

City of Wilkes-Barre

**Post-Retirement Medical Plan
GASB 75 Financial Accounting Disclosure
For the Fiscal Year Ending December 31, 2022**

February 2024





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Actuarial Certification

City of Wilkes-Barre retained Korn Ferry to perform an actuarial valuation in accordance with GASB Statements No. 75 (Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions). The purpose of this valuation is to provide the City with certain actuarial values that are required for its financial statements disclosure. Use of the valuation results for other purposes may not be appropriate.

We have relied on census and benefit information provided by the City and/or its benefits administrator. We have not audited the information provided and its sources although we have reviewed it for reasonableness and, where necessary, requested corrections and clarifications. We are satisfied that the information provided by the City is sufficient for the purpose for which it has been used.

The valuation results were prepared using leased actuarial modeling software that produces results consistent with the purpose of this valuation and meet applicable regulatory requirements. The vendor is responsible for the development and maintenance of the software. Detailed technical documentation outlining how the calculations are done, as well as detailed sample life output allows users to confirm the results with a high degree of accuracy. The actuarial team loads the participant data, benefit provisions, and assumptions into the model. Sample lives and results are then reviewed by credentialed actuaries who are proficient users of the software. We are not aware of any material limitations in the model nor any material inconsistencies in the assumptions used within the model.

Assumptions used for the valuation were selected by the plan sponsor with our advice and concurrence, and we believe they are each reasonable based on its own merits and in combination represent the expected experience of the plan. All calculations have been conducted in accordance with generally accepted actuarial principles and practices.

Future actuarial measurements may differ significantly from current measurements due to such factors as plan experience differing from that anticipated by the assumptions, changes in future assumptions, and changes in plan provisions or applicable law. Because of the limited scope of our engagement, an analysis of the potential range of such future differences in measurement was not performed.

The actuary certifying to this valuation is a member of the Society of Actuaries and other professional actuarial organizations and meets the General Qualification Standards of the American Academy of Actuaries for purposes of issuing Statements of Actuarial Opinion. Neither Korn Ferry nor any of its employees has any relationship with the Plan Sponsor that could impair or appear to impair the objectivity of this report.

Audra Mardis, ASA, CERA, MAAA

February 14, 2024

Ted Pham ASA, MAAA



Section 1: Executive Summary

City of Wilkes-Barre (“the City”) sponsors medical, prescription drug, dental and vision plans. Eligible retirees and their dependents may continue health care coverage through the City for life for majority of the participants and until Medicare eligibility for specific group of employees. The plan covers eligible retirees who elect to participate and pay any required contributions. This report is for the actuarial valuation of the postemployment health benefit plan. The City adopted GASB 75 for the year ended December 31, 2018.

The calculations were based on an actuarial valuation as of January 1, 2021 using census data and recent health care cost information which was provided by the City.

GASB 75

In June 2015 the Governmental Accounting Standards Board (GASB) issued Statement Number 75 (Accounting and Financial Reporting for Postemployment Benefits Other than Pensions) which are meant to replace GASB 45. The effective date for this statement is for employers with fiscal years beginning after June 15, 2017. The City is assumed to be a single employer without a special funding situation and without a qualified trust for the purposes of reporting under GASB 75.

GASB 75 requires the Total OPEB Liability (TOL) to be calculated based on the Entry Age Normal Level Percent of Pay (EAN) actuarial cost method. These benefits are not currently pre-funded.

This valuation includes:

- all retirees who are currently receiving these benefits; and
- all active employees who will be eligible in the future to receive these benefits.

The City has provided a census of these employees and retirees. Refer to the City of Wilkes-Barre GASB 75 Financial Accounting Disclosure for the fiscal year ending December 31, 2021 for a summary of this data.

An actuarial valuation requires assumptions for the following parameters:

- A discount rate, which is based on the yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale);
- Mortality rates relevant to the underlying group of employees and retirees;
- Withdrawal rates relevant to the underlying group of employees;
- Retirement rates relevant to the underlying group of employees; and
- Current and future per capita claim costs for the benefits being valued.

