

**2018 Financial Report on the Position of the Pension Plans**

	<b>Multi-Employer Pension Plans Actuarial Funded Position</b>	
Pension Plan	Local Authorities Pension Plan (LAPP)	Special Forces Pension Plan (SFPP)
Valuation Date	2017 Dec 31	2016 Dec 31
Next Valuation Date	2018 Dec 31	2019 Dec 31
Assets	\$41,047,300	\$2,655,200
Liabilities	\$39,270,800	\$2,978,200
Unfunded Liabilities / (Excess Assets)	(\$1,776,500)	\$323,000
Going Concern Funded Ratio	104.5%	*89.2%

*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 contribution 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 SFPP has unfunded liabilities, an inherent unrecorded liability amount is attributable indirectly to The City and the plan participants.

The SFPP Board has had a long-term funding strategy in place for some time and over the past five years the funded ratio of the Plan 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. Next year under the joint governance model, both LAPP and SFPP will also be able to change benefits to address deficiencies when needed, which was not possible under the old structure.

\* 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 Actuarial Funded Position</b>			
<b>Pension Plan</b>	<b>Supplementary Pension Plan (SPP) (100%)</b>	<b>Firefighters Supplementary Pension Plan (FSPP) (100%)</b>	<b>Elected Officials Pension Plan (EOPP)</b>
Valuation Date	2016 Dec 31	2015 Dec 31	2018 Dec 31
Next Valuation Date	2019 Dec 31	2018 Dec 31	2021 Dec 31
Assets	\$43,233	\$155,501	\$13,957
Liabilities	\$42,733	\$164,782	\$10,443
Unfunded Liability/ (Excess Assets)	(\$500)	\$9,281	(\$3,514)
Going Concern Funded Ratio	101.17%	94.40%	133.65%

*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 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.

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

<b>City Sponsored Pension Plans Accounting Funded Position</b>						
Pension Plan	Supplementary Pension Plan (SPP) (55%)	Firefighters Supplementary Pension Plan (FSPP) (55%)	Elected Officials Pension Plan (EOPP)	Police Supplementary Pension Plan (PSPP)	Non - Registered Retirement Arrangements (OCP)	Other Non-Registered Retirement Arrangements
Valuation Date	2018 Dec 31	2018 Dec 31	2018 Dec 31	2018 Dec 31	2018 Dec 31	2018 Dec 31
Assets	\$28,516	\$103,015	\$14,131	-	-	-
Benefit Obligatio	\$35,941	\$143,542	\$13,572	\$1,631	\$42,116	\$16,553
Deficiency / (Surplus)	\$7,425	\$40,527	(\$559)	\$1,631	\$42,116	\$16,553
Unrecognized Experience Gains/(Losses)	(\$857)	\$3,160	\$1,119	-	(\$16,190)	(\$2,182)
Liability/(Asset)	\$6,568	\$43,687	\$560	\$1,631	\$25,926	\$14,371

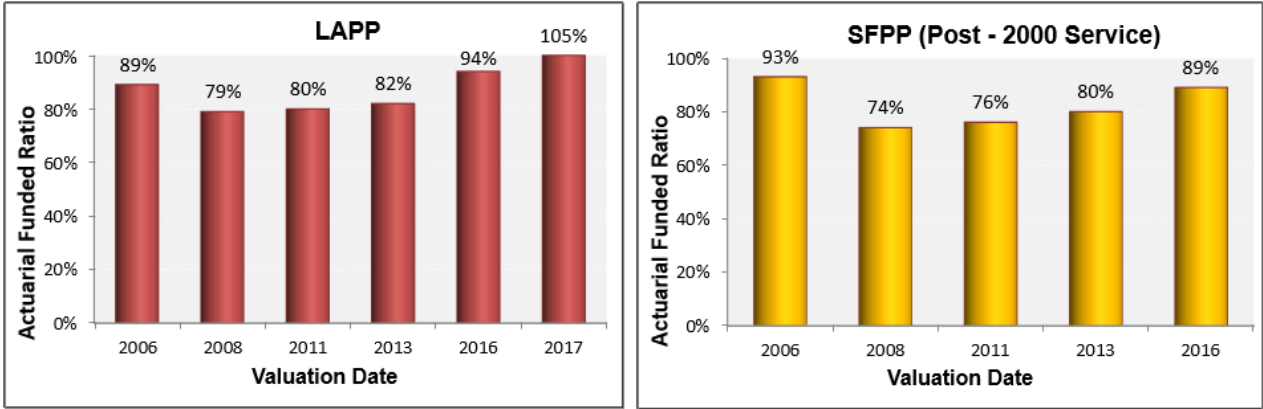
The City has full responsibility for funding the PSPP and the non-registered pension arrangements, including OCP, as the benefit payments become due. There is no legislated requirement to pre-fund these plans through external trusts and there are no member contributions. A valuation is performed annually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

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.

