

**2017 Financial Position of the Pension Plans**

**Funded Status - \$ thousands**

<b>Multi-Employer Pension Plans</b>		
<b>Pension Plan</b>	<b>Local Authorities Pension Plan (LAPP)</b>	<b>Special Forces Pension Plan (SFPP)</b>
Valuation Date	2016 Dec 31	2016 Dec 31
Next Valuation Date	2017 Dec 31	2019 Dec 31
Assets	\$36,580,200	\$2,655,200
Liabilities	\$38,839,500	\$2,978,200
Unfunded Liability	\$2,259,300	\$323,000
Funded Ratio	94.2%	* 89.2%

**Refer to graphs on page 3**

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.

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 these plans have unfunded liabilities, an inherent unrecorded liability amount is attributable indirectly to The City and the plan participants. The LAPP and SFPP Boards have had a Long-Term Funding Strategy in place for some time and over the past five years the funded ratio of the Plans has improved. Plan deficiencies are resolved by a combination of elements: increased future employee and employer contributions, increased investment returns and interest rates, and management or amendment of future liabilities.

\* The going-concern funded status of SFPP as of 2016 December 31 was 89.2% based on the minimum level of indexing for post-2000 service.

**Funded Status - \$ thousands (continued)**

<b>City Sponsored Pension Plans</b>					
Pension Plan	Supplementary Pension Plan (SPP) <i>(Note 1)</i>	Firefighters Supplementary Pension Plan (FSPP) <i>(Note 1)</i>	Elected Officials Pension Plan (EOPP) <i>(Note 1)</i>	Police Supplementary Pension Plan (PSPP) <i>(Note 2)</i>	Non - Registered Pension Arrangements <i>(Note 2)</i>
Valuation Date	2016 Dec 31	2015 Dec 31	2015 Dec 31	2017 Dec 31	2017 Dec 31
Next Valuation Date	2019 Dec 31	2018 Dec 31	2018 Dec 31	2018 Dec 31	2018 Dec 31
Assets	\$43,233	\$155,501	\$11,821	N/A	N/A
Liabilities	\$42,733	\$164,782	\$9,318	\$1,686	\$55,227
Unfunded Liability/ (Excess Assets)	(\$500)	\$9,281	(\$2,503)	N/A	\$17,848
Funded Ratio	101.17%	94.4%	126.87%	N/A	N/A

**Refer to graphs on page 3**

The funding methods used for The City Sponsored Pension Plans are determined by legislative requirements.

**Note 1:** 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 of the plans indefinitely. 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.

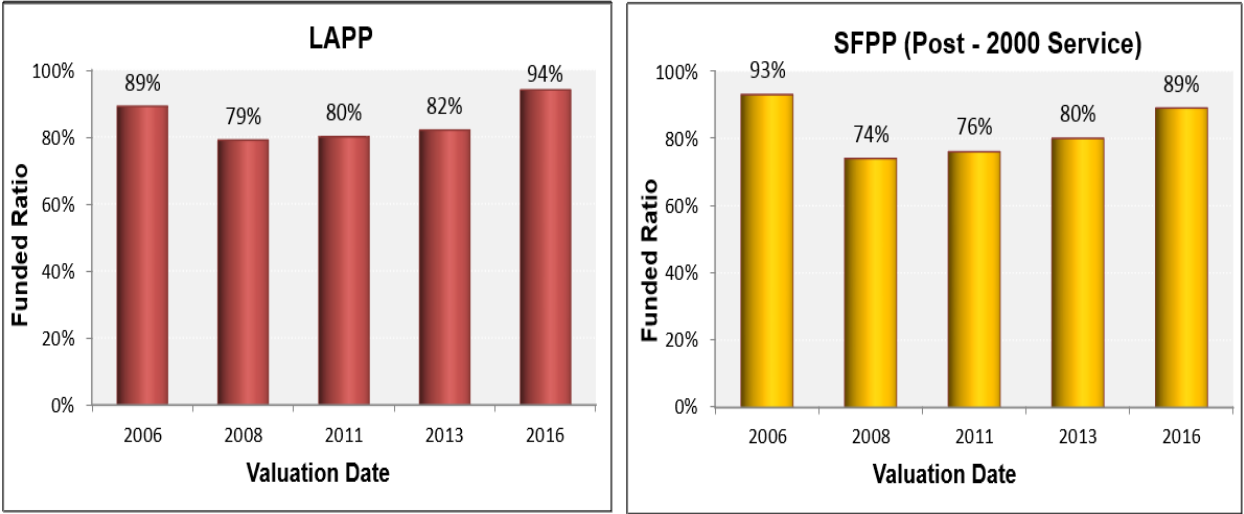
**Note 2:** The City has full responsibility for funding the PSPP and the non-registered pension arrangements as the benefit payments become due. There is no legislated requirement to pre-fund these plans through external trusts and there are no member contributions. A valuation is performed annually for financial statement purposes. Information can be found in The City's Annual Report, Employee Benefit Obligation note.