In determining the initial per capita claim cost, we have relied on Health Cost information provided by the City (or its benefits administrator on its behalf).

The assumptions used in this valuation conform to the requirements of GASB 75 and generally accepted actuarial principles. A brief summary of the assumptions is presented in Section 5. For



complete information on the actuarial methods and assumptions, refer to the City of Wilkes-Barre GASB 75 Financial Accounting Disclosure for the fiscal year ending December 31, 2021.

The calculations were performed using a Valuation Date (VD) of January 1, 2021 for reporting in the City's full accrual financial statements for a Measurement Date (MD) of December 31, 2022. This report presents results as of December 31, 2022 and may be used for December 31, 2022 financial statements.

The City's next full valuation should be as of January 1, 2023, for reporting in the City's full accrual financial statement as of December 31, 2023.



Below is the summary of key results. The meaning of the terms presented in the table below can be found in Appendix B.

Table 1 - Executive Summary

	FY 2022	FY 2021
Valuation Date (VD)	January 1, 2021	January 1, 2021
Prior Measurement Date	December 31, 2021	December 31, 2020
Measurement Date (MD)	December 31, 2022	December 31, 2021
Membership Data as of Valuation Date		
Inactive Members or Beneficiaries Currently Receiving Benefits	307	307
Inactive Members Entitled to But Not Yet Receiving Benefits	5	5
Active Members	240	240
Total Membership	552	552
Discount Rate		
Municipal Bond Index Rate at Prior MD	2.05%	2.12%
Municipal Bond Index Rate at MD	4.31%	2.05%
Net OPEB Liability as of Measurement Date		
Total OPEB Liability (TOL)	\$ 76,237,482	\$ 114,578,541
Fiduciary Net Position (FNP)	0	0
Net OPEB Liability (NOL = TOL – FNP)	\$ 76,237,482	\$ 114,578,541
FNP as a percentage of TOL	0.0%	0.0%
OPEB Expense	\$ 2,344,234	\$ 11,246,250
Deferred Outflows of Resources	\$ 25,629,590	\$ 30,145,246
Deferred Inflows of Resources	\$ (40,534,556)	\$ (6,783,517)



Section 2: Financial Accounting Information

In response to the GASB 75 requirements, this section provides the necessary accounting disclosures for the City's financial reports which are shown in the following exhibits:

- Table 2: Plan Demographics
- Table 3: Assumptions
- Table 4: OPEB Expense
- Table 5: Net OPEB Liability Sensitivity
- Table 6: Deferred Inflows and Outflows
- Table 7: Unamortized Balance of Deferred Inflows and Outflows
- Table 8: Schedule of Future Deferred Inflows and Outflows Amortization

Brief Summary of Membership and Assumptions

The table below displays the number of employees covered by the benefit terms.

Table 2 - Demographics

Inactive Employees or Beneficiaries Currently Receiving Benefits	307
Inactive Employees Entitled to but not yet Receiving Benefits	5
Active Employees	240
Total Membership	552

Significant assumptions and other inputs used to measure the Total OPEB Liability for the current fiscal year are summarized in the table below.

Table 3 - Assumptions

Inflation	2.40%
Salary Increases	3.50%
Discount Rate	
Prior Measurement Date	2.05%
Measurement Date	4.31%
Mortality Table	Non-Uniformed: Pub-2010 General Employees and Retirees Headcount-Weighted table fully generational with MP-2021 Police and Fire: Pub-2010 Safety Employees and Retirees Headcount-Weighted table fully generational with MP-2021
Health Care Cost Trends	
Medical / Prescription Drug	Actual rate increase from 2021 to 2022 and 5.75% from 2022 to 2023 decreasing to an ultimate rate of 4.04% by 2075
Dental / Vision	3.00%



OPEB Expense

GASB states the OPEB expense also should be recognized in the current reporting period for costs incurred by the government related to the administration of OPEB. The measurement period for these costs should be the same as the measurement period applied to changes in the Total OPEB Liability.