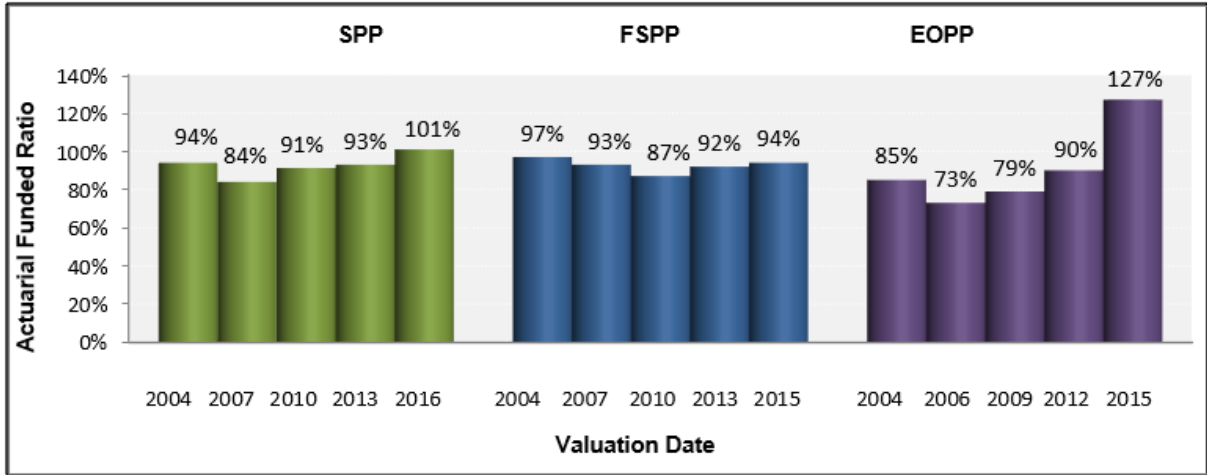
Sufficient funds are held within The City's investments to cover the unrecognized experience as determined by the most recent valuation for accounting purposes.

**Funded Status (continued)**

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



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



**2018 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	\$145,789	\$34,638
Member Contributions	\$134,272	\$31,946
Contribution Remittance Cycle	Bi-weekly	Bi-weekly
Effective Date of Contribution Rates	2018 Jan 1	2010 July 1
Member Contribution Rate	9.39% up to YMPE 13.84% over YMPE & up to Annual Salary Cap	13.45% up to Annual Salary Cap
City Contribution Rate	10.39% up to YMPE 14.84% over YMPE & up to Annual Salary Cap	14.55% up to Annual Salary Cap
2018 YMPE	\$55,900	\$55,900
2018 Annual Salary Cap	\$163,992	\$163,992

*Refer to graphs on page 7*

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.

**2018 Contributions - \$ thousands (continued)**

City Sponsored Pension Plans					
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 Retirement Arrangement (Note 3)
City Contributions	\$2,954	\$5,103	\$310	\$166	\$162
Member Contribution	\$2,378	\$4,227	\$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% Up to Annual Salary Cap	2.63% Up to Annual Salary Cap	9.00% Up to Annual Salary Cap	N/A	N/A
City Contribution Rates	2.92% Up to Annual Salary Cap	3.22% Up to Annual Salary Cap	18.64% Up to Annual Salary Cap	N/A	N/A
2018 Annual Salary Cap	\$147,222	\$163,992	\$147,222		

