

March 2018

Mr. William Johnston
Investment Officer
City of Gainesville
P.O. Box 490
Gainesville, Florida 32602-0490

Re: The City of Gainesville Retiree Health Plan GASB 45 and 74 Disclosures for the Fiscal Year Ending September 30, 2017

Dear William:

This report provides information concerning the City of Gainesville Retiree Health Plan (“the Plan”), in accordance with the Governmental Accounting Standards Board (GASB) Statement Nos. 45 and 74 (GASB 45 and GASB 74) for the fiscal year ending September 30, 2017.

Appendix A contains the following exhibits which provide information under GASB No. 45:

- A - I: Valuation Highlights
- A - II: Development of Annual Required Contribution (ARC)
- A - III: Calculation of Net OPEB Obligation
- A - IV: Schedule of Employer Contributions and Funding Progress
- A - V: Expected Net Benefit Payments
- A - VI: Sensitivity to Discount Rate and Healthcare Cost Trend
- A - VII: Analysis of Assets
- A - VIII: Schedule of Amortization

Appendix B contains the following exhibits which provide information under GASB No. 74:

- B - I: Schedule of Changes in Net OPEB Liability, Related Ratios, and Sensitivity of the Net OPEB Liability to Changes in the Discount Rate
- B - II: Schedule of City Contributions
- B - III: Projection of Fiduciary Net Position
- B - IV: Actuarial Present Values of Projected Benefit Payments
- B - V: Summary of Member Data and Member Statistics

Appendix C contains an exhibit that summarizes the actuarial (gains)/losses associated with the assumption and benefit related changes since the GASB 45 report for the fiscal year ending September 30, 2016.

Data, Assumptions, Methods and Plan Provisions

The Total OPEB Liability as of September 30, 2017 was determined based on a roll-forward of entry age normal liabilities as of October 1, 2015.

The following assumption changes were made since the GASB 45 report for the fiscal year ending September 30, 2016:

- The mortality assumptions were updated to match the September 30, 2017 Gainesville Police Officers' and Firefighters' Retirement Plan and the September 30, 2017 Gainesville General Employees' Pension Plan. The assumption used in this valuation is the same assumption used in the 2016 Florida Retirement System (FRS) valuation as it applies to "special risk" and "other than special risk" participants.
- The retirement rates for firefighters and the withdrawal rates and salary increase assumption for firefighters and police officers were updated to reflect the results of an experience study conducted by Conduent in 2017 based on plan year experience for the six years ending September 30, 2015.
- The salary increase assumption for general employees was updated to reflect the City's future salary increase expectations.
- The healthcare claim costs per participant were updated to include retiree claims experience from October 2016 through September 2017. Specifically, the aggregate¹ pre-Medicare per capita claim costs at age 65 per covered individual for the period October 1, 2015 through September 30, 2016 were decreased from \$16,132 to \$13,845. Similarly, the post-Medicare per capita claim costs were decreased from \$4,587 to \$4,224. Premiums and city contribution adjustments were also updated to reflect 2018 calendar year premiums.
- The Plan assumed investment rate of return has been decreased from 8.20% as of October 1, 2016 to 8.10% as of September 30, 2017. This reduction was made to better reflect expectations for future investment returns.

For 2016, retired Medicare-eligible participants were offered Alternative Medicare coverage in Medicare Supplement and Medicare Part D prescription drug plans. Retirees who elect these more affordable, Alternative Medicare options are able to use their City subsidy to help pay for the associated premium cost of this coverage. The following assumption changes were made in order to reflect expectations about participation in these newly available Alternative Medicare options:

- Both pre-Medicare and Medicare-eligible future retirees (i.e. active employees) and DROP participants were assumed to elect medical coverage according to the "Plan Participation" table shown on page 14 of the GASB 45 report dated March 13, 2017, with a slight modification (sample rates below). Specifically, the participation rate was reduced to 90% at age 68 and above. Future Medicare-eligible participants were assumed to choose coverage under Alternative Medicare plans. Participants who do not elect to participate in the medical plan were assumed to waive coverage.

¹ The claim costs outlined above are aggregate of the medical, prescription drug, and administrative per capita claim costs.