The OPEB Expense consists of:

1. Service Costs for the year
2. Interest on the TOL using the bond rate at the beginning of the period
3. Change in the TOL due to benefit changes
4. The current year recognition of changes in the TOL due to Actual versus Expected experience
5. The current year recognition of changes in the TOL due to changes of assumptions or other inputs experience (including the change in discount rate)
6. Recognition of Deferred Inflows and Outflows of Resources from prior years.

The following table provides a breakdown of the OPEB Expense as of the current and prior fiscal year-ends:

Table 4 - OPEB Expense

Fiscal Year Ending	December 31, 2022	December 31, 2021
Service Cost	\$ 3,029,404	\$ 2,972,837
Interest on Total OPEB Liability and Service Cost	2,386,298	2,197,599
Current Period Benefit Changes	0	879,649
Administrative Expenses Net of All Other Revenues	0	0
Current Period Recognition of Deferred Inflows and Outflows of Resources		
Difference Between Expected and Actual Experience in the Total OPEB Liability	(5,690,657)	1,326,319
Changes of Assumptions or Other Inputs	2,619,189	3,869,846
Other	0	0
OPEB Expense	\$ 2,344,234	\$ 11,246,250



Sensitivity Results

Measures of the Net OPEB Liability (NOL) calculated using each of the following rates, should be disclosed:

- If applicable, a healthcare cost trend rate that is 1-percentage-point higher than the assumed healthcare cost trend rate, and a healthcare cost trend rate that is 1-percentage-point lower than the assumed healthcare cost trend rate.
- A discount rate that is 1-percentage-point higher than that required by GASB 75 paragraph 36 or GASB 74 paragraph 35(b)(2), and a discount rate that is 1-percentage-point lower than that required by GASB 75 paragraph 36 or GASB 74 paragraph 35(b)(2).

Changes in the discount and health care cost trend rates affect the measurement of the Total OPEB Liability (TOL). Lower discount rates produce a higher TOL whereas lower trend rates produce a lower TOL. The converse is true for higher discount rates and trend rates. Because discount rate and trend rates do not affect the measurement of assets, the percentage change in the NOL can be very significant for a relatively small change in either rates. The table below shows the sensitivity of the NOL to the discount rate and healthcare cost trend rates.

Table 5 - Net OPEB Liability Sensitivity

Healthcare Cost Trend	Discount Rate		
	1% Increase (5.31%)	Current (4.31%)	1% Decrease (3.31%)
1% Decrease		\$ 65,822,804	
Current	\$ 67,016,988	\$ 76,237,482	\$ 87,652,293
1% Increase		\$ 89,328,870	



Deferred Inflows and Outflows

The following table provides a summary of the Deferred Outflows of Resources and Deferred Inflows of Resources as of December 31, 2022:

Table 6 - Deferred Inflows and Outflows

Differences Between Expected and Actual Experience					
FYE	Initial Balance	Initial Amortization Period (in years)	Annual Recognition	Recognized in OPEB Expense through Dec 31, 2022	Unamortized Balance as of Dec 31, 2022
12/31/2018	\$ 0	7.00	\$ 0	\$ 0	\$ 0
12/31/2019	\$ 2,736,658	7.00	\$ 390,951	\$ 1,563,804	\$ 1,172,854
12/31/2020	\$ (353,359)	6.00	\$ (58,894)	\$ (176,682)	\$ (176,677)
12/31/2021	\$ 5,965,576	6.00	\$ 994,262	\$ 1,988,524	\$ 3,977,052
12/31/2022	\$ (35,084,878)	5.00	\$ (7,016,976)	\$ (7,016,976)	\$ (28,067,902)

Changes in Assumptions					
FYE	Initial Balance	Initial Amortization Period (in years)	Annual Recognition	Recognized in OPEB Expense through Dec 31, 2022	Unamortized Balance as of Dec 31, 2022
12/31/2018	\$ (6,952,403)	7.00	\$ (993,200)	\$ (4,966,000)	\$ (1,986,403)
12/31/2019	\$ 19,615,856	7.00	\$ 2,802,266	\$ 11,209,064	\$ 8,406,792
12/31/2020	\$ 8,827,041	6.00	\$ 1,471,173	\$ 4,413,519	\$ 4,413,522
12/31/2021	\$ 3,537,638	6.00	\$ 589,607	\$ 1,179,214	\$ 2,358,424
12/31/2022	\$ (6,253,285)	5.00	\$ (1,250,657)	\$ (1,250,657)	\$ (5,002,628)

Deferred Inflows and Outflows of resources for (a) differences between expected and actual experience and (b) changes of assumptions or other inputs should be recognized in OPEB expense, beginning in the current reporting period, using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the OPEB plan (active employees and inactive employees) determined as of the beginning of the measurement period.

