024/25	7,684	2,793	5,856	16,333

⁹ Assets allocated in proportion to liability.



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City of
SACRAMENTO

RESULTS

Actuarially Determined Contribution (ADC) by Group

2024/25 Fiscal Year

(Amounts in 000's)

	Misc	Police	Fire	Total
■ ADC - \$				
• Normal Cost	\$ 1,832	\$ 1,232	\$ 3,060	\$ 6,123
• UAAL Amortization	<u>7,051</u>	<u>3,640</u>	<u>8,120</u>	<u>18,811</u>
• Total	8,884	4,872	11,180	24,934
■ Projected Payroll	240,418	82,217	68,690	391,325
■ ADC - % of Payroll				
• Normal Cost	0.8%	1.5%	4.5%	1.6%
• UAAL Amortization	<u>2.9%</u>	<u>4.4%</u>	<u>11.8%</u>	<u>4.8%</u>
• Total	3.7%	5.9%	16.3%	6.4%



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City of
SACRAMENTO

RESULTS

Actuarially Determined Contribution (ADC) by Group

2025/26 Fiscal Year

(Amounts in 000's)

	Misc	Police	Fire	Total
■ ADC - \$				
• Normal Cost	\$ 1,836	\$ 1,233	\$ 3,063	\$ 6,131
• UAAL Amortization	<u>7,245</u>	<u>3,740</u>	<u>8,343</u>	<u>19,328</u>
• Total	9,081	4,973	11,406	25,459
■ Projected Payroll	247,029	84,478	70,579	402,086
■ ADC - %				
• Normal Cost	0.7%	1.5%	4.3%	1.5%
• UAAL Amortization	<u>2.9%</u>	<u>4.4%</u>	<u>11.8%</u>	<u>4.8%</u>
• Total	3.7%	5.9%	16.2%	6.3%



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City of
SACRAMENTO

RESULTS

10-Year Projection Illustration

(Amounts in 000's)

FYE June 30,	ADC	Benefit Payments			Pre- Fund ¹⁰	Total Contrib	Payroll	ADC as % of Payroll	Contrib as % of Payroll
		Cash Subsidy	Implicit Subsidy	Total					
2025	\$24,934	\$11,244	\$5,089	\$16,333	\$7,766	\$24,602	\$391,325	6.4%	6.3%
2026	25,459	11,638	5,747	17,385	7,766	25,686	402,086	6.3%	6.4%
2027	25,982	12,028	6,290	18,318	7,766	26,648	413,143	6.3%	6.5%
2028	26,508	12,397	6,839	19,236	7,766	27,594	424,505	6.2%	6.5%
2029	27,037	12,715	7,472	20,187	7,766	28,574	436,179	6.2%	6.6%
2030	27,573	13,051	8,090	21,141	7,766	29,558	448,174	6.2%	6.6%
2031	28,123	13,397	8,765	22,162	7,766	30,610	460,498	6.1%	6.6%
2032	28,681	13,674	9,351	23,025	7,766	31,500	473,162	6.1%	6.7%
2033	29,247	13,939	10,037	23,976	7,766	32,480	486,174	6.0%	6.7%
2034	29,831	14,158	10,494	24,652	7,766	33,177	499,544	6.0%	6.6%

¹⁰ Assumes the City contributes \$7.8 million per year into trust (average net trust contribution over the last 5 years).



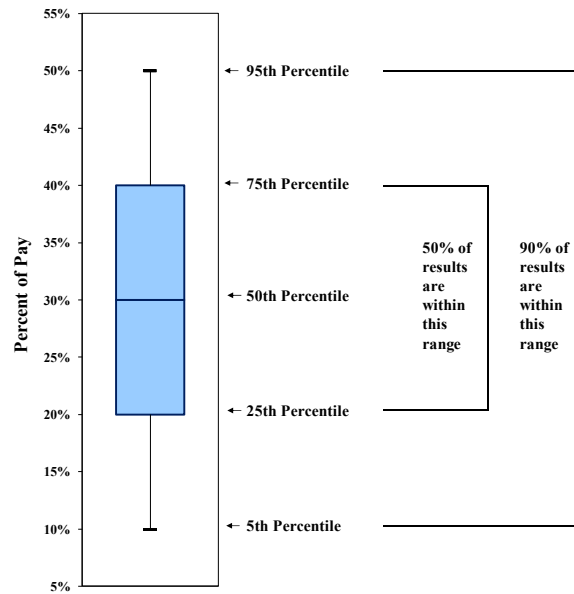
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City of
SACRAMENTO

FOSTER & FOSTER OPEB DATABASE

Foster & Foster California OPEB Database
Sample Percentile Graph



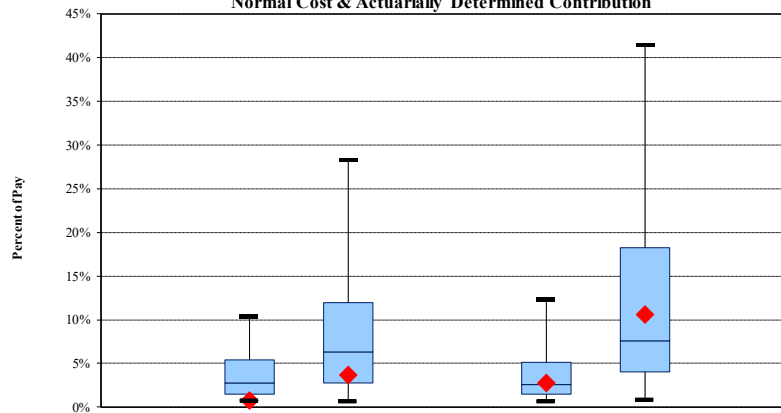
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City of
SACRAMENTO

FOSTER & FOSTER OPEB DATABASE

Foster & Foster California OPEB Database
Normal Cost & Actuarially Determined Contribution



	Miscellaneous		Safety	
	NC	ADC	NC	ADC
95th Percentile	10.4%	28.3%	12.3%	41.5%
75th Percentile	5.4%	12.0%	5.1%	18.2%
50th Percentile	2.8%	6.4%	2.6%	7.6%
25th Percentile	1.5%	2.8%	1.5%	4.0%
5th Percentile	0.7%	0.7%	0.7%	0.9%
Percent of Pay (♦)	0.8%	3.7%	2.8%	10.6%
Percentile	6%	35%	61%	62%

Discount Rate = 6.25%, Average Amortization Period = 14.0 Years



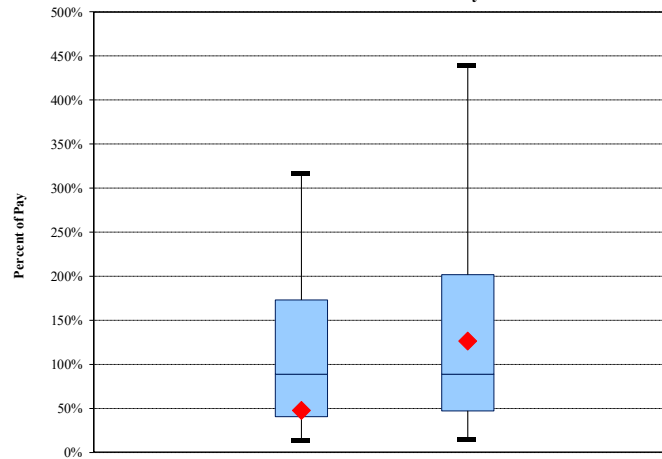
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City of
SACRAMENTO

FOSTER & FOSTER OPEB DATABASE

Foster & Foster California OPEB Database Actuarial Accrued Liability



	Miscellaneous	Safety
95th Percentile	317%	440%
75th Percentile	173%	202%
50th Percentile	88%	89%
25th Percentile	40%	47%
5th Percentile	14%	15%
Percent of Pay (♦)	48%	126%
Percentile	30%	58%

Discount Rate = 6.25%



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City of
SACRAMENTO

ACTUARIAL CERTIFICATION

This report presents the City of Sacramento Retiree Healthcare Plan ("Plan") June 30, 2023 actuarial valuation. The purpose of this valuation is to:

- Determine the Plan's June 30, 2023 Funded Status and
- Calculate the 2024/25 and 2025/26 Actuarially Determined Contributions.