Refer to graphs on page 7

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

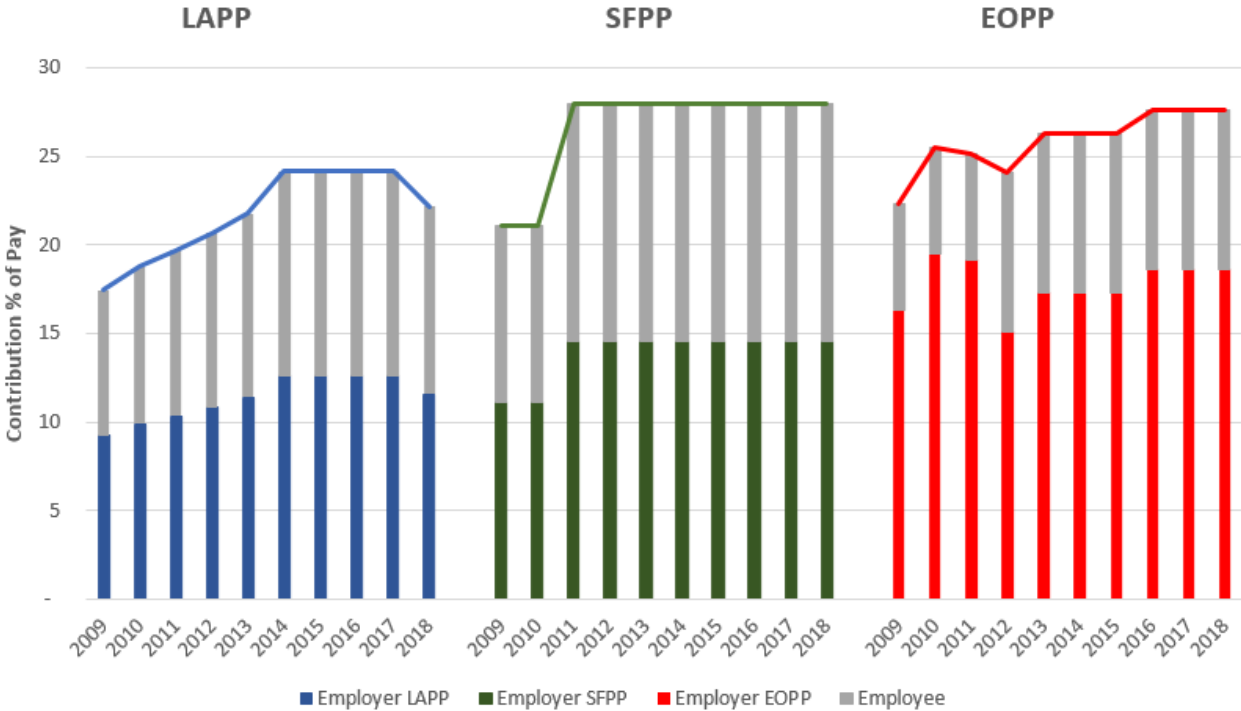
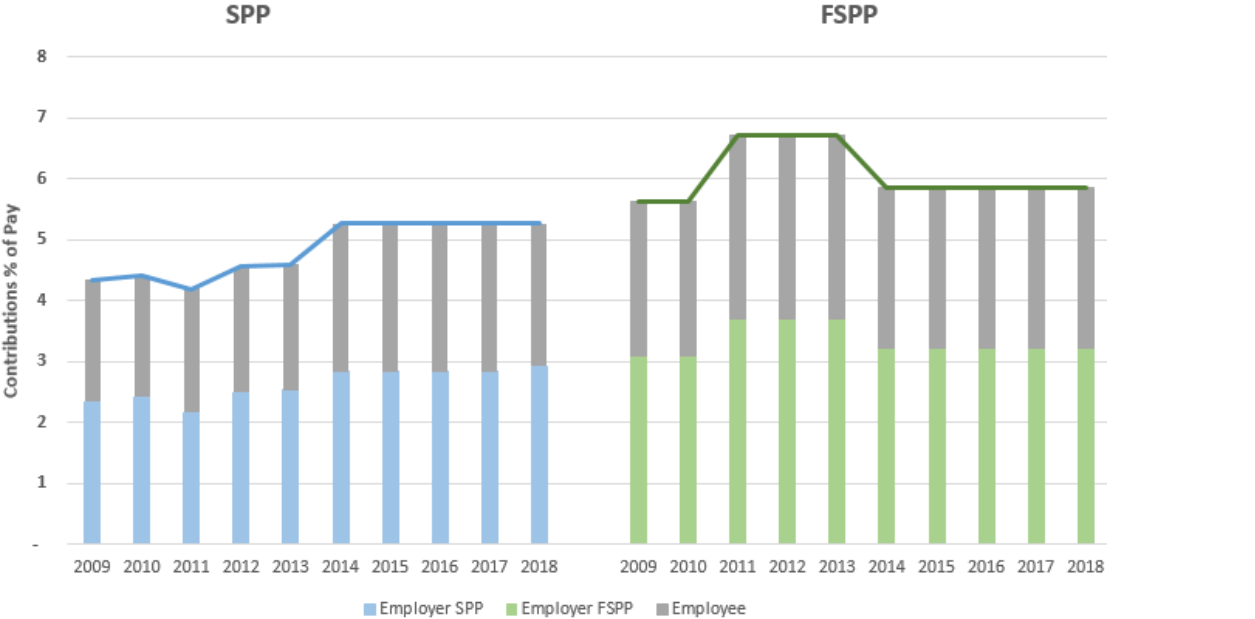
- SPP & FSPP: the current service costs and going concern unfunded liabilities are shared 45% by the members and 55% by The City.
- EOPP: Members contribute a fixed rate of earnings with The City providing the balance of the funding.

**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.

2018 Contributions (continued)

Contribution Rates (combined members and TheCity)



**Investment Returns (net of fees) as of 2018 December 31**

Investment Returns (annualized)	LAPP	SFPP	SPP	FSPF	EOPP	PSPF (Note 1)	Non- Registered Retirement Arrangements (Note 1)
1 Year	2.00%	0.55%	0.19%	-2.33%	0.19%	N/A	N/A
3 Year	5.90%	6.01%	4.94%	5.04%	4.95%	N/A	N/A
4 Year	6.4%	6.83%	6.48%	4.71%	6.49%	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.