For the current fiscal year, the average expected remaining service life of active and inactive employees is 5.03 years and the Deferred Inflows and Outflows of resources for (a) differences between expected and actual experience and (b) changes of assumptions or other inputs as of December 31, 2022 are amortized over 5 years.

**Table 7 – Unamortized Balance of Deferred Inflows and Outflows**

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 7,879,819	\$ (30,974,494)
Changes of Assumptions or Other Inputs	17,749,771	(9,560,062)
Total	\$ 25,629,590	\$ (40,534,556)

The following table presents the Deferred Inflows and Outflows by year of recognition for each of the next five years and all years after that.

Table 8 - Schedule of Future Deferred Inflows and Outflows Amortization

Measurement Period Ended Dec 31		
2023	\$	(3,071,468)
2024	\$	(3,071,471)
2025	\$	(2,078,265)
2026	\$	(6,683,762)
2027	\$	0
Thereafter	\$	0



Schedule of Changes in Total OPEB Liability and Fiduciary Net Position

Fiscal Years Ending	2022	2021	2020	2019	2018
Total OPEB Liability (TOL)					
Service Cost	\$ 3,029,404	\$ 2,972,837	\$ 2,423,480	\$ 1,499,314	\$ 1,723,537
Interest on TOL and Service Cost	2,386,298	2,197,599	2,541,745	2,854,737	2,570,425
Changes of benefit terms	0	879,649	0	(1,536,386)	0
Difference between expected and actual experience	(35,084,878)	5,965,576	(353,359)	2,736,658	0
Changes of assumptions or other inputs	(6,253,285)	3,537,638	8,827,041	19,615,856	(6,952,403)
Benefit payments	(2,418,598) ¹	(3,307,258)	(2,875,249)	(2,693,573)	(2,077,348)
Net change in Total OPEB Liability	\$ (38,341,059)	\$ 12,246,041	\$ 10,563,658	\$ 22,476,606	\$ (4,735,789)
Total OPEB Liability – beginning	\$ 114,578,541	\$ 102,332,500	\$ 91,768,842	\$ 69,292,236	\$ 74,028,025
Total OPEB Liability – ending	\$ 76,237,482	\$ 114,578,541	\$ 102,332,500	\$ 91,768,842	\$ 69,292,236
Plan Fiduciary Net Position (FNP)					
Contributions – Employer	\$ 2,418,598	\$ 3,307,258	\$ 2,875,249	\$ 2,693,573	\$ 2,077,348
Contributions – Member	0	0	0	0	0
Other additions	0	0	0	0	0
Net investment income	0	0	0	0	0
Benefit payments	(2,418,598)	(3,307,258)	(2,875,249)	(2,693,573)	(2,077,348)
Administrative expenses	0	0	0	0	0
Net change in Plan FNP	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Plan FNP – beginning	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Plan FNP – ending	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Net OPEB Liability (NOL) – ending	\$ 76,237,482	\$ 114,578,541	\$ 102,332,500	\$ 91,768,842	\$ 69,292,236
FNP as % of TOL	0.0%	0.0%	0.0%	0.0%	0.0%
Covered payroll	N/A	N/A	N/A	N/A	N/A
NOL as % of covered payroll	N/A	N/A	N/A	N/A	N/A

¹ Based on \$2,014,360 in actual benefit payment and \$404,238 in actuarial implicit liability benefit payment.