The report provides information intended for funding the Plan but may not be appropriate for other purposes. Information provided in this report may be useful for the Plan's financial management. Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as: plan experience differing from that anticipated by the assumptions; changes in assumptions; changes expected as part of the natural progression of the plan; and changes in plan provisions or applicable law. Actuarial models necessarily rely on the use of estimates and are sensitive to changes. Small variations in estimates may lead to significant changes in actuarial measurements. Due to the limited scope of this assignment, we did not perform an analysis of the potential range of such measurements.

The valuation is based on Plan provisions, participant data, and asset information provided by the City as summarized in this report, which we relied on and did not audit. We reviewed the participant data for reasonableness.

To the best of our knowledge, this report is complete and accurate and has been conducted using generally accepted actuarial principles and practices. As members of the American Academy of Actuaries meeting the Academy Qualification Standards, we certify the actuarial results and opinions herein.

Respectfully submitted,

Drew Ballard, FSA, EA, MAAA
Foster & Foster, Inc.
September 9, 2024

Catherine A. Wandro, ASA, MAAA
Foster & Foster, Inc.
September 9, 2024



September 9, 2024

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City of
SACRAMENTO

EXHIBITS

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Actuarial Assumptions	E-20
Definitions	E-32



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EXHIBITS

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PREMIUMS

2023 Monthly Medical Premiums
Actives and Non Medicare Retirees

Medical Plan	Single	2-Party	Family
Kaiser HMO - \$25 Co-Pay	\$ 772.08	\$ 1,544.16	\$ 2,053.74
Kaiser HMO - \$40 Co-Pay	761.26	1,522.52	2,024.96
Kaiser HMO – ABHP (actives only)	629.80	1,259.58	1,675.26
Western Health Advantage - \$25 Co-Pay	795.42	1,590.78	2,115.78
Western Health Advantage - \$40 Co-Pay	779.68	1,559.30	2,073.92
Western Health Advantage – ABHP (actives only)	538.50	1,076.96	1,432.38
Sutter Health Plus - \$25 Co-Pay	813.80	1,628.00	2,167.90
Sutter Health Plus - \$40 Co-Pay	783.80	1,568.00	2,088.20
Sutter Health Plus – ABHP (actives only)	667.20	1,334.40	1,774.80



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City of
SACRAMENTO

PREMIUMS

2023 Monthly Medical Premiums
Medicare Retirees

Medical Plan	Single	2-Party	Family
Kaiser Senior Advantage – \$20 Co-Pay	\$ 259.52	\$ 493.26	\$ 777.96
UHC Group Medicare Advantage PPO - \$15 Co-Pay	330.48	660.96	n/a



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City of
SACRAMENTO

PREMIUMS

2023 Monthly Dental & Vision Premiums
Actives and Retirees

Dental Plan	Single	2-Party	Family
Delta Dental PPO	\$ 62.06	\$ 117.86	\$ 156.92
DeltaCare USA (DMO)	27.86	52.92	70.44

Vision Plan	Single	2-Party	Family
VSP - Basic	\$ 8.44	\$ 12.14	\$ 21.72
VSP - Enhanced	13.02	18.68	33.44



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City of
SACRAMENTO

PREMIUMS

2024 Monthly Medical Premiums
Actives and Non Medicare Retirees

Medical Plan	Single	2-Party	Family
Kaiser HMO - \$25 Co-Pay	\$ 886.16	\$1,772.32	\$2,357.18
Kaiser HMO - \$40 Co-Pay	873.74	1,747.48	2,324.16
Kaiser HMO - ABHP (actives only)	722.84	1,445.68	1,922.76
Western Health Advantage - \$25 Co-Pay	865.28	1,730.48	2,301.60
Western Health Advantage - \$40 Co-Pay	848.32	1,696.60	2,256.52
Western Health Advantage - ABHP (actives only)	579.98	1,159.94	1,542.74
Sutter Health Plus - \$25 Co-Pay	856.00	1,712.10	2,277.00
Sutter Health Plus - \$40 Co-Pay	824.40	1,648.90	2,193.00
Sutter Health Plus - ABHP (actives only)	701.80	1,403.60	1,866.80



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City of
SACRAMENTO

PREMIUMS

2024 Monthly Medical Premiums
Medicare Retirees

Medical Plan	Single	2-Party	Family
Kaiser Senior Advantage – \$20 Co-Pay	\$ 299.84	\$ 569.87	\$ 898.94
UHC Group Medicare Advantage PPO - \$15 Co-Pay	343.70	687.40	n/a



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City of
SACRAMENTO

PREMIUMS

2024 Monthly Dental & Vision Premiums
Actives and Retirees

Dental Plan	Single	2-Party	Family
Delta Dental PPO	\$ 60.82	\$ 115.50	\$ 153.78
DeltaCare USA (DMO)	27.86	52.92	70.44

Vision Plan	Single	2-Party	Family
VSP - Basic	\$ 8.44	\$ 12.14	\$ 21.72
VSP - Enhanced	13.02	18.68	33.44



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City of
SACRAMENTO

DATA SUMMARY

Medical Plan Participation Non-Waived Participants June 30, 2023

Plan	Actives	Retirees	
		< 65	≥ 65
Kaiser HMO - \$25 Co-Pay	42%	40%	2%
Kaiser HMO - \$40 Co-Pay	12%	15%	0%
Kaiser HMO - ABHP	8%	0%	0%
Kaiser Senior Advantage	0%	3%	62%
Western Health Advantage - \$25 Co-Pay	6%	12%	1%
Western Health Advantage - \$40 Co-Pay	1%	3%	0%
Western Health Advantage - ABHP	3%	0%	0%
Sutter Health Plus - \$25 Co-Pay	14%	11%	1%
Sutter Health Plus - \$40 Co-Pay	12%	14%	0%
Sutter Health Plus - ABHP	2%	0%	0%
UHC Group Medicare Advantage PPO	0%	3%	33%
Total	100%	100%	100%



September 9, 2024

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City of
SACRAMENTO

DATA SUMMARY

Current Active Medical Coverage June 30, 2023

Medical Plan	Single	2-Party	Family	Waived	Total
Kaiser HMO - \$25 Co-Pay	807	222	430	-	1,459
Kaiser HMO - \$40 Co-Pay	184	70	173	-	427
Kaiser HMO - ABHP	138	23	109	-	270
Western Health Adv. - \$25 Co-Pay	104	28	69	-	201
Western Health Adv. - \$40 Co-Pay	11	8	27	-	46
Western Health Adv. - ABHP	39	14	43	-	96
Sutter Health Plus - \$25 Co-Pay	246	75	158	-	479
Sutter Health Plus - \$40 Co-Pay	122	78	199	-	399
Sutter Health Plus - ABHP	36	7	27	-	70
Waived	-	-	-	526	526
Total	1,687	525	1,235	526	3,973



September 9, 2024

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City of
SACRAMENTO

DATA SUMMARY

Current Retiree Medical Coverage – Pre 65

Medical Plan	Single	2-Party	Family	Waived	Total
Kaiser HMO - \$25 Co-Pay	131	30	12	-	173
Kaiser HMO - \$40 Co-Pay	36	21	9	-	66
Kaiser Senior Advantage	10	1	-	-	11
Western Health Adv. HMO- \$25 Co-Pay	40	9	4	-	53
Western Health Adv. HMO - \$40 Co-Pay	8	4	2	-	14
Sutter Health Plus HMO - \$25 Co-Pay	33	8	6	-	47
Sutter Health Plus HMO - \$40 Co-Pay	31	14	14	-	59
UHC Group Medicare Advantage PPO	11	-	-	-	11
In Lieu Reimbursement	-	-	-	84	84
Waived Medical ¹¹	-	-	-	431	431
Total	300	87	47	515	949

¹¹ 341 are in a dental and/or vision plan..



