City of Sacramento
Annual Continuing Disclosure Report
Fiscal Year 2015/16

Issue	Sacramento Public Financing Authority 2015 Lease Revenue Bonds (Golden 1 Center) (Federally Taxable)
Par	$ 272,870,000
Issued	September 24, 2015
CUSIP Numbers	78605QAC1 78605QAD9 78605QAE7 78605QAF4 78605QAG2 78605QAH0 78605QAJ6

Content of Annual Report.

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

A. The City's comprehensive audited financial report for the prior fiscal year.

The City's Comprehensive Annual Financial Report (CAFR) for the prior fiscal year has been uploaded as a separate document to EMMA. The CAFR is also available on the city's website at: www.cityofsacramento.org/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 has been uploaded as a separate document to EMMA and is also available on-line at: www.cityofsacramento.org/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 D – General Fund Obligation Debt Service as of June 30, 2016

The information that would have been available in Exhibit E – 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 report for the Miscellaneous Employees Plan and Safety Employees Plan most recently provided to the City by CalPERs as of the date the City files the Annual Report and the actuarial valuation report for SCERS most recently provided to the City by SCERS as of the date the City files the Annual Report.

See Exhibit E – Actuarial Valuation Report – Miscellaneous as of June 30, 2015
See Exhibit F – Actuarial Valuation Report – Safety as of June 30, 2015
See Exhibit G – GASB 68 Report – Miscellaneous as of June 30, 2016
See Exhibit H – GASB 68 Report – Safety as of June 30, 2016
See Exhibit I – GASB 45 Actuarial Valuation Final Results as of June 30, 2015

Exhibit A

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

(in thousands)

	Actual 2011-12	Actual 2012-13	Actual 2013-14	Actual 2014-15	Actual 2015-16
Revenues:					
Property Taxes	$ 130,287	$ 129,370	$ 138,224	$ 145,285	$ 150,424
Sales and Use Taxes	50,683	52,301	56,575	58,876	67,983
Utilities Use Tax	58,787	59,066	59,613	59,948	61,404
Other Taxes	16,386	17,633	20,319	22,677	26,732
Licenses and Permits	12,124	12,688	12,996	14,322	15,866
Fines, Forfeitures and Penalties	11,020	9,165	10,567	10,782	12,110
Interest, Rents and Concessions	1,702	1,788	2,206	1,707	3,002
Intergovernmental Revenues	12,021	11,108	9,300	13,363	16,253
Charges, Fees and Services	38,157	47,392	51,422	57,261	57,951
Other Revenues	2,090	3,440	281	426	245
Total Revenues	333,257	343,951	361,503	384,647	411,970
Expenditures:					
General Government	21,250	19,073	22,623	24,842	28,909
Public Safety	210,124	216,760	218,911	226,802	235,290
Public Works	16,082	16,353	15,301	16,169	11,701
Neighborhood Services	46,334	48,350	48,447	52,071	54,985
Citywide and Community Support	31,957	32,945	36,965	37,216	47,961
Capital Improvements	2,151	5,755	9,672	8,901	12,577
Debt Service	1,839	2,187	3,140	3,219	3,219
Total Expenditures	329,737	341,423	355,059	369,220	394,642
Excess of Revenues over Expenditures	3,520	2,528	6,444	15,427	17,328
Other Financing Sources (Uses):					
Transfers from Other Funds	28,679	28,541	29,924	31,275	34,256
Transfers to Other Funds	(24,055)	(23,530)	(23,418)	(25,265)	(25,032)
Proceeds from Long-Term Debt	-	2,818	5,998	-	-
Special Items	-	8,534	-	-	-
Proceeds from Sale of Capital Assets	-	-	-	3,100	-
Total Other Financing Sources (Uses)	4,624	16,363	12,504	9,110	9,224
Net Change In Fund Balance	8,144	18,891	18,948	24,537	26,552
Fund Balance, beginning of year	52,924	61,068	79,959	98,907	123,444
Fund Balance, end of year	61,068	79,959	98,907	123,444	149,996
Less Reserves and Commitments:					
Reserved / Nonspendable	94	72	66	11	2
Restricted	64	40	3,422	3,654	2,962
Designated / Committed:					
Economic Uncertainty	20,263	27,765	33,714	38,967	46,950
Capital Projects	21,542	21,789	21,728	32,987	37,526
Fire Programs	-	-	-	-	5,720
Communtiy Center Theater renovation		8,500	8,500	8,500	8,500
Homeless programs			1,000	750	250
OPEB trust fund		2,000	-	-	6,752
Other Programs	9,349	9,347	12,909	22,497	13,953
Assigned:					
Next Year's Budget	9,354	10,446	-	-	-
Unrealized Investment Gains	402	-	173	50	732
Fund Balance Available for Appropriation	$ -	$ -	$ 17,395	$ 16,028	$ 26,649

Certain amounts in the prior year columns have been reclassified for presentation consistent with GASB Statement No. 54.

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] Real Property	Personal Property	Public Utility	Total	Exemptions	Net Assessed Taxable Value	Total Direct Tax Rate [2]
2007	$ 35,687,712	$ 1,441,042	$ 54,611	$ 37,183,365	$ 509,257	$ 36,674,108	1.00
2008	39,286,839	1,548,914	15,371 [3]	40,851,124	505,519	40,345,605	1.00
2009	40,360,550	1,691,096	11,948	42,063,594	503,159	41,560,435	1.00
2010	37,446,222	1,819,726	11,937	39,277,885	499,878	38,778,007	1.00
2011	36,388,660	1,742,824	11,977	38,143,461	496,459	37,647,002	1.00
2012	35,267,406	1,711,462	12,132	36,991,000	488,888	36,502,112	1.00
2013	34,332,037	1,626,943	13,157	35,972,137	477,326	35,494,811	1.00
2014	35,829,529	1,546,891	12,381	37,388,801	464,546	36,924,255	1.00
2015	37,918,666	1,585,876	18,173	39,522,715	455,212	39,067,503	1.00
2016	39,823,777	1,513,519	9,267	41,346,563	448,779	40,897,784	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 easily determined as the property in the City is not reassessed annually. Reassessment normally occurs when ownership changes

(2) This 1.00% is shared by all taxing agencies for which the subject property resides within.

(3) The decrease in public utility assessed value is primarily due to the transfer of the downtown railyards from a railroad company to a private developer and the City.

Source: County of Sacramento, Office of Auditor/Controller

Exhibit C

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

(in thousands)

	2016			2007		
Taxpayer	Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Assessed Valuation	Rank	Percentage of Total Assessed Valuation
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	122,589	4	0.33
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	-		-
HP Hood LLC	94,529	7	0.23	-		-
Dignity Health	86,008	8	0.21	-		-
Target Corp	81,626	9	0.20	-		-
Homecoming at Creekside LLC	75,712	10	0.19	-		-
Teachers Ins. Annuity	-		-	159,095	1	0.43
400 Capital Mall Venture	-		-	146,285	2	0.40
Downtown Plaza	-		-	136,350	3	0.37
M H Realty Partners VI LP	-		-	102,000	5	0.28
VV USA City LP	-		-	88,256	6	0.24
RT Sacramento Funding Co.	-		-	79,350	7	0.22
Sacramento Hotel Corp.	-		-	73,592	8	0.20
Verizon Data Services Inc.	-		-	72,081	9	0.20
Valley View Investors LLC	-		-	71,400	10	0.19
	1,323,786		3.24	1,050,998		2.86
All other taxpayers	39,573,998		96.76	35,623,110		97.14
Total	$ 40,897,784		100.00 %	$ 36,674,108		100.00 %

Source: County of Sacramento, Office of Auditor/Controller

Exhibit D

GENERAL FUND OBLIGATION DEBT SERVICE, AS OF JUNE 30, 2016

Fiscal Year	1993 Lease Revenue Bonds, Series A&B[1]	1997 Lease Revenue Bonds (2007 Remarketing)[2]	1999 CFD 2A Lease Portion	2016 Refunding H Street Complex[3]	2006 Capital Improvement Revenue Bonds, Series B[4]	2006 Capital Improvement Revenue Bonds, Series D,E[5]	2015 Golden 1 Center Bonds[6]	2015 Revenue Refunding Bonds[7]	Total Equipment Leases & Loans Amount[8]	Total Debt Service Obligations Amount	Percentage of Budgeted Fiscal Year General Fund Revenues[9]	Total Offset Debt Service Amount	Total General Fund Debt Service Amount	Percentage of Budgeted Fiscal Year General Fund Revenues
FY17	15,430,735	5,758,070	245,938	1,010,211	3,955,738	9,573,955	14,871,842	24,772,613	6,326,010	81,945,112	19.0%	59,706,259	22,238,852	5.1%
FY18	15,408,975	5,953,976	251,094	669,939	3,954,413	9,086,700	18,296,842	23,714,463	4,343,016	81,679,417	18.9%	52,668,399	29,011,018	6.7%
FY19	15,391,035	6,086,638	255,313	672,443	3,958,138	9,534,625	18,295,874	22,218,713	2,860,865	79,273,643	18.3%	43,799,922	35,473,721	8.2%
FY20	15,369,890	6,209,110	253,750	674,592	3,952,298	9,568,900	18,299,225	21,259,138	2,121,686	77,708,588	18.0%	43,589,093	34,119,495	7.9%
FY21	15,348,515	6,400,018	256,406	671,315	3,942,040	9,035,250	18,378,689	21,082,763	1,121,975	76,236,971	17.6%	43,250,860	32,986,111	7.6%
FY22	-	6,446,610	262,969	672,683	3,941,923	10,749,050	18,378,701	19,645,288	138,659	60,235,882	13.9%	32,367,088	27,868,794	6.4%
FY23	-	6,648,342	263,438	673,696	3,940,606	20,588,900	18,289,067	9,928,813	69,330	60,402,190	14.0%	32,273,893	28,128,298	6.5%
FY24	-	6,796,051	262,969	669,283	3,937,750	20,121,670	18,289,067	9,922,438	-	59,999,227	13.9%	32,549,324	27,449,903	6.4%
FY25	-	6,956,041	-	674,515	3,933,765	20,020,670	18,289,286	9,925,688	-	59,799,964	13.8%	32,913,005	26,886,959	6.2%
FY26	-	7,124,005	-	669,250	3,928,351	20,036,857	18,286,258	9,898,313	-	59,943,034	13.9%	33,309,108	26,633,926	6.2%
FY27	-	7,305,017	-	673,630	3,926,060	20,030,900	18,289,420	9,904,438	-	60,129,463	13.9%	33,741,924	26,387,539	6.1%
FY28	-	7,461,356	-	672,442	3,926,294	20,031,226	18,287,643	9,909,388	-	60,288,348	14.0%	34,167,586	26,120,762	6.0%
FY29	-	-	-	670,899	3,923,604	20,127,976	18,285,364	9,896,838	-	52,904,681	12.2%	26,990,635	25,914,046	6.0%
FY30	-	-	-	673,859	3,917,692	20,128,788	18,286,739	9,897,256	-	52,904,334	12.2%	27,256,823	25,647,511	5.9%
FY31	-	-	-	676,251	3,908,259	20,128,795	18,285,638	5,854,175	-	48,853,117	11.3%	24,516,853	24,336,265	5.6%
FY32	-	-	-	668,146	3,909,556	20,130,500	18,286,217	5,844,050	-	48,838,469	11.3%	24,800,187	24,038,282	5.6%
FY33	-	-	-	334,686	3,900,987	20,136,150	18,282,349	5,394,175	-	48,048,347	11.1%	24,760,001	23,288,346	5.4%
FY34	-	-	-	-	3,892,251	3,632,925	18,283,188	5,384,550	-	31,192,914	7.2%	13,359,709	17,833,204	4.1%
FY35	-	-	-	-	3,892,453	-	18,282,324	5,130,175	-	27,304,951	6.3%	12,165,390	15,139,561	3.5%
FY36	-	-	-	-	3,880,993	-	18,283,630	5,120,800	-	27,285,423	6.3%	12,493,832	14,791,591	3.4%
FY37	-	-	-	-	3,872,424	-	18,280,697	5,120,400	-	27,273,521	6.3%	12,833,792	14,439,729	3.3%
FY38	-	-	-	-	-	-	18,282,397	-	-	18,282,397	4.2%	12,089,056	6,193,341	1.4%
FY39	-	-	-	-	-	-	18,282,040	-	-	18,282,040	4.2%	12,451,728	5,830,312	1.3%
FY40	-	-	-	-	-	-	18,278,216	-	-	18,278,216	4.2%	12,825,279	5,452,937	1.3%
FY41	-	-	-	-	-	-	18,279,516	-	-	18,279,516	4.2%	13,210,038	5,069,478	1.2%
FY42	-	-	-	-	-	-	18,278,967	-	-	18,278,967	4.2%	13,606,339	4,672,628	1.1%
FY43	-	-	-	-	-	-	18,279,878	-	-	18,279,878	4.2%	14,014,529	4,265,349	1.0%
FY44	-	-	-	-	-	-	18,275,276	-	-	18,275,276	4.2%	14,434,965	3,840,311	0.9%
FY45	-	-	-	-	-	-	18,273,469	-	-	18,273,469	4.2%	14,868,014	3,405,455	0.8%
FY46	-	-	-	-	-	-	18,277,204	-	-	18,277,204	4.2%	15,314,054	2,963,150	0.7%
FY47	-	-	-	-	-	-	18,273,943	-	-	18,273,943	4.2%	15,773,476	2,500,467	0.6%
FY48	-	-	-	-	-	-	18,271,713	-	-	18,271,713	4.2%	16,246,680	2,025,033	0.5%
FY49	-	-	-	-	-	-	18,272,978	-	-	18,272,978	4.2%	16,734,081	1,538,897	0.4%
FY50	-	-	-	-	-	-	18,269,919	-	-	18,269,919	4.2%	17,236,103	1,033,816	0.2%
Total	76,949,150	79,145,235	2,051,875	11,427,840	82,395,591	282,663,837	618,403,575	249,824,469	16,981,542	1,419,843,113		842,318,027	577,525,086	
Offset	73.7%	100.0%	0.0%	100.0%	28.3%	63.2%	63.7%	35.7%	59.9%	59.3%				

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

(1) 1993 Lease A: 80.5% Community Center Fund, 11.5% General Fund, and 8.0% Culture and Leisure Fund
1993 Lease B: 47.8% General Fund, 30.2 % Parking Fund, 13.0% Storm Drainage Fund, and 9.0% Community Center Fund

(2) 1997 Lease (ARCO Sublease): Assumes the fixed-rate established in the 2007 remarketing is in effect for the remaining term of the bonds. Efforts are underway to refinance this debt issue.

(3) The 2002 Certificate of Participation (COP) were fully refunded by the 2016 Refunding Revenue Bonds (H Street Complex) in January 2016. Along with the refunding, the City of Sacramento assumed 100% of the guarantee of payment, with offsetting lease revenue payments.

(4) 2006 Capital Improvement Revenue Bonds, Series A were fully refunded by the 2015 Refunding Revenue Bonds. 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)

(5) 2006 Capital Improvement Revenue Bonds, Series C were fully refunded by the 2015 Refunding Revenue Bonds. 2006 Capital Improvement Revenue Bonds, Series D and E: 53.2% Water Fund, 36.9% General Fund, 7.9% North Natomas Fund, 1.1% RASA Master Lease (Stockton Boulevard), and 0.9% Culture and Leisure Fund.

(6) The debt service for the 2015 Golden 1 Center Lease Revenue Bonds is offset by a Lease Rental Payment from the Sacramento Kings or its affiliates as well as Capitalized interest through October 2017. Other revenue sources may further offset required debt service payments.

(7) 2015 Refunding Revenue Bonds: 64.3% General Fund, 16.6% Water Fund, 8.8% Solid Waste Fund, 8.3% Parking Fund, 1.8% North Natomas Fund, 0.3% Culture and Leisure Fund.

(8) Total Leases and Loans: 40.0% General Fund, 38.8% Parking Fund 13.2% Solid Waste Fund,5.3% Marina Fund, 1.8% RASA (Merged Downtown), and 0.9% Wastewater.

(9) Data based on Fiscal Year 2016-17 General Fund Revenue Forecast of$432,118,000

Source: City of Sacramento

Exhibit E

GASB 68 ACCOUNTING VALUATION REPORT

(CalPERS ID: 7903930500)
Rate Plan Identifier: 1209

Prepared for
CITY OF SACRAMENTO MISCELLANEOUS PLAN,
an Agent Multiple-Employer Defined Benefit Pension Plan

Measurement Date of June 30, 2015

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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

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Actuarial Certification

This report provides disclosure and 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, 2015.

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

This accounting valuation report relies on liabilities and related validation work performed by the CalPERS Actuarial Office as part of the June 30, 2014 annual funding valuation for the Plan. The census data and benefit provisions underlying the liabilities were prepared as of June 30, 2014 and certified as part of the annual funding valuation by the CalPERS Actuarial Office. The June 30, 2014 liabilities used for this accounting valuation are based on actuarial assumptions adopted by the CalPERS Board of Administration. The assumptions and methods are internally consistent and reasonable for this Plan.

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

The undersigned is an actuary for CalPERS, who is a member of the American Academy of Actuaries and the Society of Actuaries and meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

JET AU, ASA
CalPERS Actuarial Office

Introduction

This is the GASB 68 Accounting Valuation Report for the measurement date June 30, 2015. Notes to the Agent Multiple-Employer Defined Benefit Pension Plan GASB 68 Accounting Valuation Reports are in a separate document, located on the CalPERS website.

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, 2014
Measurement Date	June 30, 2015
Measurement Period	June 30, 2014 to June 30, 2015

Pension Plan Fiduciary Net Position

The plan fiduciary net position disclosed in your GASB 68 accounting valuation report may differ from the plan assets reported in your funding actuarial valuation report due to several reasons. First, for the accounting valuations, CalPERS must keep items such as deficiency reserves, fiduciary self-insurance and OPEB expense included as assets. These amounts are excluded for rate setting purposes in your funding actuarial valuation. In addition, differences may result from early Comprehensive Annual Financial Report closing and final reconciled reserves.