Section 3: Projected Benefit Payments

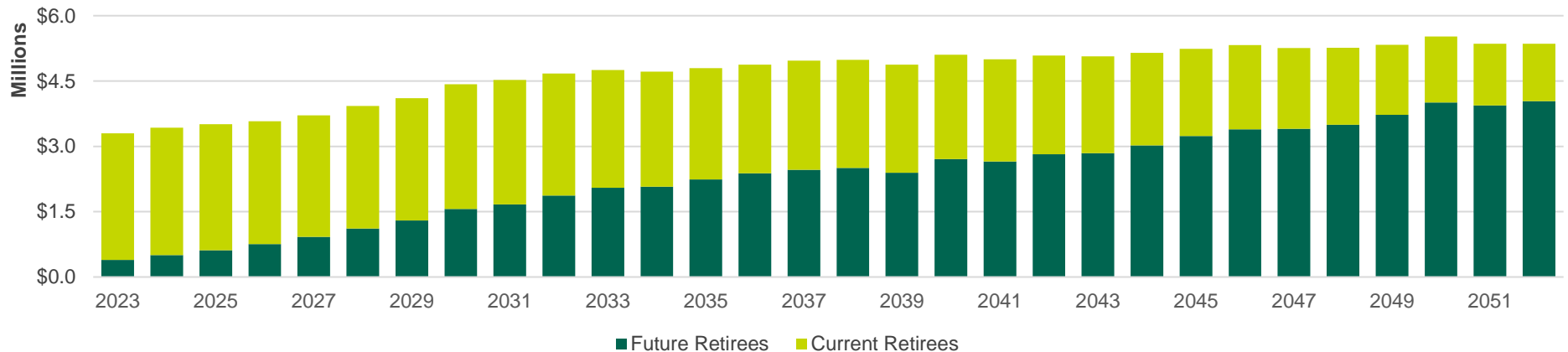
The following table is not a required financial accounting disclosure under GASB 75 but it's been provided for information purposes only. The table below shows the projected benefit payments (also called pay-as-you-go cost) for the next 30 years for future retirees (currently active employees) and retirees. The costs include explicit subsidy (if any) and implicit subsidy and net of any retiree contributions.

FYE	Future Retirees	Current Retirees	Total
2023	\$ 394,535	\$ 2,904,679	\$ 3,299,214
2024	\$ 502,184	\$ 2,925,200	\$ 3,427,384
2025	\$ 612,508	\$ 2,897,009	\$ 3,509,517
2026	\$ 755,198	\$ 2,821,152	\$ 3,576,350
2027	\$ 919,855	\$ 2,791,554	\$ 3,711,409
2028	\$ 1,115,792	\$ 2,812,931	\$ 3,928,723
2029	\$ 1,296,136	\$ 2,809,566	\$ 4,105,702
2030	\$ 1,559,915	\$ 2,865,227	\$ 4,425,142
2031	\$ 1,665,329	\$ 2,859,420	\$ 4,524,749
2032	\$ 1,870,143	\$ 2,804,350	\$ 4,674,493

FYE	Future Retirees	Current Retirees	Total
2033	\$ 2,052,075	\$ 2,703,150	\$ 4,755,225
2034	\$ 2,073,896	\$ 2,640,536	\$ 4,714,432
2035	\$ 2,238,927	\$ 2,555,858	\$ 4,794,785
2036	\$ 2,382,484	\$ 2,492,557	\$ 4,875,041
2037	\$ 2,462,540	\$ 2,507,276	\$ 4,969,816
2038	\$ 2,502,358	\$ 2,481,328	\$ 4,983,686
2039	\$ 2,395,474	\$ 2,478,960	\$ 4,874,434
2040	\$ 2,710,413	\$ 2,395,588	\$ 5,106,001
2041	\$ 2,652,877	\$ 2,343,923	\$ 4,996,800
2042	\$ 2,817,185	\$ 2,268,248	\$ 5,085,433