September 9, 2024

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City of
SACRAMENTO

DATA SUMMARY

Current Retiree Medical Coverage – Post 65

Medical Plan	Single	2-Party	Family	Waived	Total
Kaiser HMO - \$25 Co-Pay	18	3	-	-	21
Kaiser HMO - \$40 Co-Pay	1	3	-	-	4
Kaiser Senior Advantage	551	257	5	-	813
Western Health Adv. HMO - \$25 Co-Pay	7	1	1	-	9
Western Health Adv. HMO- \$40 Co-Pay	-	-	-	-	-
Sutter Health Plus HMO - \$25 Co-Pay	13	4	-	-	17
Sutter Health Plus HMO - \$40 Co-Pay	5	-	-	-	5
UHC Group Medicare Advantage PPO	325	109	1	-	435
In Lieu Reimbursement	-	-	-	247	247
Waived Medical ¹²	-	-	-	904	904
Total	920	377	7	1,151	2,455

¹² 600 are in a dental and/or vision plan.



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City of
SACRAMENTO

DATA SUMMARY

Dental Coverage June 30, 2023

Actives

Dental Plan	Single	2-Party	Family	Waived	Total
Delta Dental PPO	1,242	543	1,179	-	2,964
DeltaCare USA (DMO)	241	94	145	-	480
Waived	-	-	-	529	529
Total	1,483	637	1,324	529	3,973

Retirees

Dental Plan	Single	2-Party	Family	Waived	Total
Delta Dental PPO	1,260	1,146	229	-	2,635
DeltaCare USA (DMO)	67	35	4	-	106
Waived	-	-	-	663	663
Total	1,327	1,181	233	663	3,404



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City of
SACRAMENTO

DATA SUMMARY

Vision Coverage June 30, 2023

Actives

Vision Plan	Single	2-Party	Family	Waived	Total
VSP - Basic	636	307	436	-	1,379
VSP - Enhanced	581	291	462	-	1,334
Waived	-	-	-	1,260	1,260
Total	1,217	598	898	1,260	3,973

Retirees

Vision Plan	Single	2-Party	Family	Waived	Total
VSP - Basic	370	249	36	-	655
VSP - Enhanced	417	571	147	-	1,135
Waived	-	-	-	1,614	1,614
Total	787	820	183	1,614	3,404



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City of
SACRAMENTO

DATA SUMMARY

Retiree Medical and Dental Participation

Valuation Date	Medical Only	Dental Only	Both Medical & Dental	Neither Medical nor Dental	Total
6/30/2009	188	549	1,686	350	2,773
6/30/2011	309	592	1,478	431	2,810
6/30/2013	220	785	1,645	417	3,067
6/30/2015	214	863	1,601	446	3,124
6/30/2017	196	922	1,651	467	3,236
6/30/2019	195	1,097	1,575	294	3,161
6/30/2021	181	1,146	1,577	465	3,369
6/30/2023	211	1,123	1,618	452	3,404



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City of
SACRAMENTO

DATA SUMMARY

Retiree Medical Plan Coverage by Age

June 30, 2023

Miscellaneous

Age	Single	2-Party	Family	Waived	Total
Under 50	2	-	-	3	5
50-54	7	1	1	43	52
55-59	37	17	4	74	132
60-64	115	23	3	168	309
65-69	199	45	2	225	471
70-74	150	51	2	204	407
75-80	113	46	-	196	355
80-85	85	40	-	95	220
85 & Over	102	24	-	113	239
Total	810	247	12	1,121	2,190
Average Age	72.8	73.7	62.7	71.6	72.3



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City of
SACRAMENTO

DATA SUMMARY

Retiree Medical Plan Coverage by Age

June 30, 2023

Police

Age	Single	2-Party	Family	Waived	Total
Under 50	5	1	-	27	33
50-54	13	2	4	46	65
55-59	21	8	2	50	81
60-64	25	7	2	57	91
65-69	23	15	-	43	81
70-74	14	9	-	47	70
75-80	35	11	-	85	131
80-85	18	12	-	41	71
85 & Over	11	4	-	27	42
Total	165	69	8	423	665
Average Age	69.0	71.2	56.2	67.8	68.3



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City of
SACRAMENTO

DATA SUMMARY

Retiree Medical Plan Coverage by Age

June 30, 2023

Fire

Age	Single	2-Party	Family	Waived	Total
Under 50	1	-	-	3	4
50-54	8	3	5	12	28
55-59	29	16	20	16	81
60-64	37	9	6	16	68
65-69	33	22	2	16	73
70-74	38	30	-	17	85
75-80	38	29	1	11	79
80-85	36	24	-	13	73
85 & Over	25	15	-	18	58
Total	245	148	34	122	549
Average Age	71.9	73.5	59.2	70.2	71.2



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City of
SACRAMENTO

DATA SUMMARY

Actives by Age and Service

June 30, 2023

Miscellaneous

Age	City Service							Total
	< 1	1-4	5-9	10-14	15-19	20-24	≥ 25	
< 25	37	40	1	-	-	-	-	78
25-29	70	133	35	-	-	-	-	238
30-34	62	149	109	5	1	-	-	326
35-39	60	141	127	24	16	7	-	375
40-44	49	92	126	39	54	21	6	387
45-49	35	76	108	28	64	45	17	373
50-54	29	49	77	20	61	66	48	350
55-59	20	36	64	18	60	63	58	319
60-64	3	15	26	19	34	37	41	175
≥ 65	3	13	12	5	19	10	13	75
Total	368	744	685	158	309	249	183	2,696



September 9, 2024

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City of
SACRAMENTO

DATA SUMMARY

Actives by Age and Service

June 30, 2023

Police

Age	City Service							Total
	< 1	1-4	5-9	10-14	15-19	20-24	≥ 25	
< 25	11	23	2	-	-	-	-	36
25-29	4	75	50	-	-	-	-	129
30-34	2	53	102	2	-	-	-	159
35-39	2	14	45	13	21	1	-	96
40-44	-	8	14	7	69	21	2	121
45-49	-	-	2	1	25	57	16	101
50-54	-	-	-	1	6	21	20	48
55-59	-	-	-	-	3	2	1	6
60-64	-	-	-	-	-	-	-	-
≥ 65	-	-	-	-	-	-	-	-
Total	19	173	215	24	124	102	39	696



September 9, 2024

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City of
SACRAMENTO

DATA SUMMARY

Actives by Age and Service June 30, 2023 Fire

Age	City Service							Total
	< 1	1-4	5-9	10-14	15-19	20-24	≥ 25	
< 25	-	6	-	-	-	-	-	6
25-29	-	37	3	-	-	-	-	40
30-34	-	51	40	4	-	-	-	95
35-39	3	34	44	13	5	-	-	99
40-44	-	7	26	8	59	9	-	109
45-49	1	1	7	3	43	40	5	100
50-54	-	1	1	2	25	42	29	100
55-59	-	-	1	-	4	10	11	26
60-64	-	-	-	-	2	1	1	4
≥ 65	-	-	1	-	1	-	-	2
Total	4	137	123	30	139	102	46	581



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City of
SACRAMENTO

ACTUARIAL ASSUMPTIONS

	June 30, 2021 Valuation	June 30, 2023 Valuation
■ Valuation Date	■ June 30, 2021 ■ Fiscal Years 2022/23 & 2023/24	■ June 30, 2023 ■ Fiscal Years 2024/25 & 2025/26
■ General Inflation	■ 2.50% per year ■ Used for economic assumptions	■ Same



September 9, 2024

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City of
SACRAMENTO

ACTUARIAL ASSUMPTIONS

	June 30, 2021 Valuation	June 30, 2023 Valuation
Discount Rate	■ 6.25% ■ Based on closed group crossover analysis following GASBS 75 methodology: • Projected City contributions of \$1.5 million each year • 6.25% rate for funded benefits and S&P 20-year bond index rate (2.18% as of 6/30/21) for pay-go only ■ 2022 CERBT asset allocation strategy #1 (49% global equity, 23% fixed income, 5% TIPS, 20% REITs, 3% commodities)	■ 6.25% ■ Based on closed group crossover analysis following GASBS 75 methodology: • Projected City contributions of \$7.8 million each year (average of last 5 years) • 6.25% rate for funded benefits and S&P 20-year bond index rate (4.13% as of 6/30/23) for pay-go only ■ CERBT asset allocation strategy #1 (49% global equity, 23% fixed income, 5% TIPS, 20% REITs, 3% commodities)