For the Non-Registered Pension Arrangements net actuarial losses (unfunded liability) 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.

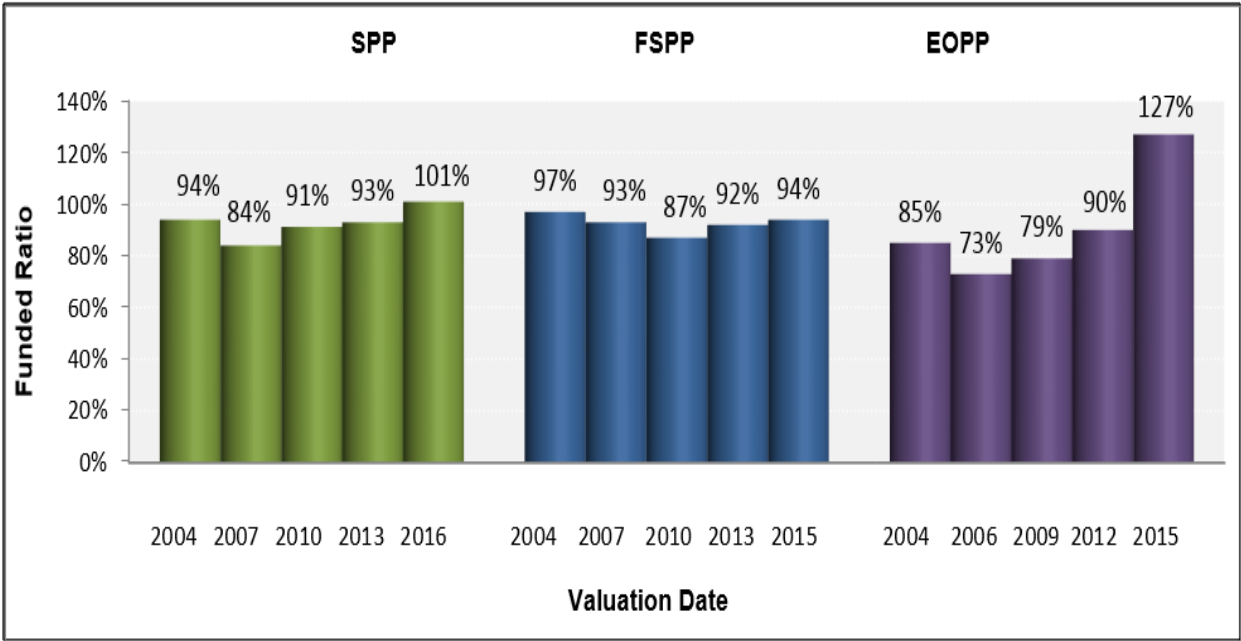
Sufficient funds are held within The City's investments to cover the obligations of the PSPP and non-registered pension arrangements as determined by the most recent valuation for accounting purposes.

