

City of Milwaukee

Retiree Healthcare and Life Insurance Programs

GASB Statement No. 75

Accounting and Financial Reporting for
Postemployment Benefits Other than Pensions

Actuarial Valuation Report as of January 1, 2019,
Applicable to Sponsor's Fiscal Year End
December 31, 2020





March 3, 2021

Ms. Aycha Sawa
Comptroller
City of Milwaukee
City Hall
200 East Wells Street, Room 404
Milwaukee, Wisconsin 53202

**Subject: GASB Statement No. 75 Actuarial Valuation as of January 1, 2019,
Applicable for FYE 2020 reporting, for the City of Milwaukee**

Dear Ms. Sawa:

Submitted in this report are the results of the actuarial valuation as of January 1, 2019, projected to December 31, 2020, of the liabilities associated with the postemployment healthcare benefits sponsored by the City of Milwaukee.

This report was prepared at the request of the City of Milwaukee and is intended for use by the City of Milwaukee and those designated or approved by the City of Milwaukee. This report may be provided to other parties only in its entirety and only with the permission of the City of Milwaukee.

The actuarial valuation as of January 1, 2019, was prepared for purposes of complying with the requirements of Statement No. 75 of the Governmental Accounting Standards Board (GASB), for the Sponsor's fiscal year end December 31, 2020. The calculations reported herein have been made on a basis consistent with our understanding of these accounting standards. Determinations of the liability associated with the benefits described in this report for purposes other than satisfying the plan and sponsor financial reporting requirements of the Retiree Healthcare and Life Insurance Programs may produce significantly different results. The actuarial valuation was based upon:

- Census information as of January 1, 2019, as provided by the City of Milwaukee;
- Healthcare premium rating reports for calendar years 2019 and 2020 as prepared by the healthcare consultant for the City of Milwaukee;
- Actual employer contributions for fiscal year 2020 of \$36,445,287 as provided by the City of Milwaukee;
- Substantive plan information and funding policy in effect as of December 31, 2020, as provided by the City of Milwaukee and summarized in Section F;
- Pension-related actuarial assumptions used for the City of Milwaukee Employees' Retirement System ("ERS") actuarial valuation as of January 1, 2019, as summarized in Section E;
- Economic assumptions approved by the City of Milwaukee, including a discount rate of 2.75 percent as of December 31, 2019, and 2.00 percent as of December 31, 2020, which comply with the requirements of GASB Statement No. 75;

- An ultimate trend rate assumption of 4.50 percent;
- Other healthcare-related assumptions recommended by GRS and approved by the City of Milwaukee as summarized in Section E; and
- Separation of actuarial valuation and accounting results into seven individual groups.

We checked for internal and year-to-year consistency, but did not audit the data. We are not responsible for the accuracy or completeness of the information provided by the City of Milwaukee.

The Net OPEB Liability and Annual OPEB Expense were developed in accordance with the requirements of GASB Statement No. 75. The Net OPEB Liability and annual OPEB Expense disclosed in this report should not be used to assess the level of plan assets needed to settle the plan's benefit obligations or the annual actuarially determined contributions needed to fund future benefit obligations.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; and changes in plan provisions or applicable law. Due to the limited scope of the actuary's assignment, the actuary did not perform an analysis of the potential range of such future measurements.

This report was prepared using our proprietary valuation model and related software which in our professional judgment has the capability to provide results that are consistent with the purposes of the valuation and has no material limitations or known weaknesses. We performed tests to ensure that the model reasonably represents that which is intended to be modeled. We are relying on the GRS actuaries and Internal Software, Training, and Processes Team who developed and maintain the model.

To the best of our knowledge the information contained in this report is accurate and fairly presents the actuarial position of the Retiree Healthcare and Life Insurance Programs as of the valuation date. All calculations have been made in conformity with generally accepted actuarial principles and practices, with the Actuarial Standards of Practice issued by the Actuarial Standards Board.

Alex Rivera and Abra Hill are Members of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein. The signing actuaries are independent of the plan sponsor

Respectfully submitted,



Alex Rivera, FSA, EA, MAAA, FCA
Senior Consultant



Abra Hill, ASA, FCA, MAAA
Consultant



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SECTION A

EXECUTIVE SUMMARY

Executive Summary

Introduction

The Governmental Accounting Standards Board (GASB) has issued two accounting standards applicable to Other Postemployment Benefits (OPEB):

- GASB Statement No. 74 is used for plan financial reporting if the sponsor has established a trust or is a participating employer of a trust which is exclusively used for the payment of OPEB.
- GASB Statement No. 75 is used for sponsor financial reporting if the sponsor provides OPEB to employees.

The City of Milwaukee Retiree Healthcare and Life Insurance Programs provide healthcare and life insurance benefits to eligible City of Milwaukee employees, which generally includes participants in the City of Milwaukee Employees' Retirement System, except for Milwaukee Public Schools employees who are covered under a separate program. The City finances OPEB on pay-as-you-go basis and has not created a separate trust to finance OPEB. Consequently, the City is only required to provide financial reporting information under GASB Statement No. 75.

This report includes an actuarial valuation of the Retiree Healthcare and Life Insurance Program for financial reporting under GASB Statement No. 75. Any other retiree benefits offered by the City of Milwaukee are outside the scope of this report.

We understand the Retiree Healthcare and Life Insurance Programs is a single employer plan as of December 31, 2020.

Funding Policy

Currently, there is no trust or similar arrangement into which the City of Milwaukee would make contributions to advance-fund the benefit obligation of the Retiree Healthcare and Life Insurance Programs. Consequently, according to GASB Statements No. 74 and 75, the discount rate used to calculate present values and costs of the OPEB, for programs funded on a pay-as-you-go basis, should be consistent with an index of high quality 20-year general obligation bonds as of the measurement date. For this purpose, the plan sponsor has selected an interest discount rate of 2.75 percent as of December 31, 2019, and 2.00 percent as of December 31, 2020.

Currently, there is no requirement by State or Federal statute or regulation to advance-fund the OPEB obligations with real cash in a trust. GASB Statements No. 74 and 75 only require the measurement and recognition of the Net OPEB Liability, Annual OPEB Expense and disclosure in the financial statements, as applicable.

Change in Policy

This report contains actuarial valuation and accounting results for seven separate employee groups: General, Port, Water, Transportation, Sewer, Police, and Fire. In prior years, accounting results were based on one consolidated employee group.



Executive Summary

Actuarial Assumptions and Methods

An actuarial valuation for an OPEB program includes:

- **Pension-related assumptions** used to determine the likelihood that a member who satisfies OPEB eligibility requirements will retire in the future;
- **OPEB-related related assumptions** used to (i) determine the likelihood that a member will elect the healthcare program at retirement and (ii) project the member's healthcare benefit after retirement;
- **Pension-related and OPEB-related assumptions** used to determine the likelihood that the member will continue to receive healthcare benefits after retirement;
- **Economic assumptions** used to determine the present value of projected healthcare benefits at the valuation date;
- **Cost method** used to allocate costs during the member's active working period; and
- **Plan provisions** which define the level of healthcare benefits provided to the retiree net of the retiree's share of premium.

The results of the actuarial valuation are used to calculate the GASB Statement No. 75 Net OPEB Liability Annual and OPEB Expense which are recognized and disclosed in the sponsor's financial statements.

Section E contains a summary of the actuarial assumptions and methods. Section F contains a summary of plan provisions.

The actuarial valuation results are based on a discount rate of 3.71 percent as of December 31, 2018, 2.75 percent as of December 31, 2019, and 2.00 percent as of December 31, 2020.