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: 06/30/2014	**$1,013,277,462**	**$799,630,710**	**$213,646,752**
Changes Recognized for the Measurement Period:			
Service Cost	$22,342,045		$22,342,045
Interest on Total Pension Liability	74,834,991		74,834,991
Changes of Benefit Terms	0		0
Changes of Assumptions	(20,152,867)		(20,152,867)
Differences between Expected and Actual Experience	(8,865,289)		(8,865,289)
Plan to Plan Resource Movement		$(3,066,289)	3,066,289
Contributions – Employer		22,826,829	(22,826,829) a
Contributions – Employees		11,302,316	(11,302,316)
Net Investment Income		18,046,623	(18,046,623)
Benefit Payments, including Refunds of Employee Contributions	(34,390,309)	(34,390,309)	0
Administrative Expense		(921,940)	921,940
Net Changes during 2014-15	**$33,768,571**	**$13,797,230**	**$19,971,341**
Balance at: 06/30/2015	**$1,047,046,033**	**$813,427,940**	**$233,618,093** GASB68

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

	Discount Rate -1% (6.65%)	Current Discount Rate (7.65%)	Discount Rate + 1% (8.65%)
Plan's Net Pension Liability/ (Asset)	$389,633,310	$233,618,093	$105,845,357

a

Contributions Employer - $22,826,829
Deferred outflows FY15 - $22,711,708
Variance = $115,121

GASB68

Pension Expense/(Income) for Measurement Period Ended June 30, 2015

Description	Amount
Service Cost	$22,342,045
Interest on Total Pension Liability	74,834,991
Changes of Benefit Terms	0
Recognized Changes of Assumptions	(6,949,264)
Recognized Differences between Expected and Actual Experience	(3,056,996)
Plan to Plan Resource Movement	3,066,289
Employee Contributions	(11,302,316)
Projected Earnings on Pension Plan Investments	(60,815,063)
Recognized Differences between Projected and Actual Earnings on Plan Investments	(4,954,221)
Administrative Expense	921,940
Total Pension Expense/(Income)	**$14,087,405**

Pension expense Miscellaneous = 14,087,405
Pension Expense Safety = 28,369,218
Total pension expense = 42,456,623

FN8

Deferred Outflows and Deferred Inflows of Resources Related to Pensions

As of June 30, 2015, the CITY OF SACRAMENTO has deferred outflows and deferred inflows of resources related to pensions listed below.

Note that no adjustments have been made for contributions subsequent to the measurement date. Adequate 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	$(13,203,603)
Differences between Expected and Actual Experiences	0	(5,808,293)
Net Difference between Projected and Actual Earnings on Pension Plan Investments	34,214,752	(40,523,728)
Total	**$34,214,752**	**$(59,535,624)**

GASB68

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

$13,203,603
+ 5,808,293
= 19,011,896

GASB68

Measurement Periods Ended June 30:	Deferred Outflows/(Inflows) of Resources
2016	$(14,960,481)
2017	(13,959,857)
2018	(4,954,222)
2019	8,553,688
2020	0
Remaining	0

Expected Average Remaining Service Lifetime (EARSL)

The EARSL for the Plan for the June 30, 2015 measurement date is 2.9 years, which was obtained by dividing the total service years of 24,858 (the sum of remaining service lifetimes of the active employees) by 8,453 (the total number of participants: active, inactive, and retired). Note that inactive employees and retirees have remaining service lifetimes equal to 0. Also note that total future service is based on the members' probability of decrementing due to an event other than receiving a cash refund.

Note that we did not included the $40.5M in entry #5 since it was already recorded in FY15. It is the result of last year entry of $54,031,637 less the current year amortization done on entry #4 of $13,507,909. Refer to page 18 for more details

Exhibit E

Schedules of Required Supplementary Information

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

Measurement Period	2015	2014
TOTAL PENSION LIABILITY:		
Service Cost	$22,342,045	$23,109,946
Interest on Total Pension Liability	74,834,991	70,942,490
Changes of Benefit Terms	0	0
Changes of Assumptions	(20,152,867)	0
Difference between Expected and Actual Experience	(8,865,289)	0
Benefit Payments, Including Refunds of Employee Contributions	(34,390,309)	(30,239,753)
Net Change in Total Pension Liability	**$33,768,571**	**$63,812,683**
Total Pension Liability – Beginning	1,013,277,462	949,464,779
Total Pension Liability – Ending (a)	**$1,047,046,033**	**$1,013,277,462**
PLAN FIDUCIARY NET POSITION		
Contributions – Employer	$22,826,829	$21,613,131
Contributions – Employee	11,302,316	11,670,231
Net Investment Income	18,046,623	118,325,674
Other Miscellaneous Income	0	0
Benefit Payments, Including Refunds of Employee Contributions	(34,390,309)	(30,239,753)
Plan to Plan Resource Movement	(3,066,289)	0
Administrative Expense	(921,940)	0
Net Change in Fiduciary Net Position	**$13,797,230**	**$121,369,283**
Plan Fiduciary Net Position – Beginning	$799,630,710	$678,261,427
Plan Fiduciary Net Position – Ending (b)	813,427,940	799,630,710
Plan Net Pension Liability/(Asset) – (a)-(b)	**$233,618,093**	**$213,646,752**
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	**77.69%**	**78.92%**
Covered-Employee Payroll[1]	$157,449,221	$156,032,311
Plan Net Pension Liability/Asset) as a Percentage of Covered-Employee Payroll	**148.38%**	**136.92%**

[1] Covered-Employee Payroll presented above is based on pensionable earnings provided by the employer. However, GASB 68 defines covered-employee payroll as the total payroll of employees that are provided pensions through the pension plan. Accordingly, if pensionable earnings are different than total earnings for covered-employees, the employer should display in the disclosure footnotes the payroll based on total earnings for the covered group and recalculate the required payroll-related ratios.

Notes to Schedule of Changes in Net Pension Liability and Related Ratios:
Benefit Changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2014 valuation date. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes of Assumptions: The discount rate was changed from 7.5 percent (net of administrative expense) to 7.65 percent.

Exhibit E

Schedule of Plan Contributions for the Measurement Periods Ended June 30[1]

Employer Fiscal Year End	**2015**	**2014**
Actuarially Determined Contribution[2]	$22,826,829	$21,613,131
Contributions in Relation to the Actuarially Determined Contribution[2]	(22,826,829)	(21,613,131)
Contribution Deficiency (Excess)	$0	$0
Covered-Employee Payroll [3, 4]	$157,449,221	$156,032,311
Contributions as a Percentage of Covered-Employee Payroll[3]	14.50%	13.85%

[1] As prescribed in GASB 68, paragraph 46, the information presented in the Schedule of Plan Contributions should also be determined 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] Covered-Employee Payroll presented above is based on pensionable earnings provided by the employer. However, GASB 68 defines covered-employee payroll as the total payroll of employees that are provided pensions through the pension plan. Accordingly, if pensionable earnings are different than total earnings for covered-employees, the employer should display in the disclosure footnotes the payroll based on total earnings for the covered group and recalculate the required payroll-related ratios.

[4] Payroll from prior year $152,863,321 was assumed to increase by 3.00 percent payroll growth assumption.

Exhibit E

Notes to Schedule of Plan Contributions:

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2014-15 were derived from the June 30, 2012 funding valuation report.

Actuarial Cost Method	Entry Age Normal
Amortization Method/Period	For details, see June 30, 2012 Funding Valuation Report.
Asset Valuation Method	Actuarial Value of Assets. For details, see June 30, 2012 Funding Valuation Report.
Inflation	2.75%
Salary Increases	Varies by Entry Age and Service
Payroll Growth	3.00%
Investment Rate of Return	7.50 Net of Pension Plan Investment and Administrative Expenses; includes Inflation.
Retirement Age	The probabilities of Retirement are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007.
Mortality	The probabilities of mortality are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007. Pre-retirement and Post-retirement mortality rates include 5 years of projected mortality improvement using Scale AA published by the Society of Actuaries.

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**

Exhibit E

Schedule of Changes of Assumptions

			Increase (Decrease) in Pension Expense Arising from the Recognition of the Effects of Changes of Assumptions (Measurement Dates)						
Measurement Date	**Initial Changes of Assumptions**	**Remaining Period (Years)**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**Remaining**
2014	$0	0	$0	$0	$0	$0	$0	$0	$0
2015	(20,152,867)	2.9	(6,949,264)	(6,949,264)	(6,254,339)	0	0	0	0
Net Increase (Decrease) in Pension Expense			**$(6,949,264)**	**$(6,949,264)**	**$(6,254,339)**	**$0**	**$0**	**$0**	**$0**

Exhibit E

Deferred Outflows of Resources and Deferred Inflows of Resources arising from Changes of Assumptions

				Balances at June 30, 2015	
Measurement Date	**Initial Increase in Total Pension Liability (a)**	**Initial Decrease in Total Pension Liability (b)**	**Amounts Recognized in Pension Expense through June 30, 2015 (c)**	**Deferred Outflows of Resources (a) – (c)**	**Deferred Inflows of Resources (b) – (c)**
2014	$0	$0	$0	$0	$0
2015	0	(20,152,867)	(6,949,264)	0	(13,203,603)
				$0	**$(13,203,603)**

Exhibit E

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 Dates)						
Measurement Date	**Initial Differences between Expected and Actual Experience**	**Remaining Period (Years)**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**Remaining**
2014	$0	0	$0	$0	$0	$0	$0	$0	$0
2015	(8,865,289)	2.9	(3,056,996)	(3,056,996)	(2,751,297)	0	0	0	0
Net Increase (Decrease) in Pension Expense			**$(3,056,996)**	**$(3,056,996)**	**$(2,751,297)**	**$0**	**$0**	**$0**	**$0**

Exhibit E

Deferred Outflows of Resources and Deferred Inflows of Resources arising from Differences between Expected and Actual Experience

				Balances at June 30, 2015	
Measurement Date	**Initial Experience Losses (a)**	**Initial Experience Gains (b)**	**Amounts Recognized in Pension Expense through June 30, 2015 (c)**	**Deferred Outflows of Resources (a) – (c)**	**Deferred Inflows of Resources (b) – (c)**
2014	$0	$0	$0	$0	$0
2015	0	(8,865,289)	(3,056,996)	0	(5,808,293)
				$0	**$(5,808,293)**

Exhibit E

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 Dates)						
Measurement Date	**Initial Differences between Projected and Actual Earnings on Pension Plan Investments**	**Remaining Period (Years)**	**2015**	GASB68 **2016**	**2017**	**2018**	**2019**	**2020**	**Remaining**
2014	$(67,539,546)	4.0	$(13,507,909)	$(13,507,909)	$(13,507,909)	$(13,507,910)	$0	$0	$0
2015	42,768,440	5.0	8,553,688	8,553,688	8,553,688	8,553,688	8,553,688	0	0
Net Increase (Decrease) in Pension Expense			**$(4,954,221)**	**$(4,954,221)**	**$(4,954,221)**	**$(4,954,222)**	**$8,553,688**	**$0**	**$0**

This amount needs to be amortized during FY16. Note that the $8,553,688 is part of entry # 5.

Exhibit E

Deferred Outflows of Resources and Deferred Inflows of Resources arising from Differences between Projected and Actual Earnings on Pension Plan Investments

				Balances at June 30, 2015	
Measurement Date	**Initial Investment Earnings less than Projected (a)**	**Initial Investment Earnings greater than Projected (b)**	**Amounts Recognized in Pension Expense through June 30, 2015 (c)**	**Deferred Outflows of Resources (a) – (c)**	**Deferred Inflows of Resources (b) – (c)**
2014	$0	$(67,539,546)	$(27,015,818)	$0	$(40,523,728)
2015	42,768,440	0	8,553,688	34,214,752	0
				$34,214,752	**$(40,523,728)**

Exhibit E

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

	Net Increase (Decrease) in Pension Expense (Measurement Periods)						
	2015	**2016**	**2017**	**2018**	**2019**	**2020**	**Remaining**
Changes of Assumptions	$(6,949,264)	$(6,949,264)	$(6,254,339)	$0	$0	$0	$0
Differences between Expected and Actual Experience	(3,056,996)	(3,056,996)	(2,751,297)	0	0	0	0
Differences between Projected and Actual Earnings on Pension Plan Investments	(4,954,221)	(4,954,221)	(4,954,221)	(4,954,222)	8,553,688	0	0
Grand Total	**$(14,960,481)**	**$(14,960,481)**	**$(13,959,857)**	**$(4,954,222)**	**$8,553,688**	**$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 in the 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	$1,013,277,462	100%	7.65%	$77,515,726
Changes of Benefit Terms	0	100%	7.65%	0
Changes of Assumptions	(20,152,867)	100%	7.65%	(1,541,694)
Difference between Expected and Actual Experience	(8,865,289)	100%	7.65%	(678,195)
Service Cost	22,342,045	50%	7.65%	854,583
Benefit Payments, including Refunds of Employee Contributions	(34,390,309)	50%	7.65%	(1,315,429)
Total Interest on the Total Pension Liability				**$74,834,991**

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]	$797,092,831	100%	7.65%	$60,977,602
Plan to Plan Resource Movement	(3,066,289)	50%	7.65%	(117,286)
Employer Contributions	22,826,829	50%	7.65%	873,126
Employee Contributions	11,302,316	50%	7.65%	432,314
Benefit Payments, including Refunds of Employee Contributions	(34,390,309)	50%	7.65%	(1,315,429)
Administrative Expense	(921,940)	50%	7.65%	(35,264)
Total Projected Earnings				**$60,815,063**

[1] Contribution receivables for employee service buybacks, totaling $2,537,879 as of June 30, 2014, were excluded for purposes of calculating projected earnings on pension plan investments.

Exhibit F

GASB 68 ACCOUNTING VALUATION REPORT

(CalPERS ID: 7903930500)
Rate Plan Identifier: 1210

Prepared for
CITY OF SACRAMENTO SAFETY PLAN,
an Agent Multiple-Employer Defined Benefit Pension Plan

Measurement Date of June 30, 2015

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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

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Actuarial Certification

This report provides disclosure and 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, 2015.

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

This accounting valuation report relies on liabilities and related validation work performed by the CalPERS Actuarial Office as part of the June 30, 2014 annual funding valuation for the Plan. The census data and benefit provisions underlying the liabilities were prepared as of June 30, 2014 and certified as part of the annual funding valuation by the CalPERS Actuarial Office. The June 30, 2014 liabilities used for this accounting valuation are based on actuarial assumptions adopted by the CalPERS Board of Administration. The assumptions and methods are internally consistent and reasonable for this Plan.

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

The undersigned is an actuary for CalPERS, who is a member of the American Academy of Actuaries and the Society of Actuaries and meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

MAY SHUANG YU, ASA, MAAA
Senior Pension Actuary, CalPERS
CalPERS Actuarial Office

Introduction

This is the GASB 68 Accounting Valuation Report for the measurement date June 30, 2015. Notes to the Agent Multiple-Employer Defined Benefit Pension Plan GASB 68 Accounting Valuation Reports are in a separate document, located on the CalPERS website.

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, 2014
Measurement Date	June 30, 2015
Measurement Period	June 30, 2014 to June 30, 2015

Pension Plan Fiduciary Net Position

The plan fiduciary net position disclosed in your GASB 68 accounting valuation report may differ from the plan assets reported in your funding actuarial valuation report due to several reasons. First, for the accounting valuations, CalPERS must keep items such as deficiency reserves, fiduciary self-insurance and OPEB expense included as assets. These amounts are excluded for rate setting purposes in your funding actuarial valuation. In addition, differences may result from early Comprehensive Annual Financial Report closing and final reconciled reserves.

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: 06/30/2014	**$1,518,032,078**	**$1,144,101,171**	**$373,930,907**
Changes Recognized for the Measurement Period:			
Service Cost	$29,653,042		$29,653,042
Interest on Total Pension Liability	112,331,793		112,331,793
Changes of Benefit Terms	0		0
Changes of Assumptions	(28,604,249)		(28,604,249)
Differences between Expected and Actual Experience	(592,555)		(592,555)
Plan to Plan Resource Movement		$533	(533)
Contributions – Employer		30,798,271	(30,798,271)
Contributions – Employees		15,564,873	(15,564,873)
Net Investment Income		25,341,704	(25,341,704)
Benefit Payments, including Refunds of Employee Contributions	(70,544,699)	(70,544,699)	0
Administrative Expense		(1,287,544)	1,287,544
Net Changes during 2014-15	**$42,243,332**	**$(126,862)**	**$42,370,194**
Balance at: 06/30/2015	**$1,560,275,410**	**$1,143,974,309**	**$416,301,101**

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

	Discount Rate -1% (6.65%)	**Current Discount Rate (7.65%)**	**Discount Rate + 1% (8.65%)**
Plan's Net Pension Liability/ (Asset)	$634,507,342	$416,301,101	$237,475,578

Pension Expense/(Income) for Measurement Period Ended June 30, 2015

Description	Amount
Service Cost	$29,653,042
Interest on Total Pension Liability	112,331,793
Changes of Benefit Terms	0
Recognized Changes of Assumptions	(5,397,028)
Recognized Differences between Expected and Actual Experience	(111,803)
Plan to Plan Resource Movement	(533)
Employee Contributions	(15,564,873)
Projected Earnings on Pension Plan Investments	(86,403,666)
Recognized Differences between Projected and Actual Earnings on Plan Investments	(7,425,258)
Administrative Expense	1,287,544
Total Pension Expense/(Income)	**$28,369,218**

Deferred Outflows and Deferred Inflows of Resources Related to Pensions

As of June 30, 2015, the CITY OF SACRAMENTO has deferred outflows and deferred inflows of resources related to pensions listed below.

Note that no adjustments have been made for contributions subsequent to the measurement date. Adequate 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	$(23,207,221)
Differences between Expected and Actual Experiences	0	(480,752)
Net Difference between Projected and Actual Earnings on Pension Plan Investments	48,849,570	(58,912,951)
Total	**$48,849,570**	**$(82,600,924)**

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**
2016	$(12,934,089)
2017	(12,934,089)
2018	(12,934,090)
2019	6,703,563
2020	(1,652,649)
Remaining	0

Expected Average Remaining Service Lifetime (EARSL)

The EARSL for the Plan for the June 30, 2015 measurement date is 5.3 years, which was obtained by dividing the total service years of 13,610 (the sum of remaining service lifetimes of the active employees) by 2,584 (the total number of participants: active, inactive, and retired). Note that inactive employees and retirees have remaining service lifetimes equal to 0. Also note that total future service is based on the members' probability of decrementing due to an event other than receiving a cash refund.