September 9, 2024

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City of
SACRAMENTO

ACTUARIAL ASSUMPTIONS

	June 30, 2021 Valuation	June 30, 2023 Valuation
■ Aggregate Payroll Increases	■ 2.75%	■ Same
■ Mortality, Termination, Disability	■ CalPERS – 2000-2019 Experience Study ■ SCERS – 6/30/21 Valuation Assumptions (limited applicability) ■ Mortality projected fully generational with Scale MP-21	■ CalPERS – 2000-2019 Experience Study ■ SCERS – 6/30/23 Valuation Assumptions (limited applicability) ■ Mortality projected fully generational with Scale MP-21



September 9, 2024

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City of
SACRAMENTO

ACTUARIAL ASSUMPTIONS

	June 30, 2021 Valuation	June 30, 2023 Valuation																																										
■ Service Retirement	■ CalPERS 2000-2019 Experience Study <table> <tr> <th></th><th>Level</th><th>Exp. Ret. Age</th></tr> <tr> <td>Fire</td><td>3%@55</td><td>58</td></tr> <tr> <td>Police</td><td>3%@50</td><td>54</td></tr> <tr> <td>Misc</td><td>2%@55</td><td>60</td></tr> <tr> <td>Fire PEPRA</td><td>2.7%@57</td><td>58</td></tr> <tr> <td>Police PEPRA</td><td>2.7%@57</td><td>56</td></tr> <tr> <td>Misc PEPRA</td><td>2%@62</td><td>62</td></tr> </table> ■ SCERS – 6/30/21 Valuation Assumptions (limited applicability)		Level	Exp. Ret. Age	Fire	3%@55	58	Police	3%@50	54	Misc	2%@55	60	Fire PEPRA	2.7%@57	58	Police PEPRA	2.7%@57	56	Misc PEPRA	2%@62	62	■ CalPERS 2000-2019 Experience Study <table> <tr> <th></th><th>Level</th><th>Exp. Ret. Age</th></tr> <tr> <td>Fire</td><td>3%@55</td><td>55</td></tr> <tr> <td>Police</td><td>3%@50</td><td>56</td></tr> <tr> <td>Misc</td><td>2%@55</td><td>62</td></tr> <tr> <td>Fire PEPRA</td><td>2.7%@57</td><td>58</td></tr> <tr> <td>Police PEPRA</td><td>2.7%@57</td><td>55</td></tr> <tr> <td>Misc PEPRA</td><td>2%@62</td><td>62</td></tr> </table> ■ SCERS – 6/30/23 Valuation Assumptions (limited applicability)		Level	Exp. Ret. Age	Fire	3%@55	55	Police	3%@50	56	Misc	2%@55	62	Fire PEPRA	2.7%@57	58	Police PEPRA	2.7%@57	55	Misc PEPRA	2%@62	62
	Level	Exp. Ret. Age																																										
Fire	3%@55	58																																										
Police	3%@50	54																																										
Misc	2%@55	60																																										
Fire PEPRA	2.7%@57	58																																										
Police PEPRA	2.7%@57	56																																										
Misc PEPRA	2%@62	62																																										
	Level	Exp. Ret. Age																																										
Fire	3%@55	55																																										
Police	3%@50	56																																										
Misc	2%@55	62																																										
Fire PEPRA	2.7%@57	58																																										
Police PEPRA	2.7%@57	55																																										
Misc PEPRA	2%@62	62																																										
■ CalPERS Service	■ City service plus ½ service between age 30 and City hire date	■ Same																																										



September 9, 2024

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City of
SACRAMENTO

ACTUARIAL ASSUMPTIONS

	June 30, 2021 Valuation				June 30, 2023 Valuation			
■ Medical Trend (Increase in health care costs for all reasons except aging)	Increase from Prior Year				Increase from Prior Year			
	Calendar Year	Pre-Medicare	Post-Medicare Other	Post-Medicare Kaiser	Calendar Year	Pre-Medicare	Post-Medicare Other	Post-Medicare Kaiser
	2021	Actual Premiums			2021	n/a		
	2022	Actual Premiums			2022	n/a		
	2023	6.50%	5.65%	4.60%	2023	Actual Premiums		
	2024	6.25%	5.45%	4.45%	2024	Actual Premiums		
	2025	6.00%	5.25%	4.35%	2025	8.50%	7.50%	6.25%
	2026	5.75%	5.05%	4.25%	2026	7.90%	6.90%	5.65%
	2027	5.55%	4.90%	4.20%	2027	7.35%	6.50%	5.45%
	2028	5.35%	4.75%	4.15%	2028	6.75%	6.10%	5.25%
	2029	5.15%	4.60%	4.10%	2029	6.20%	5.70%	5.05%
	2030	4.95%	4.45%	4.05%	2030	5.60%	5.25%	4.85%
	2031-35	4.80%	4.35%	4.00%	2031	5.05%	4.85%	4.65%
	2036-45	4.65%	4.25%	3.95%	2032-38	4.45%	4.45%	4.45%
	2046-55	4.50%	4.20%	3.90%	2039-40	4.35%	4.35%	4.35%
	2056-65	4.35%	4.15%	3.85%	2041	4.30%	4.30%	4.30%
	2066-75	4.05%	3.95%	3.80%	2042-44	4.25%	4.25%	4.25%
	2076+	3.75%	3.75%	3.75%	2045-47	4.20%	4.20%	4.20%
					2048-50	4.15%	4.15%	4.15%
					↓	↓	↓	↓
				2076+	3.45%	3.45%	3.45%	



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City of
SACRAMENTO

ACTUARIAL ASSUMPTIONS

	June 30, 2021 Valuation	June 30, 2023 Valuation
■ Dental & Vision Trend	■ 2.50%	■ Same
■ Cap Increase Rates	■ Fire hired <1/14/15: • Lowest cost \$25 co-pay medical premium – medical trend • Lowest cost PPO dental premium – dental trend ■ Misc and Police: 0%	■ Same
■ CERBT Admin. Fee	■ 0.05% of Market Value of Assets ■ Added to Normal Cost	■ Same



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City of
SACRAMENTO

ACTUARIAL ASSUMPTIONS

■ Participation at Retirement	■ Based on retirements during fiscal years 2015 to 2017, varies by % of cash benefit earned at retirement: <table><tr><th rowspan="2">Plan</th><th colspan="4">% of Benefit Earned</th></tr><tr><th>0%</th><th>50%</th><th>75%</th><th>100%</th></tr><tr><td>M&D&V</td><td>10%</td><td>23%</td><td>30%</td><td>35%</td></tr><tr><td>D & V</td><td>10%</td><td>40%</td><td>35%</td><td>30%</td></tr><tr><td>M & D</td><td>0%</td><td>10%</td><td>14%</td><td>20%</td></tr><tr><td>M & V</td><td>0%</td><td>3%</td><td>0%</td><td>4%</td></tr><tr><td>M Only</td><td>10%</td><td>12%</td><td>9.5%</td><td>7%</td></tr><tr><td>D Only</td><td>10%</td><td>3%</td><td>1.5%</td><td>0.5%</td></tr><tr><td>V Only</td><td>0%</td><td>0%</td><td>1%</td><td>0.5%</td></tr></table> M = Medical, D = Dental, V = Vision ■ 20% of actives hired after the plan change date with no City cash contribution will participate in a City medical plan at retirement	Plan	% of Benefit Earned				0%	50%	75%	100%	M&D&V	10%	23%	30%	35%	D & V	10%	40%	35%	30%	M & D	0%	10%	14%	20%	M & V	0%	3%	0%	4%	M Only	10%	12%	9.5%	7%	D Only	10%	3%	1.5%	0.5%	V Only	0%	0%	1%	0.5%	■ No change ■ Assumption was reviewed using 2023 valuation data and is still reasonable
Plan	% of Benefit Earned																																													
	0%	50%	75%	100%																																										
M&D&V	10%	23%	30%	35%																																										
D & V	10%	40%	35%	30%																																										
M & D	0%	10%	14%	20%																																										
M & V	0%	3%	0%	4%																																										
M Only	10%	12%	9.5%	7%																																										
D Only	10%	3%	1.5%	0.5%																																										
V Only	0%	0%	1%	0.5%																																										