Executive Summary

Summary of Actuarial Valuation Results

Following are actuarial valuation results as of January 1, 2019, projected to December 31, 2019, using a discount rate of 2.75 percent:

Retiree Healthcare and Life Insurance Program 2.75% Discount Rate and 4.50% Ultimate Trend \$ in Thousands								
	General	Port	Water	Transportation	Sewer	Police	Fire	Total
Actuarial Liability as of January 1, 2019	\$416,043	\$2,286	\$45,493	\$13,086	\$11,837	\$607,534	\$291,195	\$1,387,474
Normal Cost for FY 2019	12,454	80	1,415	440	385	31,155	12,925	58,854
Expected Benefit Payments for FY 2019	13,631	73	1,509	431	386	14,854	9,684	40,568
Interest Cost for FY 2019	11,425	63	1,250	360	326	16,930	8,052	38,406
Projected Actuarial Liability as of December 31, 2019	426,291	2,356	46,649	13,455	12,162	640,765	302,489	1,444,167
Payroll for FY 2019	\$137,621	\$868	\$14,674	\$3,743	\$3,762	\$154,696	\$60,069	\$375,433
Number of Active Members	2,552	15	268	87	72	1,925	709	5,628
Number of Retirees and Surviving Spouses	1,285	8	135	44	36	1,139	722	3,369

Following are actuarial valuation results as of January 1, 2019, projected to December 31, 2020, using a discount rate of 2.00 percent:

Retiree Healthcare and Life Insurance Program 2.00% Discount Rate and 4.50% Ultimate Trend \$ in Thousands								
	General	Port	Water	Transportation	Sewer	Police	Fire	Total
Actuarial Liability as of January 1, 2019	\$471,177	\$2,600	\$51,258	\$14,803	\$13,414	\$684,754	\$326,277	\$1,564,283
Normal Cost for FY 2019	15,584	101	1,763	545	480	38,279	15,909	72,661
Expected Benefit Payments for FY 2019	13,631	73	1,509	431	386	14,854	9,684	40,568
Interest Cost for FY 2019	9,443	52	1,028	297	269	13,928	6,587	31,604
Projected Actuarial Liability as of December 31, 2019	482,573	2,680	52,540	15,214	13,778	722,107	339,089	1,627,981
Normal Cost for FY 2020	14,628	95	1,658	511	455	38,401	15,533	71,281
Expected Benefit Payments for FY 2020	13,695	74	1,551	437	380	15,579	10,046	41,762
Interest Cost for FY 2020	9,661	54	1,052	305	276	14,669	6,836	32,853
Projected Actuarial Liability as of December 31, 2020	\$493,167	\$2,755	\$53,700	\$15,594	\$14,130	\$759,599	\$351,412	\$1,690,357
Payroll for FY 2020	\$141,062	\$890	\$15,040	\$3,837	\$3,856	\$160,883	\$62,471	\$388,039
Number of Active Members	2,552	15	268	87	72	1,925	709	5,628
Number of Retirees and Surviving Spouses	1,285	8	135	44	36	1,139	722	3,369



Executive Summary

The details of the preceding actuarial valuation results by employee group are included in Section B of the report. Section B also includes actuarial valuation results using a discount rate of 3.71 percent which was applicable as of January 1, 2019.

The key GASB Statement No. 75 results for fiscal year end December 31, 2020, include:

- Total OPEB Liability of \$1,444,166,742 as of December 31, 2019, using a discount rate of 2.75 percent;
- Total OPEB Liability of \$1,690,354,635 as of December 31, 2020, using a discount rate of 2.00 percent;
- OPEB Expense of \$145,270,213 for the fiscal year end December 31, 2020; and
- Employer contributions of \$36,445,287 for the fiscal year end December 31, 2020.

Section C includes the details of the GASB Statement No. 75 results for fiscal year end December 31, 2020.

Section D contains additional information on deferred inflows/outflows and historical changes in Net OPEB Liability for each individual employee group.



Executive Summary

Plan Experience

Based on the last actuarial valuation, the projected actuarial liability at December 31, 2018, using a discount rate of 3.71 percent, was \$1,212,925,306. As of January 1, 2019, a new actuarial valuation was performed using updated census, pension-related assumptions, and OPEB-related assumptions. The following table shows a reconciliation of actuarial liabilities:

Expected Liability as of December 31, 2018 at 3.71%	\$	1,212,925,306
Increase/(Decrease) Due To:		
Demographic Experience	\$	(56,164,214)
Pension Related Assumption Changes	\$	23,978,359
Healthcare Related Experience and Assumption Changes	\$	5,025,975
Change in Discount Rate from 3.71% to 2.75%	\$	201,708,189
Actuarial Liability as of January 1, 2019	\$	1,387,473,614

The key factors contributing to the change in actuarial liabilities include:

- Favorable demographic experience, including a reduction in the number of retired and active members who are receiving or are expected to receive retiree healthcare benefits, decreased liabilities;
- Favorable claim experience and increase in premium rates that were less than expected decreased liabilities;
- Changes to pension-related assumption, including updates to the mortality table, increased liabilities;
- Changes to OPEB-related assumptions, including updates to the healthcare trend rates, increased liabilities; and
- Decrease in discount rate from 3.71 percent to 2.75 percent increased liabilities.

The remainder of the report is an integral component of the actuarial valuation and includes:

- Actuarial valuation results;
- An overview of the GASB Statements No. 74 and 75 requirements;
- Additional actuarial valuation exhibits and financial disclosure required under GASB Statements No. 75; and
- Summary of assumptions, methods and plan provisions.



SECTION B

ACTUARIAL VALUATION RESULTS

Actuarial Valuation Results

The following section shows actuarial valuation results as of January 1, 2019, projected to:

- December 31, 2019, using a discount rate at of 3.71 percent;
- December 31, 2019, and December 31, 2020, using a discount rate of 2.75 percent; and
- December 31, 2020, using a discount rate of 2.00 percent.

Plan benefits are funded based on a pay-as-you-go policy. Current retirees contribute a portion of the premium to participate in the program. All liability and expense numbers throughout the report are net of the retiree's share of premiums and reflect any explicit and implicit sponsor subsidies.

The unfunded actuarial accrued liability represents the portion of the total actuarial present value of all future employer-provided benefits which is attributable to prior years, minus any actuarial valuation assets. It represents a measure of the unfunded accrued liability allocable to past service. The cost and liabilities shown in the following pages are employer costs and liabilities, net of any co-pays, deductibles, retiree coinsurance, or retiree contributions using the Entry Age Normal cost method.

Actuarial Valuation Results

**City of Milwaukee
Retiree Healthcare and Life Insurance Programs
GASB 75 Actuarial Valuation as of January 1, 2019
Entry Age Normal Cost Method**

Discount Rate 3.71%
Ultimate Trend Non-Medicare 4.50%
Ultimate Trend Medicare 4.50%

Projected Results as of December 31, 2019

	General	Port	Water	Transportation	Sewer	Police	Fire	Total
Retiree Healthcare and Life Insurance Program								
I) Actuarial Liability at 1/1/2019								
A) Health Insurance								
i) Active Employees ¹	\$ 189,969,137	\$ 997,253	\$ 20,957,230	\$ 6,038,991	\$ 5,417,252	\$ 275,109,855	\$ 112,765,379	\$ 611,255,097
ii) Retired and Disabled Participants ²	126,839,167	665,849	13,992,787	4,032,132	3,617,007	205,443,629	113,165,697	467,756,268
iii) Total	\$ 316,808,304	\$ 1,663,102	\$ 34,950,017	\$ 10,071,123	\$ 9,034,259	\$ 480,553,484	\$ 225,931,076	\$ 1,079,011,365
B) Life Insurance								
i) Active Employees	\$ 7,274,339	\$ 54,061	\$ 784,230	\$ 210,868	\$ 201,160	\$ 8,235,486	\$ 4,177,680	\$ 20,937,824
ii) Retired and Disabled Participants	30,117,456	223,825	3,246,895	873,043	832,849	30,491,469	20,030,700	85,816,237
iii) Total	\$ 37,391,795	\$ 277,886	\$ 4,031,125	\$ 1,083,911	\$ 1,034,009	\$ 38,726,955	\$ 24,208,380	\$ 106,754,061
C) Total Liabilities at 1/1/2019	\$ 354,200,099	\$ 1,940,988	\$ 38,981,142	\$ 11,155,034	\$ 10,068,268	\$ 519,280,439	\$ 250,139,456	\$ 1,185,765,426
V) Normal Cost for FY 2019								
A) Health Insurance	\$ 9,131,829	\$ 59,034	\$ 1,047,552	\$ 327,693	\$ 284,727	\$ 23,733,283	\$ 9,825,560	\$ 44,409,678
B) Life Insurance	316,438	1,207	32,295	10,255	8,634	451,859	191,351	1,012,039
C) Total	\$ 9,448,267	\$ 60,241	\$ 1,079,847	\$ 337,948	\$ 293,361	\$ 24,185,142	\$ 10,016,911	\$ 45,421,717
VI) Expected Benefit Payments for FY 2019	\$ 13,630,709	\$ 73,408	\$ 1,508,526	\$ 430,537	\$ 385,986	\$ 14,854,010	\$ 9,684,055	\$ 40,567,231
VII) Interest Cost for FY 2019	\$ 13,063,946	\$ 71,769	\$ 1,438,321	\$ 412,150	\$ 371,830	\$ 19,436,820	\$ 9,286,292	\$ 44,081,128
VIII) Projected Actuarial Accrued Liability at 12/31/2019	\$ 363,081,603	\$ 1,999,590	\$ 39,990,784	\$ 11,474,595	\$ 10,347,473	\$ 548,048,391	\$ 259,758,604	\$ 1,234,701,040
IX) Actual Employer Contributions for FY 2019 ³								
A) Total	\$ 13,722,941	\$ 73,905	\$ 1,518,733	\$ 433,450	\$ 388,598	\$ 14,954,520	\$ 9,749,582	\$ 40,841,729
B) Percentage of Payroll	10.0%	8.5%	10.4%	11.6%	10.3%	9.7%	16.2%	10.9%
X) Payroll for FY 2019	\$ 137,621,485	\$ 867,992	\$ 14,673,600	\$ 3,743,400	\$ 3,761,581	\$ 154,695,621	\$ 60,068,573	\$ 375,432,252
XI) Covered Member Counts as of 1/1/2019								
A) Active Employees	2,552	15	268	87	72	1,925	709	5,628
B) Retired and Disabled Participants ²	1,285	8	135	44	36	1,139	722	3,369
C) Total	3,837	23	403	131	108	3,064	1,431	8,997