Exhibit F

Schedules of Required Supplementary Information

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

Measurement Period	2015	2014
TOTAL PENSION LIABILITY:		
Service Cost	$29,653,042	$29,538,887
Interest on Total Pension Liability	112,331,793	107,188,618
Changes of Benefit Terms	0	0
Changes of Assumptions	(28,604,249)	0
Difference between Expected and Actual Experience	(592,555)	0
Benefit Payments, Including Refunds of Employee Contributions	(70,544,699)	(66,215,114)
Net Change in Total Pension Liability	**$42,243,332**	**$70,512,391**
Total Pension Liability – Beginning	1,518,032,078	1,447,519,687
Total Pension Liability – Ending (a)	**$1,560,275,410**	**$1,518,032,078**
PLAN FIDUCIARY NET POSITION		
Contributions – Employer	$30,798,271	$27,934,662
Contributions – Employee	15,564,873	16,094,362
Net Investment Income	25,341,704	171,794,710
Other Miscellaneous Income	0	0
Benefit Payments, Including Refunds of Employee Contributions	(70,544,699)	(66,215,114)
Plan to Plan Resource Movement	533	0
Administrative Expense	(1,287,544)	0
Net Change in Fiduciary Net Position	**$(126,862)**	**$149,608,620**
Plan Fiduciary Net Position – Beginning	$1,144,101,171	$994,492,551
Plan Fiduciary Net Position – Ending (b)	1,143,974,309	1,144,101,171
Plan Net Pension Liability/(Asset) – (a)-(b)	**$416,301,101**	**$373,930,907**
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	**73.32%**	**75.37%**
Covered-Employee Payroll[1]	$112,067,431	$107,176,397
Plan Net Pension Liability/Asset) as a Percentage of Covered-Employee Payroll	**371.47%**	**348.89%**

[1] Covered-Employee Payroll presented above is based on pensionable earnings provided by the employer. However, GASB 68 defines covered-employee payroll as the total payroll of employees that are provided pensions through the pension plan. Accordingly, if pensionable earnings are different than total earnings for covered-employees, the employer should display in the disclosure footnotes the payroll based on total earnings for the covered group and recalculate the required payroll-related ratios.

Notes to Schedule of Changes in Net Pension Liability and Related Ratios:
Benefit Changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2014 valuation date. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes of Assumptions: The discount rate was changed from 7.5 percent (net of administrative expense) to 7.65 percent.

Exhibit F

Schedule of Plan Contributions for the Measurement Periods Ended June 30[1]

Employer Fiscal Year End	**2015**	**2014**
Actuarially Determined Contribution[2]	$30,798,271	$27,934,662
Contributions in Relation to the Actuarially Determined Contribution[2]	(30,798,271)	(27,934,662)
Contribution Deficiency (Excess)	$0	$0
Covered-Employee Payroll [3, 4]	$112,067,431	$107,176,397
Contributions as a Percentage of Covered-Employee Payroll[3]	27.48%	26.06%

[1] As prescribed in GASB 68, paragraph 46, the information presented in the Schedule of Plan Contributions should also be determined 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] Covered-Employee Payroll presented above is based on pensionable earnings provided by the employer. However, GASB 68 defines covered-employee payroll as the total payroll of employees that are provided pensions through the pension plan. Accordingly, if pensionable earnings are different than total earnings for covered-employees, the employer should display in the disclosure footnotes the payroll based on total earnings for the covered group and recalculate the required payroll-related ratios.

[4] Payroll from prior year $108,803,331 was assumed to increase by 3.00 percent payroll growth assumption.

Exhibit F

Notes to Schedule of Plan Contributions:

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2014-15 were derived from the June 30, 2012 funding valuation report.

Actuarial Cost Method	Entry Age Normal
Amortization Method/Period	For details, see June 30, 2012 Funding Valuation Report.
Asset Valuation Method	Actuarial Value of Assets. For details, see June 30, 2012 Funding Valuation Report.
Inflation	2.75%
Salary Increases	Varies by Entry Age and Service
Payroll Growth	3.00%
Investment Rate of Return	7.50 Net of Pension Plan Investment and Administrative Expenses; includes Inflation.
Retirement Age	The probabilities of Retirement are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007.
Mortality	The probabilities of mortality are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007. Pre-retirement and Post-retirement mortality rates include 5 years of projected mortality improvement using Scale AA published by the Society of Actuaries.

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**

Exhibit F

Schedule of Changes of Assumptions

			Increase (Decrease) in Pension Expense Arising from the Recognition of the Effects of Changes of Assumptions (Measurement Dates)						
Measurement Date	**Initial Changes of Assumptions**	**Remaining Period (Years)**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**Remaining**
2014	$0	0	$0	$0	$0	$0	$0	$0	$0
2015	(28,604,249)	5.3	(5,397,028)	(5,397,028)	(5,397,028)	(5,397,028)	(5,397,028)	(1,619,109)	0
Net Increase (Decrease) in Pension Expense			**$(5,397,028)**	**$(5,397,028)**	**$(5,397,028)**	**$(5,397,028)**	**$(5,397,028)**	**$(1,619,109)**	**$0**

Exhibit F

Deferred Outflows of Resources and Deferred Inflows of Resources arising from Changes of Assumptions

				Balances at June 30, 2015	
Measurement Date	**Initial Increase in Total Pension Liability (a)**	**Initial Decrease in Total Pension Liability (b)**	**Amounts Recognized in Pension Expense through June 30, 2015 (c)**	**Deferred Outflows of Resources (a) – (c)**	**Deferred Inflows of Resources (b) – (c)**
2014	$0	$0	$0	$0	$0
2015	0	(28,604,249)	(5,397,028)	0	(23,207,221)
				$0	**$(23,207,221)**

Exhibit F

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 Dates)						
Measurement Date	**Initial Differences between Expected and Actual Experience**	**Remaining Period (Years)**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**Remaining**
2014	$0	0	$0	$0	$0	$0	$0	$0	$0
2015	(592,555)	5.3	(111,803)	(111,803)	(111,803)	(111,803)	(111,803)	(33,540)	0
Net Increase (Decrease) in Pension Expense			**$(111,803)**	**$(111,803)**	**$(111,803)**	**$(111,803)**	**$(111,803)**	**$(33,540)**	**$0**

Exhibit F

Deferred Outflows of Resources and Deferred Inflows of Resources arising from Differences between Expected and Actual Experience

				Balances at June 30, 2015	
Measurement Date	**Initial Experience Losses (a)**	**Initial Experience Gains (b)**	**Amounts Recognized in Pension Expense through June 30, 2015 (c)**	**Deferred Outflows of Resources (a) – (c)**	**Deferred Inflows of Resources (b) – (c)**
2014	$0	$0	$0	$0	$0
2015	0	(592,555)	(111,803)	0	(480,752)
				$0	**$(480,752)**

Exhibit F

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 Dates)						
Measurement Date	**Initial Differences between Projected and Actual Earnings on Pension Plan Investments**	**Remaining Period (Years)**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**Remaining**
2014	$(98,188,251)	4.0	$(19,637,650)	$(19,637,650)	$(19,637,650)	$(19,637,651)	$0	$0	$0
2015	61,061,962	5.0	12,212,392	12,212,392	12,212,392	12,212,392	12,212,394	0	0
Net Increase (Decrease) in Pension Expense			**$(7,425,258)**	**$(7,425,258)**	**$(7,425,258)**	**$(7,425,259)**	**$12,212,394**	**$0**	**$0**

Exhibit F

Deferred Outflows of Resources and Deferred Inflows of Resources arising from Differences between Projected and Actual Earnings on Pension Plan Investments

				Balances at June 30, 2015	
Measurement Date	**Initial Investment Earnings less than Projected (a)**	**Initial Investment Earnings greater than Projected (b)**	**Amounts Recognized in Pension Expense through June 30, 2015 (c)**	**Deferred Outflows of Resources (a) – (c)**	**Deferred Inflows of Resources (b) – (c)**
2014	$0	$(98,188,251)	$(39,275,300)	$0	$(58,912,951)
2015	61,061,962	0	12,212,392	48,849,570	0
				$48,849,570	**$(58,912,951)**

Exhibit F

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

	Net Increase (Decrease) in Pension Expense (Measurement Periods)						
	2015	**2016**	**2017**	**2018**	**2019**	**2020**	**Remaining**
Changes of Assumptions	$(5,397,028)	$(5,397,028)	$(5,397,028)	$(5,397,028)	$(5,397,028)	$(1,619,109)	$0
Differences between Expected and Actual Experience	(111,803)	(111,803)	(111,803)	(111,803)	(111,803)	(33,540)	0
Differences between Projected and Actual Earnings on Pension Plan Investments	(7,425,258)	(7,425,258)	(7,425,258)	(7,425,259)	12,212,394	0	0
Grand Total	**$(12,934,089)**	**$(12,934,089)**	**$(12,934,089)**	**$(12,934,090)**	**$6,703,563**	**$(1,652,649)**	**$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 in the 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	$1,518,032,078	100%	7.65%	$116,129,454
Changes of Benefit Terms	0	100%	7.65%	0
Changes of Assumptions	(28,604,249)	100%	7.65%	(2,188,225)
Difference between Expected and Actual Experience	(592,555)	100%	7.65%	(45,330)
Service Cost	29,653,042	50%	7.65%	1,134,229
Benefit Payments, including Refunds of Employee Contributions	(70,544,699)	50%	7.65%	(2,698,335)
Total Interest on the Total Pension Liability				**$112,331,793**

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]	$1,142,193,983	100%	7.65%	$87,377,840
Plan to Plan Resource Movement	533	50%	7.65%	20
Employer Contributions	30,798,271	50%	7.65%	1,178,034
Employee Contributions	15,564,873	50%	7.65%	595,356
Benefit Payments, including Refunds of Employee Contributions	(70,544,699)	50%	7.65%	(2,698,335)
Administrative Expense	(1,287,544)	50%	7.65%	(49,249)
Total Projected Earnings				**$86,403,666**

[1] Contribution receivables for employee service buybacks, totaling $1,907,188 as of June 30, 2014, were excluded for purposes of calculating projected earnings on pension plan investments.

Exhibit G

GASB 68 ACCOUNTING VALUATION REPORT

(CalPERS ID: 7903930500)
Rate Plan Identifier: 1209

Prepared for
CITY OF SACRAMENTO MISCELLANEOUS PLAN,
an Agent Multiple-Employer Defined Benefit Pension Plan

Measurement Date of June 30, 2016

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APPENDIX B – INTEREST AND TOTAL PROJECTED EARNINGS

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

Actuarial Certification

This report provides disclosure and 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, 2016.

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

This accounting valuation report relies on liabilities and related validation work performed by the CalPERS Actuarial Office as part of the June 30, 2015 annual funding valuation for the Plan. The census data and benefit provisions underlying the liabilities were prepared as of June 30, 2015 and certified as part of the annual funding valuation by the CalPERS Actuarial Office. The June 30, 2015 liabilities, which were rolled forward to June 30, 2016 and used for this accounting valuation are based on actuarial assumptions adopted by the CalPERS Board of Administration and consistent with the requirements of GASB 68. The assumptions and methods are internally consistent and reasonable for this Plan.

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.

The undersigned is an actuary for CalPERS, who is a member of the American Academy of Actuaries and the Society of Actuaries and meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

MAY SHUANG YU, ASA, MAAA
Senior Pension Actuary, CalPERS
CalPERS Actuarial Office

Introduction

This is the GASB 68 Accounting Valuation Report for the measurement date June 30, 2016. Notes to the Agent Multiple-Employer Defined Benefit Pension Plan GASB 68 Accounting Valuation 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, 2015
Measurement Date	June 30, 2016
Measurement Period	June 30, 2015 to June 30, 2016

Pension Plan Fiduciary Net Position

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

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: 06/30/2015	**$1,047,046,033**	**$813,427,940**	**$233,618,093**
Changes Recognized for the Measurement Period:			
Service Cost	$23,374,624		$23,374,624
Interest on Total Pension Liability	79,514,856		79,514,856
Changes of Benefit Terms	0		0
Changes of Assumptions	0		0
Differences between Expected and Actual Experience	(333,340)		(333,340)
Plan to Plan Resource Movement		$530,976	(530,976)
Contributions – Employer		25,962,718	(25,962,718)
Contributions – Employees		11,991,032	(11,991,032)
Net Investment Income		4,260,663	(4,260,663)
Benefit Payments, including Refunds of Employee Contributions	(37,980,223)	(37,980,223)	0
Administrative Expense		(495,742)	495,742
Other Miscellaneous Income	0	0	0
Net Changes during 2015-16	**$64,575,917**	**$4,269,424**	**$60,306,493**
Balance at: 06/30/2016	**$1,111,621,950**	**$817,697,364**	**$293,924,586**

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

	Discount Rate -1% 6.65%	**Current Discount Rate 7.65%**	**Discount Rate + 1% 8.65%**
Plan's Net Pension Liability/(Asset)	$456,441,485	$293,924,586	$160,617,019

Pension Expense/(Income) for Measurement Period Ended June 30, 2016

Description	Amount
Service Cost	$23,374,624
Interest on Total Pension Liability	79,514,856
Changes of Benefit Terms	0
Recognized Changes of Assumptions	(6,949,264)
Recognized Differences between Expected and Actual Experience	(3,168,109)
Net Plan to Plan Resource Movement	(530,976)
Employee Contributions	(11,991,032)
Projected Earnings on Pension Plan Investments	(62,054,360)
Recognized Differences between Projected and Actual Earnings on Plan Investments	6,604,518
Administrative Expense	495,742
Other Miscellaneous Income	0
Total Pension Expense/(Income)	**$25,295,999**

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, 2016. 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	$(6,254,339)
Differences between Expected and Actual Experiences	0	(2,973,524)
Net Difference between Projected and Actual Earnings on Pension Plan Investments	71,896,022	(27,015,819)
Total	**$71,896,022**	**$(36,243,682)**

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**
2017	$(2,512,231)
2018	6,493,403
2019	20,112,427
2020	11,558,741
2021	0
Thereafter	0

Note: For employers with June 30th year-end, the fiscal year will be one year later than the measurement period. For example, the 2017 measurement period presented in the above table will be listed as year 2018 in the employer's fiscal year ending June 30, 2017 financial statements.

Expected Average Remaining Service Lifetime (EARSL)

The EARSL for the Plan for the measurement period ending June 30, 2016 is 3.0 years, which was obtained by dividing the total service years of 26,128 (the sum of remaining service lifetimes of the active employees) by 8,761 (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.

Exhibit G

Schedules of Required Supplementary Information

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

Measurement Period	2016	2015	2014
TOTAL PENSION LIABILITY:			
Service Cost	$23,374,624	$22,342,045	$23,109,946
Interest on Total Pension Liability	79,514,856	74,834,991	70,942,490
Changes of Benefit Terms	0	0	0
Changes of Assumptions	0	(20,152,867)	0
Difference between Expected and Actual Experience	(333,340)	(8,865,289)	0
Benefit Payments, Including Refunds of Employee Contributions	(37,980,223)	(34,390,309)	(30,239,753)
Net Change in Total Pension Liability	**$64,575,917**	**$33,768,571**	**$63,812,683**
Total Pension Liability – Beginning	1,047,046,033	1,013,277,462	949,464,779
Total Pension Liability – Ending (a)	**$1,111,621,950**	**$1,047,046,033**	**$1,013,277,462**
PLAN FIDUCIARY NET POSITION			
Contributions – Employer	$25,962,718	$22,826,829	$21,613,131
Contributions – Employee	11,991,032	11,302,316	11,670,231
Net Investment Income	4,260,663	18,046,623	118,325,674
Benefit Payments, Including Refunds of Employee Contributions	(37,980,223)	(34,390,309)	(30,239,753)
Net Plan to Plan Resource Movement	530,976	(3,066,289)	0
Administrative Expense	(495,742)	(921,940)	0
Other Miscellaneous Income	0	0	0
Net Change in Fiduciary Net Position	**$4,269,424**	**$13,797,230**	**$121,369,283**
Plan Fiduciary Net Position – Beginning	$813,427,940	$799,630,710	$678,261,427
Plan Fiduciary Net Position – Ending (b)	817,697,364	813,427,940	799,630,710
Plan Net Pension Liability/(Asset) – (a)-(b)	**$293,924,586**	**$233,618,093**	**$213,646,752**
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	**73.56%**	**77.69%**	**78.92%**
Covered Payroll	$166,402,958	$157,449,221	$156,032,311
Plan Net Pension Liability/Asset) as a Percentage of Covered Payroll	**176.63%**	**148.38%**	**136.92%**

Notes to Schedule of Changes in Net Pension Liability and Related Ratios:
Benefit Changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2015 valuation date. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes of Assumptions: In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense.) In 2014, amounts reported were based on the 7.5 percent discount rate.

Exhibit G

Schedule of Plan Contributions for the Fiscal Years Ended June 30[1]

Employer Fiscal Year End	**2016**	**2015**	**2014**
Actuarially Determined Contribution[2]	$25,962,718	$22,826,829	$21,613,131
Contributions in Relation to the Actuarially Determined Contribution[2]	(25,962,718)	(22,826,829)	(21,613,131)
Contribution Deficiency (Excess)	$0	$0	$0
Covered Payroll [3]	$166,402,958	$157,449,221	$156,032,311
Contributions as a Percentage of Covered Payroll[3]	15.60%	14.50%	13.85%

[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 3.00 percent payroll assumption.

Exhibit G

Notes to Schedule of Plan Contributions:

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2015-16 were derived from the June 30, 2013 funding valuation report.

Actuarial Cost Method	Entry Age Normal
Amortization Method/Period	For details, see June 30, 2013 Funding Valuation Report.
Asset Valuation Method	Market Value of Assets. For details, see June 30, 2013 Funding Valuation Report.
Inflation	2.75%
Salary Increases	Varies by Entry Age and Service
Payroll Growth	3.00%
Investment Rate of Return	7.50 Net of Pension Plan Investment and Administrative Expenses; includes Inflation.
Retirement Age	The probabilities of Retirement are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007.
Mortality	The probabilities of mortality are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007. Pre-retirement and Post-retirement mortality rates include 5 years of projected mortality improvement using Scale AA published by the Society of Actuaries.

