

Attachment 6 - 2021 Financial Report on the Position of the Pension Plans

Funded Status - \$ thousands

	Multi-Employer Pension Plans Actuarial Funded Position	
Pension Plan	Local Authorities Pension Plan (LAPP)	Special Forces Pension Plan (SFPP)
Valuation Date	2020 Dec 31	2019 Dec 31
Next Valuation Date (not later than)	2023 Dec 31	2022 Dec 31
Assets	\$53,118,100	\$3,331,500
Liabilities	\$49,888,900	\$3,580,500
Unfunded Liability/ (Excess Assets)	(\$3,229,200)	\$249,000
Going Concern Funded Ratio	106.5%	*93.0%

Refer to graphs on page 4

City employees are members of the multi-employer plans, LAPP or SFPP. The plans are funded through a combination of the contributions paid by members and The City, and the investment returns earned on the assets of the plan.

An actuarial valuation is performed at least every three years to determine the financial position of the pension plan and the future contributions rates needed to ensure the long-term funding of the plans indefinitely. The funded ratio compares the value of the plan assets to plan liabilities while a plan is ongoing. An unfunded liability exists when the actuarial valuation determines the plan's liabilities exceed the plan's assets.

LAPP is in a strong, fully funded position as per actuarial valuation as of December 31, 2020. The LAPP Sponsor Board voted to reduce contribution rates by 1% for employers and 1% for members effective January 1, 2022, reducing the blended rate from 20.16% to 18.16%.

Due to the multi-employer nature of LAPP and SFPP, information is not available to determine The City's portion of the plans' obligations and assets. However, given that SFPP has unfunded liabilities, an inherent unrecorded liability amount is attributable indirectly to The City and the plan participants.

The SFPP Board reviewed the Plan's funded position (actuarial valuation) as of December 31, 2019 and as a result had undertaken a Funding Risk Study in 2021 to identify, assess and prioritize the potential risks facing the Plan. The 2019 funding valuation allows SFPP to set contribution rates for up to three years, providing certainty to members and employers.

* The going concern funded status of SFPP as of 2019 December 31 was 93.0% (2018 – 92.4%) based on the minimum level of indexing at 30% of CPI for post-2000 service.

Funded Status - \$ thousands (continued)

City Sponsored Pension Plans Actuarial Funded Position			
Pension Plan	Supplementary Pension Plan (SPP) (100%)	Firefighters Supplementary Pension Plan (FSPP) (100%)	Elected Officials Pension Plan (EOPP)
Valuation Date	2019 Dec 31	2018 Dec 31	2021 Dec 31
Next Valuation Date (not later than)	2022 Dec 31	2021 Dec 31	2024 Dec 31
Assets	\$61,944	\$188,676	\$19,645
Liabilities	\$55,949	\$185,026	\$12,736
Unfunded Liability/ (Excess Assets)	(\$5,995)	(\$3,650)	(\$6,909)
Going Concern Funded Ratio	110.72%	102.00%	154.2%

Refer to graphs on page 4

The SPP, FSPP and EOPP are registered pension plans that are funded through a combination of the contributions paid by members and The City and the investment returns earned on the assets of the plan.

Each plan holds its assets in an external trust fund solely for the members of the plan.

An actuarial valuation is performed at least every three years to determine the financial position of the plans and the future contributions rates needed to ensure the long-term funding and sustainability of the plans. The funded ratio compares the value of the plan assets to plan liabilities while a plan is ongoing.

The City and the members of SPP and FSPP share the cost of future service and future unfunded liabilities 55% by The City and 45% by the plan members. The EOPP is funded by members contributing a fixed rate of earnings and The City providing the balance of the funding.

Funded Status - \$ thousands (continued)

City Sponsored Pension Plans Accounting Funded Position						
Pension Plan	Supplementary Pension Plan (SPP) (55%)	Firefighters Supplementary Pension Plan (FSPP) (55%)	Elected Officials Pension Plan (EOPP)	Police Supplementary Pension Plan (PSPP)	Active Non-Registered Pension Arrangements <small>(Note 1)</small>	Inactive Non-Registered Pension Arrangements <small>(Note 2)</small>
Valuation Date	2021 Dec 31	2021 Dec 31	2021 Dec 31	2021 Dec 31	2021 Dec 31	2021 Dec 31
Assets	\$41,829	\$131,390	\$19,443	-	-	-
Benefit Obligation	\$51,307	\$172,800	\$15,173	\$1,261	\$44,124	\$9,658
Deficiency/ (Surplus)	\$9,478	\$41,410	(\$4,270)	\$1,261	\$44,124	\$9,658
Unrecognized Experience Gains/(Losses)	(\$2,922)	\$9,724	\$3,242	-	(\$10,752)	-
Liability/(Asset)	\$6,556	\$51,134	(\$1,028)	\$1,261	\$33,372	\$9,658

The City has full responsibility for funding the PSPP and the non-registered pension arrangements as the benefit payments become due. There is no legislated requirement to pre-fund these plans through external trusts and there are no member contributions. A valuation is performed annually for financial statement purposes. Information can be found in The City's Annual Report, Employee Benefit Obligation note.