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City of
SACRAMENTO

ACTUARIAL ASSUMPTIONS

	June 30, 2021 Valuation				June 30, 2023 Valuation			
■ Pre 1/1/91 Inactive Vested Ret. Age	■ SCERS: • Sect 399 – Age 62 • Sect 175 – Age 65				■ Same			
■ Estimated Monthly Age-Based Claims Cost per Retiree		FY 2022/23				FY 2024/25		
	Medical Plan	Age	M	F	Medical Plan	Age	M	F
	Kaiser HMO \$25 Co-Pay	50	\$772	\$841	Kaiser HMO \$25 Co-Pay	50	\$915	\$1,128
		55	1,000	1,007		55	1,194	1,313
		60	1,278	1,201		60	1,539	1,546
		65	1,585	1,425		65	1,939	1,848
	Sutter Health \$25 Co-Pay	50	756	825	Sutter Health \$25 Co-Pay	50	859	1,059
		55	980	987		55	1,121	1,232
		60	1,253	1,177		60	1,445	1,451
		65	1,554	1,396		65	1,820	1,735
	Western Health \$25 Co-Pay	50	674	735	Western Health \$25 Co-Pay	50	767	946
		55	873	880		55	1,002	1,101
		60	1,116	1,049		60	1,291	1,297
		65	1,385	1,244		65	1,627	1,550



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City of
SACRAMENTO

ACTUARIAL ASSUMPTIONS

	June 30, 2021 Valuation				June 30, 2023 Valuation			
■ Age-related Claims Costs for Medicare Advantage Plans	■ Due to age-risk adjusted federal subsidies, no age-based claims costs were included for Medicare Advantage plans				■ Same			
■ Medical Plan at Retirement	■ Currently covered – Same as active elections: • Pre-Medicare – same as current active elections with Account Based Plans => \$25 Co-Pay Plans • Post-Medicare: ➢ Kaiser => Kaiser SA ➢ Sutter Health and Western Health => UHC PPO ■ Currently waived – Kaiser HMO Premium Plan				■ Same			



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City of
SACRAMENTO

ACTUARIAL ASSUMPTIONS

	June 30, 2021 Valuation	June 30, 2023 Valuation
■ Waived Retiree Re-Election	■ Retirees < 65 – 30% re-elect at age 65 ■ Retirees ≥ 65 – 0% re-elect	■ Same
■ Medicare Eligible Rate	■ Hired before 4/1/86: • Misc – 90% • Safety – 80% ■ Hired on or after 4/1/86: 100% ■ Retirees under age 65: • Misc – 95% • Safety – 90%	■ Same
■ Marital Status at Retirement	■ Actives: • Currently covered – current marital status • Not currently covered – 85% married ■ Retirees – current marital status	■ Same



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City of
SACRAMENTO

ACTUARIAL ASSUMPTIONS

	June 30, 2021 Valuation	June 30, 2023 Valuation
■ Spouse Age	■ Actives – Males 3 years older than females ■ Retirees – Males 3 years older than females if spouse birth date not available	■ Same
■ Surviving Spouse Participation	■ 100%	■ Same
■ Dependents at Retirement	■ Pre-65: • Actives ➢ Misc – 10% ➢ Safety – 20% • Retirees – same as current coverage ■ Post-65 – 0%	■ Same



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City of
SACRAMENTO

ACTUARIAL ASSUMPTIONS

	June 30, 2021 Valuation	June 30, 2023 Valuation
■ Actuarial Models	■ Our valuations were performed using and relying on ProVal, an actuarial model leased from Wintech. Our use of ProVal is consistent with its intended purpose. We have reviewed and understand ProVal and its operation, sensitivities and dependencies.	
■ Data Quality	■ Our valuations used census data provided by the City. We reviewed the data for reasonableness and resolved any questions with the City. We believe the resulting data can be relied on for all purposes of this valuation without limitation	



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City of
SACRAMENTO

DEFINITIONS

■ OPEB Actuarial Valuation	■ Project future employer-provided benefit cash flows for current active employees and current retirees ■ Discount projected cash flow to valuation date using discount rate (assumed return on assets used to pay benefits) and other actuarial assumptions to determine present value of projected future benefits (PVB) ■ Allocate PVB to past, current, and future periods using the actuarial cost method ■ Actuarial cost method used for this valuation is the Entry Age Normal Cost method which determines Normal Cost as a level percentage of payroll (same method used by CalPERS) ■ Normal Cost is amount allocated to current fiscal year ■ Actuarial Accrued Liability (AAL) is amount allocated to prior service with employer ■ Unfunded AAL (UAAL) is AAL less plan assets pre-funded in a segregated and restricted trust
■ PayGo Cost	■ Cash subsidy is the pay-as-you-go employer benefit payments for retirees ■ Implicit subsidy is the difference between the actual cost of retiree benefits and retiree premiums subsidized by active employee premiums



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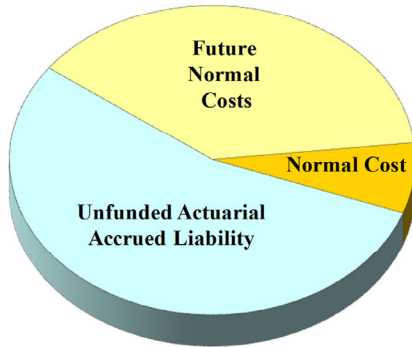
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City of
SACRAMENTO

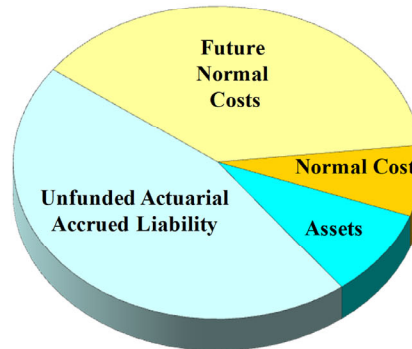
DEFINITIONS

Present Value of Benefits

**Present Value of Benefits
(Without Plan Assets)**



**Present Value of Benefits
(With Plan Assets)**



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City of
SACRAMENTO

DEFINITIONS

■ **Acronyms
Used in
Report**

- AAL - Actuarial Accrued Liability
- ADC - Actuarially Determined Contribution
- AVA - Actuarial Value of Assets
- EAN - Entry Age Normal Cost Method
- GASBS 75 - Governmental Accounting Standards Board Statement No. 75
- MVA – Market Value of Assets
- NC - Normal cost
- OPEB - Other (than pensions) Post-Employment Benefits
- PVB - Present Value of Projected Benefits
- UAAL - Unfunded Actuarial Accrued Liability



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City of
SACRAMENTO



**City of Sacramento
Retiree Healthcare Plan**



June 30, 2025 GASBS 75 Accounting Information

As of Measurement Date June 30, 2024

Based on the June 30, 2023 Actuarial Valuation

Drew Ballard, FSA, EA, MAAA
Tak Frazita, FSA, EA, MAAA
Foster & Foster, Inc.

October 3, 2025

Contents

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Applicable Dates

Applicable Dates and Periods

	Fiscal Year Ended June 30, 2025
■ Measurement date	June 30, 2024
■ Measurement period	July 1, 2023 to June 30, 2024
■ Actuarial valuation date	June 30, 2023

Update procedures were used to roll forward the Total OPEB Liability from the valuation date (June 30, 2023) to the measurement date (June 30, 2024).



October 3, 2025

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GASBS 75

City of Sacramento

Note Disclosures

Plan Information

	Fiscal Year Ended June 30, 2025
■ Plan type	Agent Multiple Employer
■ OPEB trust	Yes
■ Special funding situation	No
■ Nonemployer contributing entities	No



October 3, 2025

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GASBS 75

City of Sacramento

Note Disclosures

Expected Long-Term Rate of Return

	Target Allocation CERBT-Strategy 1	Expected Real Rate of Return
■ Asset Class Component		
● Global Equity	49%	4.56%
● Fixed Income	23%	1.56%
● TIPS	5%	(0.08%)
● Commodities	3%	1.22%
● REITs	20%	4.06%
■ Assumed Long-Term Rate of Inflation		2.50%
■ Expected Long-Term Net Rate of Return, Rounded		6.25%

The long-term expected real rates of return are presented as geometric means.