Other Information:
For changes to previous year's 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**
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Exhibit G

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)**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**Thereafter**
2014	$0	0	$0	$0	$0	$0	$0	$0	$0
2015	(20,152,867)	2.9	(6,949,264)	(6,254,339)	0	0	0	0	0
2016	0	0	0	0	0	0	0	0	0
Net Increase (Decrease) in Pension Expense			**$(6,949,264)**	**$(6,254,339)**	**$0**	**$0**	**$0**	**$0**	**$0**

Exhibit G

Deferred Outflows of Resources and Deferred Inflows of Resources arising from Changes of Assumptions

				Balances at June 30, 2016	
Measurement Date	**Increase in Total Pension Liability (a)**	**Decrease in Total Pension Liability (b)**	**Amounts Recognized in Pension Expense through June 30, 2016 (c)**	**Deferred Outflows of Resources (a) – (c)**	**Deferred Inflows of Resources (b) – (c)**
2014	$0	$0	$0	$0	$0
2015	0	(20,152,867)	(13,898,528)	0	(6,254,339)
2016	0	0	0	0	0
				$0	**$(6,254,339)**

Exhibit G

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)**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**Thereafter**
2014	$0	0	$0	$0	$0	$0	$0	$0	$0
2015	(8,865,289)	2.9	(3,056,996)	(2,751,297)	0	0	0	0	0
2016	(333,340)	3.0	(111,113)	(111,113)	(111,114)	0	0	0	0
Net Increase (Decrease) in Pension Expense			**$(3,168,109)**	**$(2,862,410)**	**$(111,114)**	**$0**	**$0**	**$0**	**$0**

Exhibit G

Deferred Outflows of Resources and Deferred Inflows of Resources arising from Differences between Expected and Actual Experience

				Balances at June 30, 2016	
Measurement Date	**Experience Losses (a)**	**Experience Gains (b)**	**Amounts Recognized in Pension Expense through June 30, 2016 (c)**	**Deferred Outflows of Resources (a) – (c)**	**Deferred Inflows of Resources (b) – (c)**
2014	$0	$0	$0	$0	$0
2015	0	(8,865,289)	(6,113,992)	0	(2,751,297)
2016	0	(333,340)	(111,113)	0	(222,227)
				$0	**$(2,973,524)**

Exhibit G

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)**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**Thereafter**
2014	$(67,539,546)	5.0	$(13,507,909)	$(13,507,909)	$(13,507,910)	$0	$0	$0	$0
2015	42,768,440	5.0	8,553,688	8,553,688	8,553,688	8,553,688	0	0	0
2016	57,793,697	5.0	11,558,739	11,558,739	11,558,739	11,558,739	11,558,741	0	0
Net Increase (Decrease) in Pension Expense			**$6,604,518**	**$6,604,518**	**$6,604,517**	**$20,112,427**	**$11,558,741**	**$0**	**$0**

Exhibit G

Deferred Outflows of Resources and Deferred Inflows of Resources arising from Differences between Projected and Actual Earnings on Pension Plan Investments

				Balances at June 30, 2016	
Measurement Date	**Investment Earnings less than Projected (a)**	**Investment Earnings greater than Projected (b)**	**Amounts Recognized in Pension Expense through June 30, 2016 (c)**	**Deferred Outflows of Resources (a) – (c)**	**Deferred Inflows of Resources (b) – (c)**
2014	$0	$(67,539,546)	$(40,523,727)	$0	$(27,015,819)
2015	42,768,440	0	17,107,376	25,661,064	0
2016	57,793,697	0	11,558,739	46,234,958	0
				$71,896,022	**$(27,015,819)**

Exhibit G

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

	Net Increase (Decrease) in Pension Expense (Measurement Periods)						
	2016	**2017**	**2018**	**2019**	**2020**	**2021**	**Thereafter**
Changes of Assumptions	$(6,949,264)	$(6,254,339)	$0	$0	$0	$0	$0
Differences between Expected and Actual Experience	(3,168,109)	(2,862,410)	(111,114)	0	0	0	0
Net Differences between Projected and Actual Earnings on Pension Plan Investments	6,604,518	6,604,518	6,604,517	20,112,427	11,558,741	0	0
Grand Total	**$(3,512,855)**	**$(2,512,231)**	**$6,493,403**	**$20,112,427**	**$11,558,741**	**$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 in the 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	$1,047,046,033	100%	7.65%	$80,099,022
Changes of Benefit Terms	0	100%	7.65%	0
Changes of Assumptions	0	100%	7.65%	0
Difference between Expected and Actual Experience	(333,340)	100%	7.65%	(25,501)
Service Cost	23,374,624	50%	7.65%	894,079
Benefit Payments, including Refunds of Employee Contributions	(37,980,223)	50%	7.65%	(1,452,744)
Total Interest on the Total Pension Liability				**$79,514,856**

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]	$811,163,720	100%	7.65%	$62,054,025
Net Plan to Plan Resource Movement	530,976	50%	7.65%	20,310
Employer Contributions	25,962,718	50%	7.65%	993,074
Employee Contributions	11,991,032	50%	7.65%	458,657
Benefit Payments, including Refunds of Employee Contributions	(37,980,223)	50%	7.65%	(1,452,744)
Administrative Expense	(495,742)	50%	7.65%	(18,962)
Other Miscellaneous Income	0	50%	7.65%	0
Total Projected Earnings				**$62,054,360**

[1] Contribution receivables for employee service buybacks, totaling $2,264,220 as of June 30, 2015, were excluded for purposes of calculating projected earnings on pension plan investments.

Exhibit H

GASB 68 ACCOUNTING VALUATION REPORT

(CalPERS ID: 7903930500)
Rate Plan Identifier: 1210

Prepared for
CITY OF SACRAMENTO SAFETY PLAN,
an Agent Multiple-Employer Defined Benefit Pension Plan

Measurement Date of June 30, 2016

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APPENDIX B – INTEREST AND TOTAL PROJECTED EARNINGS

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

Actuarial Certification

This report provides disclosure and 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, 2016.

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

This accounting valuation report relies on liabilities and related validation work performed by the CalPERS Actuarial Office as part of the June 30, 2015 annual funding valuation for the Plan. The census data and benefit provisions underlying the liabilities were prepared as of June 30, 2015 and certified as part of the annual funding valuation by the CalPERS Actuarial Office. The June 30, 2015 liabilities, which were rolled forward to June 30, 2016 and used for this accounting valuation are based on actuarial assumptions adopted by the CalPERS Board of Administration and consistent with the requirements of GASB 68. The assumptions and methods are internally consistent and reasonable for this Plan.

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.

The undersigned is an actuary for CalPERS, who is a member of the American Academy of Actuaries and the Society of Actuaries and meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

MAY SHUANG YU, ASA, MAAA
Senior Pension Actuary, CalPERS
CalPERS Actuarial Office

Introduction

This is the GASB 68 Accounting Valuation Report for the measurement date June 30, 2016. Notes to the Agent Multiple-Employer Defined Benefit Pension Plan GASB 68 Accounting Valuation 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, 2015
Measurement Date	June 30, 2016
Measurement Period	June 30, 2015 to June 30, 2016

Pension Plan Fiduciary Net Position

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

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: 06/30/2015	**$1,560,275,410**	**$1,143,974,309**	**$416,301,101**
Changes Recognized for the Measurement Period:			
Service Cost	$31,672,063		$31,672,063
Interest on Total Pension Liability	118,821,553		118,821,553
Changes of Benefit Terms	0		0
Changes of Assumptions	0		0
Differences between Expected and Actual Experience	14,397,639		14,397,639
Plan to Plan Resource Movement		$(340)	340
Contributions – Employer		36,000,897	(36,000,897)
Contributions – Employees		18,465,310	(18,465,310)
Net Investment Income		4,971,102	(4,971,102)
Benefit Payments, including Refunds of Employee Contributions	(74,572,323)	(74,572,323)	0
Administrative Expense		(697,193)	697,193
Other Miscellaneous Income	0	0	0
Net Changes during 2015-16	**$90,318,932**	**$(15,832,547)**	**$106,151,479**
Balance at: 06/30/2016	**$1,650,594,342**	**$1,128,141,762**	**$522,452,580**

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

	Discount Rate -1% 6.65%	**Current Discount Rate 7.65%**	**Discount Rate + 1% 8.65%**
Plan's Net Pension Liability/(Asset)	$751,583,518	$522,452,580	$334,498,798

Pension Expense/(Income) for Measurement Period Ended June 30, 2016

Description	Amount
Service Cost	$31,672,063
Interest on Total Pension Liability	118,821,553
Changes of Benefit Terms	0
Recognized Changes of Assumptions	(5,397,028)
Recognized Differences between Expected and Actual Experience	2,656,974
Net Plan to Plan Resource Movement	340
Employee Contributions	(18,465,310)
Projected Earnings on Pension Plan Investments	(86,590,558)
Recognized Differences between Projected and Actual Earnings on Plan Investments	8,898,633
Administrative Expense	697,193
Other Miscellaneous Income	0
Total Pension Expense/(Income)	**$52,293,860**

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, 2016. 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	$(17,810,193)
Differences between Expected and Actual Experiences	11,628,862	(368,949)
Net Difference between Projected and Actual Earnings on Pension Plan Investments	101,932,743	(39,275,301)
Total	**$113,561,605**	**$(57,454,443)**

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**
2017	$6,158,579
2018	6,158,578
2019	25,796,231
2020	17,440,020
2021	553,754
Thereafter	0

Note: For employers with June 30th year-end, the fiscal year will be one year later than the measurement period. For example, the 2017 measurement period presented in the above table will be listed as year 2018 in the employer's fiscal year ending June 30, 2017 financial statements.

Expected Average Remaining Service Lifetime (EARSL)

The EARSL for the Plan for the measurement period ending June 30, 2016 is 5.2 years, which was obtained by dividing the total service years of 14,040 (the sum of remaining service lifetimes of the active employees) by 2,678 (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.

Exhibit H

Schedules of Required Supplementary Information

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

Measurement Period	2016	2015	2014
TOTAL PENSION LIABILITY:			
Service Cost	$31,672,063	$29,653,042	$29,538,887
Interest on Total Pension Liability	118,821,553	112,331,793	107,188,618
Changes of Benefit Terms	0	0	0
Changes of Assumptions	0	(28,604,249)	0
Difference between Expected and Actual Experience	14,397,639	(592,555)	0
Benefit Payments, Including Refunds of Employee Contributions	(74,572,323)	(70,544,699)	(66,215,114)
Net Change in Total Pension Liability	**$90,318,932**	**$42,243,332**	**$70,512,391**
Total Pension Liability – Beginning	1,560,275,410	1,518,032,078	1,447,519,687
Total Pension Liability – Ending (a)	**$1,650,594,342**	**$1,560,275,410**	**$1,518,032,078**
PLAN FIDUCIARY NET POSITION			
Contributions – Employer	$36,000,897	$30,798,271	$27,934,662
Contributions – Employee	18,465,310	15,564,873	16,094,362
Net Investment Income	4,971,102	25,341,704	171,794,710
Benefit Payments, Including Refunds of Employee Contributions	(74,572,323)	(70,544,699)	(66,215,114)
Net Plan to Plan Resource Movement	(340)	533	0
Administrative Expense	(697,193)	(1,287,544)	0
Other Miscellaneous Income	0	0	0
Net Change in Fiduciary Net Position	**$(15,832,547)**	**$(126,862)**	**$149,608,620**
Plan Fiduciary Net Position – Beginning	$1,143,974,309	$1,144,101,171	$994,492,551
Plan Fiduciary Net Position – Ending (b)	1,128,141,762	1,143,974,309	1,144,101,171
Plan Net Pension Liability/(Asset) – (a)-(b)	**$522,452,580**	**$416,301,101**	**$373,930,907**
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	**68.35%**	**73.32%**	**75.37%**
Covered Payroll	$120,120,082	$112,067,431	$107,176,397
Plan Net Pension Liability/Asset) as a Percentage of Covered Payroll	**434.94%**	**371.47%**	**348.89%**

Notes to Schedule of Changes in Net Pension Liability and Related Ratios:
Benefit Changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2015 valuation date. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes of Assumptions: In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense.) In 2014, amounts reported were based on the 7.5 percent discount rate.

Exhibit H

Schedule of Plan Contributions for the Fiscal Years Ended June 30[1]

Employer Fiscal Year End	**2016**	**2015**	**2014**
Actuarially Determined Contribution[2]	$36,000,897	$30,798,271	$27,934,662
Contributions in Relation to the Actuarially Determined Contribution[2]	(36,000,897)	(30,798,271)	(27,934,662)
Contribution Deficiency (Excess)	$0	$0	$0
Covered Payroll [3]	$120,120,082	$112,067,431	$107,176,397
Contributions as a Percentage of Covered Payroll[3]	29.97%	27.48%	26.06%

[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 3.00 percent payroll assumption.

Exhibit H

Notes to Schedule of Plan Contributions:

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2015-16 were derived from the June 30, 2013 funding valuation report.

Actuarial Cost Method	Entry Age Normal
Amortization Method/Period	For details, see June 30, 2013 Funding Valuation Report.
Asset Valuation Method	Market Value of Assets. For details, see June 30, 2013 Funding Valuation Report.
Inflation	2.75%
Salary Increases	Varies by Entry Age and Service
Payroll Growth	3.00%
Investment Rate of Return	7.50 Net of Pension Plan Investment and Administrative Expenses; includes Inflation.
Retirement Age	The probabilities of Retirement are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007.
Mortality	The probabilities of mortality are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007. Pre-retirement and Post-retirement mortality rates include 5 years of projected mortality improvement using Scale AA published by the Society of Actuaries.

Other Information:
For changes to previous year's 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**

Exhibit H

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)**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**Thereafter**
2014	$0	0	$0	$0	$0	$0	$0	$0	$0
2015	(28,604,249)	5.3	(5,397,028)	(5,397,028)	(5,397,028)	(5,397,028)	(1,619,109)	0	0
2016	0	0	0	0	0	0	0	0	0
Net Increase (Decrease) in Pension Expense			**$(5,397,028)**	**$(5,397,028)**	**$(5,397,028)**	**$(5,397,028)**	**$(1,619,109)**	**$0**	**$0**

Exhibit H

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, 2016 (c)	Balances at June 30, 2016	
				Deferred Outflows of Resources (a) – (c)	Deferred Inflows of Resources (b) – (c)
2014	$0	$0	$0	$0	$0
2015	0	(28,604,249)	(10,794,056)	0	(17,810,193)
2016	0	0	0	0	0
				$0	**$(17,810,193)**

Exhibit H

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)**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**Thereafter**
2014	$0	0	$0	$0	$0	$0	$0	$0	$0
2015	(592,555)	5.3	(111,803)	(111,803)	(111,803)	(111,803)	(33,540)	0	0
2016	14,397,639	5.2	2,768,777	2,768,777	2,768,777	2,768,777	2,768,777	553,754	0
Net Increase (Decrease) in Pension Expense			**$2,656,974**	**$2,656,974**	**$2,656,974**	**$2,656,974**	**$2,735,237**	**$553,754**	**$0**

Exhibit H

Deferred Outflows of Resources and Deferred Inflows of Resources arising from Differences between Expected and Actual Experience

				Balances at June 30, 2016	
Measurement Date	**Experience Losses (a)**	**Experience Gains (b)**	**Amounts Recognized in Pension Expense through June 30, 2016 (c)**	**Deferred Outflows of Resources (a) – (c)**	**Deferred Inflows of Resources (b) – (c)**
2014	$0	$0	$0	$0	$0
2015	0	(592,555)	(223,606)	0	(368,949)
2016	14,397,639	0	2,768,777	11,628,862	0
				$11,628,862	**$(368,949)**

Exhibit H

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)**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**Thereafter**
2014	$(98,188,251)	5.0	$(19,637,650)	$(19,637,650)	$(19,637,651)	$0	$0	$0	$0
2015	61,061,962	5.0	12,212,392	12,212,392	12,212,392	12,212,394	0	0	0
2016	81,619,456	5.0	16,323,891	16,323,891	16,323,891	16,323,891	16,323,892	0	0
Net Increase (Decrease) in Pension Expense			**$8,898,633**	**$8,898,633**	**$8,898,632**	**$28,536,285**	**$16,323,892**	**$0**	**$0**

Exhibit H

Deferred Outflows of Resources and Deferred Inflows of Resources arising from Differences between Projected and Actual Earnings on Pension Plan Investments

				Balances at June 30, 2016	
Measurement Date	**Investment Earnings less than Projected (a)**	**Investment Earnings greater than Projected (b)**	**Amounts Recognized in Pension Expense through June 30, 2016 (c)**	**Deferred Outflows of Resources (a) – (c)**	**Deferred Inflows of Resources (b) – (c)**
2014	$0	$(98,188,251)	$(58,912,950)	$0	$(39,275,301)
2015	61,061,962	0	24,424,784	36,637,178	0
2016	81,619,456	0	16,323,891	65,295,565	0
				$101,932,743	**$(39,275,301)**

Exhibit H

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

	Net Increase (Decrease) in Pension Expense (Measurement Periods)						
	2016	**2017**	**2018**	**2019**	**2020**	**2021**	**Thereafter**
Changes of Assumptions	$(5,397,028)	$(5,397,028)	$(5,397,028)	$(5,397,028)	$(1,619,109)	$0	$0
Differences between Expected and Actual Experience	2,656,974	2,656,974	2,656,974	2,656,974	2,735,237	553,754	0
Net Differences between Projected and Actual Earnings on Pension Plan Investments	8,898,633	8,898,633	8,898,632	28,536,285	16,323,892	0	0
Grand Total	**$6,158,579**	**$6,158,579**	**$6,158,578**	**$25,796,231**	**$17,440,020**	**$553,754**	**$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 in the 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	$1,560,275,410	100%	7.65%	$119,361,069
Changes of Benefit Terms	0	100%	7.65%	0
Changes of Assumptions	0	100%	7.65%	0
Difference between Expected and Actual Experience	14,397,639	100%	7.65%	1,101,419
Service Cost	31,672,063	50%	7.65%	1,211,456
Benefit Payments, including Refunds of Employee Contributions	(74,572,323)	50%	7.65%	(2,852,391)
Total Interest on the Total Pension Liability				**$118,821,553**

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]	$1,142,304,551	100%	7.65%	$87,386,298
Net Plan to Plan Resource Movement	(340)	50%	7.65%	(13)
Employer Contributions	36,000,897	50%	7.65%	1,377,034
Employee Contributions	18,465,310	50%	7.65%	706,298
Benefit Payments, including Refunds of Employee Contributions	(74,572,323)	50%	7.65%	(2,852,391)
Administrative Expense	(697,193)	50%	7.65%	(26,668)
Other Miscellaneous Income	0	50%	7.65%	0
Total Projected Earnings				**$86,590,558**

[1] Contribution receivables for employee service buybacks, totaling $1,669,758 as of June 30, 2015, were excluded for purposes of calculating projected earnings on pension plan investments.