¹ Active employees eligible for future retiree healthcare.

² Data for retired members in Port, Water, Transportation and Sewer was included with the General group. Retired liabilities were estimated in proportion to active liabilities. Retired counts were estimated in proportion to active counts.

³ Actual Employer Contributions as provided by the City allocated among groups in proportion to Expected Employer Contributions from this valuation.



Actuarial Valuation Results

City of Milwaukee
Retiree Healthcare and Life Insurance Programs
GASB 75 Actuarial Valuation as of January 1, 2019
Entry Age Normal Cost Method

Discount Rate 2.75%
 Ultimate Trend Non-Medicare 4.50%
 Ultimate Trend Medicare 4.50%

Projected Results as of December 31, 2020

	General	Port	Water	Transportation	Sewer	Police	Fire	Total
Retiree Healthcare and Life Insurance Program								
I) Actuarial Liability at 1/1/2019								
A) Health Insurance								
i) Active Employees ¹	\$ 225,119,174	\$ 1,198,059	\$ 24,659,359	\$ 7,156,344	\$ 6,431,545	\$ 320,537,631	\$ 129,773,780	\$ 714,875,892
ii) Retired and Disabled Participants ²	146,464,523	779,468	16,043,597	4,655,981	4,184,420	239,574,088	132,231,411	543,933,488
iii) Total	\$ 371,583,697	\$ 1,977,527	\$ 40,702,956	\$ 11,812,325	\$ 10,615,965	\$ 560,111,719	\$ 262,005,191	\$ 1,258,809,380
B) Life Insurance								
i) Active Employees	\$ 10,051,682	\$ 69,750	\$ 1,082,866	\$ 287,917	\$ 276,166	\$ 11,252,050	\$ 5,704,308	\$ 28,724,739
ii) Retired and Disabled Participants	34,407,373	238,757	3,706,700	985,553	945,329	36,169,854	23,485,929	99,939,495
iii) Total	\$ 44,459,055	\$ 308,507	\$ 4,789,566	\$ 1,273,470	\$ 1,221,495	\$ 47,421,904	\$ 29,190,237	\$ 128,664,234
C) Total Liabilities at 1/1/2019	\$ 416,042,752	\$ 2,286,034	\$ 45,492,522	\$ 13,085,795	\$ 11,837,460	\$ 607,533,623	\$ 291,195,428	\$ 1,387,473,614
II) Normal Cost for FY 2019								
A) Health Insurance	\$ 11,980,999	\$ 78,044	\$ 1,366,660	\$ 424,697	\$ 372,020	\$ 30,460,320	\$ 12,628,155	\$ 57,310,895
B) Life Insurance	473,294	1,950	48,806	15,093	12,945	694,945	297,154	1,544,187
C) Total	\$ 12,454,293	\$ 79,994	\$ 1,415,466	\$ 439,790	\$ 384,965	\$ 31,155,265	\$ 12,925,309	\$ 58,855,082
III) Expected Benefit Payments for FY 2019	\$ 13,630,709	\$ 73,408	\$ 1,508,526	\$ 430,537	\$ 385,986	\$ 14,854,010	\$ 9,684,055	\$ 40,567,231
IV) Interest Cost for FY 2019	\$ 11,425,110	\$ 62,956	\$ 1,249,773	\$ 359,986	\$ 325,516	\$ 16,929,797	\$ 8,052,139	\$ 38,405,277
V) Projected Actuarial Accrued Liability at 12/31/2019	\$ 426,291,446	\$ 2,355,576	\$ 46,649,235	\$ 13,455,034	\$ 12,161,955	\$ 640,764,675	\$ 302,488,821	\$ 1,444,166,742
VI) Normal Cost for FY 2020								
A) Health Insurance	\$ 11,285,771	\$ 73,849	\$ 1,287,415	\$ 398,988	\$ 353,318	\$ 30,573,548	\$ 12,330,681	\$ 56,303,570
B) Life Insurance	404,558	1,812	44,665	13,797	11,725	674,633	286,251	1,437,441
C) Total	\$ 11,690,329	\$ 75,661	\$ 1,332,080	\$ 412,785	\$ 365,043	\$ 31,248,181	\$ 12,616,932	\$ 57,741,011
VII) Expected Benefit Payments for FY 2020	\$ 13,695,149	\$ 73,818	\$ 1,550,753	\$ 436,930	\$ 379,608	\$ 15,579,192	\$ 10,046,085	\$ 41,761,535
VIII) Interest Cost for FY 2020	\$ 11,695,635	\$ 64,804	\$ 1,279,868	\$ 369,684	\$ 334,255	\$ 17,835,016	\$ 8,353,552	\$ 39,932,813
IX) Projected Actuarial Accrued Liability at 12/31/2020	\$ 435,982,261	\$ 2,422,223	\$ 47,710,430	\$ 13,800,573	\$ 12,481,645	\$ 674,268,680	\$ 313,413,220	\$ 1,500,079,031
X) Actual Employer Contributions for FY 2020 ³								
A) Total	\$ 11,951,755	\$ 64,421	\$ 1,353,342	\$ 381,309	\$ 331,284	\$ 13,595,959	\$ 8,767,217	\$ 36,445,287
B) Percentage of Payroll	8.5%	7.2%	9.0%	9.9%	8.6%	8.5%	14.0%	9.4%
XI) Payroll for FY 2020	\$ 141,062,022	\$ 889,692	\$ 15,040,440	\$ 3,836,985	\$ 3,855,621	\$ 160,883,446	\$ 62,471,316	\$ 388,039,522
XII) Covered Member Counts								
A) Active Employees	2,552	15	268	87	72	1,925	709	5,628
B) Retired and Disabled Participants ²	1,285	8	135	44	36	1,139	722	3,369
C) Total	3,837	23	403	131	108	3,064	1,431	8,997

¹ Active employees eligible for future retiree healthcare.

² Data for retired members in Port, Water, Transportation and Sewer was included with the General group. Retired liabilities were estimated in proportion to active liabilities. Retired counts were estimated in proportion to active counts.

³ Actual Employer Contributions as provided by the City allocated among groups in proportion to Expected Employer Contributions from this valuation.