Age at Retirement	Pre-Medicare and Medicare Plan Participation
45	0%
50	20%
55	40%
60	60%
65	80%
66	84%
67	88%
68	90%
69	90%
70+	90%

- Deferred retirees (both pre-Medicare and Medicare-eligible participants, currently without medical coverage) were assumed to elect medical coverage at a rate of 10%. These participants were assumed to elect this coverage through an Alternative Medicare plan once they become eligible for Medicare.
- 50% of Medicare-eligible retirees (currently with medical coverage) and their spouses were assumed to migrate to the Alternative Medicare options, while the other 50% were assumed to remain in the traditional Florida Blue plan.
- Alternative Medicare plan participants were assumed to utilize 95% of their available subsidy.
- Alternative Medicare participants are assumed to continue coverage for life.

Assumption change impacts are summarized in Appendix C.

The changes associated with the Alternative Medicare options significantly increased the plan’s liability since the last valuation. While the explicit dollar value of the City subsidy available to each retiree has not changed since the last valuation, the expectation for retirees utilizing this benefit has changed dramatically. In short, the valuation now assumes that more Medicare-eligible retirees will use the City subsidy and for a longer time. Emerging experience should be monitored closely.

Retirees are required to pay a significant amount of money out-of-pocket (above the level of the City-funded subsidy) to procure health coverage through the City’s traditional Medicare plan. As such, the prior valuation incorporated participation and persistency (or lapse) assumptions that reflected an expectation that many Medicare-eligible retirees would choose either not to participate in the City plan or to drop coverage from the plan over time due to affordability concerns. Once a retiree drops coverage or opts out of the plan, that retiree does not receive the City-provided medical subsidy. The newly available Alternative Medicare options are a good value for retirees (with less out-of-pocket premium costs), and this is reflected in the valuation through the assumed Alternative Medicare participation and persistency rates for this option.

The projection of cash flows used to determine the discount rate assumes that retired plan member contributions will be made and City contributions will continue based upon the City’s funding policy. Based on those assumptions, the OPEB plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term

expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

In preparing the actuarial results, we have relied upon information provided by the City of Gainesville regarding plan provisions, plan participants, plan assets, contribution rates and other matters used in the actuarial valuation. As of September 30, 2017, the fiduciary net position held in trust is \$63,500,353. The member data used as of October 1, 2015 was supplied by the City administration office. Although we did not audit the data, we reviewed the data for reasonableness and consistency with the prior year's information. The accuracy of the results presented herein is dependent on the accuracy of the data.

Unless otherwise noted, the Data, Assumptions, Methods and Plan Provisions used in this valuation are the same as those documented in our *City of Gainesville Retiree Health Plan Valuation, Disclosure for FYE September 30, 2016* dated March 13, 2017.

Certification

I certify that the information contained in this Actuarial Report has been prepared in accordance with generally accepted actuarial principles and practices. To the best of my knowledge, the information fairly presents the actuarial position of the Plan in accordance with the requirements of GASB Statement Nos. 45 and 74 as of September 30, 2017.

The City may use this report for the review of the operation of the plan and as a source of information for the City's financial statements. The report may also be used in the preparation of the Plan's audited financial statements.

Use of this report for any other purpose may not be appropriate and may result in mistaken conclusions due to failure to understand applicable assumptions, methodologies, or inapplicability of the report for that purpose. Because of the risk of misinterpretation of actuarial results, you should ask Conduent to review any statement you wish to make on the results contained in this report. Conduent will not accept any liability for any such statement made without prior review.

Future actuarial measurements may differ significantly from current measurements due to plan experience differing from that anticipated by the economic and demographic assumptions, increases or decreases expected as part of the natural operation of the methodology used for these measurements, and changes in plan provisions or applicable law. An analysis of the potential range of such future differences is beyond the scope of this valuation.

In my opinion, the actuarial assumptions used are appropriate for purposes of the valuation and are reasonably related to the experience of the Plan and to reasonable long-term expectations.

This report was prepared under the supervision of Stephen Oates, who is an Associate of the Society of Actuaries and a Member of the American Academy of Actuaries and has met the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein. Mr. Oates is available to answer questions about this analysis. This report has been prepared in accordance with all applicable Actuarial Standards of Practice.

We are available to answer any questions about the report.