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GASBS 75

City of Sacramento

Note Disclosures

Covered Participants*

At June 30, 2024, the measurement date, the following numbers of participants were covered by the benefit terms:

	Number of Covered Participants
■ Inactives currently receiving benefits	3,144
■ Inactives entitled to but not yet receiving benefits	441
■ Active employees	4,013
■ Total	7,598

* As reported by the City.



October 3, 2025

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GASBS 75

City of Sacramento

Note Disclosures

Net OPEB Liability/(Asset)

(Amounts in 000's)

	Fiscal Year Ended	
	6/30/24	6/30/25
	Measurement Date 6/30/23	Measurement Date 6/30/24
■ Total OPEB Liability (TOL)	\$ 296,692	\$ 304,752
■ Fiduciary Net Position (FNP)*	84,817	102,922
■ Net OPEB Liability (NOL)	211,875	201,830
■ Funded status (FNP/TOL)	28.6%	33.8%

* Asset information is from CalPERS' "CERBT Schedule of Changes in Fiduciary Net Position by Employer" (audited asset statement) for the year ended June 30, 2024.



October 3, 2025

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GASBS 75

City of Sacramento

Note Disclosures

Changes in Net OPEB Liability/(Asset)

(Amounts in 000's)

	Total OPEB Liability	Fiduciary Net Position	Net OPEB Liability
■ Balance at 6/30/24 (6/30/23 measurement date)	\$ 296,692	\$ 84,817	\$ 211,875
■ Changes for the year			
● Service Cost	5,695	-	5,695
● Interest	18,398	-	18,398
● Changes of benefit terms	-	-	-
● Actual vs. expected experience	-	-	-
● Assumption changes	-	-	-
● Contributions - employer*	-	23,184	(23,184)
● Contributions - employee	-	-	-
● Net investment income	-	10,985	(10,985)
● Benefit payments*	(16,033)	(16,033)	-
● Administrative expenses	-	(31)	31
■ Net Changes	8,060	18,105	(10,045)
■ Balance at 6/30/25 (6/30/24 measurement date)	\$ 304,752	\$ 102,922	\$ 201,830

* See the measurement period column on page 20 for details.



October 3, 2025

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GASBS 75

City of Sacramento

Note Disclosures

Sensitivity of Net OPEB Liability/(Asset)

(Amounts in 000's)

■ Changes in the Discount Rate

	Discount Rate		
	1% Decrease (5.25%)	Current Rate (6.25%)	1% Increase (7.25%)
■ Net OPEB Liability	\$ 237,802	\$ 201,830	\$ 171,620

■ Changes in the Healthcare Trend Rate

	Healthcare Trend Rate		
	1% Decrease	Current Trend	1% Increase
■ Net OPEB Liability	\$ 176,046	\$ 201,830	\$ 235,340



October 3, 2025

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GASBS 75

City of Sacramento

Note Disclosures

OPEB Expense/(Income) for Fiscal Year

(Amounts in 000's)

	2024/25
	Measurement Period 2023/24
■ OPEB Expense/(Income)*	\$ (5,811)

* See page 26 for OPEB expense/(income) detail, which is not a required disclosure.



October 3, 2025

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GASBS 75

City of Sacramento

Note Disclosures

Deferred Outflows/Inflows Balances at June 30, 2025

(Amounts in 000's)

	June 30, 2025	
	Deferred Outflows of Resources	Deferred Inflows of Resources
■ Differences between expected and actual experience	\$ 484	\$ 16,058
■ Changes in assumptions	9,191	3,769
■ Net difference between projected and actual earnings on plan investments*	296	-
■ Employer contributions made subsequent to the measurement date**	23,959	-
■ Total	33,930	19,827

* Deferred Inflows and Outflows combined for footnote disclosure.

** See page 20 for details.



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GASBS 75

City of Sacramento

Note Disclosures

Recognition of Deferred Outflows and Inflows of Resources in Future OPEB Expense

(Amounts in 000's)

FYE June 30	Deferred Outflows/(Inflows) of Resources
■ 2026	\$ (8,345)
■ 2027	(1,601)
■ 2028	(1,615)
■ 2029	796
■ 2030	909
■ Thereafter	-



October 3, 2025

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GASBS 75

City of Sacramento

Note Disclosures

Significant Actuarial Assumptions Used for Total OPEB Liability

Actuarial Assumption	June 30, 2024 Measurement Date
■ Actuarial Valuation Date	■ June 30, 2023
■ Contribution Policy	■ City contributes ad hoc amounts
■ Municipal Bond Rate (Standard & Poors 20 Year High Grade Rate)	■ 4.21% at June 30, 2024 ■ 4.13% at June 30, 2023
■ Discount Rate and Long-Term Expected Rate of Return on Assets	■ 6.25% at June 30, 2024 ■ 6.25% at June 30, 2023 ■ Expected City contributions projected to keep sufficient plan assets to pay all benefits from trust
■ General Inflation	■ 2.50% annually
■ Crossover Test Assumptions	■ Assumed \$7.8 million annual trust contribution (average net contribution over the past 5 years) until assets equal Present Value of Benefits ■ Administrative expenses = 0.05% of assets ■ No crossover
■ Mortality, Retirement, Disability, Termination	■ CalPERS 2000-2019 Experience Study



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GASBS 75

City of Sacramento

Note Disclosures

Significant Actuarial Assumptions Used for Total OPEB Liability

Actuarial Assumption	June 30, 2024 Measurement Date
■ Mortality Improvement	■ Mortality projected fully generational with Scale MP-2021
■ Salary Increases	■ Aggregate - 2.75% annually ■ Merit - CalPERS 2000-2019 Experience Study
■ Medical Trend	■ Non-Medicare - 8.50% for 2025, decreasing to an ultimate rate of 3.45% in 2076 ■ Medicare (Non-Kaiser) - 7.50% for 2025, decreasing to an ultimate rate of 3.45% in 2076 ■ Medicare (Kaiser) - 6.25% for 2025, decreasing to an ultimate rate of 3.45% in 2076
■ Healthcare Participation for Future Retirees	■ Varies from 0% to 40% of medical, dental, and/or vision coverage based on percent of cash benefit earned at retirement ■ Assumptions based on plan experience



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GASBS 75

City of Sacramento

Note Disclosures

Changes Since June 30, 2023 Measurement Date

	June 30, 2024 Measurement Date
■ Changes of assumptions	■ None
■ Changes of benefit terms	■ None



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GASBS 75

City of Sacramento

Required Supplementary Information

Schedule of Changes in Net OPEB Liability/(Asset) and Related Ratios

(Amounts in 000's)

	2024/25
	Measurement Period 2023/24
■ Changes in Total OPEB Liability	
● Service Cost	\$ 5,695
● Interest	18,398
● Changes of benefit terms	-
● Actual vs. expected experience	-
● Assumption changes	-
● Benefit payments	(16,033)
■ Net Changes	8,060
■ Total OPEB Liability (beginning of year)	296,692
■ Total OPEB Liability (end of year)	304,752



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City of Sacramento

Required Supplementary Information

Schedule of Changes in Net OPEB Liability/(Asset) and Related Ratios

(Amounts in 000's)

	2024/25
	Measurement Period 2023/24
■ Changes in Plan Fiduciary Net Position	
● Contributions - employer	\$ 23,184
● Contributions - employee	-
● Net investment income	10,985
● Benefit payments	(16,033)
● Administrative expenses	(31)
● Other changes	-
● Net Changes	18,105
■ Plan Fiduciary Net Position (beginning of year)	84,817
■ Plan Fiduciary Net Position (end of year)	102,922



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City of Sacramento

Required Supplementary Information

Schedule of Changes in Net OPEB Liability/(Asset) and Related Ratios

(Amounts in 000's)

	2024/25
	Measurement Date 6/30/24
■ Net OPEB Liability/(Asset)	\$ 201,830
■ Fiduciary Net Position as a percentage of the Total OPEB Liability	33.8%
■ Covered employee payroll*	238,736
■ Net OPEB Liability as a percentage of covered employee payroll	84.5%

* For the 12-month period ended on June 30, 2024 (Measurement Date).
As reported by the City.



