PENSION AD HOC STAKEHOLDER
Today’s Focus

- OVERVIEW
- DRIVERS
- WHERE WE ARE TODAY
- NEXT STEPS
1.9 million members
Public agency members = 31%
Employers = ~3,000

2018 = $354B
2009 = $181B
@ 71% funded ratio deficit =
~$160B

Funded ratio
2018 = 71%
1999 = 128% (high)
2009 = 61% (low)
Risk Pool
Fewer than 100 employees

Plans
Classic Safety
Classic Miscellaneous
PEPPRA Miscellaneous
PEPPRA Safety
(The two Classic plans = 99% of UAL)

Asset and liability gap
US = ~$4.2 trillion
CalPERS = ~$159 billion
PVE (UAL) = ~$16.6 million
Unfunded Accrued Liabilities (UAL)

- **Classic Safety**
  - 2018: UAL = $12.5M, 70% funded
  - 2017: UAL = $10.9M, 73% funded

- **Classic Miscellaneous**
  - 2018: UAL = $4.1M, 76% funded
  - 2017: UAL = $3.4M, 79% funded

- **PEPPRA Miscellaneous**
  - 2018: UAL = $21k, 93% funded
  - 2017: UAL = $3.8k, 98% funded

- **PEPPRA Safety**
  - 2018: UAL = $6.7k, 92% funded
  - 2017: UAL = $1.3k, 96% funded
Pension obligation as % of revenue

Year | Pension Obligation (% of Revenue)
-----|---------------------------------|
2015-16 | 5.5
2016-17 | 6.0
2017-18 | 6.5
2018-19 | 7.0
2019-20 | 7.5
2020-21 | 8.0
2021-20 | 8.5
AGENCIES MAKING ADPs

- 2015-16: 153 Agencies, $143.76
- 2016-17: 185 Agencies, $228.45
- 2017-18: 195 Agencies, $537.77
- 2018-19: 58 Agencies, $198.69

* ADP's from July 1, 2018 through August 31, 2018
FUNDED RATIO 6/30/16 VALUATION (PAS)
FUNDED RATIO 6/30/17 VALUATION (PAS)
$20M

2019-20 Adjusted Budget ~2% anticipated increase in future years

$16.3M

Accounted for between restricted and contractual
Discount rate
Risk pool experience
Portfolio performance
Demographic shifts
Ratio of actives to retirees
ADPs
• Lower discount rate
• 20-year amortization
• Plan changes

Anticipated changes in 2020-2021
MESSEGE

- BE THOUGHTFUL
- BE PRUDENT
- ACT WITH URGENCY, NOT DESPERATION
- COLLABORATE, BE INCLUSIVE
NEXT STEPS

- Complete discovery
- Review findings
- Solicit feedback
- Present to FAC

THANK YOU
<table>
<thead>
<tr>
<th>October</th>
<th>November</th>
<th>December</th>
<th>January</th>
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</thead>
<tbody>
<tr>
<td>Ad Hoc Stakeholders</td>
<td>Present to FAC for inclusion into city 2020-2022 Forecast and possibly 2019-20 Adjusted Budget</td>
<td>Council adoption</td>
<td>Integrate in city plan</td>
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**TIMELINE OF EVENTS**
Money makes money. And the money that money makes, makes money.

- Benjamin Franklin