Conduent HR Consulting, LLC



Stephen R. Oates, ASA, EA, MAAA, FCA
Principal, Health Actuary

**City of Gainesville
Retiree Health Plan**

Information Required Under GASB 45 as of September 30, 2017

Exhibit A-I

September 30, 2017 Valuation Highlights

	9/30/2017	9/30/2016
1. Valuation Results		
Actuarial Accrued Liability (AAL)	\$ 67,590,558	\$ 59,679,811
Market Value of Assets	\$ 63,500,353	\$ 59,442,474
Unfunded Actuarial Accrued Liability (UAAL)	\$ 4,090,205	\$ 237,337
Annual Required Contribution	\$ 1,820,901	\$ 1,070,129
Annual OPEB Cost	\$ 2,481,058	\$ 1,677,380
2. Key Economic Assumptions		
Valuation Data as of	10/1/2015	10/1/2015
Discount Rate	8.10%	8.20%
Trend Rate (Pre/Post-Medicare) at FYE		
Initial	7.95%/7.33%	8.10%/7.50%
Ultimate	4.50%/4.50%	4.50%/4.50%
Ultimate Year	2034/2034	2034/2034

**City of Gainesville
Retiree Health Plan**

Exhibit A-II

Information Required Under GASB 45 as of September 30, 2017

Development of ARC For Fiscal Year Ending 2017

	Consolidated	General	FYE 2017
1. Actuarial Accrued Liability (AAL) ¹			
a. Active Members	\$ 4,855,447	\$ 18,120,475	\$ 22,975,922
b. Retired Members	\$ 11,821,726	\$ 32,792,910	\$ 44,614,636
c. Total AAL	\$ 16,677,173	\$ 50,913,385	\$ 67,590,558
2. Service Cost (excluding interest)	\$ 336,010	\$ 969,472	\$ 1,305,482
3. Market Value of Assets			\$ 63,500,353
4. Unfunded Actuarial Accrued Liability (UAAL)			
a. Amount			\$ 4,090,205
b. As a % of Pay			3.3%
5. Amortization Payment for UAAL			
a. Amount			\$ 474,116
b. As a % of Pay			0.4%
6. Employer Normal Cost (excluding interest)			
a. Amount			\$ 1,305,482
b. As a % of Pay			1.1%
7. Interest Cost			\$ 41,303
8. Annual Required Contribution (5 + 6 + 7)			\$ 1,820,901
9. Actual net benefit payments for the year			\$ 1,622,729
10. Open Amortization Period for UAAL (years)			10
11. Annual Payroll			\$ 122,798,859

¹ Estimation of excise tax included in Medical AAL estimates.

**City of Gainesville
Retiree Health Plan**

Exhibit A-III

Information Required Under GASB 45 as of September 30, 2017

Calculation of Net OPEB Obligation For Fiscal Year Ending 2017

	FYE 2017	FYE 2016
1. NOO as of beginning of year	\$ (18,907,614)	\$ (17,669,214)
2. Annual Required Contribution (ARC)	1,820,901	1,070,129
3. Interest on NOO	(1,531,517)	(1,448,876)
4. Adjustment to ARC	<u>2,191,674</u>	<u>2,056,127</u>
5. Annual OPEB Cost for FY (2 + 3 + 4)	\$ 2,481,058	\$ 1,677,380
6. Total Employer Contribution for FY	1,622,729	2,915,780
7. NOO as of end of year (1 + 5 - 6)	<u>\$ (18,049,284)</u>	<u>\$ (18,907,614)</u>

**City of Gainesville
Retiree Health Plan**

Information Required Under GASB 45 as of September 30, 2017

Exhibit A-IV

Schedule of Employer Contributions For Fiscal Year Ending 2017

Fiscal Year Ending September 30	Annual OPEB Cost	City Contributions	Percentage of OPEB Cost Contributed	Net OPEB Obligation (NOO) ¹
2017	\$ 2,481,058	\$ 1,622,729	65.40%	\$ (18,049,284)
2016	1,677,380	2,915,780	173.83%	(18,907,614)
2015	3,585,790	2,972,451	82.90%	(17,669,214)
2014	3,440,342	2,746,676	79.84%	(18,282,553)