Note 1: Non-Registered Pension Arrangements with active members include OCPP and PCDOPP

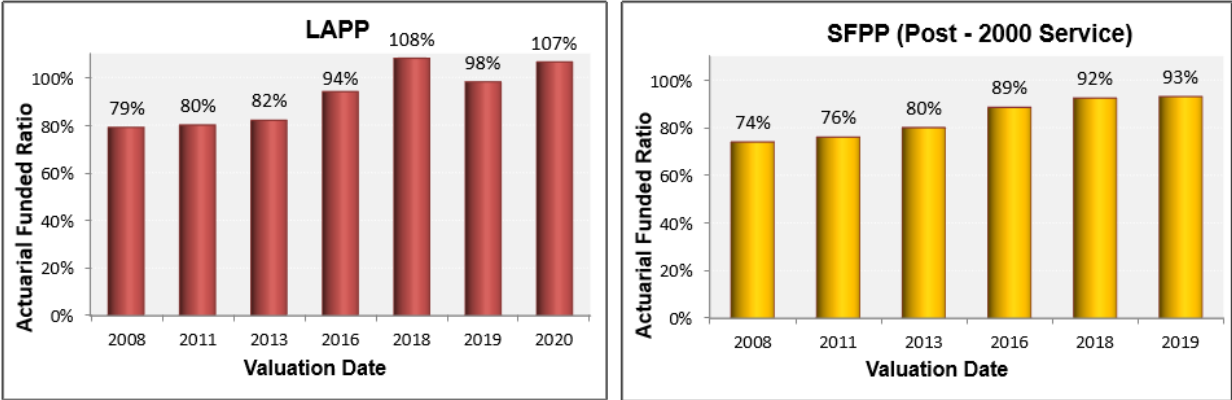
Note 2: Non-Registered Pension Arrangements with no active members include EOSP, EPP, FCDOPP and Contracts

The unrecognized experience gains and losses are recognized as a liability over the expected average remaining service life of the active members. The PSPP is a closed plan and will terminate when the final pension payment is made. As such any actuarial gains or losses are fully recognized in the year they arise.

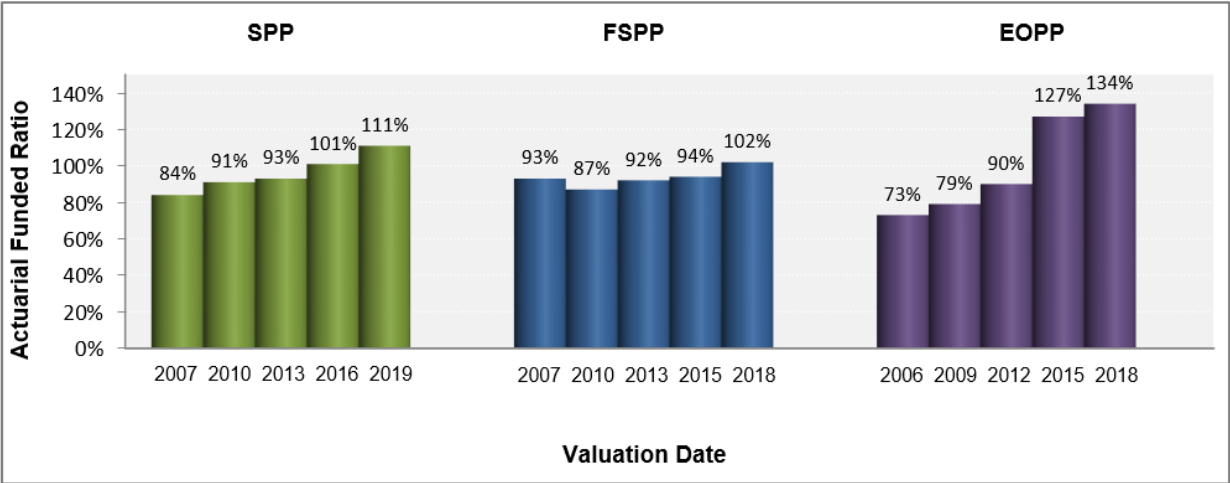
Sufficient funds are held within The City's investments to cover the unrecognized experience as determined by the most recent valuation for accounting purposes.