Exhibit I

City of SACRAMENTO

BARTEL ASSOCIATES, LLC

RETIREE HEALTHCARE PLAN

June 30, 2015 GASB 45 Actuarial Valuation
Final Results

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January 25, 2016

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Participant Statistics	5
Actuarial Assumption Highlights	7
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Exhibit 1

BENEFIT SUMMARY

	Fire	Police & Miscellaneous
■ Eligibility	■ 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	
■ Medical, Dental, & Vision Benefit	■ 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 ■ 2015 = $774.28/mo 2016 = $761.63/mo ■ Service % 10 50% 15 75% 20+ 100% ID&D 100%	■ Retiree only - $300/mo ■ Retiree + Dependents - $365/mo ■ Service % 10 50% 15 75% 20+ 100% ID&D 100% ■ Future retirees in WCE, Auto Marine & Specialty Painters, and Unrepresented – not allowed to participate in City health plans when Medicare-eligible

BENEFIT SUMMARY

	Fire	Police & Miscellaneous
■ Plan Change for New Hires[1]	■ Pre-Medicare - $774/mo ■ Post-Medicare - $387/mo ■ Service % 10 50% 15 75% 20+ 100% ID&D 100%	■ No City cash contribution but allowed to participate in City health plans
■ Pre 1/1/91 Deferred Retirement	■ None	■ Eligibility: Age 50 & 10 years ■ Service % 10 50% 20+ 100%
■ Surviving Spouse Benefit	■ Same benefit continues to surviving spouse	

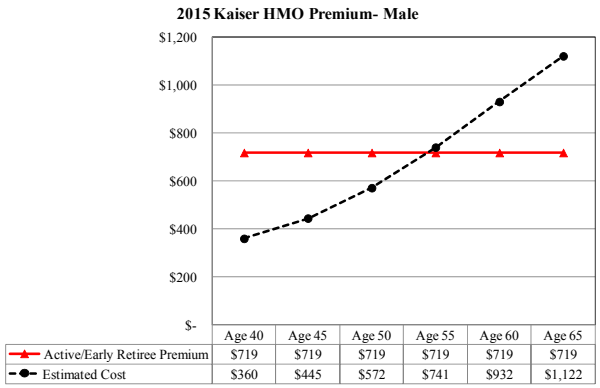
[1] Hired after 1/14/15 for Fire, after 9/3/13 for Police, after 6/30/12 for Exempt Employees and Stationary Engineers, after 7/20/12 for Unrepresented, after 11/15/14 for Plumbers and Pipe Fitters, and after 6/30/13 for remaining bargaining units.

BENEFIT SUMMARY

	Fire	Police & Miscellaneous
■ Other OPEB	■ No City contribution for life insurance or Medicare Part B premiums	
■ Fire Department Unit Trust	■ Effective 6/27/15 ■ Sub-account in City's CERBT account ■ Member Contribution: $45/mo ■ City Contribution: $45/mo	■ n/a
■ Pay-As-You-Go Costs ($000's)	Fiscal Year / Cash / Implied Subsidy / Total ■ 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	

BENEFIT SUMMARY

	Fire	Police & Miscellaneous
■ Implied Subsidy	■ Non-Medicare eligible retirees pay active rates instead of actual cost ■ Active employee premiums subsidize retiree cost	



- ■ GASB 45 includes active "implied subsidy" with retiree cost
- ■ Medical:
  - Value to age 65 for Medicare eligible retirees
  - Value for life for non Medicare eligible retirees
- ■ Dental: no implied subsidy valued

EXHIBIT 1

Participant Statistics – June 30, 2015

	Misc	Police	Fire	Total
■ Actives				
• Count	2,176	788	549	3,513
• Average Age	47.2	38.2	41.6	44.3
• Average City Service	13.1	12.3	13.1	12.9
• Average Salary	$ 70,078	$ 84,709	$ 93,689	$ 77,050
• Total Salary ($000's)	152,491	66,751	51,436	270,677
■ Pre 1/1/91 Inactive Vested				
• Count	18	1	-	19
• Average Age	66.2	74.1	-	66.6
■ Retirees				
• Count - Medical	1,109	309	397	1,815
• Count - Dental	1,501	492	471	2,464
• Count - Total	2,007	593	524	3,124
• Average Age	70.6	66.7	71.0	69.9
• Average Retirement Age	58.3	50.9	54.3	56.2

Participant Statistics – June 30, 2013

	Misc	Police	Fire	Total
■ Actives				
• Count	2,132	770	542	3,444
• Average Age	46.7	37.4	40.3	43.6
• Average City Service	12.7	11.5	11.9	12.3
• Average Salary	$ 68,273	$ 83,075	$ 88,508	$ 74,767
• Total Salary ($000's)	145,559	63,968	47,971	257,498
■ Pre 1/1/91 Inactive Vested				
• Count	20	1	-	21
• Average Age	64.1	72.1	-	64.5
■ Retirees				
• Count - Medical	1,118	314	433	1,865
• Count - Dental	1,468	486	476	2,430
• Count - Total	1,950	588	529	3,067
• Average Age	69.4	65.6	69.5	68.7
• Average Retirement Age	58.1	50.7	54.1	56.0

ACTUARIAL ASSUMPTIONS HIGHLIGHTS

Exhibit 1

	June 30, 2013 Valuation	June 30, 2015 Valuation
■ Valuation Date	■ June 30, 2013 ■ Fiscal Years 2014/15 & 2015/16	■ June 30, 2015 ■ Fiscal Years 2016/17 & 2017/18
■ Discount Rate	■ 4.50% – Pre-fund with one time resources ■ CERBT asset allocation strategy #1	■ Same
■ Retirement, Mortality, Termination, Disability	■ CalPERS – 1997-2011 Experience Study ■ SCERS – 6/30/13 Valuation Assumptions ■ Post Retirement Mortality Projection Scale AA	■ CalPERS – 1997-2011 Experience Study ■ SCERS – 6/30/13 Valuation Assumptions ■ Mortality projected fully generational with Scale MP-14, modified to converge to ultimate improvement rates in year 2022

ACTUARIAL ASSUMPTIONS HIGHLIGHTS

	June 30, 2013 Valuation			June 30, 2015 Valuation		
■ Medical Trend		Increase from Prior Year			Increase from Prior Year	
		Non-Medicare	Medicare		Non-Medicare	Medicare
	Year	All Plans		Year	All Plans	
	2013	Actual 2013 Premiums		2013	n/a	
	2014	Actual 2014 Premiums		2014	n/a	
	2015	8.0%	8.3%	2015	Actual 2015 Premiums	
	2016	7.5%	7.8%	2016	Actual 2016 Premiums	
	2017	7.0%	7.2%	2017	7.0%	7.2%
	2018	6.5%	6.7%	2018	6.5%	6.7%
	2019	6.0%	6.1%	2019	6.0%	6.1%
	2020	5.5%	5.6%	2020	5.5%	5.6%
	2021+	5.0%	5.0%	2021+	5.0%	5.0%

ACTUARIAL ASSUMPTIONS HIGHLIGHTS

	June 30, 2013 Valuation	June 30, 2015 Valuation
■ Cap Increase Rates	■ Fire: • Lowest cost medical premium – medical trend • Highest benefit dental premium – dental trend ■ Misc & Police: 3%	■ Fire hired <1/14/15: • Lowest cost $25 co-pay medical premium – medical trend • Lowest cost PPO dental premium – dental trend ■ All Misc, All Police, and Fire hired ≥ 1/14/15: 3% starting 2017
■ Participation at Retirement	■ Based on medical coverage: • Currently covered – 100% • Currently waived – 80%	■ Based on % of benefit earned at retirement:

% of Benefit Earned	Participation Assumption
0%	10%
50%	40%
75%	55%
100%	75%

ACTUARIAL ASSUMPTIONS HIGHLIGHTS

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Exhibit 1

ACTUARIAL METHODS

Method	June 30, 2013 Valuation	June 30, 2015 Valuation
■ Cost Method	■ Entry Age Normal	
■ Funding Policy	■ Pre-fund one time resources with CERBT asset allocation strategy #1	
■ Actuarial Value of Assets	■ Methodology: • Investment gains/losses spread over 5-year rolling period • Not less than 80% nor more than 120% of market value • Same as CalPERS but shorter period ■ Allocation to Misc/Police/Fire: • Fire Department Unit Trust assets allocated to Fire group • Remaining assets allocated to Misc/Police/Fire in proportion to liability	
■ Amortization Method	■ Level percent of payroll	

ACTUARIAL METHODS

Method	June 30, 2013 Valuation	June 30, 2015 Valuation
■ Amortization Period	■ 20 year closed fresh start amortization of 6/30/14 UAAL (18 years remaining on 6/30/16) ■ 15 years (closed) – subsequent gains/losses, assumption changes, and method changes ■ Maximum 30 years combined period allowed	
■ Implied Subsidy	■ Employer cost for allowing non Medicare-eligible retirees to participate at active rates ■ Medical - implied subsidy valued ■ Dental - none	

Market Value of Plan Assets
(Amounts in 000's)

Market Value of Assets	2014/15	Projected 2015/16		
	CERBT	CERBT	CERBT Fire Sub-Account[2]	Total
■ MVA (Beginning of Year)	$ 4,254	$ 5,239	$ 0	$ 5,239
• Employer Contribution	1,000	8,453[3]	267	8,720
• Employee Contribution	0	0	267	267
• Benefit Payment	(0)	(0)	(0)	(0)
• Administrative Expenses	(5)	-	-	-
• Investment Return	(9)	682	18	700
■ MVA (End of Year)	5,239	14,374	552	14,926
■ Approximate Annual Return	(0.3%)	7.25%	7.25%	7.25%

[2] Projected $45/mo. employee contributions and $45/mo. employer contributions, with expected interest to end of year.
[3] $1 million contribution on 7/1/15 and $7.453 million contribution in January 2016.

Actuarial Value of Plan Assets
(Amounts in 000's)

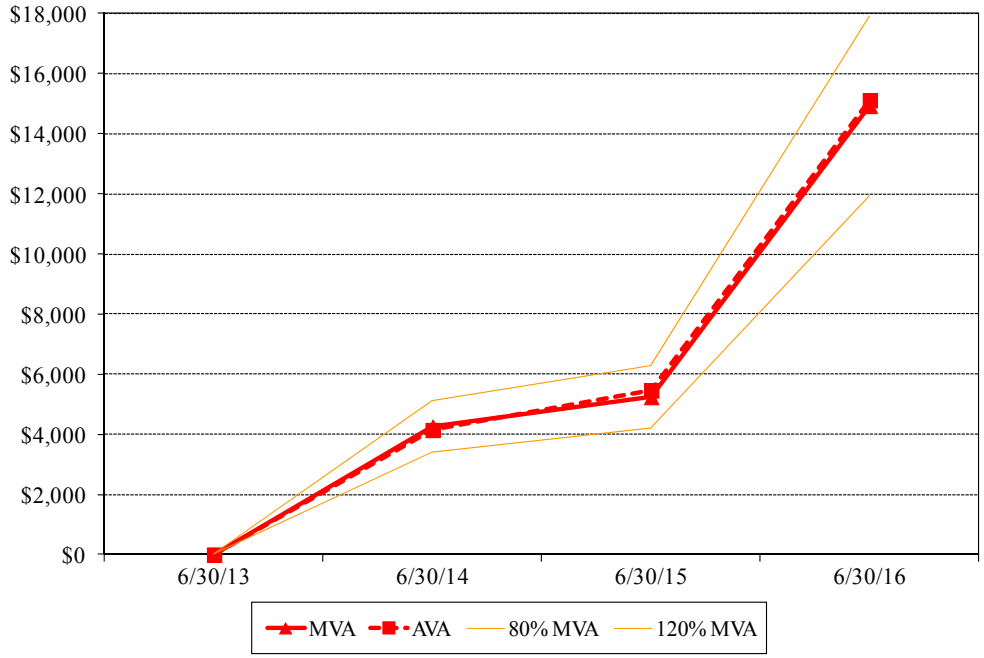
Actuarial Value of Assets	2014/15	Projected 2015/16
■ **AVA (Beginning of Year)**	$ 4,143	$ 5,461
• Employer/Employee Contribution	1,000	8,987
• Benefit Payment	(0)	(0)
• Expected Investment Return[4]	373	716
■ **Expected AVA (End of Year)**	5,516	15,163
■ **MVA (End of Year)**	**5,239**	**14,926**
■ **1/5 of (MVA – Expected AVA)**	(55)	(47)
■ **Preliminary AVA[5]**	5,461	15,116
• Minimum AVA (80% of MVA)	4,191	11,941
• Maximum AVA (120% of MVA)	6,287	17,911
■ **AVA (End of Year)**	**5,461**	**15,116**
■ **Approximate Annual Return**	6.2%	6.8%

[4] Expected investment return of 7.25%.
[5] Expected AVA plus 20% of the difference between the MVA and expected AVA.

ASSETS

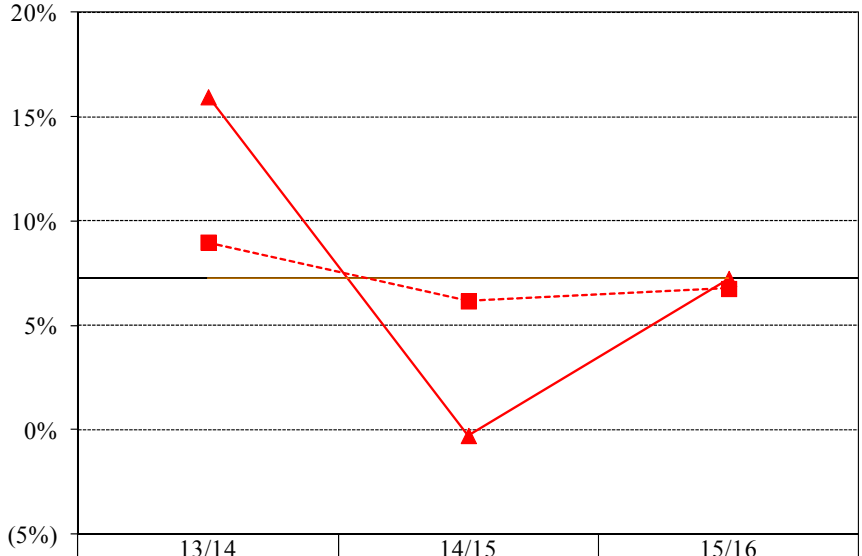
Historical and Projected Value of Plan Assets

(Amounts in $000's)



ASSETS

Annualized Asset Returns



	13/14	14/15	15/16
MVA	16.0%	-0.3%	7.25%
Expected Return	7.25%	7.25%	7.25%
AVA	9.0%	6.2%	6.8%

Actuarial Obligations

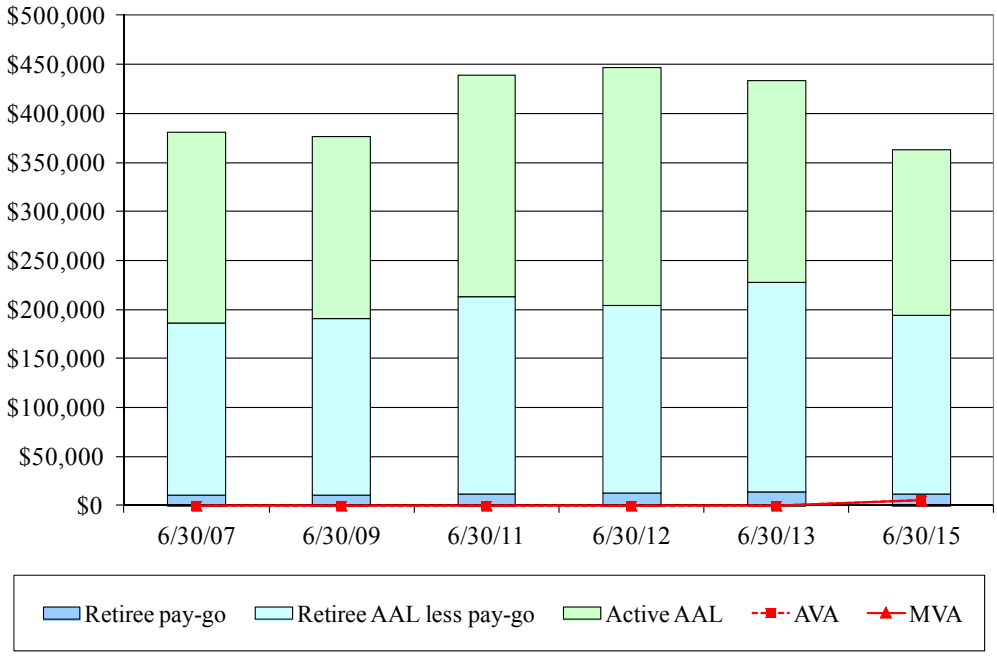
4.50% Discount Rate

(Amounts in 000's)

	6/30/13 Valuation		6/30/15 Valuation	
	6/30/13	Projected to 6/30/14	6/30/15	Projected to 6/30/16
■ **Present Value of Benefits**				
• Actives	$404,188		$296,447	
• Retirees	227,955		194,312	
• Total	632,143		490,759	
■ **Actuarial Accrued Liability**				
• Actives	205,740		168,512	
• Retirees	227,955		194,312	
• Total	433,695	$456,370	362,824	$378,534
■ **Actuarial Value of Assets**	-	(4,143)	(5,461)	(15,116)
■ **Unfunded AAL**	433,695	452,227	357,363	363,418
■ **Normal Cost**		16,956		11,921
■ **Pay-As-You-Go Cost**		13,524		12,122

Historical Actuarial Accrued Liability

(Amounts in 000's)



Actuarial Gain/Loss Analysis

(Amounts in 000's)

	NC %	AAL	Assets	UAAL
■ Actual on 6/30/13	6.4%	$433,695	$ -	$433,695
■ Projected to 6/30/14	6.2%	456,370	4,143	452,227
■ Expected on 6/30/16	6.2%	503,422	36,684	466,738
■ Experience (Gains)/Losses:				
• Premiums/Claims/Caps less than Expected	(0.6%)	(48,746)	-	(48,746)
• Demographic and Other	0.3%	(35,381)	-	(35,381)
■ Assets and Contribution Losses			(21,568)	21,568
■ Assumption Changes:				
• Mortality Improvement	0.2%	20,714	-	20,714
• Participation at Retirement	(1.5%)	(59,635)	-	(59,635)
■ Plan Changes:				
• Reduced Benefit for Recent Hires	(0.3%)	(1,840)	-	(1,840)
■ Total (Gains)/Losses	(1.9%)	(124,888)	(21,568)	(103,320)
■ Projected on 6/30/16	4.3%	378,534	15,116	363,418

Unfunded Actuarial Accrued Liability Bases

4.50% Discount Rate

(Amounts in $000's)

Amortization Bases	Original Amortization Bases			Balances on 6/30/2016		Amortization Payment
	Date	Years	Amount	Years	Balance	2016/17
■ Fresh Start UAAL	6/30/14	20	$452,227	18	$466,738[6]	$30,414
■ (Gains)/Losses	6/30/16	15	(103,320)	15	(103,320)	(7,820)
■ Total					363,418	22,594

[6] Includes 2014/15 contribution loss.