Schedule of Funding Progress For Fiscal Year Ending 2017

Fiscal Year Ending	Market Value of Assets (a)	Actuarial Accrued Liability (b)	Unfunded Actuarial Accrued Liability (c) = (b) - (a)	Funded Ratio (a) / (b)	Covered Payroll (e)	UAAL as a Percentage of Covered Payroll (c) / (e)
September 30, 2017	\$ 63,500,353	\$ 67,590,558	\$ 4,090,205	93.95%	\$ 122,798,859	3.33%
September 30, 2016	59,442,474	59,679,811	237,337	99.60%	117,510,870	0.20%
September 30, 2015	56,422,165	63,325,773	6,903,608	89.10%	131,000,000	5.27%
September 30, 2014	59,867,314	66,343,732	6,476,418	90.24%	126,000,000	5.14%

¹ FYE 2016 information per the City's FYE-2016 CAFR.



City of Gainesville
Retiree Health Plan

Exhibit A-V

Information Required Under GASB 45 as of September 30, 2017

Expected Net Benefit Payments For Fiscal Year Ending 2017

(\$000s)

Fiscal Year Ending	Consolidated	General	Total
2017	\$ 1,199	\$ 3,824	\$ 5,023
2018	1,204	4,135	5,339
2019	1,315	4,229	5,544
2020	1,410	4,369	5,779
2021	1,467	4,653	6,120
2022	1,477	4,735	6,212
2023	1,533	4,859	6,392
2024	1,593	4,953	6,546
2025	1,678	5,093	6,771
2026	1,698	5,089	6,787
2027	1,691	5,145	6,836
2028	1,729	5,221	6,950
2029	1,719	5,218	6,937
2030	1,777	5,285	7,062
2031	1,787	5,187	6,974
2032	1,743	5,122	6,865
2033	1,828	5,065	6,893
2034	1,798	5,003	6,801
2035	1,834	4,978	6,812
2036	1,762	4,933	6,695
2037	1,755	4,834	6,589
2038	1,750	4,766	6,516
2039	1,776	4,643	6,419
2040	1,798	4,582	6,380
2041	1,863	4,536	6,399



**City of Gainesville
Retiree Health Plan**

Exhibit A-VI

Information Required Under GASB 45 as of September 30, 2017

Sensitivities For Fiscal Year Ending 2017

	Actuarial Accrued Liability	Service Cost (Excluding Interest)
1. As of September 30, 2017	\$ 67,590,558	\$ 1,305,482
2. Increase in Discount Rate of + 100 bps (9.10%) % Change	\$ (5,255,485) -7.8%	\$ (212,817) -16.3%
3. Decrease in Discount Rate of - 100 bps (7.10%) % Change	\$ 6,066,518 9.0%	\$ 262,462 20.1%
4. Increase in Healthcare Trend of + 1% % Change	\$ 7,493,527 11.1%	\$ 211,914 16.2%
5. Decrease in Healthcare Trend of - 1% % Change	\$ (6,433,633) -9.5%	\$ (167,229) -12.8%

**City of Gainesville
Retiree Health Plan**

Exhibit A-VII

Information Required Under GASB 45 as of September 30, 2017

Fund Balance Fiscal Year Ending 2017

<hr/>		
1. Cash & Equivalent	\$	838,788
2. Investments		62,737,578
3. Accounts Payable		<u>(76,013)</u>
4. Fund Balance (1 + 2 + 3)		63,500,353

Asset Analysis For Fiscal Year Ending 2017

<hr/>		
1. Market Value of Assets at 9/30/2016	\$	59,442,474
2. Additions:		
a. Employer Contributions		1,622,729
b. Retiree Contributions		3,405,757
c. Dividends and Interest		1,231,202
d. Net Appreciation/(Depreciation) of Fair Value of Investments		5,786,262
3. Deductions:		
a. General Government and GRU Premium Reimbursements		7,514,930
b. Investment Expense		467,059
c. Administrative Expenses		6,082
4. Market Value of Assets at 9/30/2017		63,500,353



**City of Gainesville
Retiree Health Plan**

Information Required Under GASB 45 as of September 30, 2017

Exhibit A-VIII

Schedule of Amortization For Fiscal Year Ending 2017

FYE		UAAL		Amortization Payment
2017	\$	4,090,205	\$	474,116
2018		3,908,992		495,451
2019		3,690,038		517,747
2020		3,429,247		541,045
2021		3,122,146		565,392
2022		2,763,851		590,835