Actuarial Valuation Results

City of Milwaukee
Retiree Healthcare and Life Insurance Programs
GASB 75 Actuarial Valuation as of January 1, 2019
Entry Age Normal Cost Method

Discount Rate 2.00%
 Ultimate Trend Non-Medicare 4.50%
 Ultimate Trend Medicare 4.50%

Projected Results as of December 31, 2020

	General	Port	Water	Transportation	Sewer	Police	Fire	Total
Retiree Healthcare and Life Insurance Program								
I) Actuarial Liability at 1/1/2019								
A) Health Insurance								
i) Active Employees ¹	\$ 258,778,448	\$ 1,392,671	\$ 28,190,137	\$ 8,226,026	\$ 7,403,307	\$ 363,256,147	\$ 145,423,255	\$ 812,669,991
ii) Retired and Disabled Participants ²	\$ 160,977,789	\$ 866,336	\$ 17,536,182	\$ 5,117,147	\$ 4,605,360	\$ 265,325,757	\$ 146,706,832	\$ 601,135,403
iii) Total	\$ 419,756,237	\$ 2,259,007	\$ 45,726,319	\$ 13,343,173	\$ 12,008,667	\$ 628,581,904	\$ 292,130,087	\$ 1,413,805,394
B) Life Insurance								
i) Active Employees	\$ 12,980,389	\$ 86,112	\$ 1,396,316	\$ 368,425	\$ 354,842	\$ 14,435,886	\$ 7,313,670	\$ 36,935,640
ii) Retired and Disabled Participants	\$ 38,440,146	\$ 255,012	\$ 4,135,053	\$ 1,091,054	\$ 1,050,830	\$ 41,736,451	\$ 26,833,086	\$ 113,541,632
iii) Total	\$ 51,420,535	\$ 341,124	\$ 5,531,369	\$ 1,459,479	\$ 1,405,672	\$ 56,172,337	\$ 34,146,756	\$ 150,477,272
C) Total Liabilities at 1/1/2019	\$ 471,176,772	\$ 2,600,131	\$ 51,257,688	\$ 14,802,652	\$ 13,414,339	\$ 684,754,241	\$ 326,276,843	\$ 1,564,282,666
II) Normal Cost for FY 2019								
A) Health Insurance	\$ 14,931,461	\$ 97,834	\$ 1,695,696	\$ 524,190	\$ 462,181	\$ 37,302,865	\$ 15,488,390	\$ 70,502,617
B) Life Insurance	\$ 652,492	\$ 2,836	\$ 67,756	\$ 20,569	\$ 17,876	\$ 975,905	\$ 420,312	\$ 2,157,746
C) Total	\$ 15,583,953	\$ 100,670	\$ 1,763,452	\$ 544,759	\$ 480,057	\$ 38,278,770	\$ 15,908,702	\$ 72,660,363
III) Expected Benefit Payments for FY 2019	\$ 13,630,709	\$ 73,408	\$ 1,508,526	\$ 430,537	\$ 385,986	\$ 14,854,010	\$ 9,684,055	\$ 40,567,231
IV) Interest Cost for FY 2019	\$ 9,442,971	\$ 52,274	\$ 1,027,690	\$ 297,190	\$ 269,223	\$ 13,928,173	\$ 6,587,475	\$ 31,604,996
V) Projected Actuarial Accrued Liability at 12/31/2019	\$ 482,572,987	\$ 2,679,667	\$ 52,540,304	\$ 15,214,064	\$ 13,777,633	\$ 722,107,174	\$ 339,088,965	\$ 1,627,980,794
VI) Normal Cost for FY 2020								
A) Health Insurance	\$ 14,063,930	\$ 92,420	\$ 1,596,132	\$ 492,593	\$ 438,946	\$ 37,452,516	\$ 15,127,039	\$ 69,263,576
B) Life Insurance	\$ 564,296	\$ 2,617	\$ 62,066	\$ 18,814	\$ 16,257	\$ 948,892	\$ 405,500	\$ 2,018,442
C) Total	\$ 14,628,226	\$ 95,037	\$ 1,658,198	\$ 511,407	\$ 455,203	\$ 38,401,408	\$ 15,532,539	\$ 71,282,018
VII) Expected Benefit Payments for FY 2020	\$ 13,695,149	\$ 73,818	\$ 1,550,753	\$ 436,930	\$ 379,608	\$ 15,579,192	\$ 10,046,085	\$ 41,761,535
VIII) Interest Cost for FY 2020	\$ 9,660,744	\$ 53,804	\$ 1,051,875	\$ 305,022	\$ 276,305	\$ 14,669,236	\$ 6,836,372	\$ 32,853,358
IX) Projected Actuarial Accrued Liability at 12/31/2020	\$ 493,166,808	\$ 2,754,690	\$ 53,699,624	\$ 15,593,563	\$ 14,129,533	\$ 759,598,626	\$ 351,411,791	\$ 1,690,354,635
X) Actual Employer Contributions for FY 2020 ³								
A) Total	\$ 11,951,755	\$ 64,421	\$ 1,353,342	\$ 381,309	\$ 331,284	\$ 13,595,959	\$ 8,767,217	\$ 36,445,287
B) Percentage of Payroll	8.5%	7.2%	9.0%	9.9%	8.6%	8.5%	14.0%	9.4%
XI) Payroll for FY 2020	\$ 141,062,022	\$ 889,692	\$ 15,040,440	\$ 3,836,985	\$ 3,855,621	\$ 160,883,446	\$ 62,471,316	\$ 388,039,522
XII) Covered Member Counts								
A) Active Employees	2,552	15	268	87	72	1,925	709	5,628
B) Retired and Disabled Participants ²	1,285	8	135	44	36	1,139	722	3,369
C) Total	3,837	23	403	131	108	3,064	1,431	8,997

¹ Active employees eligible for future retiree healthcare.

² Data for retired members in Port, Water, Transportation and Sewer was included with the General group. Retired liabilities were estimated in proportion to active liabilities. Retired counts were estimated in proportion to active counts.

³ Actual Employer Contributions as provided by the City allocated among groups in proportion to Expected Employer Contributions from this valuation.



SECTION C

GASB STATEMENTS NO. 74 AND 75 INFORMATION

Auditor's Note: This information is intended to assist in preparation of the financial statements of City of Milwaukee. Financial statements are the responsibility of management, subject to the auditor's review. Please let us know if the auditor recommends any changes.

GASB Statements No. 74 and 75 Information

Discussion

Accounting Standard

For other postemployment benefit (OPEB) plans that are administered through trusts or equivalent arrangements, Governmental Accounting Standards Board (GASB) Statement No. 74, "Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans," replaces the requirements of GASB Statement No. 43, "Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans." GASB Statement No. 74 establishes standards of financial reporting for separately issued financial reports of state and local government OPEB plans.

GASB Statement No. 75 replaces the requirements of Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, as amended, and No. 57, OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans, for OPEB.

GASB Statements No. 74 and 75 are effective for fiscal years beginning after June 15, 2016, and June 15, 2017, respectively.

The following discussion provides a summary of the information that is required to be disclosed under these accounting standards. A number of these disclosure items are provided in this report. However, certain non-actuarial information, such as notes regarding accounting policies and investments, is not included in this report. As a result, the plan sponsor will be responsible for preparing and disclosing the non-actuarial information needed to comply with these accounting standards.

Plan Financial Statements

GASB Statement No. 74 requires defined benefit OPEB plans which are administered as trusts or equivalent arrangements to present two financial statements: a statement of fiduciary net position and a statement of changes in fiduciary net position. The statement of fiduciary net position presents the assets and liabilities of the OPEB plan at the end of the OPEB plan's reporting period. The statement of changes in fiduciary net position presents the additions, such as contributions and investment income, and deductions, such as benefit payments and expense, and net increase or decrease in the fiduciary net position.

GASB Statement No. 75 requires state and local government employers to recognize the net OPEB liability and the OPEB expense on their financial statements, along with the related deferred outflows and inflows of resources. The net OPEB liability is the difference between the total OPEB liability and the plan's fiduciary net position.

The OPEB expense recognized each fiscal year is equal to the change in the net OPEB liability from the beginning of the year to the end of the year, adjusted for deferred recognition of the liability and investment experience.

The GASB Statements No. 74 and 75 information contained in this report is based on an actuarial valuation date of January 1, 2019, projected to a measurement date of December 31, 2020.



GASB Statements No. 74 and 75 Information

For GASB Statement No. 75 reporting purposes, the plan sponsor's fiscal year end December 31, 2020, financial reporting will be based on a measurement date of December 31, 2020.

Notes to Financial Statements

GASB Statement No. 75 requires the notes of the employer's financial statements to disclose the total OPEB expense, the OPEB plan's liabilities and assets, and deferred outflows of resources and inflows of resources related to OPEB.

GASB Statements No. 74 and 75 require the notes of the financial statements for the Plan and Plan Sponsor to include certain additional information. The list of disclosure items should include:

- The name of the OPEB plan, the administrator of the OPEB plan, and the identification of whether the OPEB plan is a single-employer, agent, or cost-sharing OPEB plan;
- A description of the benefits provided by the plan;
- A brief description of changes in benefit terms or assumptions that affected the measurement of the total OPEB liability since the prior measurement date;
- The number of plan members by category and if the plan is closed;
- A description of the plan's funding policy, which includes member and employer contribution requirements;
- The OPEB plan's investment policies;
- The OPEB plan's fiduciary net position and the net OPEB liability;
- The net OPEB liability using +/- 1% change on the discount rate;
- The net OPEB liability using +/- 1% change on the healthcare trend rate;
- Significant assumptions and methods used to calculate the total OPEB liability;
- Inputs to the discount rates; and
- Certain information about mortality assumptions and the dates of experience studies.