Annual Required Contribution (ARC)

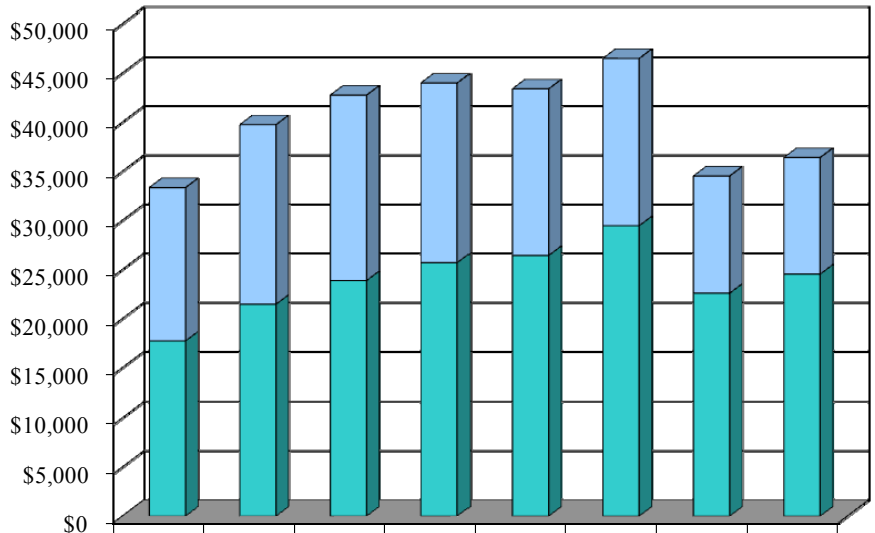
4.50% Discount Rate

(Amounts in 000's)

	6/30/13 Valuation		6/30/15 Valuation	
	2014/15	**2015/16**	**2016/17**	**2017/18**
■ **ARC - $**				
• Normal Cost	$16,956	$17,024	$11,921	$11,860
• UAAL Amortization	26,427	29,456	22,594	24,533
• ARC (End of Year)	43,383	46,480	34,515	36,393
■ **Projected Payroll**	265,867	274,507	279,474	288,557
■ **ARC - % Total Payroll**				
• Normal Cost	6.4%	6.2%	4.3%	4.1%
• UAAL Amortization	9.9%	10.7%	8.1%	8.5%
• ARC	16.3%	16.9%	12.4%	12.6%

Historical Annual Required Contributions

(Amounts in 000's)



	10/11	11/12	12/13	13/14	14/15	15/16	16/17	17/18
Normal Cost	15,606	18,272	18,866	18,284	16,956	17,024	11,921	11,860
Amortization	17,729	21,468	23,878	25,690	26,427	29,456	22,594	24,533
ARC	33,335	39,740	42,744	43,974	43,383	46,480	34,515	36,393

Estimated Net OPEB Obligation (NOO)

(Amounts in 000's)

	6/30/12 Val	6/30/13 Val		6/30/15 Val
	CAFR 2013/14	Est. 2014/15	Est. 2015/16	Est. 2016/17
■ **NOO Beginning of Year**	$131,739	$154,197	$180,984	$203,236
• Annual OPEB Cost				
• ARC	43,974	43,383	46,480	34,515
• Interest on NOO	5,928	6,939	8,144	9,146
• Amortization of NOO	(9,971)	(9,011)	(11,486)	(15,382)
• Annual OPEB Cost	39,931	41,311	43,138	28,279
■ **Contributions**				
• Cash Benefit Payments	(9,970)	(9,904)	(9,383)	(9,568)
• Implied Subsidy	(3,503)	(3,620)	(2,516)	(2,554)
• Trust Pre-Funding	(4,000)	(1,000)	(8,987)	(534)
• Total Contribution	(17,473)	(14,524)	(20,886)	(12,656)
■ **NOO End of Year**	154,197	180,984	203,236	218,859
■ **NOO Amort. Factor**	13.2122	17.1121	15.7575	13.2122

10-Year Projection Illustration

4.50% Discount Rate

(Amounts in 000's)

FYE June 30,	Beginning of Year Net OPEB Obligation	ARC	Annual OPEB Cost (AOC)	Contribution			Payroll	ARC as % of Payroll	Contrib as % of Payroll
				Benefit Pmts	Pre-Fund	Total Contrib			
2017	$203,236	$34,515	$28,279	$12,122	$534	$12,656	$279,474	12.4%	4.5%
2018	218,859	36,393	n/a	12,865	534	13,399	288,557	12.6%	4.6%
2019	n/a	38,386	n/a	13,606	534	14,140	297,935	12.9%	4.7%
2020	n/a	40,512	n/a	14,393	534	14,927	307,618	13.2%	4.9%
2021	n/a	42,773	n/a	15,337	534	15,871	317,615	13.5%	5.0%
2022	n/a	45,183	n/a	16,170	534	16,704	327,938	13.8%	5.1%
2023	n/a	47,770	n/a	17,121	534	17,655	338,596	14.1%	5.2%
2024	n/a	50,540	n/a	18,199	534	18,733	349,600	14.5%	5.4%
2025	n/a	53,508	n/a	19,310	534	19,844	360,962	14.8%	5.5%
2026	n/a	56,674	n/a	20,398	534	20,932	372,694	15.2%	5.6%

Actuarial Obligations by Cash/Implied Subsidy

June 30, 2015, 4.50% Discount Rate

(Amounts in 000's)

	Cash Subsidy	Implied Subsidy	Total
■ **PVPB 6/30/15**			
• Actives	$ 225,356	$ 71,091	$ 296,447
• Retirees	160,169	34,143	194,312
• Total	385,525	105,234	490,759
■ **AAL 6/30/15**			
• Actives	127,057	41,455	168,512
• Retirees	160,169	34,143	194,312
• Total	287,226	75,598	362,824
■ **AAL Projected to 6/30/16**	299,468	79,066	378,534
■ **Assets 6/30/16**[7]	(11,959)	(3,157)	(15,116)
■ **Unfunded AAL 6/30/16**	287,509	75,909	363,418
■ **Normal Cost 2016/17**	9,198	2,723	11,921
■ **Pay-As-You-Go 2016/17**	9,568	2,554	12,122

[7] Assets allocated in proportion to liability.

Annual Required Contribution (ARC) by Cash/Implied Subsidy

2016/17 Fiscal Year, 4.50% Discount Rate

(Amounts in 000's)

	Cash Subsidy	Implied Subsidy	Total
■ **ARC - $**			
• Normal Cost	$ 9,198	$ 2,723	$ 11,921
• UAAL Amortization	17,874	4,720	22,594
• Total	27,072	7,443	34,515
■ **Projected Payroll**	279,474	279,474	279,474
■ **ARC - %**			
• Normal Cost	3.3%	1.0%	4.3%
• UAAL Amortization	6.4%	1.7%	8.1%
• Total	9.7%	2.7%	12.4%

Actuarial Obligations by Group

June 30, 2015, 4.50% Discount Rate

(Amounts in 000's)

	Misc	Police	Fire	Total
■ **PVPB 6/30/15**				
• Actives	$ 106,959	$ 64,897	$ 124,591	$ 296,447
• Retirees	87,484	36,673	70,155	194,312
• Total	194,443	101,570	194,746	490,759
■ **AAL 6/30/15**				
• Actives	73,597	33,112	61,803	168,512
• Retirees	87,484	36,673	70,155	194,312
• Total	161,081	69,785	131,958	362,824
■ **AAL Projected to 6/30/16**	165,823	73,520	139,191	378,534
■ **Assets 6/30/16**[8]	(6,377)	(2,827)	(5,912)	(15,116)
■ **Unfunded AAL 6/30/16**	159,446	70,693	133,279	363,418
■ **Normal Cost 2016/17**	3,791	2,784	5,346	11,921
■ **Pay-As-You-Go 2016/17**	6,163	2,085	3,874	12,122

[8] Fire Department Trust assets allocated to Fire group, remaining assets allocated to all three groups in proportion to liability.

Annual Required Contribution (ARC) by Group

2016/17 Fiscal Year, 4.50% Discount Rate

(Amounts in 000's)

	Misc	Police	Fire	Total
■ **ARC - $**				
• Normal Cost	$ 3,791	$ 2,784	$ 5,346	$ 11,921
• UAAL Amortization	9,913	4,395	8,286	22,594
• Total	13,704	7,179	13,632	34,515
■ **Projected Payroll**	157,447	68,920	53,108	279,474
■ **ARC - %**				
• Normal Cost	2.4%	4.0%	10.1%	4.3%
• UAAL Amortization	6.3%	6.4%	15.6%	8.1%
• Total	8.7%	10.4%	25.7%	12.4%

Benefit Payment Projection by Cash/Implied Subsidy

(Amounts in 000's)

Fiscal Year	Cash Subsidy	Implied Subsidy	Total
2015/16	$9,383	$2,516	$11,899
2016/17	9,568	2,554	12,122
2017/18	10,085	2,780	12,865
2018/19	10,608	2,998	13,606
2019/20	11,164	3,229	14,393
2020/21	11,766	3,571	15,337
2021/22	12,374	3,796	16,170
2022/23	13,044	4,077	17,121
2023/24	13,714	4,485	18,199
2024/25	14,413	4,897	19,310
2025/26	15,116	5,282	20,398

Schedule of Funding Progress

(Amounts in 000's)

Actuarial Valuation Date[9]	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%

[9] The valuation results for 6/30/07 through the 6/30/11 were based on a 4.25% discount rate. The later valuations were based on a 4.50% discount rate.

Discount Rate Sensitivity

(Amounts in 000's)

	Valuation Results	Full Pre-Funding Examples		
		CERBT #1	CERBT #2	CERBT #3
■ **Discount Rate**	**4.50%**	**7.25%**	**6.75%**	**6.25%**
■ **PVPB on 6/30/15**	$490,759	$298,800	$323,887	$352,475
■ **Funded Status on 6/30/16**				
• AAL	378,534	258,918	275,838	294,573
• Assets	(15,116)	(15,116)	(15,116)	(15,116)
• Unfunded AAL	363,418	243,802	260,722	279,457
■ **2016/17 ARC**				
• Normal Cost	$ 11,921	$ 5,962	$ 6,723	$ 7,601
• UAAL Amortization	22,594	19,202	19,707	20,255
• Total ARC	34,515	25,164	26,431	27,857
• ARC as % of payroll	12.4%	9.0%	9.5%	10.0%
■ **Pay-As-You-Go 2016/17**	12,122	12,122	12,122	12,122

ACTUARIAL CERTIFICATION

This report presents the City of Sacramento Retiree Healthcare Plan ("Plan") June 30, 2015 actuarial valuation. The purpose of this valuation is to:

- Determine the Governmental Accounting Standards Board Statement Nos. 43 and 45 June 30, 2015 Benefit Obligations,
- Determine the Plan's June 30, 2015 Funded Status, and
- Calculate the 2016/17 and 2017/18 Annual Required Contributions.

The report provides information intended for reporting under GASB 43 and 45, but may not be appropriate for other purposes. Information provided in this report may be useful to the City for the Plan's financial management. Future valuations may differ significantly if the Plan's experience differs from our assumptions or if there are changes in Plan design, actuarial methods, or actuarial assumptions. The project scope did not include an analysis of this potential variation.

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. Additionally, in our opinion, actuarial methods and assumptions comply with GASB 43 and 45. As members of the American Academy of Actuaries meeting the Academy Qualification Standards, we certify the actuarial results and opinions herein.

Respectfully submitted,

John E. Bartel, ASA, MAAA, FCA
President
Bartel Associates, LLC
January 25, 2016

Catherine A. Wandro, ASA, MAAA, FCA
Assistant Vice President
Bartel Associates, LLC
January 25, 2016

Exhibits

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EXHIBITS

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2015 Monthly Medical Premiums
Actives

Medical Plan	Single	2-Party	Family
Kaiser HMO - Premium	$ 718.70	$ 1,437.40	$ 1,911.74
Kaiser HMO - Standard	682.72	1,365.44	1,816.04
Kaiser - Account Based Health Plan	561.66	1,123.32	1,494.02
Western Health Advantage - Premium	697.82	1,395.64	1,856.20
Western Health Advantage - Standard	669.10	1,338.18	1,779.78
Western Health Advantage - Account Based Health Plan	495.46	990.90	1,317.90
Sutter Health Plus - Premium	738.52	1,477.06	1,964.48
Sutter Health Plus - Standard	701.54	1,403.06	1,866.08
Sutter Health Plus - Account Based Health Plan	577.16	1,154.32	1,535.22

2015 Monthly Medical Premiums
Non Medicare Retirees

Medical Plan	Single	2-Party	Family
Kaiser HMO - Premium	$ 718.70	$ 1,437.40	$ 1,911.74
Kaiser HMO - Standard	682.72	1,365.44	1,816.04
Western Health Advantage - Premium	697.82	1,395.64	1,856.20
Western Health Advantage - Standard	669.10	1,338.18	1,779.78
Sutter Health Plus - Premium	738.52	1,477.06	1,964.48
Sutter Health Plus - Standard	701.54	1,403.06	1,866.08

2015 Monthly Medical Premiums
Medicare Retirees

Medical Plan	Single	2-Party	Family
Kaiser Senior Advantage - Premium	$ 319.26	$ 606.74	n/a
Kaiser Senior Advantage - Standard	309.06	587.34	n/a
Health Net Seniority Plus - Premium	386.68	773.36	n/a
Health Net Seniority Plus - Standard	377.31	754.62	n/a

2015 Monthly Dental Premiums

Actives

Dental Plan	Single	2-Party	Family
Delta Dental DPPO	$ 53.16	$ 100.98	$134.46
Delta Care DHMO	27.86	52.92	70.44

Retirees

Dental Plan	Single	2-Party	Family
Delta Dental DPPO	$ 51.46	$ 91.42	$ 159.40
Delta Care DHMO	27.86	52.92	70.44

2016 Monthly Medical Premiums
Actives

Medical Plan	Single	2-Party	Family
Kaiser HMO – Premium ($25)	$ 664.40	$1,328.80	$1,767.32
Kaiser HMO – Standard ($40)	655.08	1,310.16	1,742.52
Kaiser - Account Based Health Plan	540.94	1,081.88	1,438.90
Western Health Advantage – Premium ($25)	669.10	1,338.18	1,779.78
Western Health Advantage – Standard ($40)	657.70	1,315.40	1,749.50
Western Health Advantage - Account Based Health Plan	513.50	1,027.00	1,365.90
Sutter Health Plus – Premium ($25)	652.42	1,304.84	1,735.46
Sutter Health Plus – Standard ($40)	628.32	1,257.64	1,672.30
Sutter Health Plus - Account Based Health Plan	536.76	1,073.52	1,427.74

2016 Monthly Medical Premiums
Non Medicare Retirees

Medical Plan	Single	2-Party	Family
Kaiser HMO – Premium ($25)	$ 664.40	$ 1,328.80	$ 1,767.32
Kaiser HMO – Standard ($40)	655.08	1,310.16	1,742.52
Western Health Advantage – Premium ($25)	669.10	1,338.18	1,779.78
Western Health Advantage – Standard ($40)	657.70	1,315.40	1,749.50
Sutter Health Plus – Premium ($25)	652.42	1,304.84	1,735.46
Sutter Health Plus – Standard ($40)	628.32	1,257.64	1,672.30

2016 Monthly Medical Premiums
Medicare Retirees

Medical Plan	Single	2-Party	Family
Kaiser Senior Advantage – Premium ($15)	$ 324.68	$ 617.04	n/a
Kaiser Senior Advantage – Standard ($20)	314.30	597.32	n/a
Health Net Seniority Plus ($15)	398.28	796.56	n/a
Health Net Seniority Plus ($20)	388.63	777.26	n/a

2016 Monthly Dental Premiums

Actives

Dental Plan	Single	2-Party	Family
Delta Dental DPPO	$ 51.42	$ 97.66	$ 130.04
Delta Care DHMO	27.86	52.92	70.44

Retirees

Dental Plan	Single	2-Party	Family
Delta Dental DPPO	$ 49.76	$ 88.42	$ 154.16
Delta Care DHMO	27.86	52.92	70.44

Medical Plan Participation
Non-Waived Participants
June 30, 2015

Plan	Actives	Retirees	
		< 65	≥ 65
Kaiser HMO - Premium	11%	26%	49%
Kaiser HMO - Standard	40%	35%	19%
Kaiser - ABP	13%	0%	0%
Sutter Health – Premium	3%	3%	1%
Sutter Health – Standard	11%	11%	1%
Sutter Health - ABP	2%	0%	0%
Western Health Advantage - Premium	3%	7%	0%
Western Health Advantage - Standard	12%	13%	1%
Western Health Advantage - ABP	5%	0%	0%
Health Net Seniority Plus - Premium	0%	2%	22%
Health Net Seniority Plus - Standard	0%	2%	7%
Total	100%	100%	100%