City of Gainesville
Retiree Health Plan

Information Required Under GASB 74 as of September 30, 2017

Exhibit B-I

Schedule of Changes in Net OPEB Liability and Related Ratios		2017
Total OPEB liability		
Service cost (excluding interest)	\$	1,282,158
Interest (including interest on the service cost)		5,274,094
Changes of benefit terms		0
Differences between expected and actual experience		(914,359)
Changes of assumptions		559,494
Benefit payments, including refunds of employee contributions		(4,109,173)
Net change in total OPEB liability	\$	2,092,214
Total OPEB liability-beginning ¹	\$	65,498,345
Total OPEB liability-ending (a)	\$	67,590,558
Plan fiduciary net position		
Contributions- City	\$	1,622,729
Contributions-member		0
Contributions-state		0
Net investment income		6,550,405
Net benefit payments		(4,109,173)
Administrative expense		(6,082)
Other		0
Net change in plan fiduciary net position	\$	4,057,879
Plan fiduciary net position-beginning	\$	59,442,474
Plan fiduciary net position-ending (b)	\$	63,500,353
City's net OPEB liability-ending (a)-(b)	\$	4,090,205
Plan fiduciary net position as a percentage of the total OPEB liability		93.95%
Covered-employee payroll	\$	122,798,859
Net OPEB liability as a percentage of covered-employee payroll		3.33%

Notes to Schedule for 2017:

A. Benefit changes: None.

B. Changes of assumptions:

- The discount rate was updated from 8.2% at 9/30/2016 to 8.1% at 9/30/2017.

¹ The following assumption changes are reflected in both the total OPEB liability at the beginning of FYE 2017 and the total OPEB liability at the end of FYE 2017:

- The mortality assumption was updated in accordance with the changes that were enacted in the 2015 legislative session to sections 112.63 and 112.664, Florida Statutes.

- The retirement rates for firefighters and the withdrawal rates and salary increase assumption for firefighters and police officers were updated to reflect the results of an experience study conducted by Conduent in 2017.

- The salary increase assumption for general employees was updated to reflect the results of an experience study conducted by Conduent in 2017.

- The healthcare claims costs per participant assumption was updated to include October 2016 through September 2017 actual claims.

- Updated valuation model for Medicare participants due to the implementation of Alternative Medicare options in 2016:

- Assumed both pre-Medicare and Medicare-eligible future retirees (i.e. active employees) and DROP participants would assumed to elect medical coverage according to the "Plan Participation" table shown on page 14 of the GASB 45 report dated March 13, 2017, with a slight modification (sample rates in cover letter).

- Assumed 10% of deferred retirees and terminated vested participants elect coverage after age 65, all under the Alternative Medicare options.

- Assumed 50% of currently covered post-65 retirees elect coverage under the Alternative Medicare options, with the other 50% remaining in the Florida Blue plan.

- Alternative Medicare plan participants were assumed to utilize 95% of their available subsidy.

- Participants covered by Alternative Medicare options are assumed to continue coverage for life.

**City of Gainesville
Retiree Health Plan**

Exhibit B-I

Information Required Under GASB 74 as of September 30, 2017

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate	1% Decrease 7.10%	Current Discount Rate 8.10%	1% Increase 9.10%
Net OPEB liability	\$ 10,156,721	\$ 4,090,205	\$ (1,165,281)

Sensitivity of the Net OPEB Liability to Changes in the Health Care Trend Rate	1% Decrease	Current Trend Rate	1% Increase
Net OPEB liability	\$ (2,343,426)	\$ 4,090,205	\$ 11,583,731

**City of Gainesville
Retiree Health Plan**

Exhibit B-II

Information Required Under GASB 74 as of September 30, 2017

Schedule of City Contributions	2017
Actuarially determined contribution	\$ 616,087
Contributions related to the actuarially determined contribution	1,622,729
Contribution deficiency (excess)	\$ 1,006,642
Covered-employee payroll	\$ 122,798,859
Contribution as a percent of payroll	1.3%

Notes to Schedule for 2017:

A. Valuation date: Actuarially determined contribution calculated as of October 1, 2015 applies for the fiscal year ended September 30, 2017.