**Funded Status (continued)**

**Funded Ratio of Multi-Employer Pension Plans**



**Funded Ratio of The City Sponsored Pension Plans**



**2017 Contributions - \$ thousands**

<b>Multi-Employer Pension Plans</b>		
<b>Pension Plan</b>	<b>Local Authorities Pension Plan (LAPP)</b>	<b>Special Forces Pension Plan (SFPP)</b>
City Contributions	\$157,173	\$34,416
Member Contributions	\$146,198	\$31,870
Contribution Remittance Cycle	Bi-weekly	Bi-weekly
Effective Date of Contribution Rates	2015 Jan 1	2010 July 1
Member Contribution Rate	10.39% up to YMPE 14.84% over YMPE	13.45%
City Contribution Rates	11.39% up to YMPE 15.84% over YMPE	14.55%

**Refer to graphs on page 6**

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.

The YMPE refers to the Yearly Maximum Pensionable Earnings. In 2017 the YMPE was \$55,300.

**2017 Contributions - \$ thousands (continued)**

<b>City Sponsored Pension Plans</b>					
Pension Plan	Supplementary Pension Plan (SPP)  (Note 1)	Firefighters Supplementary Pension Plan (FSPP)  (Note 1)	Elected Officials Pension Plan (EOPP)  (Note 1)	Police Supplementary Pension Plan (PSPP)  (Note 2)	Non-Registered Pension Arrangements  (Note 3)
City Contributions	\$2,881	\$5,471	\$308	N/A	N/A
Member Contributions	\$2,429	\$4,122	\$149	N/A	N/A
Contribution Remittance Cycle	Monthly	Bi-weekly	Monthly	N/A	N/A
Effective Date of Contribution Rates	2017 Sept 04	2014 July 1	2016 Jan 1	N/A	N/A
Member Contribution Rates	2.35%	2.63%	9.00%	N/A	N/A
City Contribution Rates	2.92%	3.22%	18.64%	N/A	N/A