Current Active Medical Coverage
June 30, 2015

Medical Plan	Single	2-Party	Family	Waived	Total
Kaiser HMO - Premium	161	48	109	-	318
Kaiser HMO - Standard	547	154	420	-	1,121
Kaiser - ABP	141	59	168	-	368
Sutter Health – Premium	35	15	32	-	82
Sutter Health – Standard	120	48	133	-	301
Sutter Health - ABP	25	7	25	-	57
Western Health Advantage - Premium	46	14	26	-	86
Western Health Advantage - Standard	152	52	117	-	321
Western Health Advantage - ABP	62	17	69	-	148
Waived	-	-	-	711	711
Total	1,289	414	1,099	711	3,513

Current Retiree Medical Coverage – Pre 65

Medical Plan	Single	2-Party	Family	Waived	Total
Kaiser HMO Premium	82	21	5	-	108
Kaiser HMO Standard	122	31	15	-	168
Kaiser Oregon HMO	2	-	-	-	2
Kaiser Senior Advantage Premium	23	5	1	-	29
Kaiser Senior Advantage Standard	10	7	1	-	18
Health Net Senior Plus Premium	10	-	-	-	10
Health Net SeniorPlus Standard	7	1	-	-	8
Western Health Premium	31	7	1	-	39
Western Health Standard	45	23	3	-	71
Sutter Health Premium	12	2	1	-	15
Sutter Health Standard	44	10	6	-	60
Waived	-	-	-	494	494
Total	388	107	33	494	1,022

Current Retiree Medical Coverage – Post 65

Medical Plan	Single	2-Party	Family	Waived	Total
Kaiser HMO Premium	49	8	2	-	59
Kaiser HMO Standard	8	6	-	-	14
Kaiser Colorado HMO	3	-	-	-	3
Kaiser Hawaii HMO	2	1	-	-	3
Kaiser Oregon HMO	7	-	-	-	7
Kaiser Senior Advantage Premium	357	199	6	-	562
Kaiser Senior Advantage Standard	119	114	1	-	234
Health Net Senior Plus Premium	216	66	-	-	282
Health Net SeniorPlus Standard	70	21	-	-	91
Western Health Premium	3	1	-	-	4
Western Health Standard	6	-	1	-	7
Sutter Health Premium	8	1	-	-	9
Sutter Health Standard	8	4	-	-	12
Waived	-	-	-	815	815
Total	856	421	10	815	2,102

Dental Coverage
June 30, 2015

Actives

Dental Plan	Single	2-Party	Family	Waived	Total
Delta Dental DPPO	909	471	1,032	-	2,412
Delta Care DHMO	184	73	161	-	418
Waived	-	-	-	683	683
Total	1,093	544	1,193	683	3,513

Retirees

Dental Plan	Single	2-Party	Family	Waived	Total
Delta Dental DPPO	1,116	1,021	200	-	2,337
Delta Care DHMO	73	43	11	-	127
Waived	-	-	-	660	660
Total	1,189	1,064	211	660	3,124

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

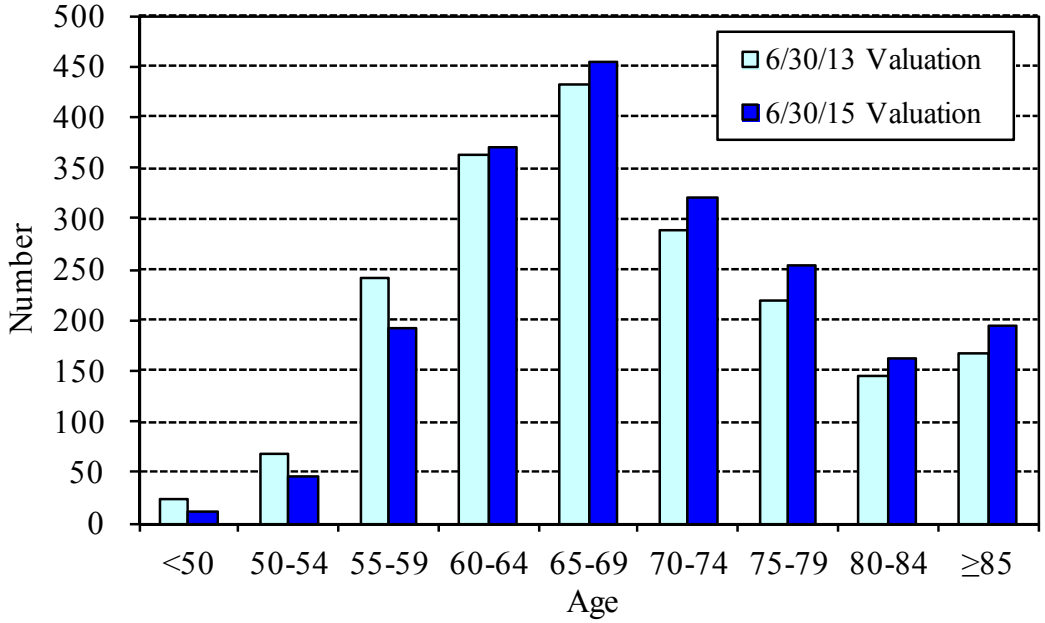
Retiree Medical Plan Coverage by Age

June 30, 2015
Miscellaneous

Age	Single	2-Party	Family	Waived	Total
Under 50	2	1	-	9	12
50-54	9	4	2	31	46
55-59	66	11	2	114	193
60-64	156	40	7	168	371
65-69	162	69	-	222	453
70-74	133	62	-	126	321
75-80	104	50	1	99	254
80-85	66	33	2	62	163
85 & Over	112	15	-	67	194
Total	810	285	14	898	2,007
Average Age	71.9	71.8	63.5	69.1	70.6

Retiree Age Distribution

Miscellaneous



Retiree Medical Plan Coverage by Age

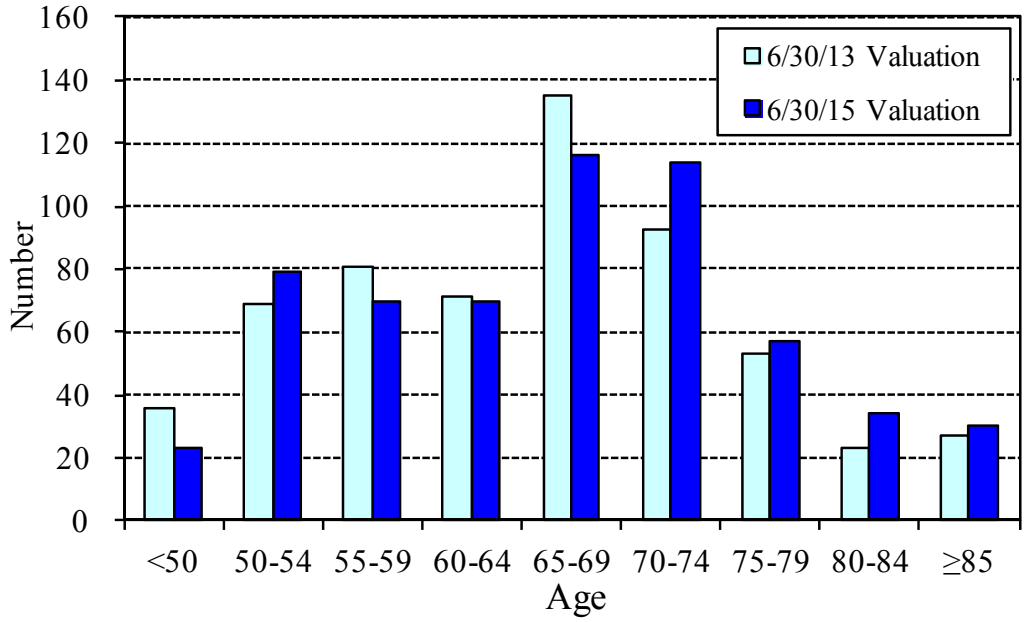
June 30, 2015

Police

Age	Single	2-Party	Family	Waived	Total
Under 50	4	1	0	18	4
50-54	21	2	5	51	21
55-59	17	12	1	40	17
60-64	24	9	3	34	24
65-69	43	21	1	51	43
70-74	40	22	1	51	40
75-80	14	22	0	21	14
80-85	14	9	0	11	14
85 & Over	16	7	0	7	16
Total	193	105	11	284	593
Average Age	68.4	71.1	58.9	64.1	66.7

Retiree Age Distribution

Police



Retiree Medical Plan Coverage by Age

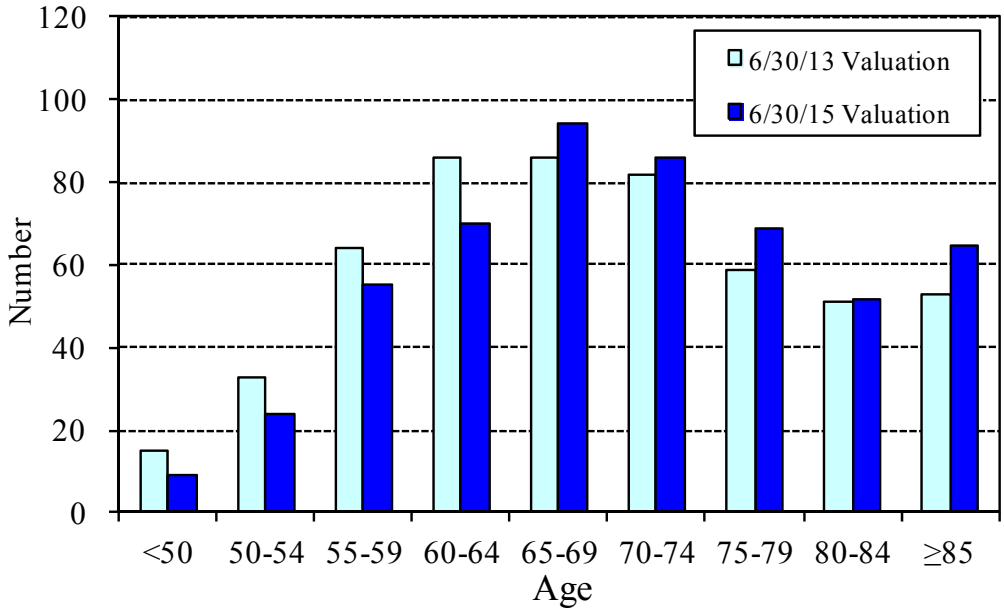
June 30, 2015

Fire

Age	Single	2-Party	Family	Waived	Total
Under 50	5	1	0	3	9
50-54	15	1	4	4	24
55-59	31	10	4	10	55
60-64	38	15	5	12	70
65-69	43	29	4	18	94
70-74	35	27	0	24	86
75-80	22	27	1	19	69
80-85	20	17	0	15	52
85 & Over	32	11	0	22	65
Total	241	138	18	127	524
Average Age	69.7	72.4	61.0	73.3	71.0

Retiree Age Distribution

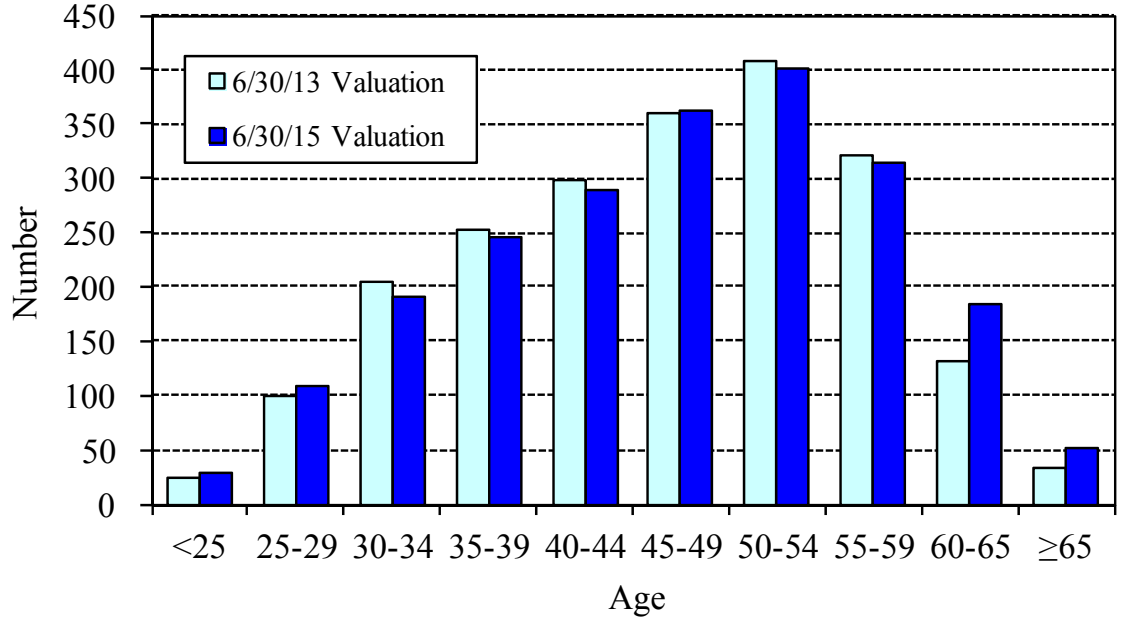
Fire



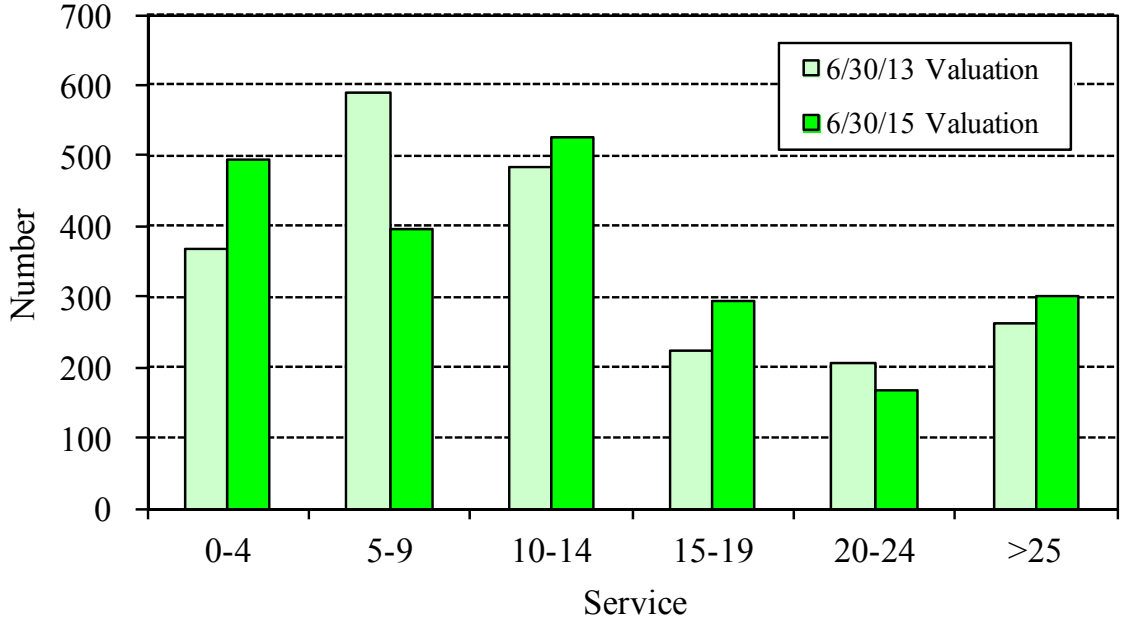
Actives by Age and Service
June 30, 2015
Miscellaneous

Age	City Service							
	< 1	1-4	5-9	10-14	15-19	20-24	≥ 25	Total
< 25	15	13	1	-	-	-	-	29
25-29	47	38	20	4	-	-	-	109
30-34	43	49	51	40	8	-	-	191
35-39	40	47	58	76	21	4	-	246
40-44	31	40	76	84	39	15	5	290
45-49	21	37	65	106	66	34	34	363
50-54	12	28	44	98	69	50	99	400
55-59	3	11	44	64	54	35	103	314
60-64	4	5	26	43	27	24	54	183
≥ 65	4	6	9	12	9	6	5	51
Total	220	274	394	527	293	168	300	2,176

Active Age Distribution
Miscellaneous



Active Service Distribution
Miscellaneous

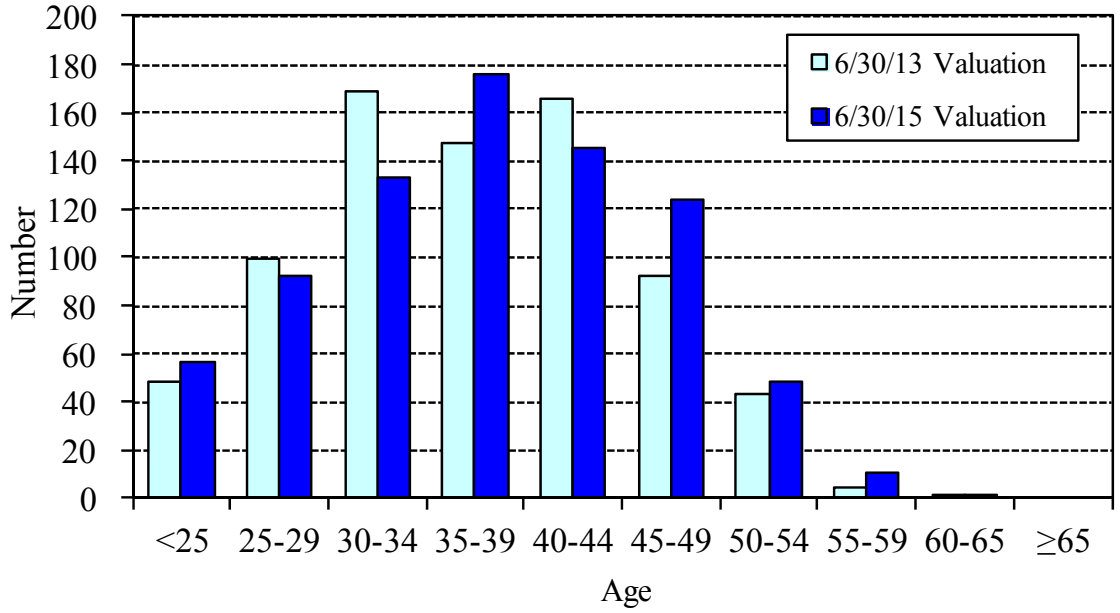


Actives by Age and Service
June 30, 2015
Police

Age	City Service							
	< 1	1-4	5-9	10-14	15-19	20-24	≥ 25	Total
< 25	37	19	1	-	-	-	-	57
25-29	43	25	19	5	-	-	-	92
30-34	13	21	73	24	2	-	-	133
35-39	1	3	41	94	35	2	-	176
40-44	-	3	12	52	59	19	-	145
45-49	-	1	6	23	40	30	24	124
50-54	-	-	1	1	3	16	27	48
55-59	-	-	1	-	1	1	8	11
60-64	-	-	-	-	1	1	-	2
≥ 65	-	-	-	-	-	-	-	-
Total	94	72	154	199	141	69	59	788