B. Methods and assumptions used to determine the actuarially determined contribution:

- Actuarial cost method:** Entry Age Normal
- Amortization method:** Level percent, closed
- Amortization period:** 10 years
- Asset valuation method:** Actuarial value
- Inflation:** 3.75%
- Salary increases:** Please refer to the Actuarial Assumptions Summary in the Funding Report.
- Payroll Growth:** 4.50%
- Investment rate of return:** 8.20%, net of investment expenses
- Retirement age:** Please refer to the Actuarial Assumptions Summary in the Funding Report.
- Healthy Mortality:** Please refer to the Actuarial Assumptions Summary in the Funding Report.
- Disabled Mortality:** Please refer to the Actuarial Assumptions Summary in the Funding Report.
- Other information:** Please refer to the Actuarial Assumptions Summary in the Funding Report.

The Funding Report was prepared by Actuarial Concepts (dated July 2016) and titled:
City of Gainesville Retiree Health Care Plan Actuarial Valuation Report as of October 1, 2015

Schedule of Investment Returns	2017
Annual money-weighted rate of return, net of investment expenses	11.25%

**City of Gainesville
Retiree Health Plan**

Exhibit B-III

Information Required Under GASB 74 as of September 30, 2017

Projection of Fiduciary Net Position (000's omitted)							
Fiscal Year	Beginning						Ending
Ending	Fiduciary	City	Net Benefit	Admin.	Investment		Fiduciary
Sept. 30	Net Position	Contributions	Payments	Expenses	Earnings		Net Position
2017	\$ 59,442	\$ 1,623	\$ 4,109	\$ 6	\$ 6,550		\$ 63,500
2018	63,500	1,638	5,339	6	4,993		64,786
2019	64,786	1,590	5,544	6	5,087		65,913
2020	65,913	1,547	5,779	6	5,167		66,843
2021	66,843	1,505	6,120	6	5,227		67,449
2022	67,449	1,461	6,212	6	5,271		67,962
2023	67,962	1,409	6,392	6	5,303		68,276
2024	68,276	1,353	6,546	6	5,320		68,397
2025	68,397	1,289	6,771	6	5,318		68,227
2026	68,227	1,236	6,787	6	5,301		67,971
2027	67,971	1,171	6,836	6	5,276		67,576
2028	67,576	1,100	6,950	6	5,237		66,957
2029	66,957	1,028	6,937	6	5,184		66,226
2030	66,226	969	7,062	6	5,117		65,243
2031	65,243	921	6,974	6	5,039		64,223
2032	64,223	868	6,864	6	4,959		63,180
2033	63,180	809	6,893	6	4,871		61,961
2034	61,961	747	6,801	6	4,773		60,674
2035	60,674	684	6,812	6	4,666		59,206
2036	59,206	627	6,694	6	4,550		57,682
2037	57,682	573	6,589	6	4,428		56,089
2038	56,089	520	6,516	6	4,300		54,387
2039	54,387	460	6,419	6	4,164		52,585
2040	52,585	407	6,380	6	4,017		50,624
2041	50,624	361	6,400	6	3,856		48,435
2042	48,435	323	6,232	6	3,684		46,204
2043	46,204	285	6,166	6	3,504		43,820
2044	43,820	245	5,978	6	3,317		41,398
2045	41,398	200	5,806	6	3,126		38,912
2046	38,912	155	5,586	6	2,932		36,406
2047	36,406	111	5,326	6	2,737		33,922
2048	33,922	70	5,073	6	2,545		31,458
2049	31,458	31	4,766	6	2,356		29,074
2050	29,074	7	4,427	6	2,176		26,823
2051	26,823	4	4,073	6	2,008		24,756
2052	24,756	2	3,683	6	1,856		22,925
2053	22,925	1	3,301	6	1,723		21,342
2054	21,342	1	3,017	6	1,606		19,926
2055	19,926	0	2,689	6	1,505		18,737
2056	18,737	0	2,459	6	1,418		17,690
2057	17,690	0	2,228	6	1,342		16,798
2058	16,798	0	2,016	6	1,279		16,055
2059	16,055	0	1,849	6	1,225		15,426