FYE	Future Retirees	Current Retirees	Total
2043	\$ 2,846,070	\$ 2,222,998	\$ 5,069,068
2044	\$ 3,024,192	\$ 2,124,087	\$ 5,148,279
2045	\$ 3,235,675	\$ 2,004,687	\$ 5,240,362
2046	\$ 3,391,332	\$ 1,931,734	\$ 5,323,066
2047	\$ 3,402,149	\$ 1,852,421	\$ 5,254,570
2048	\$ 3,494,939	\$ 1,768,581	\$ 5,263,520
2049	\$ 3,722,141	\$ 1,611,386	\$ 5,333,527
2050	\$ 4,008,647	\$ 1,515,972	\$ 5,524,619
2051	\$ 3,938,564	\$ 1,419,168	\$ 5,357,732
2052	\$ 4,036,086	\$ 1,320,401	\$ 5,356,487

Projected Benefit Payments





Section 4: Summary of Plan Provisions

Changes since Prior Valuation

There are no changes to the substantive plan provision since the last valuation. For complete information on the summary of plan provisions used in the December 31, 2022 report, refer to the City of Wilkes-Barre GASB 75 Financial Accounting Disclosure for the fiscal year ending December 31, 2021.



Section 5: Actuarial Methods and Assumptions

FY 2022 actuarial valuation is based on the January 1, 2021 valuation projected on a “no gain/loss” basis without any adjustments except for the changes as noted in the Actuary’s Notes section below. For complete information on the actuarial methods and assumptions used in the January 1, 2021 valuation, refer to the City of Wilkes-Barre Post-Employment Actuarial Valuation for fiscal year ending December 31, 2021.

Actuary’s Notes

The following is actuarial methods and assumptions changes since the last valuation for the fiscal year ending December 31, 2021:

- Discount rate has been updated based on the 20-year S&P Municipal Bond Index as of December 31, 2022.
- Actual rate increases from 2021 to 2022 for medical health insurance.
- Mortality rate is updated from RP-2000 Combined Mortality Table to Pub-2010 General Employees Headcount for Non-Uniformed members and Safety Employees Headcount for Police and Firefighters members.

Measurement Date

December 31, 2022

Valuation Date

January 1, 2021; with liabilities projected to December 31, 2021 and 2022 on a no gain/loss basis.

Discount Rate

2.05% as of December 31, 2021 and 4.31% as of December 31, 2022

Cost Method

Entry Age Normal Level % of Salary

Payroll Growth

3.50%



Health Care Trend Rates

The health care trend assumptions used in the valuation were developed using the Society of Actuaries (SOA) Long-Run Medical Cost Trend Model.

Year	Annual Trend	Year	Annual Trend
2021	Actual ²	2040	5.18%
2022	5.75%	2050	5.18%
2025	5.36%	2060	4.83%
2030	5.18%	2070	4.38%
2035	5.18%	2075+	4.04%

Dental/vision cost is assumed to increase by 3.00% annually in the future. Buyout benefit amounts and maximum retiree contribution amounts are assumed to be increase by 2.00% annually in the future.

Discussion of Discount Rate

GASB 75 specifies that the discount rate should be selected based on a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale).

The municipal bond index as of the prior and current measurement dates are as shown below:

Bond Index	December 31, 2021	December 31, 2022
Bond Buyer 20-Bond GO Index	2.05%	Not available
S&P Municipal Bond 20-Year High Grade Index	2.25%	4.31%

As prescribed by GASB 75, since the County does not fund the plan, the investment return assumption (discount rate) is set equal to the 20-year municipal bond rates noted above, which are 2.05% as of December 31, 2021 and 4.31% as of December 31, 2022. The Bond Buyer 20-Bond GO Index used to be available weekly on a free website but is no longer accessible for free. For this reason, we have used the S&P Municipal Bond 20-Year High Grade Index as of December 31, 2022, and expect to continue to use the S&P Municipal Bond index in the future.