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City of Sacramento

Required Supplementary Information

Schedule of Employer Contributions

(Amounts in 000's)

	Fiscal Year 2024/25
■ Actuarially Determined Contribution (ADC)	\$ 24,934
■ Contributions in relation to the actuarially determined contribution*	23,959
■ Contribution deficiency/(excess)	975
■ Covered employee payroll**	230,763
■ Contributions as a percentage of covered employee payroll	10.4%

* See page 20 for details.

** For the 12-month period ended on June 30, 2025 (fiscal year end).

As reported by the City.



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City of Sacramento

Required Supplementary Information

Notes to Schedule of Employer Contribution Methods and Assumptions for 2024/25 Actuarially Determined Contribution

■ Valuation Date	■ June 30, 2023
■ Actuarial Cost Method	■ Entry Age Normal, Level % of pay
■ Amortization Method	■ Level % of pay
■ Amortization Period	■ 14-year fixed period for 2024/25
■ Asset Valuation Method	■ Investment gains and losses spread over 5-year rolling period
■ Discount Rate	■ 6.25%
■ General Inflation	■ 2.50%
■ Medical Trend	■ Non-Medicare - 8.50% for 2025, decreasing to an ultimate rate of 3.45% in 2076 ■ Medicare (Non-Kaiser) - 7.50% for 2025, decreasing to an ultimate rate of 3.45% in 2076 ■ Medicare (Kaiser) - 6.25% for 2025, decreasing to an ultimate rate of 3.45% in 2076
■ Mortality	■ CalPERS 2000-2019 Experience Study
■ Mortality Improvement	■ Mortality projected fully generational with Scale MP-2021



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Actuarial Certification

This report presents the City of Sacramento Retiree Healthcare Plan 2024/25 disclosure under Governmental Accounting Standards Board Statement No. 75 (GASBS 75). This report may not be appropriate for other purposes, although it may be useful to the City for the Plan's financial management.

This report is based on information provided by the City which we relied on and did not audit. Additional information on the actuarial valuation can be found in the June 30, 2023 actuarial valuation report.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as: plan experience differing from that anticipated by the assumptions; changes in assumptions; changes expected as part of the natural progression of the plan; and changes in plan provisions or applicable law. Actuarial models necessarily rely on the use of estimates and are sensitive to changes. Small variations in estimates may lead to significant changes in actuarial measurements. Due to the limited scope of this assignment, we did not perform an analysis of the potential range of such measurements.

The Journal Entries in this report are provided for the City's convenience and are not an actuarial communication. Therefore, this actuarial certification does not apply to the Journal Entries.

To the best of our knowledge, this report is complete and accurate and has been conducted using generally accepted actuarial principles and practices and complies with applicable Actuarial Standards of Practice. Additionally, in our opinion, actuarial methods and assumptions comply with GASBS 75. As the actuary, we have recommended the assumptions used in this report, and we believe they are reasonable. As members of the American Academy of Actuaries meeting the Academy Qualification Standards, we certify the actuarial results and opinions herein.

Respectfully submitted,



Drew Ballard, FSA, EA, MAAA
Foster & Foster, Inc.
October 3, 2025



Tak Frazita, FSA, EA, MAAA
Foster & Foster, Inc.
October 3, 2025



October 3, 2025

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City of Sacramento

Supporting Calculations

Employer Contributions

(Amounts in 000's)

	Measurement Period	Measurement Date to FYE	Prior Measurement Date to Prior FYE
	7/1/23 to 6/30/24	7/1/24 to 6/30/25	Same as Measurement Period
■ Cash benefit payments	\$ 11,287	\$ 11,847	\$ 11,287
■ Implicit subsidy benefit payments	4,746	5,089	4,746
■ Total benefit payments	16,033	16,936	16,033
■ Benefit payments reimbursed from trust	(11,287)	(11,847)	(11,287)
■ Benefit payments paid outside of trust	4,746	5,089	4,746
■ Non-trust admin expenses	-	-	-
■ Non-trust admin expenses reimbursed from trust	-	-	-
■ Trust contributions	18,438	18,870	18,438
■ Total employer contributions	23,184	23,959	23,184

Measurement period (7/1/23 to 6/30/24): \$23,184

Fiscal year (7/1/24 to 6/30/25): \$23,959



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Supporting Calculations

Average of the Expected Remaining Service Lives

As of July 1, 2023 (beginning of the measurement period):

Valuation Date	Total expected remaining service lives*	Covered participants*	Average of the expected remaining service lives as of valuation date	Average of the expected remaining service lives as of 7/1/23 (not less than 1 yr)
6/30/23	45,617.3 years	6,955	6.6 years	6.6 years

* Participants with no liability excluded for the purpose of calculating the average.



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City of Sacramento

Supporting Calculations

Recognition of Deferred Outflows/Inflows at June 30, 2025

Differences between Expected and Actual Experience

(Amounts in 000's)

Fiscal Year	Initial Amt	Initial Recog Period	Amount Recognized in OPEB Expense for FY							Deferred Balances June 30, 2025	
			24/25	25/26	26/27	27/28	28/29	29/30	30/31+	Outflows	(Inflows)
18/19	-	-	-	-	-	-	-	-	-	-	-
19/20	(28,948)	6.2	(4,669)	(934)	-	-	-	-	-	-	(934)
20/21	-	-	-	-	-	-	-	-	-	-	-
21/22	(40,332)	6.4	(6,302)	(6,302)	(6,302)	(2,520)	-	-	-	-	(15,124)
22/23	-	-	-	-	-	-	-	-	-	-	-
23/24	698	6.5	107	107	107	107	107	56	-	484	-
24/25	-	-	-	-	-	-	-	-	-	-	-
Total			(10,864)	(7,129)	(6,195)	(2,413)	107	56	-	484	(16,058)



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City of Sacramento

Supporting Calculations

Recognition of Deferred Outflows/Inflows at June 30, 2025

Changes of Assumptions

(Amounts in 000's)

Fiscal Year	Initial Amt	Initial Recog Period	Amount Recognized in OPEB Expense for FY							Deferred Balances June 30, 2025	
			24/25	25/26	26/27	27/28	28/29	29/30	30/31+	Outflows	(Inflows)
18/19	(30,845)	6.1	(503)	-	-	-	-	-	-	-	-
19/20	(92,281)	6.2	(14,884)	(2,977)	-	-	-	-	-	-	(2,977)
20/21	(4,097)	6.2	(661)	(661)	(131)	-	-	-	-	-	(792)
21/22	3,978	6.4	622	622	622	246	-	-	-	1,490	-
22/23	-	-	-	-	-	-	-	-	-	-	-
23/24	11,125	6.5	1,712	1,712	1,712	1,712	1,712	853	-	7,701	-
24/25	-	-	-	-	-	-	-	-	-	-	-
Total			(13,714)	(1,304)	2,203	1,958	1,712	853	-	9,191	(3,769)



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City of Sacramento

Supporting Calculations

Recognition of Deferred Outflows/Inflows at June 30, 2025

Projected Versus Actual Earnings on Investments

(Amounts in 000's)

Fiscal Year	Initial Amt	Initial Recog Period	Amount Recognized in OPEB Expense for FY							Deferred Balances June 30, 2025	
			24/25	25/26	26/27	27/28	28/29	29/30	30/31+	Outflows	(Inflows)
18/19	(269)	5.0	-	-	-	-	-	-	-	-	-
19/20	108	5.0	-	-	-	-	-	-	-	-	-
20/21	2,093	5.0	417	-	-	-	-	-	-	-	-
21/22	(11,520)	5.0	(2,304)	(2,304)	-	-	-	-	-	-	(2,304)
22/23	17,769	5.0	3,554	3,554	3,553	-	-	-	-	7,107	-
23/24	(683)	5.0	(137)	(137)	(137)	(135)	-	-	-	-	(409)
24/25	(5,123)	5.0	(1,025)	(1,025)	(1,025)	(1,025)	(1,023)	-	-	-	(4,098)
Total			505	88	2,391	(1,160)	(1,023)	-	-	7,107	(6,811)
Net Deferred Outflows/(Inflows)										296	-