**City of Gainesville
Retiree Health Plan**

Exhibit B-III

Information Required Under GASB 74 as of September 30, 2017

Projection of Fiduciary Net Position (000's omitted)						
Fiscal Year	Beginning					Ending
Ending	Fiduciary	City	Net Benefit	Admin.	Investment	Ending
Sept. 30	Net Position	Contributions	Payments	Expenses	Earnings	Fiduciary
						Net Position
2060	15,426	0	1,701	6	1,180	14,899
2061	14,899	0	1,568	6	1,143	14,468
2062	14,468	0	1,452	6	1,113	14,123
2063	14,123	0	1,345	6	1,089	13,861
2064	13,861	0	1,242	6	1,072	13,685
2065	13,685	0	1,148	6	1,062	13,592
2066	13,592	0	1,059	6	1,058	13,585
2067	13,585	0	974	6	1,061	13,666
2068	13,666	0	893	6	1,071	13,838
2069	13,838	0	816	6	1,088	14,103
2070	14,103	0	744	6	1,112	14,465
2071	14,465	0	675	6	1,144	14,928
2072	14,928	0	610	6	1,184	15,495
2073	15,495	0	549	6	1,233	16,172
2074	16,172	0	492	6	1,290	16,964
2075	16,964	0	438	6	1,356	17,877
2076	17,877	0	387	6	1,432	18,916
2077	18,916	0	340	6	1,518	20,087
2078	20,087	0	297	6	1,615	21,400
2079	21,400	0	257	6	1,723	22,860
2080	22,860	0	220	6	1,842	24,476
2081	24,476	0	187	6	1,975	26,257
2082	26,257	0	158	6	2,120	28,213

**City of Gainesville
Retiree Health Plan**

Exhibit B-IV

Information Required Under GASB 74 as of September 30, 2017

Actuarial Present Values of Projected Benefit Payments (000's omitted)								
Fiscal Year	Beginning	Benefit	Benefit Payments		Present Value of Benefit Payments			
			Funded	Unfunded	Funded	Unfunded	Using a Single	
Ending	Fiduciary	Payments	Portion	Portion	Portion at	Portion at	Discount Rate of	
Sept. 30	Net Position				8.10%	3.35%	8.10%	
2017	\$ 59,442	\$ 4,109	\$ 4,109	\$ 0	\$ 3,952	\$ 0	\$ 3,952	
2018	63,500	5,339	5,339	0	4,751	0	4,751	
2019	64,786	5,544	5,544	0	4,563	0	4,563	
2020	65,913	5,779	5,779	0	4,400	0	4,400	
2021	66,843	6,120	6,120	0	4,311	0	4,311	
2022	67,449	6,212	6,212	0	4,048	0	4,048	
2023	67,962	6,392	6,392	0	3,853	0	3,853	
2024	68,276	6,546	6,546	0	3,650	0	3,650	
2025	68,397	6,771	6,771	0	3,492	0	3,492	
2026	68,227	6,787	6,787	0	3,238	0	3,238	
2027	67,971	6,836	6,836	0	3,018	0	3,018	
2028	67,576	6,950	6,950	0	2,838	0	2,838	
2029	66,957	6,937	6,937	0	2,620	0	2,620	
2030	66,226	7,062	7,062	0	2,468	0	2,468	
2031	65,243	6,974	6,974	0	2,254	0	2,254	
2032	64,223	6,864	6,864	0	2,053	0	2,053	
2033	63,180	6,893	6,893	0	1,907	0	1,907	
2034	61,961	6,801	6,801	0	1,740	0	1,740	
2035	60,674	6,812	6,812	0	1,612	0	1,612	
2036	59,206	6,694	6,694	0	1,466	0	1,466	
2037	57,682	6,589	6,589	0	1,335	0	1,335	
2038	56,089	6,516	6,516	0	1,221	0	1,221	
2039	54,387	6,419	6,419	0	1,113	0	1,113	
2040	52,585	6,380	6,380	0	1,023	0	1,023	
2041	50,624	6,400	6,400	0	949	0	949	
2042	48,435	6,232	6,232	0	855	0	855	
2043	46,204	6,166	6,166	0	783	0	783	
2044	43,820	5,978	5,978	0	702	0	702	
2045	41,398	5,806	5,806	0	631	0	631	
2046	38,912	5,586	5,586	0	561	0	561	
2047	36,406	5,326	5,326	0	495	0	495	
2048	33,922	5,073	5,073	0	436	0	436	
2049	31,458	4,766	4,766	0	379	0	379	
2050	29,074	4,427	4,427	0	326	0	326	
2051	26,823	4,073	4,073	0	277	0	277	
2052	24,756	3,683	3,683	0	232	0	232	
2053	22,925	3,301	3,301	0	192	0	192	
2054	21,342	3,017	3,017	0	163	0	163	
2055	19,926	2,689	2,689	0	134	0	134	
2056	18,737	2,459	2,459	0	113	0	113	