² Fire PPO 1.59%, Fire HMO 0.14%, Police PPO 5.04%, Police HMO 4.70%, Fire/Police 65+ Senior 4.73%, Non-union PPO retired before 8/2022 5.61%, Non-union HMO retired before 8/2022 4.70%, Non-union PPO retired on/after 8/2022 1.05%, Non-union HMO retired on/after 8/2022 0.48%, Non-union 65+ Senior -59.06%, All groups 65+ Freedom -5.92%



Appendix A: Breakdown of GASB Results

Schedule of Changes in Total OPEB Liability for FYE December 31, 2022

	Non-Uniformed	Police	Fire	Total
Service Cost	\$ 1,186,633	\$ 1,274,700	\$ 568,071	\$ 3,029,404
Interest on TOL and Service Cost	1,182,510	732,156	471,632	2,386,298
Changes of benefit terms	0	0	0	0
Difference between expected and actual experience	(32,736,253)	(1,033,055)	(1,315,570)	(35,084,878)
Changes of assumptions or other inputs	3,213,790	(6,194,401)	(3,272,674)	(6,253,285)
Benefit payments	(895,186)	(796,357)	(727,055)	(2,418,598)
Net change in Total OPEB Liability	\$ (28,048,506)	\$ (6,016,957)	\$ (4,275,596)	\$ (38,341,059)
Total OPEB Liability – beginning	\$ 56,942,096	\$ 34,836,397	\$ 22,800,048	\$ 114,578,541
Total OPEB Liability – ending	\$ 28,893,590	\$ 28,819,440	\$ 18,524,452	\$ 76,237,482

OPEB Expense for FY 2022

	Non-Uniformed	Police	Fire	Total
Service Cost	\$ 1,186,633	\$ 1,274,700	\$ 568,071	\$ 3,029,404
Interest on Total OPEB Liability and Service Cost	1,182,510	732,156	471,632	2,386,298
Current Period Benefit Changes	0	0	0	0
Current Period Recognition of Def. Inflows & Outflows of Resources				
Difference Between Expected and Actual Experience in TOL	(4,350,124)	(548,817)	(791,716)	(5,690,657)
Changes of Assumptions or Other Inputs	1,809,156	541,962	268,071	2,619,189
OPEB Expense	\$ (171,825)	\$ 2,000,001	\$ 516,058	\$ 2,344,234



Unamortized Balance of Deferred Inflows and Outflows as of December 31, 2022

	Non-Uniformed		Police	
	Deferred Outflows	Deferred Inflows	Deferred Outflows	Deferred Inflows
Differences between Expected and Actual Experience	\$ 7,879,819	\$ (26,268,549)	\$ 0	\$ (2,023,176)
Changes of Assumptions or Other Inputs	\$ 7,754,646	\$ (923,364)	\$ 6,429,308	\$ (5,557,690)
Total	\$ 15,634,465	\$ (27,191,913)	\$ 6,429,308	\$ (7,580,866)

	Fire		Total	
	Deferred Outflows	Deferred Inflows	Deferred Outflows	Deferred Inflows
Differences between Expected and Actual Experience	\$ 0	\$ (2,682,769)	\$ 7,879,819	\$ (30,974,494)
Changes of Assumptions or Other Inputs	\$ 3,565,817	\$ (3,079,008)	\$ 17,749,771	\$ (9,560,062)
Total	\$ 3,565,817	\$ (5,761,777)	\$ 25,629,590	\$ (40,534,556)

Schedule of Future Deferred Inflows and Outflows Amortization

Measurement Period Ended December 31	Non-Uniformed	Police	Fire	Total
2023	\$ (2,540,968)	\$ (6,855)	\$ (523,645)	\$ (3,071,468)
2024	\$ (2,540,967)	\$ (6,856)	\$ (523,648)	\$ (3,071,471)
2025	\$ (2,079,284)	\$ 294,230	\$ (293,211)	\$ (2,078,265)
2026	\$ (4,396,229)	\$ (1,432,077)	\$ (855,456)	\$ (6,683,762)
2027	\$ 0	\$ 0	\$ 0	\$ 0
2028+	\$ 0	\$ 0	\$ 0	\$ 0



Appendix B: Glossary

Actuarial Accrued Liability

Same definition as Total OPEB Liability (TOL).

Actuarial Cost Method

A procedure to allocate the Actuarial Present Value of Future Benefits into time periods, usually in the form of Service Cost and Total OPEB Liability.