Funded Status (continued)

Actuarial Funded Ratio of Multi-Employer Pension Plans



Actuarial Funded Ratio of The City Sponsored Pension Plans



2021 Contributions - \$ thousands

Multi-Employer Pension Plans		
Pension Plan	Local Authorities Pension Plan (LAPP)	Special Forces Pension Plan (SFPP)
City Contributions	\$131,447	\$36,456
Member Contributions	\$119,123	\$33,614
Contribution Remittance Cycle	Bi-weekly	Bi-weekly
Effective Date of Contribution Rates	2021 Jan 1	2010 July 1
Member Contribution Rate	8.39% up to YMPE 12.84% over YMPE & up to Annual Salary Cap	13.45% up to Annual Salary Cap
City Contribution Rate	9.39% up to YMPE 13.84% over YMPE & up to Annual Salary Cap	14.55% up to Annual Salary Cap
2021 YMPE	\$61,600	\$61,600
2021 Annual Salary Cap	\$180,758	\$180,758

Refer to graphs on page 8

The contributions are made in accordance with the terms of the LAPP and SFPP plan texts and the most recent actuarial valuation report. The City's contributes 1% of pay more than members for LAPP, and 1.1% more for SFPP. Local government also contributes an additional 1.25% to SFPP.

2021 Contributions - \$ thousands (continued)

City Sponsored Pension Plans						
Pension Plan	Supplementary Pension Plan (SPP) <small>(Note 1)</small>	Firefighters Supplementary Pension Plan (FSPP) <small>(Note 1)</small>	Elected Officials Pension Plan (EOPP) <small>(Note 1)</small>	Police Supplementary Pension Plan (PSPP) <small>(Note 2, 3)</small>	Active Non-Registered Pension Arrangements <small>(Note 3, 4, 5)</small>	Inactive Non-Registered Pension Arrangements <small>(Note 3, 4, 6)</small>
City Contributions	\$3,087	\$4,809	\$271	\$167	\$2,534	\$554
Member Contributions	\$2,521	\$4,004	\$131	N/A	N/A	N/A
Pension Payments	\$ 727	\$ 8,864	\$ 564	\$ 167	\$ 1,562	\$ 554
Member Refunds	\$ 4,058	\$ 1,480	\$ 0	\$ 0	\$ 972	\$ 0
Contribution Remittance Cycle	Monthly	Bi-weekly	Monthly	N/A	N/A	N/A
Effective Date of Contribution Rates	2021 Jan 01	2019 Oct 1	2016 Jan 1	N/A	N/A	N/A
Member Contribution Rates	2.37% Up to Annual Salary Cap	2.32% Up to Annual Salary Cap	9.00% Up to Annual Salary Cap	N/A	N/A	N/A
City Contribution Rates	2.90% Up to Annual Salary Cap	2.83% Up to Annual Salary Cap	18.64% Up to Annual Salary Cap	N/A	N/A	N/A
2021 Annual Salary Cap	\$162,278	\$180,758	\$162,278			