OPEB plans that are administered through trusts or equivalent arrangements are required to disclose additional information in accordance with GASB Statement No. 74. This information includes:

- The composition of the OPEB plan's Board and the authority under which benefit terms may be amended;
- A description of how fair value is determined;
- Information regarding certain reserves and investments, which include concentrations of investments greater than or equal to 5 percent, receivables and insurance contracts excluded from plan assets; and
- Annual money-weighted rate of return.

Required Supplementary Information

GASB Statement No. 74 requires a 10-year fiscal history of:

- Sources of changes in the net OPEB liability;



GASB Statements No. 74 and 75 Information

- Information about the components of the net OPEB liability and related ratios, including the OPEB plan's fiduciary net position as a percentage of the total OPEB liability, and the net OPEB liability as a percent of covered-employee payroll;
- Comparison of the actual employer contributions to the actuarially determined contributions, if applicable, based on the plan's funding policy; and
- For plans with an actuarially determined contribution, the schedule covering each of the 10 most recent fiscal years of the actuarially determined contribution, contributions to the OPEB plan and related ratios.

Frequency and Timing of the Actuarial Valuation

An actuarial valuation, which develops the net OPEB liability and annual OPEB expense, is required to be performed at least once every two years. For the employer's financial reporting purposes, the net OPEB liability and OPEB expense should be measured as of the employer's "measurement date," which may not be earlier than the employer's prior fiscal year end-date. If the actuarial valuation used to determine the total OPEB liability is not calculated as of the measurement date, the total OPEB liability is required to be rolled forward from the actuarial valuation date to the measurement date.

Single Discount Rate

Projected benefit payments are required to be discounted to their actuarial present values using a Single Discount Rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

Since the Retiree Healthcare and Life Insurance Programs is financed on a pay-as-you-go basis, the sponsor has selected a discount rate consistent with the 20-year general obligation bond index described above. The discount rates are 2.75 percent as of December 31, 2019, and 2.00 percent as of December 31, 2020.

Actuarial Assumptions

The actuarial assumptions used to value the liabilities are outlined in detail in Section E. The assumptions include details on the healthcare trend assumption and the aging factors, as well as the cost method used to develop the OPEB expense.

The pension-related assumptions were based on the actuarial valuation assumptions used for the Employees' Retirement System of the City of Milwaukee actuarial valuation as of January 1, 2019. The OPEB-related assumptions were recommended by GRS and approved by City of Milwaukee.

Future Uncertainty or Risk

Future results may differ from those anticipated in this actuarial valuation. Reasons include, but are not limited to:



GASB Statements No. 74 and 75 Information

- Claims experience differing from expected;
- Medical trend experience differing from expected;
- Changes in healthcare benefits offered to current and future retired members; and
- Participant behavior differing from expected, such as :
 - Timing of retirement or termination;
 - Election of healthcare coverage at retirement;
 - Coverage type election at retirement by tier and healthcare plan; and
 - Lapsation of coverage after retirement.

Benefits Valued

The benefit provisions that were valued are described in Section F. The actuarial valuation is required to be performed based on the current benefit terms and existing legal agreements. Consideration is to be given to the written plan document as well as other communications between the employer and plan members and an established pattern of practice for cost sharing. The summary of major plan provisions is designed to outline principal plan benefits.

GASB Statement No. 75 Information

This section contains the following GASB Statement No. 75 information:

- Summary of GASB Statement No. 75 Results;
- Changes in Net OPEB Liability for plan year end December 31, 2020;
- Expense measured as of plan year end December 31, 2020, and applicable to sponsor's fiscal year end December 31, 2020;
- Development of Inflows and Outflows for fiscal year end December 31, 2020;
- Sensitivity of Net OPEB Liability plan year end December 31, 2020; and
- Notes to Schedule of Contributions.

GASB Statement No. 75 Information

Summary of GASB Statement No. 75 Results

Actuarial Valuation Date	January 1, 2019							
Measurement Date of the Net OPEB Liability	December 31, 2020							
Fiscal Year End for GASB Statement No. 75	December 31, 2020							
Membership	General	Port	Water	Transportation	Sewer	Police	Fire	Total
Number of								
- Retirees and Beneficiaries	1,285	8	135	44	36	1,139	722	3,369
- Inactive, Nonretired Members	-	-	-	-	-	-	-	-
- Active Members	2,552	15	268	87	72	1,925	709	5,628
- Total	3,837	23	403	131	108	3,064	1,431	8,997
Covered Payroll	\$ 141,062,022	\$ 889,692	\$ 15,040,440	\$ 3,836,985	\$ 3,855,621	\$ 160,883,446	\$ 62,471,316	\$ 388,039,522
Net OPEB Liability								
Total OPEB Liability	\$ 493,166,808	\$ 2,754,690	\$ 53,699,624	\$ 15,593,563	\$ 14,129,533	\$ 759,598,626	\$ 351,411,791	\$ 1,690,354,635
Plan Fiduciary Net Position	-	-	-	-	-	-	-	-
Net OPEB Liability	\$ 493,166,808	\$ 2,754,690	\$ 53,699,624	\$ 15,593,563	\$ 14,129,533	\$ 759,598,626	\$ 351,411,791	\$ 1,690,354,635
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Net OPEB Liability as a Percentage of Covered Payroll	349.61%	309.62%	357.03%	406.40%	366.47%	472.14%	562.52%	435.61%
Development of the Single Discount Rate								
Single Discount Rate Beginning of Year	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%
Single Discount Rate End of Year	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Long-Term Municipal Bond Rate Beginning of Year ^a	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%
Long-Term Municipal Bond Rate End of Year ^a	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Total OPEB Expense for Fiscal Year End December 31, 2020, Applicable to Sponsor's Fiscal Year End December 31, 2020	\$ 41,525,274	\$ 241,239	\$ 4,492,887	\$ 1,336,263	\$ 1,194,822	\$ 63,857,346	\$ 32,622,383	\$ 145,270,213

Deferred Outflows and Deferred (Inflows) of Resources by Source to be Recognized in Future OPEB Expenses as of December 31, 2020

	General	Port	Water	Transportation	Sewer	Police	Fire	Total
Deferred Outflows of Resources								
Difference between Expected and Actual Experience	\$ -	\$ 49,699	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 49,699
Changes in Assumptions	95,957,283	573,010	10,102,574	3,001,848	2,792,615	151,969,319	60,579,575	324,976,224
Net Difference between projected and Actual Earnings on OPEB Plan Investments	-	-	-	-	-	-	-	-
Total	\$ 95,957,283	\$ 622,709	\$ 10,102,574	\$ 3,001,848	\$ 2,792,615	\$ 151,969,319	\$ 60,579,575	\$ 325,025,923
Deferred (Inflows) of Resources								
Difference between Expected and Actual Experience	\$ (2,511,740)	\$ (8,245)	\$ (340,675)	\$ (146,061)	\$ (92,299)	\$ (32,301,358)	\$ (7,926,714)	\$ (43,327,092)
Changes in Assumptions	(11,409,972)	(59,897)	(1,258,738)	(362,715)	(325,372)	(19,796,576)	(6,756,755)	(39,970,026)
Net Difference between projected and Actual Earnings on OPEB Plan Investments	-	-	-	-	-	-	-	-
Total	\$ (13,921,712)	\$ (68,142)	\$ (1,599,413)	\$ (508,776)	\$ (417,671)	\$ (52,097,934)	\$ (14,683,469)	\$ (83,297,118)

^a Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index" at fiscal year end. In describing this index, Fidelity notes that the municipal curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities.