Actuarial Present Value of Future Benefits

Total projected benefits estimated to be payable to Plan Members as a result of their service through the valuation date and their expected future service. The actuarial present value of future benefits as of the valuation date is:

- a. The present value of the cost to finance benefits payable in the future,
- b. Discounted using the Investment Return to reflect the expected effects of the time value of money and the probabilities of payment (which is contingent on occurrence of certain events such as death, disability, retirement, etc).

Expressed another way, it is the amount that would have to be invested on the valuation date so that the amount invested plus investment earnings will provide sufficient asset to pay total projected benefits when due.

Covered Group

Plan Members included in actuarial valuation.

Deferred Inflows

Gains in the Total OPEB Liability and in the OPEB Plan's Fiduciary Net Position (for funded plan only) due to be recognized in the future.

Deferred Outflows

Losses in the Total OPEB Liability and in the OPEB Plan's Fiduciary Net Position (for funded plan only) due to be recognized in the future.

Defined Benefit OPEB Plan

An OPEB plan having terms that specify the amount of benefits to be provided at or after separation from employment. The benefits may be specified in dollars (for example, a flat dollar payment or an amount based on one or more factors such as age, years of service, and compensation), or as a type or level of coverage (for example, prescription drugs or a percentage of healthcare premiums).

Fiduciary Net Plan Position

OPEB plan assets in a secure Trust that meet the following criteria:

- a. Contributions from employers to the OPEB plan and earnings on those contributions are irrevocable.
- b. OPEB plan assets are dedicated to providing OPEB to plan members in accordance with the benefit terms.
- c. OPEB plan assets are legally protected from the creditor of employers, OPEB plan administrator, and the plan members.

Funded Ratio

The actuarial value of assets expressed as a percentage of the Total OPEB Liability.

**Healthcare Cost Trend Rate**

The rate of change in per capita health claim costs over time as a result of factors such as medical inflation, utilization of healthcare services, plan design, and technological developments.

Investment Return Assumption (Discount Rate)

The rate used to adjust a series of future payments to reflect the time value of money.

Net OPEB Liability (NOL)

The Total OPEB Liability less the Fiduciary Net Plan Position set aside to pre-fund the benefit.

Other Postemployment Benefits (OPEB)

Postemployment benefits (such as death benefits, life insurance, disability, and long-term care) as well as postemployment healthcare benefits that are paid in the period after employment and are provided separately from the pension plan. OPEB does not include benefits defined as termination benefits or termination payments for sick leave.

Pay-as-you-go (PAYGO)

A method of financing a pension plan under which the contributions to the plan are generally made at about the same time and in about the same amount as benefit payments and expenses becoming due.

Payroll Growth Rate

An actuarial assumption with respect to future increases in total coverage payroll attributable to inflation; used in the Actuarial Cost Method in the determination of the Total OPEB Liability.

Plan Members

The individuals covered by the terms of an OPEB plan. The plan membership generally includes employees in active service, terminated employees who have accumulated benefits but are not yet receiving them, and retired employees and beneficiaries currently receiving benefits.

Postemployment Healthcare Benefits

Medical, dental, vision, and other health-related benefits provided to terminated or retired employees and their dependents and beneficiaries.

Select and Ultimate Rates

Actuarial assumptions that contemplate different rates for successive years. Instead of a single assumed rate with respect to, for example, the investment return assumption, the actuary may apply different rates for the early years of a projection and a single rate for all subsequent years. For example, if an actuary applies an assumed investment return of 8% for year 20X1, 7.5% for 20X2, and 7% for 20X3 and thereafter, then 8% and 7.5% are select rates, and 7% is the ultimate rate.

Service Cost (Normal Cost)

That portion of the Actuarial Present Value of plan benefits and expenses which is allocated to a 12-month period following the valuation date by the Actuarial Cost Method.

Total OPEB Liability (TOL)

The portion of the Actuarial Present Value of projected benefit payments that is attributed to employees' past service as of the valuation date as determined by Actuarial Cost Method.

About Korn Ferry

Korn Ferry is a global organizational consulting firm. We help clients synchronize strategy and talent to drive superior performance. We work with organizations to design their structures, roles, and responsibilities. We help them hire the right people to bring their strategy to life. And we advise them on how to reward, develop, and motivate their people.



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