**City of Gainesville
Retiree Health Plan**

Exhibit B-IV

Information Required Under GASB 74 as of September 30, 2017

<u>Actuarial Present Values of Projected Benefit Payments (000's omitted)</u>							
Fiscal Year Ending Sept. 30	Beginning Fiduciary Net Position	Benefit Payments	<u>Benefit Payments</u>		<u>Present Value of Benefit Payments</u>		
			Funded Portion	Unfunded Portion	Funded Portion at 8.10%	Unfunded Portion at 3.35%	Using a Single Discount Rate of 8.10%
2057	17,690	2,228	2,228	0	95	0	95
2058	16,798	2,016	2,016	0	80	0	80
2059	16,055	1,849	1,849	0	67	0	67
2060	15,426	1,701	1,701	0	57	0	57
2061	14,899	1,568	1,568	0	49	0	49
2062	14,468	1,452	1,452	0	42	0	42
2063	14,123	1,345	1,345	0	36	0	36
2064	13,861	1,242	1,242	0	31	0	31
2065	13,685	1,148	1,148	0	26	0	26
2066	13,592	1,059	1,059	0	22	0	22
2067	13,585	974	974	0	19	0	19
2068	13,666	893	893	0	16	0	16
2069	13,838	816	816	0	14	0	14
2070	14,103	744	744	0	12	0	12
2071	14,465	675	675	0	10	0	10
2072	14,928	610	610	0	8	0	8
2073	15,495	549	549	0	7	0	7
2074	16,172	492	492	0	6	0	6
2075	16,964	438	438	0	5	0	5
2076	17,877	387	387	0	4	0	4
2077	18,916	340	340	0	3	0	3
2078	20,087	297	297	0	2	0	2
2079	21,400	257	257	0	2	0	2
2080	22,860	220	220	0	2	0	2
2081	24,476	187	187	0	1	0	1
2082	26,257	158	158	0	1	0	1

**City of Gainesville
Retiree Health Plan**

Exhibit B-V

Information Required Under GASB 74 as of September 30, 2017

Summary of Member Data	October 1, 2015
Active Members	1,867
DROP Members	133
Inactive Members not in Receipt	
Retired Members	574
Terminated Members	335
Disabled Members	18
Beneficiaries	<u>125</u>
Total Inactive Members Not Receiving Benefits	1,052
Members Receiving Benefits	
Retired Members	701
Disabled Members	35
Beneficiaries	<u>10</u>
Total Members Receiving Benefits	746
Total Members	3,798

Member Statistics	October 1, 2015
Active members	
Number	1,867
Average age	45.0
Average service	10.9
DROP members	
Number	133
Average age	55.8
Terminated vested members	
Number	335
Average age	49.2
Retired members	
Number	1,275
Average age	66.4
Disabled members	
Number	53
Average age	59.3
Survivors	
Number	135
Average age	71.9
Total Number of Members	3,798

City of Gainesville
Retiree Health Plan

Actuarial Accrued Liability (Gain)/Loss for GASB Nos. 45 and 74

Exhibit C

Actuarial Accrued Liability (Gain)/Loss (Amounts in Millions)	
Actuarial Accrued Liability per the October 1, 2015 GASB 45 Valuation	\$ 59.7
Updates as of October 1, 2016:	
Mortality Tables (2016 FRS)	-
Retirement and Withdrawal Tables and Salary Scale for Consolidated Employees	0.4
Salary Scale for General Employees	(0.1)
Healthcare Claim Costs and Premiums	(13.6)
Adjustments to Valuation Model Associated With Implementation of Alternative Medicare Options	<u>19.0</u>
Actuarial Accrued Liability as of October 1, 2016	\$ 65.4
Passage of Time (October 1, 2016 to September 30, 2017)	2.5
Deviation from Expected Plan Experience	(0.9)
Change in Discount Rate from 8.20% to 8.10%	<u>0.6</u>
Actuarial Accrued Liability as of September 30, 2017	\$ 67.6