GASB Statement No. 75 Information

Schedule of Changes in Net OPEB Liability and Related Ratios

	General	Port	Water	Transportation	Sewer	Police	Fire	Total
Total OPEB Liability								
Service Cost	\$ 11,690,329	\$ 75,661	\$ 1,332,080	\$ 412,785	\$ 365,043	\$ 31,248,181	\$ 12,616,932	\$ 57,741,011
Interest on the Total OPEB Liability	11,695,635	64,804	1,279,868	369,684	334,255	17,835,016	8,353,552	39,932,814
Changes of Benefit Terms	-	-	-	-	-	-	-	-
Difference between Expected and Actual Experience	(1,743,394)	(9,397)	(197,411)	(55,621)	(48,324)	(1,983,233)	(1,278,868)	(5,316,248)
Changes of Assumptions	57,184,547	332,467	5,989,194	1,792,990	1,647,888	85,329,946	37,998,571	190,275,603
Benefit Payments ^a	(11,951,755)	(64,421)	(1,353,342)	(381,309)	(331,284)	(13,595,959)	(8,767,217)	(36,445,287)
Net Change in Total OPEB Liability	\$ 66,875,362	\$ 399,114	\$ 7,050,389	\$ 2,138,529	\$ 1,967,578	\$ 118,833,951	\$ 48,922,970	\$ 246,187,893
Total OPEB Liability - Beginning	\$ 426,291,446	\$ 2,355,576	\$ 46,649,235	\$ 13,455,034	\$ 12,161,955	\$ 640,764,675	\$ 302,488,821	\$ 1,444,166,742
Total OPEB Liability - Ending (a)	\$ 493,166,808	\$ 2,754,690	\$ 53,699,624	\$ 15,593,563	\$ 14,129,533	\$ 759,598,626	\$ 351,411,791	\$ 1,690,354,635
Plan Fiduciary Net Position								
Employer Contributions	\$ 11,951,755	\$ 64,421	\$ 1,353,342	\$ 381,309	\$ 331,284	\$ 13,595,959	\$ 8,767,217	\$ 36,445,287
Active Member Contributions	-	-	-	-	-	-	-	-
Net Investment Income	-	-	-	-	-	-	-	-
Benefit Payments ^a	(11,951,755)	(64,421)	(1,353,342)	(381,309)	(331,284)	(13,595,959)	(8,767,217)	(36,445,287)
Operating Expenses	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Net Change in Plan Fiduciary Net Position	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Plan Fiduciary Net Position - Beginning	-	-	-	-	-	-	-	-
Plan Fiduciary Net Position - Ending (b)	-	-	-	-	-	-	-	-
Net OPEB Liability - Ending (a) - (b)	\$ 493,166,808	\$ 2,754,690	\$ 53,699,624	\$ 15,593,563	\$ 14,129,533	\$ 759,598,626	\$ 351,411,791	\$ 1,690,354,635
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Covered-Employee Payroll	\$ 141,062,022	\$ 889,692	\$ 15,040,440	\$ 3,836,985	\$ 3,855,621	\$ 160,883,446	\$ 62,471,316	\$ 388,039,522
Net OPEB Liability as a Percentage of Covered-Employee Payroll	349.61%	309.62%	357.03%	406.40%	366.47%	472.14%	562.52%	435.61%
Actual Contribution as a Percentage of Covered-Employee Payroll	8.47%	7.24%	9.00%	9.94%	8.59%	8.45%	14.03%	9.39%
Discount Rate Beginning of Year	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%
Discount Rate End of Year	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Inactive plan members or beneficiaries currently receiving benefit payments	1,285	8	135	44	36	1,139	722	3,369
Active plan members	2,552	15	268	87	72	1,925	709	5,628
Total plan members	3,837	23	403	131	108	3,064	1,431	8,997
Amortization Factor	5.8619	6.8933	5.8549	5.8109	6.0694	7.3962	4.9886	*

^a Based on actual contributions of \$36,445,287 during plan year end December 31, 2020.

* Varies by employee group.



GASB Statement No. 75 Information

Annual OPEB Expense under GASB Statement No. 75 Measured as of December 31, 2020 Applicable to Plan Sponsor's Fiscal Year End December 31, 2020

A. Expense	General	Port	Water	Transportation	Sewer	Police	Fire	Total
Service Cost	\$ 11,690,329	\$ 75,661	\$ 1,332,080	\$ 412,785	\$ 365,043	\$ 31,248,181	\$ 12,616,932	\$ 57,741,011
Interest on the Total OPEB Liability	11,695,635	64,804	1,279,868	369,684	334,255	17,835,016	8,353,552	39,932,814
Current-Period Benefit Changes	-	-	-	-	-	-	-	-
Active Member Contributions	-	-	-	-	-	-	-	-
Projected Earnings on Plan Investments	-	-	-	-	-	-	-	-
OPEB Plan Operating Expenses	-	-	-	-	-	-	-	-
Other Changes in Plan Fiduciary Net Position	-	-	-	-	-	-	-	-
Recognition of Outflow/(Inflow) due to Liability Experience	(582,815)	9,404	(81,287)	(36,681)	(21,078)	(6,042,140)	(2,725,014)	(9,479,613)
Recognition of Outflow/(Inflow) due to Assumption Changes	18,722,125	91,370	1,962,226	590,474	516,603	20,816,289	14,376,913	57,076,001
Recognition of Outflow/(Inflow) due to Investment Experience	-	-	-	-	-	-	-	-
Total OPEB Expense	\$ 41,525,274	\$ 241,239	\$ 4,492,887	\$ 1,336,263	\$ 1,194,822	\$ 63,857,346	\$ 32,622,383	\$ 145,270,213
B. Reconciliation of Net OPEB Liability								
Net OPEB Liability Beginning of Year	\$ 426,291,446	\$ 2,355,576	\$ 46,649,235	\$ 13,455,034	\$ 12,161,955	\$ 640,764,675	\$ 302,488,821	\$ 1,444,166,742
OPEB Expense	41,525,274	241,239	4,492,887	1,336,263	1,194,822	63,857,346	32,622,383	145,270,213
Employer Contributions	(11,951,755)	(64,421)	(1,353,342)	(381,309)	(331,284)	(13,595,959)	(8,767,217)	(36,445,287)
Change in Liability Experience Outflows/(Inflows) Recognized in Current Liabilities	(1,160,579)	(18,801)	(116,124)	(18,940)	(27,246)	4,058,907	1,446,146	4,163,365
Change in Assumption Changes Outflows/(Inflows) Recognized in Current Liabilities	38,462,422	241,097	4,026,968	1,202,516	1,131,285	64,513,657	23,621,658	133,199,602
Change in Investment Experience Outflows/(Inflows) Recognized in Current Assets	-	-	-	-	-	-	-	-
Net OPEB Liability End of Year	\$ 493,166,808	\$ 2,754,690	\$ 53,699,624	\$ 15,593,563	\$ 14,129,533	\$ 759,598,626	\$ 351,411,791	\$ 1,690,354,635



GASB Statement No. 75 Information

Recognition of Deferred Outflows and Inflows of Resources

Liability experience (gains)/losses and changes in actuarial assumptions are recognized in OPEB expense using an average of the expected remaining service lives (AERSL). This factor is developed at the beginning of the measurement period and reflects both active and inactive lives.

Prior to January 1, 2020, GASB 75 accounting was based on one consolidated employee group which included AERSL factors of 6.51479 for FY 2019 and 6.96174 for FY 2020. Effective for fiscal year end December 31, 2020, GASB 75 accounting was separated into seven distinct groups for General, Port, Water, Transportation, Sewer, Police, and Fire. Consequently, for fiscal year 2020 separate AERSL factors were developed for each employee group.

In order to ensure that the consolidated deferred (inflows)/outflow remaining as of January 1 2020, did not change as a result of separating the accounting into seven employee groups, individual historical AERSL factors were developed for each employee group. This method produced the following AERSL factors by employee group:

AERSL established on	1/1/2018		1/1/2019		1/1/2020
AERSL due to	Liability Experience	Assumption Changes	Liability Experience	Assumption Changes	Liability Experience and Assumption Changes
General	7.26029	7.21652	5.71613	6.15734	5.86190
Port	7.26029	7.21652	6.59456	7.03578	6.89330
Water	7.26029	7.21652	5.70829	6.14950	5.85490
Transportation	7.26029	7.21652	5.68286	6.12407	5.81090
Sewer	7.26029	7.21652	5.95346	6.39467	6.06940
Police	7.60354	7.55977	7.29824	7.73946	7.39620
Fire	5.67748	5.63371	4.79707	5.23829	4.98860

The change in AERSL factors did not change the outstanding balance of deferred (inflows)/outflows as of January 1, 2020; however, it did change the timing of the future recognition of deferred (inflows)/outflows depending on the AERSL factors for each respective employee group.



GASB Statement No. 75 Information

Single Discount Rate

Because plan benefits are financed on a pay-as-you-go basis, the single discount rate is based on a tax-exempt municipal bond rate index of 20-year general obligation bonds with an average AA credit rating as of the measurement date. A single discount rate of 2.75 percent at December 31, 2019, and 2.00 percent at December 31, 2020, was used to measure the total OPEB liability.