Calculation of initial amount for 2024/25 (2023/24 measurement period):

Projected earnings on investments of \$5,862 (page 27), less

Actual earnings on investments of \$10,985 (net investment income, page 15)



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City of Sacramento

Supporting Calculations

Recognition of Deferred Outflows/Inflows in Future OPEB Expense

(Amounts in 000's)

	25/26	26/27	27/28	28/29	29/30	Thereafter 30/31+
■ Differences between Expected and Actual Experience	(7,129)	(6,195)	(2,413)	107	56	-
■ Changes of Assumptions	(1,304)	2,203	1,958	1,712	853	-
■ Projected Versus Actual Earnings on Investments	88	2,391	(1,160)	(1,023)	-	-
■ Total	(8,345)	(1,601)	(1,615)	796	909	-



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City of Sacramento

Supporting Calculations

Components of GASBS 75 OPEB Expense

(Amounts in 000's)

	2024/25
	Measurement Period 2023/24
■ Service Cost	\$ 5,695
■ Interest on Total OPEB Liability	18,398
■ Projected earnings on investments	(5,862)
■ Employee contributions	-
■ Administrative expense	31
■ Changes of benefit terms	-
■ Recognition of deferred outflows/(inflows)	
● Experience	(10,864)
● Assumptions	(13,714)
● Asset returns	505
■ OPEB Expense/(Income)	(5,811)



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City of Sacramento

Supporting Calculations

Components of GASBS 75 OPEB Expense* **Calculation of Projected Earnings on Investments** **2023/24 Measurement Period** (Amounts in 000's)

	Dollar Amount	Expected Return	Portion of Year	Projected Earnings
■ Fiduciary Net Position (beginning of year)	\$ 84,817	6.25%	100%	\$ 5,301
■ Employer contributions	18,438	6.25%	58%	668
■ Employee contributions	-	6.25%	0%	-
■ Disbursements	(11,287)	6.25%	15%	(106)
■ Administrative expenses	(31)	6.25%	50%	(1)
■ Projected earnings				<u>5,862</u>

* The items on this page reflect trust activity only.



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City of Sacramento

Supporting Calculations

Components of GASBS 75 OPEB Expense **Calculation of Interest on Total OPEB Liability** **2023/24 Measurement Period** (Amounts in 000's)

	Dollar Amount	Discount Rate	Portion of Year	Interest
■ Total OPEB Liability	\$ 296,692	6.25%	100%	\$ 18,543
■ Service Cost	5,695	6.25%	100%	356
■ Changes of benefit terms	-	6.25%	0%	-
■ Experience	-	6.25%	0%	-
■ Assumption changes	-	6.25%	0%	-
■ Benefit payments	(16,033)	6.25%	50%	<u>(501)</u>
■ Total interest				18,398



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City of Sacramento

Supporting Calculations

GASBS 75 Balance Equation

(Amounts in 000's)

	Fiscal Year Ended	
	6/30/24	6/30/25
	Measurement Date 6/30/23	Measurement Date 6/30/24
■ Total OPEB Liability	\$ 296,692	\$ 304,752
■ Fiduciary Net Position	84,817	102,922
■ Net OPEB Liability/(Asset)	211,875	201,830
■ Deferred inflows of resources	46,846	19,827
■ Deferred (outflows) of resources	(18,040)	(9,971)
■ Balance Sheet	240,681	211,686

Check:

■ Balance Sheet 6/30/24	\$ 240,681
● OPEB Expense/(Income)	(5,811)
● Employer Contributions*	(23,184)
■ Balance Sheet 6/30/25	211,686

* See the measurement period column on page 20 for details.



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City of Sacramento

Supporting Calculations

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City of Sacramento

Journal Entries

Employer Contributions

(Amounts in 000's)

The entries below assume cash benefit payments, Trust contributions, and administrative expenses have been charged to OPEB Expense when paid, and that no accounting entries have been made for the current year implicit subsidy payment, which is recorded as a reduction to active employee health care costs. See page 20 for details.

Following records the impact of employer contributions as deferred outflows of resources and as a reduction to Net OPEB Liability.

	Debit	(Credit)
■ Net OPEB Liability - (for contributions paid 7/1/23 to 6/30/24)	\$ 23,184	\$ -
■ Deferred Outflow - 7/1/23 to 6/30/24 contributions	-	(23,184)
■ Deferred Outflow - 7/1/24 to 6/30/25 contributions	23,959	-
■ Active employee health care costs - (implicit subsidy payments 7/1/24 to 6/30/25)	-	(5,089)
■ OPEB Expense - (for contributions paid 7/1/24 to 6/30/25)	-	(18,870)

Check

47,143

(47,143)



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City of Sacramento

Journal Entries

Summary Journal Entries - OPEB Expense

(Amounts in 000's)

Following records the impact of current year OPEB expense

	Debit	(Credit)
■ Deferred Outflows*	\$ -	\$ (8,069)
■ Deferred Inflows**	27,019	-
■ OPEB Expense/Credit	-	(5,811)
■ Net OPEB Liability	-	(13,139)

Check

27,019

(27,019)

* See page 34 ('Subtotal' row) for details.

** See page 35 for details.



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City of Sacramento

Journal Entries

Ending Balances at June 30, 2025

(Amounts in 000's)

	Debit	(Credit)
■ Deferral: Differences between expected and actual experience	\$ 484	\$ (16,058)
■ Deferral: Changes of assumptions	9,191	(3,769)
■ Deferral: Net differences between projected and actual earnings on plan investments	296	-
■ Total deferred outflow/inflow	9,971	(19,827)
■ Net OPEB Liability (NOL)	-	(201,830)
■ Contributions after the Measurement Date	23,959	-
■ Net Impact	187,727	-

Check: 221,657 (221,657)

■ Total OPEB expense/(income) for FYE 2025	-	(5,811)
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City of Sacramento

Journal Entries

Reconciliation of Deferred Outflows

Detail for page 32

(Amounts in 000's)

Deferred Outflows	Opening Balance - Debit	Journal Entry - Debit	Journal Entry - (Credit)	Ending Balance - Debit
■ Differences between actual and expected experience	\$ 591	\$ -	\$ (107)	\$ 484
■ Change in assumptions	11,525	-	(2,334)	9,191
■ Differences between projected and actual earnings on plan investments	5,924	-	(5,628)	296
■ Subtotal - actuarial deferrals	18,040	-	(8,069)	9,971
■ Contributions after the Measurement Date	23,184	23,959	(23,184)	23,959
■ Total Deferred Outflows	41,224	23,959	(31,253)	33,930



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City of Sacramento

Journal Entries

Reconciliation of Deferred Inflows

Detail for page 32

(Amounts in 000's)

Deferred Inflows	Opening Balance - (Credit)	Journal Entry- (Credit)	Journal Entry - Debit	Ending Balance - (Credit)
■ Differences between actual and expected experience	\$ (27,029)	\$ -	\$ 10,971	\$ (16,058)
■ Change in assumptions	(19,817)	-	16,048	(3,769)
■ Differences between projected and actual earnings on plan investments	-	-	-	-
■ Total Deferred (Inflows)	(46,846)	-	27,019	(19,827)



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City of Sacramento

Journal Entries

Reconciliation of Deferred Outflows/(Inflows)

Summary of Balances

(Amounts in 000's)

	Fiscal Year Ended	
	6/30/24	6/30/25
	Measurement Date 6/30/23	Measurement Date 6/30/24
■ Total OPEB (Liability)	\$ (296,692)	\$ (304,752)
■ Fiduciary Net Position	84,817	102,922
■ Net OPEB (Liability)/Asset	(211,875)	(201,830)
■ Deferred (inflows) of resources	(46,846)	(19,827)
■ Deferred outflows of resources	41,224	33,930
■ Balance Sheet Impact	(217,497)	(187,727)

Deferred Outflows include contributions after the measurement date.



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City of Sacramento