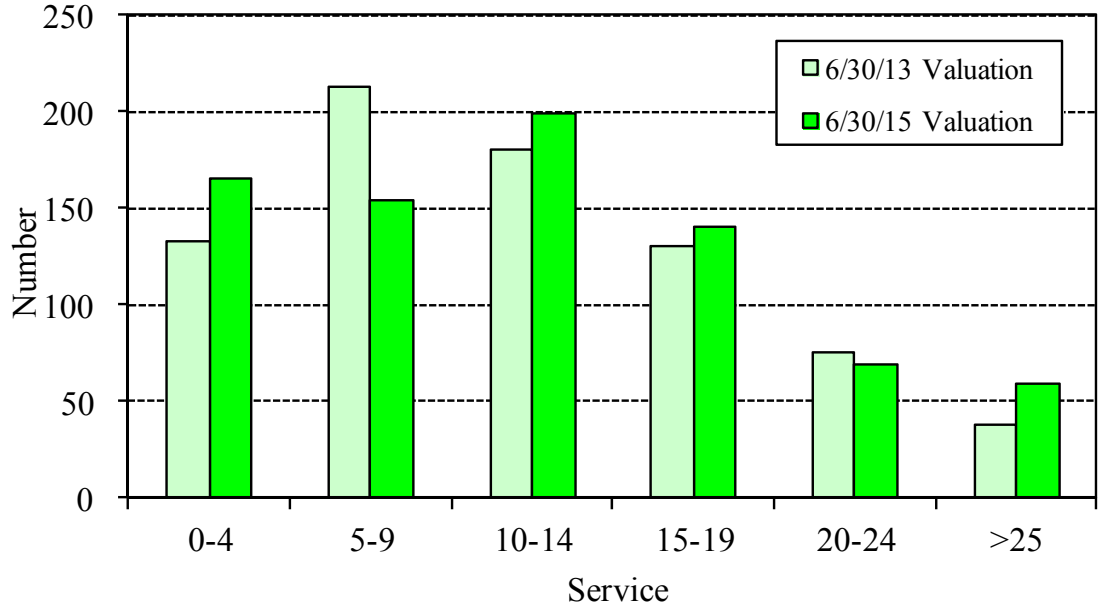
DATA SUMMARY

Active Age Distribution
Police



DATA SUMMARY

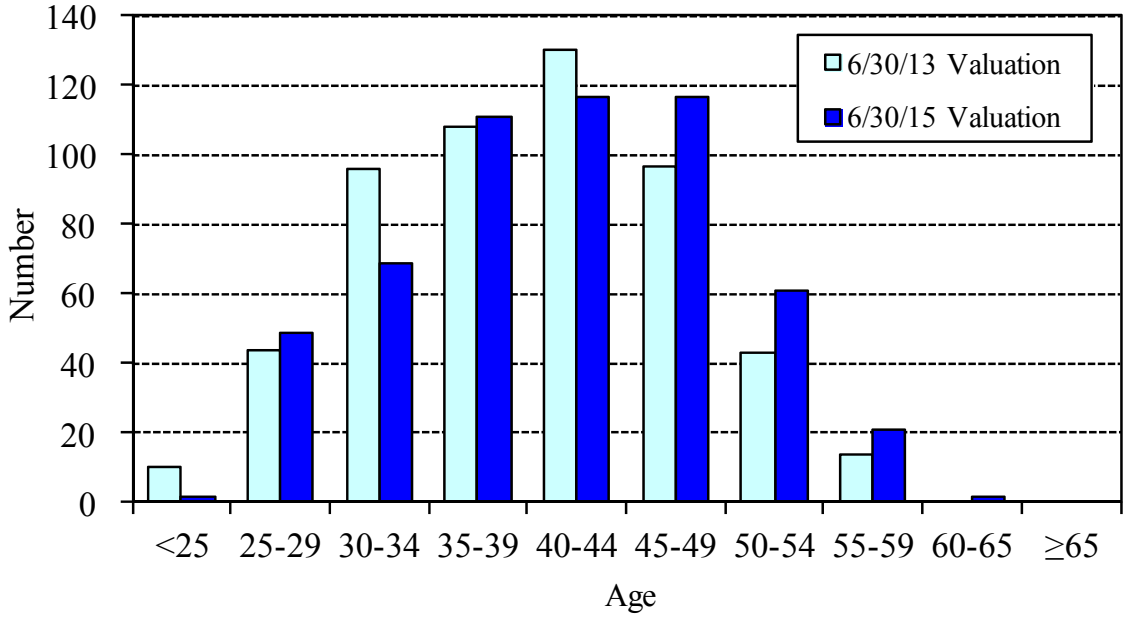
Active Service Distribution
Police



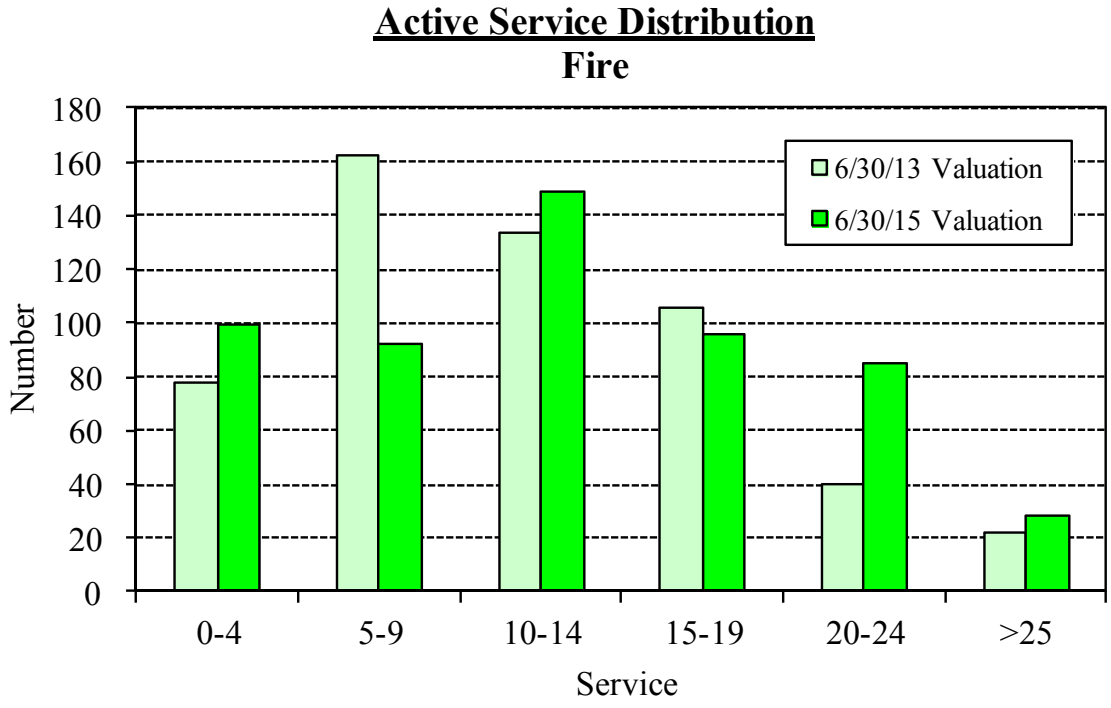
Actives by Age and Service
June 30, 2015
Fire

Age	City Service							
	< 1	1-4	5-9	10-14	15-19	20-24	≥ 25	Total
< 25	2	-	-	-	-	-	-	2
25-29	26	22	1	-	-	-	-	49
30-34	10	21	21	17	-	-	-	69
35-39	5	8	37	55	6	-	-	111
40-44	1	-	22	46	40	8	-	117
45-49	1	2	5	25	37	44	3	117
50-54	-	-	3	6	11	25	16	61
55-59	-	1	3	-	2	6	9	21
60-64	-	-	-	-	-	2	-	2
≥ 65	-	-	-	-	-	-	-	-
Total	45	54	92	149	96	85	28	549

Active Age Distribution
Fire



DATA SUMMARY



ACTUARIAL ASSUMPTIONS

	June 30, 2013 Valuation	June 30, 2015 Valuation
■ Valuation Date	■ June 30, 2013 ■ Fiscal Years 2014/15 & 2015/16	■ June 30, 2015 ■ Fiscal Years 2016/17 & 2017/18
■ Discount Rate	■ 4.50% – Pre-fund one time resources with CERBT asset allocation strategy #1 ■ Sensitivity – 7.25%, 6.75%, 6.25%, full pre-funding with CERBT	■ Same
■ General Inflation	■ 3.00%	■ Same
■ Aggregate Payroll Increases	■ 3.25%	■ Same

ACTUARIAL ASSUMPTIONS

	June 30, 2013 Valuation	June 30, 2015 Valuation
■ Mortality, Termination, Disability	■ CalPERS - 1997-2011 Experience Study ■ SCERS – 6/30/13 Valuation Assumptions ■ Post Retirement Mortality Projection Scale AA	■ CalPERS – 1997-2011 Experience Study ■ SCERS – 6/30/13 Valuation Assumptions ■ Mortality projected fully generational with Scale MP-14, modified to converge to ultimate improvement rates in year 2022

ACTUARIAL ASSUMPTIONS

	June 30, 2013 Valuation	June 30, 2015 Valuation
■ Service Retirement	■ CalPERS 1997-2011 Experience Study ■ SCERS – 6/30/13 Valuation Assumptions	■ CalPERS 1997-2011 Experience Study ■ SCERS – 6/30/13 Valuation Assumptions
■ CalPERS Service	■ City service plus ½ service between age 30 and City hire date	■ Same

	Level	ERA
Fire	3%@55	57
Police	3%@50	54
Misc	2%@55	59
Fire PEPRA	2.7%@57	58
Police PEPRA	2.7%@57	56
Misc PEPRA	2%@62	61

	Level	ERA
Fire	3%@55	57
Police	3%@50	54
Misc	2%@55	59
Fire PEPRA	2.7%@57	58
Police PEPRA	2.7%@57	56
Misc PEPRA	2%@62	61

ACTUARIAL ASSUMPTIONS

	June 30, 2013 Valuation	June 30, 2015 Valuation
■ Medical Trend	Increase from Prior Year Non-Medicare / Medicare Year / All Plans 2013: Actual 2013 Premiums 2014: Actual 2014 Premiums 2015: 8.0% / 8.3% 2016: 7.5% / 7.8% 2017: 7.0% / 7.2% 2018: 6.5% / 6.7% 2019: 6.0% / 6.1% 2020: 5.5% / 5.6% 2021+: 5.0% / 5.0%	Increase from Prior Year Non-Medicare / Medicare Year / All Plans 2013: n/a 2014: n/a 2015: Actual 2015 Premiums 2016: Actual 2016 Premiums 2017: 7.0% / 7.2% 2018: 6.5% / 6.7% 2019: 6.0% / 6.1% 2020: 5.5% / 5.6% 2021+: 5.0% / 5.0%
■ Dental & Vision Trend	■ 3%	■ Same

ACTUARIAL ASSUMPTIONS

	June 30, 2013 Valuation	June 30, 2015 Valuation
■ Participation at Retirement	■ Based on medical coverage: • Currently covered – 100% • Currently waived – 80%	■ Based on % of benefit earned at retirement: % of Benefit Earned / Participation Assumption 0% / 10% 50% / 40% 75% / 55% 100% / 75%
■ Cap Increase Rates	■ Fire: • Lowest cost medical premium – medical trend • Highest benefit dental premium – dental trend ■ Misc & Police: 3%	■ Fire hired <1/14/15: • Lowest cost $25 co-pay medical premium – medical trend • Lowest cost PPO dental premium – dental trend ■ All Misc, All Police, and Fire hired ≥ 1/14/15: 3% starting 2017

ACTUARIAL ASSUMPTIONS

	June 30, 2013 Valuation	June 30, 2015 Valuation
■ Estimated Monthly Age-Based Claims Cost per Retiree		

	FY 2013/14		
Medical Plan	Age	M	F
Kaiser HMO	50	$604	$786
	55	781	801
	60	992	855
Health Net HMO	50	659	857
	55	851	873
	60	1,082	932

	FY 2015/16		
Medical Plan	Age	M	F
Kaiser HMO	50	$610	$794
	55	789	809
	60	1,002	863
Sutter Health	50	642	835
	55	830	851
	60	1,055	909
Western Health	50	616	801
	55	796	816
	60	1,011	871

■ Pre 1/1/91 Inactive Vested Ret. Age	■ SCERS: • Sect 399 – Age 62 • Sect 175 – Age 65	■ Same

ACTUARIAL ASSUMPTIONS

	June 30, 2013 Valuation	June 30, 2015 Valuation
■ Medical Plan at Retirement	■ Currently covered – Same as active elections ■ Currently waived or in active-only plan – Kaiser HMO Premium Plan	■ Currently covered – Same as active elections: • Pre-Medicare – same as current active elections with Account Based Plans => Standard Plans • Post-Medicare: ➢ Kaiser => Kaiser SA ➢ Sutter Health and Western Health => HN Seniority+ ■ Currently waived – Kaiser HMO Premium Plan
■ Waived Retiree Re-Election	■ Retirees < 65 – 30% re-elect at age 65 ■ Retirees ≥ 65 – 0% re-elect	■ Same

ACTUARIAL ASSUMPTIONS

	June 30, 2013 Valuation	June 30, 2015 Valuation
■ 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

ACTUARIAL ASSUMPTIONS

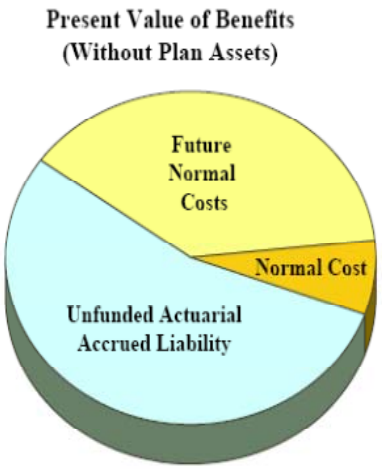
	June 30, 2013 Valuation	June 30, 2015 Valuation
■ Spouse Age	■ Actives – Males 3 years older than females ■ Retirees – Males 3 years older than females if spouse birth date not available	■ Same
■ Surviving Spouse Participation	■ 100%	■ Same
■ Dependents at Retirement	■ Pre-65: • Actives ➢ Misc – 10% ➢ Safety – 20% • Retirees – same as current coverage ■ Post-65 – 0%	■ Same

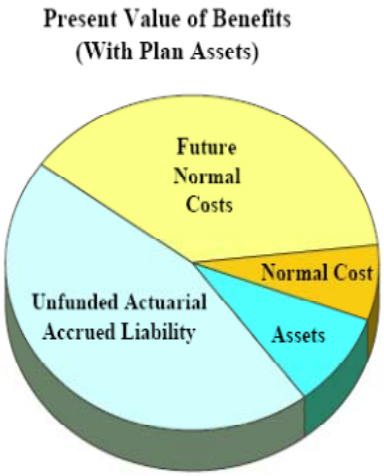
DEFINITIONS

■ GASB 45 Accrual Accounting	• Project future employer-provided benefit cash flow for current active employees and current retirees • Discount projected cash flow to valuation date using discount rate and actuarial assumptions to determine present value of benefits (PVB) • Discount rate is expected long-term return on plan assets • Allocate PVB to past, current, and future periods • Normal Cost (NC) is portion of PVB allocated to current fiscal year • Actuarial cost method used for valuation is Entry Age Normal Cost method which determines Normal Cost as a level percent of payroll • Actuarial Accrued Liability (AAL) is portion of PVB allocated to prior service with the employer • Unfunded AAL (UAAL) is AAL less Plan Assets • Assets must be in segregated and restricted trust to be considered Plan Assets for GASB 45
■ PayGo Cost	• Cash subsidy is employer pay-as-you-go benefit payments for retirees • Implied subsidy is difference between actual cost of retiree benefits and retiree premiums subsidized by active employee premiums

DEFINITIONS

Present Value of Benefits





DEFINITIONS

■ Annual Required Contribution (ARC)	• GASB 45 contribution is Normal Cost plus amortization of: ➢ Initial UAAL and AAL for plan, assumption, and method changes ➢ Experience gains and losses (difference between actual experience and that expected from assumptions) ➢ Contribution gains and losses (difference between ARC and actual contributions)
■ Net OPEB Obligation (NOO)	• NOO is accumulated amounts expensed but not funded • Net OPEB Asset if amounts funded exceed those expensed
■ Annual OPEB Cost (AOC)	• Expense for current period including: ➢ ARC ➢ Interest on NOO ➢ Adjustment of NOO • Adjustment of NOO prevents double counting of expense since ARCs include amortization of prior contribution gains and losses previously expensed

DEFINITIONS

■ Terminology Used in Report	• AAL - Actuarial Accrued Liability • AOC - Annual OPEB Cost • ARC - Annual Required Contribution • BOY - Beginning of Fiscal Year • EAN - Entry Age Normal Cost Method • GASB 45 - Governmental Accounting Standards Board Statement No. 45 • NOO - Net OPEB Obligation • OPEB - Other (than pensions) Post Employment Benefits • NC - Normal Cost • PVB - Present Value of Projected Benefits • UAAL - Unfunded Actuarial Accrued Liability