Sensitivity of Net OPEB Liability

The following table shows the plan's net OPEB liability as of December 31, 2020, using the current single discount rate of 2.00 percent, and sensitivity single discount rates that are either one percentage point higher or lower:

Plan	Current Single Discount		
	1% Decrease 1.00%	Rate Assumption 2.00%	1% Increase 3.00%
General	\$611,224,126	\$493,166,808	\$431,349,465
Port	3,440,771	2,754,690	2,384,114
Water	66,124,271	53,699,624	47,291,406
Transportation	19,302,643	15,593,563	13,670,871
Sewer	17,527,642	14,129,533	12,348,348
Police	939,360,498	759,598,626	667,658,428
Fire	438,458,203	351,411,791	314,526,378
Total	\$2,095,438,153	\$1,690,354,635	\$1,489,229,012

The following table shows the plan's net OPEB liability as of December 31, 2020, using current trend rates and sensitivity trend rates that are either one percentage point higher or lower. The key current trend rates are percent 8.00 percent in 2021 decreasing to an ultimate trend rate of 4.50 percent in 2028, for non-Medicare coverage, and 9.50 percent in 2021 decreasing to an ultimate trend rate of 4.50 percent in 2031 for Medicare coverage.

Plan	Healthcare Cost		
	1% Decrease	Trend Rates Assumption	1% Increase
General	\$434,788,210	\$493,166,808	\$613,421,914
Port	2,379,344	2,754,690	3,500,729
Water	47,663,912	53,699,624	66,338,602
Transportation	13,718,457	15,593,563	19,432,392
Sewer	12,397,447	14,129,533	17,658,895
Police	664,863,839	759,598,626	952,796,801
Fire	315,464,328	351,411,791	442,460,355
Total	\$1,491,275,537	\$1,690,354,635	\$2,115,609,689



GASB Statement No. 75 Information

Notes to Schedule of Contributions

Valuation Date	January 1, 2019
Measurement Date	December 31, 2020
Sponsor's Fiscal year End	December 31, 2020

Methods and Assumptions Used to Determine Actuarial Liability and Contributions:

Actuarial Cost Method	Entry Age Normal, used to measure the Total OPEB Liability
Contribution Policy	Sponsor contributes pay-as-you-go costs.
Discount Rate as of January 1, 2020	2.75%
Discount Rate as of December 31, 2020	2.00%
Asset Valuation Method	Not applicable
Investment Rate of Return	Not applicable
Wage Inflation	2.50% for general employees and 4.00% for public safety employees
Salary Increases	Depends on employee group and age. For general employees, salary increase rates start at 5.5% at age 20 and decrease steadily to 2.5% at age 45. For public safety employees, salary increases start at 13.4% at age 20 and decrease steadily to 4.0% at age 55.
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition.
Mortality	For regular retirees and for survivors, the RP-2014 Healthy Annuitant Mortality Table (using 111% of rates for males and 110% of rates for females) (base year 2006) projected generationally with Scale MP-2016. For duty and ordinary disability retirees, the RP-2014 Disability Mortality Table (using 102% of rates for males and 98% of rates for females) (base year 2006) projected generationally with Scale MP-2016 was used. For death in active service, the RP-2014 Non-annuitant Mortality Table (base year 2006) projected generationally with Scale MP-2016.
Healthcare Cost Trend Rates	Pre-Medicare trend rates are 8.0% for 2020 and grade down in 0.50% increments to an ultimate trend rate of 4.50% in 2027. Post-Medicare trend rates are 9.50% for 2020 and grade down in 0.50% increments to an ultimate trend rate of 4.50% in 2030. Actual trend rates of 3.02% for pre-Medicare and 6.63% for post-Medicare are used in 2019.
Aging Factors	Based on the 2013 SOA Study "Health Care Costs - From Birth to Death"
Expenses	Health administrative expenses are included in the development of the per capita claims costs. Operating expenses are reflected separately.



SECTION D

ADDITIONAL ACCOUNTING INFORMATION BY EMPLOYEE GROUP

Schedules of Required Supplementary Information

Schedule of Changes in Net OPEB Liability and Related Ratios

Multiyear

Total

Fiscal Year Ending December 31,	2020	2019	2018
Total OPEB Liability			
Service Cost	\$ 57,741,011	\$ 45,421,717	\$ 49,969,281
Interest on the Total OPEB Liability	39,932,814	44,081,128	40,887,879
Changes of Benefit Terms	-	-	-
Difference between Expected and Actual Experience	(5,316,248)	(55,889,715)	(182,328)
Changes of Assumptions	190,275,603	238,470,036	(70,237,050)
Benefit Payments ^a	(36,445,287)	(40,841,729)	(35,917,601)
Net Change in Total OPEB Liability	\$ 246,187,893	\$ 231,241,437	\$ (15,479,820)
Total OPEB Liability - Beginning	\$ 1,444,166,742	\$ 1,212,925,305	\$ 1,228,405,124
Total OPEB Liability - Ending (a)	\$ 1,690,354,635	\$ 1,444,166,742	\$ 1,212,925,305
Plan Fiduciary Net Position			
Employer Contributions	\$ 36,445,287	\$ 40,841,729	\$ 35,917,601
Active Member Contributions	-	-	-
Net Investment Income	-	-	-
Benefit Payments ^a	(36,445,287)	(40,841,729)	(35,917,601)
Operating Expenses	-	-	-
Other	-	-	-
Net Change in Plan Fiduciary Net Position	\$ -	\$ -	\$ -
Plan Fiduciary Net Position - Beginning	-	-	-
Plan Fiduciary Net Position - Ending (b)	-	-	-
Net OPEB Liability - Ending (a) - (b)	\$ 1,690,354,635	\$ 1,444,166,742	\$ 1,212,925,305
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	0.00%	0.00%	0.00%
Covered-Employee Payroll	\$ 388,039,522	\$ 375,432,252	\$ 422,509,188
Net OPEB Liability as a Percentage of Covered-Employee Payroll	435.61%	384.67%	287.08%
Actual Contribution as a Percentage of Covered-Employee Payroll	9.39%	10.88%	8.50%
Discount Rate Beginning of Year	2.75%	3.71%	3.31%
Discount Rate End of Year	2.00%	2.75%	3.71%
Amortization Factor Liability (Gain)/Loss	*	*	*
Amortization Factor Assumption Changes	*	*	*

^a Total actual benefit payments and contributions provided by plan sponsor. Actual benefits and contributions allocated by employee group in proportion to expected benefit payments.

* Varies by employee group.



Schedules of Required Supplementary Information

Schedule of Changes in Net OPEB Liability and Related Ratios

Multiyear

General

Fiscal Year Ending December 31,	2020	2019	2018
Total OPEB Liability			
Service Cost	\$ 11,690,329	\$ 9,448,267	\$ 11,992,458
Interest on the Total OPEB Liability	11,695,635	13,063,946	11,776,447
Changes of Benefit Terms	-	-	-
Difference between Expected and Actual Experience	(1,743,394)	(1,577,185)	(68,868)
Changes of Assumptions	57,184,547	71,873,730	(19,528,028)
Benefit Payments ^a	(11,951,755)	(13,722,941)	(13,566,665)
Net Change in Total OPEB Liability	\$ 66,875,362	\$ 79,085,817	\$ (9,394,656)
Total OPEB Liability - Beginning	\$ 426,291,446	\$ 347,205,629	\$ 356,600,284
Total OPEB Liability - Ending (a)	\$ 493,166,808	\$ 426,291,446	\$ 347,205,629
Plan Fiduciary Net Position			
Employer Contributions	\$ 11,951,755	\$ 13,722,941	\$ 13,566,665
Active Member Contributions	-	-	-
Net Investment Income	-	-	-
Benefit Payments ^a	(11,951,755)	(13,722,941)	(13,566,665)
Operating Expenses	-	-	-
Other	-	-	-
Net Change in Plan Fiduciary Net Position	\$ -	\$ -	\$ -
Plan Fiduciary Net Position - Beginning	-	-	-
Plan Fiduciary Net Position - Ending (b)	-	-	-
Net OPEB Liability - Ending (a) - (b)	\$ 493,166,808	\$ 426,291,446	\$ 347,205,629
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	0.00%	0.00%	0.00%
Covered-Employee Payroll	\$ 141,062,022	\$ 137,621,485	\$ 168,108,978
Net OPEB Liability as a Percentage of Covered-Employee Payroll	349.61%	309.76%	206.54%
Actual Contribution as a Percentage of Covered-Employee Payroll	8.47%	9.97%	8.07%
Discount Rate Beginning of Year	2.75%	3.71%	3.31%
Discount Rate End of Year	2.00%	2.75%	3.71%
Amortization Factor Liability (Gain)/Loss	5.86190	5.71613	7.26029
Amortization Factor Assumption Changes	5.86190	6.15734	7.21652

^a Actual benefit payments and contributions allocated in proportion to expected benefit payments.