**Refer to graphs on page 6**

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

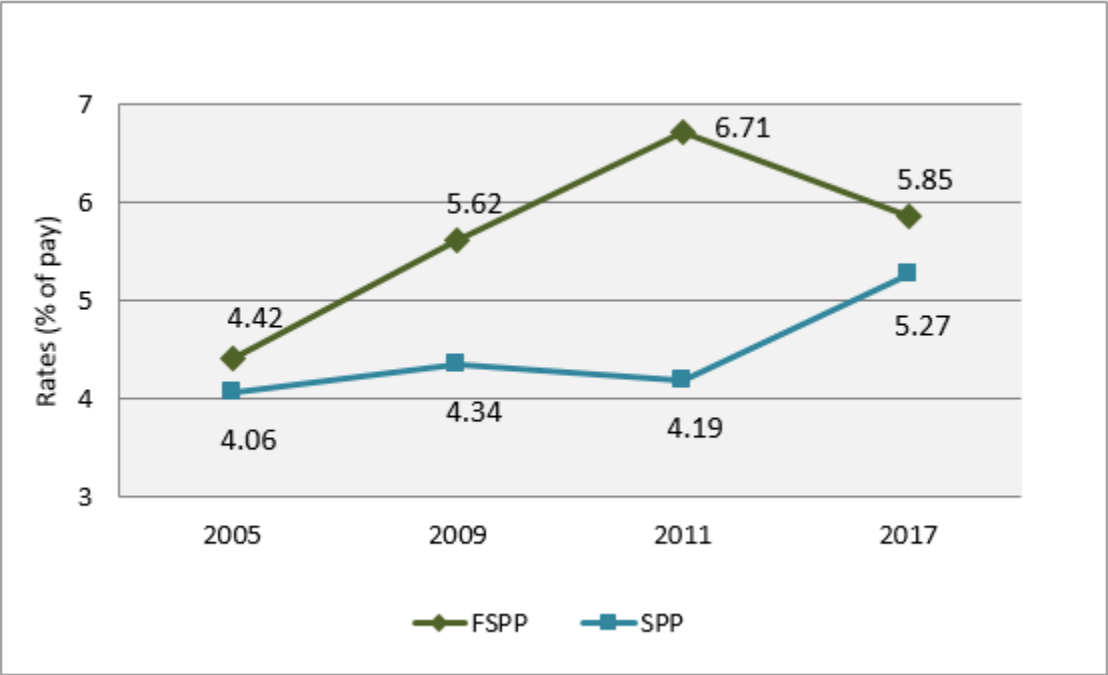
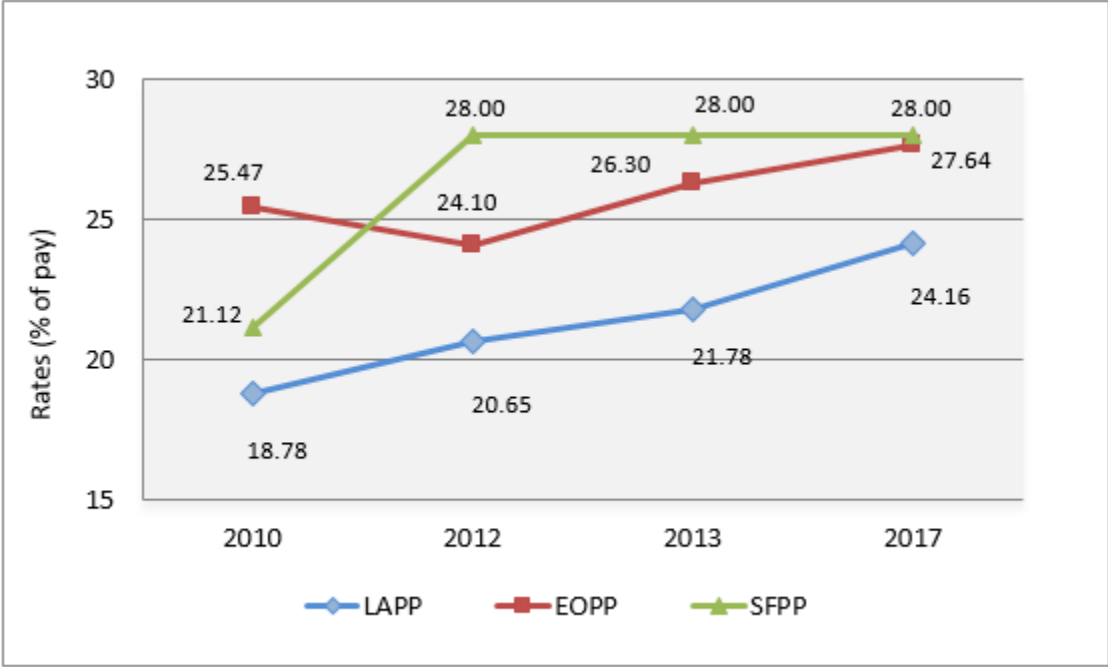
- SPP & FSPP: the current service costs and going concern unfunded liabilities are shared 45% by the members and 55% by The City.
- EOPP: Members contribute a fixed rate of earnings with The City providing the balance of the funding.

**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 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. The benefits are in excess of the limits of the Income Tax Act supplemental to the SPP and EOPP.

2017 Contributions (continued)

Contribution Rates (combined members and The City)



**Investment Returns (net of fees) as of 2017 December 31**

Investment Returns (annualized)	LAPP	SFPP	SPP	FSPF	EOPP	PSPF <small>(Note 1)</small>	Non- Registered Pension Arrangements <small>(Note 1)</small>
1 Year	10.14%	10.91%	10.85%	10.30%	10.88%	N/A	N/A
3 Year	7.96%	9.01%	8.66%	7.20%	8.67%	N/A	N/A
4 Year	8.82%	9.76%	9.71%	8.50%	9.72%	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.