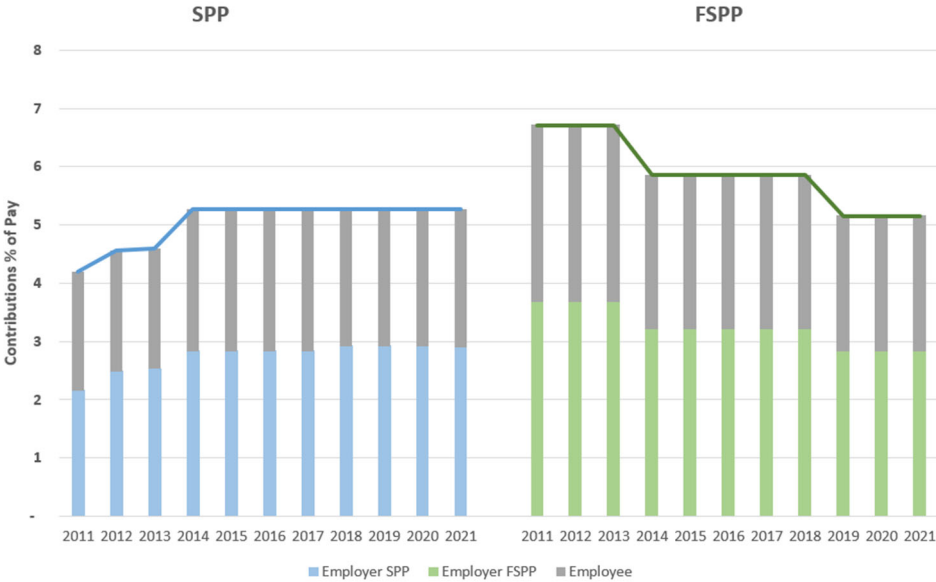
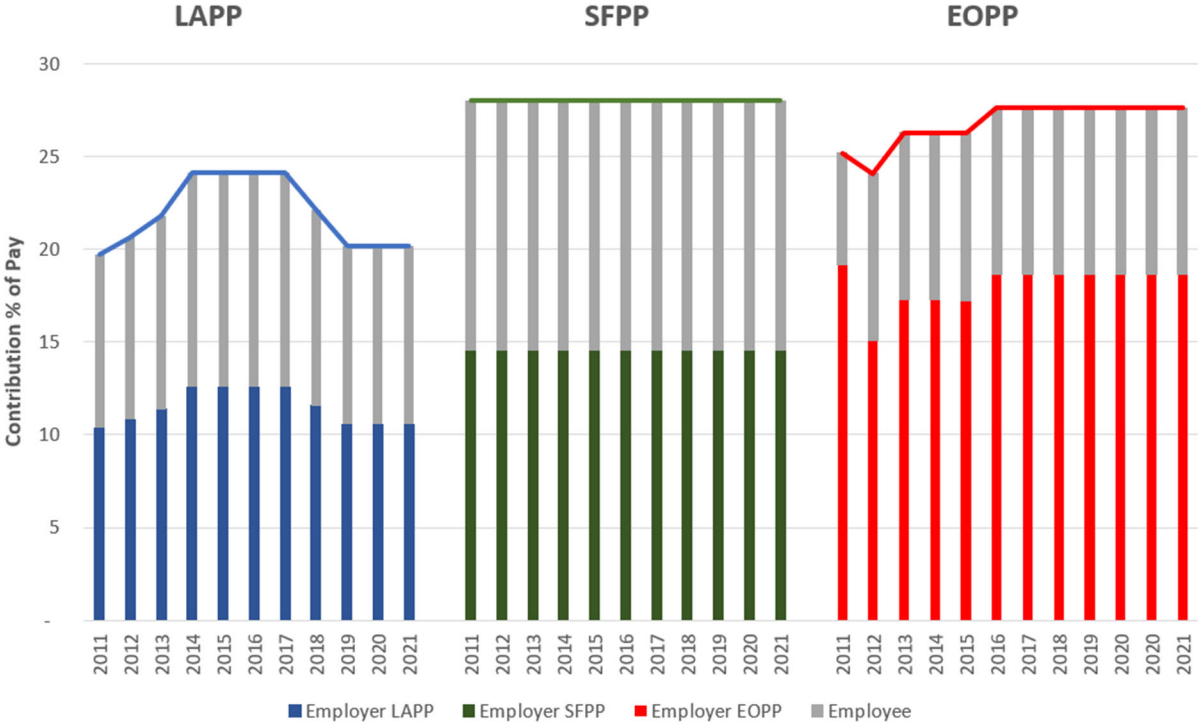
Refer to graphs on page 8

Note 1: The contributions are made in accordance with the terms of the plan texts and the most recent actuarial valuation report as follows:

- SPP & FSPP: the current service costs and going concern unfunded liabilities are shared 45% by the members and 55% by The City.
- EOPP: members contribute a fixed rate of earnings with The City providing the balance of the funding.

- Note 2:** The City has full responsibility for funding the PSPP as the benefit payments become due. The PSPP is a closed plan and will terminate when the final pension payment is made.
- Note 3:** The City Contributions for Non-Registered Pension Arrangements are comprised of the actual Pension Payments and Member lump-sum Refunds in lieu of a monthly pension.
- Note 4:** The City has full responsibility for funding the Non-Registered Pension Arrangements as the payments become due. There is no legislated requirement to pre-fund these plans and there are no member contributions.
- Note 5:** Non-Registered Pension Arrangements with active members include OCPP and PCDOPP.
- Note 6:** Non-Registered Pension Arrangements with no active members include EOSP, EPP, FCDOPP and Contracts.

Contribution Rates (combined members and The City)



Investment Returns (net of fees) as of 2021 December 31

Investment Returns (annualized)	LAPP	SFPP	SPP	FSPF	EOPP	PSPF (Note 1)	Non- Registered Pension Arrangements (Note 1)
1 Year	15.0%	15.64%	10.05%	8.88%	10.04%	N/A	N/A
3 Year	10.4%	11.12%	12.45%	10.62%	12.45%	N/A	N/A
4 Year	8.2%	8.38%	9.25%	7.22%	9.25%	N/A	N/A

Note 1: Sufficient funds are held within The City’s investments to cover the obligations of the PSPF and non-registered pension arrangements as determined by the most recent valuation for accounting purpose and as reported in The City’s financial statements.