Schedules of Required Supplementary Information

Schedule of Changes in Net OPEB Liability and Related Ratios

Multiyear

Port

Fiscal Year Ending December 31,	2020	2019	2018
Total OPEB Liability			
Service Cost	\$ 75,661	\$ 60,241	\$ 62,955
Interest on the Total OPEB Liability	64,804	71,769	61,821
Changes of Benefit Terms	-	-	-
Difference between Expected and Actual Experience	(9,397)	71,333	(362)
Changes of Assumptions	332,467	403,463	(102,513)
Benefit Payments ^a	(64,421)	(73,905)	(71,219)
Net Change in Total OPEB Liability	\$ 399,114	\$ 532,902	\$ (49,318)
Total OPEB Liability - Beginning	\$ 2,355,576	\$ 1,822,674	\$ 1,871,992
Total OPEB Liability - Ending (a)	\$ 2,754,690	\$ 2,355,576	\$ 1,822,674
Plan Fiduciary Net Position			
Employer Contributions	\$ 64,421	\$ 73,905	\$ 71,219
Active Member Contributions	-	-	-
Net Investment Income	-	-	-
Benefit Payments ^a	(64,421)	(73,905)	(71,219)
Operating Expenses	-	-	-
Other	-	-	-
Net Change in Plan Fiduciary Net Position	\$ -	\$ -	\$ -
Plan Fiduciary Net Position - Beginning	-	-	-
Plan Fiduciary Net Position - Ending (b)	-	-	-
Net OPEB Liability - Ending (a) - (b)	\$ 2,754,690	\$ 2,355,576	\$ 1,822,674
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	0.00%	0.00%	0.00%
Covered-Employee Payroll	\$ 889,692	\$ 867,992	\$ 882,497
Net OPEB Liability as a Percentage of Covered-Employee Payroll	309.62%	271.38%	206.54%
Actual Contribution as a Percentage of Covered-Employee Payroll	7.24%	8.51%	8.07%
Discount Rate Beginning of Year	2.75%	3.71%	3.31%
Discount Rate End of Year	2.00%	2.75%	3.71%
Amortization Factor Liability (Gain)/Loss	6.89330	6.59456	7.26029
Amortization Factor Assumption Changes	6.89330	7.03578	7.21652

^a Actual benefit payments and contributions allocated in proportion to expected benefit payments.



Schedules of Required Supplementary Information

Schedule of Changes in Net OPEB Liability and Related Ratios

Multiyear

Water

Fiscal Year Ending December 31,	2020	2019	2018
Total OPEB Liability			
Service Cost	\$ 1,332,080	\$ 1,079,847	\$ 1,322,998
Interest on the Total OPEB Liability	1,279,868	1,438,321	1,299,167
Changes of Benefit Terms	-	-	-
Difference between Expected and Actual Experience	(197,411)	(265,570)	(7,597)
Changes of Assumptions	5,989,194	7,611,947	(2,154,315)
Benefit Payments ^a	(1,353,342)	(1,518,733)	(1,496,663)
Net Change in Total OPEB Liability	\$ 7,050,389	\$ 8,345,812	\$ (1,036,410)
Total OPEB Liability - Beginning	\$ 46,649,235	\$ 38,303,423	\$ 39,339,833
Total OPEB Liability - Ending (a)	\$ 53,699,624	\$ 46,649,235	\$ 38,303,423
Plan Fiduciary Net Position			
Employer Contributions	\$ 1,353,342	\$ 1,518,733	\$ 1,496,663
Active Member Contributions	-	-	-
Net Investment Income	-	-	-
Benefit Payments ^a	(1,353,342)	(1,518,733)	(1,496,663)
Operating Expenses	-	-	-
Other	-	-	-
Net Change in Plan Fiduciary Net Position	\$ -	\$ -	\$ -
Plan Fiduciary Net Position - Beginning	-	-	-
Plan Fiduciary Net Position - Ending (b)	-	-	-
Net OPEB Liability - Ending (a) - (b)	\$ 53,699,624	\$ 46,649,235	\$ 38,303,423
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	0.00%	0.00%	0.00%
Covered-Employee Payroll	\$ 15,040,440	\$ 14,673,600	\$ 18,545,636
Net OPEB Liability as a Percentage of Covered-Employee Payroll	357.03%	317.91%	206.54%
Actual Contribution as a Percentage of Covered-Employee Payroll	9.00%	10.35%	8.07%
Discount Rate Beginning of Year	2.75%	3.71%	3.31%
Discount Rate End of Year	2.00%	2.75%	3.71%
Amortization Factor Liability (Gain)/Loss	5.85490	5.70829	7.26029
Amortization Factor Assumption Changes	5.85490	6.14950	7.21652

^a Actual benefit payments and contributions allocated in proportion to expected benefit payments.



Schedules of Required Supplementary Information

Schedule of Changes in Net OPEB Liability and Related Ratios

Multiyear

Transportation

Fiscal Year Ending December 31,	2020	2019	2018
Total OPEB Liability			
Service Cost	\$ 412,785	\$ 337,948	\$ 381,232
Interest on the Total OPEB Liability	369,684	412,150	374,365
Changes of Benefit Terms	-	-	-
Difference between Expected and Actual Experience	(55,621)	(152,343)	(2,189)
Changes of Assumptions	1,792,990	2,253,296	(620,783)
Benefit Payments ^a	(381,309)	(433,450)	(431,275)
Net Change in Total OPEB Liability	\$ 2,138,529	\$ 2,417,601	\$ (298,650)
Total OPEB Liability - Beginning	\$ 13,455,034	\$ 11,037,433	\$ 11,336,083
Total OPEB Liability - Ending (a)	\$ 15,593,563	\$ 13,455,034	\$ 11,037,433
Plan Fiduciary Net Position			
Employer Contributions	\$ 381,309	\$ 433,450	\$ 431,275
Active Member Contributions	-	-	-
Net Investment Income	-	-	-
Benefit Payments ^a	(381,309)	(433,450)	(431,275)
Operating Expenses	-	-	-
Other	-	-	-
Net Change in Plan Fiduciary Net Position	\$ -	\$ -	\$ -
Plan Fiduciary Net Position - Beginning	-	-	-
Plan Fiduciary Net Position - Ending (b)	-	-	-
Net OPEB Liability - Ending (a) - (b)	\$ 15,593,563	\$ 13,455,034	\$ 11,037,433
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	0.00%	0.00%	0.00%
Covered-Employee Payroll	\$ 3,836,985	\$ 3,743,400	\$ 5,344,071
Net OPEB Liability as a Percentage of Covered-Employee Payroll	406.40%	359.43%	206.54%
Actual Contribution as a Percentage of Covered-Employee Payroll	9.94%	11.58%	8.07%
Discount Rate Beginning of Year	2.75%	3.71%	3.31%
Discount Rate End of Year	2.00%	2.75%	3.71%
Amortization Factor Liability (Gain)/Loss	5.81090	5.68286	7.26029
Amortization Factor Assumption Changes	5.81090	6.12407	7.21652

^a Actual benefit payments and contributions allocated in proportion to expected benefit payments.



Schedules of Required Supplementary Information

Schedule of Changes in Net OPEB Liability and Related Ratios

Multiyear

Sewer

Fiscal Year Ending December 31,	2020	2019	2018
Total OPEB Liability			
Service Cost	\$ 365,043	\$ 293,361	\$ 341,983
Interest on the Total OPEB Liability	334,255	371,830	335,823
Changes of Benefit Terms	-	-	-
Difference between Expected and Actual Experience	(48,324)	(76,478)	(1,964)
Changes of Assumptions	1,647,888	2,060,756	(556,871)
Benefit Payments ^a	(331,284)	(388,598)	(386,874)
Net Change in Total OPEB Liability	\$ 1,967,578	\$ 2,260,871	\$ (267,903)
Total OPEB Liability - Beginning	\$ 12,161,955	\$ 9,901,084	\$ 10,168,987
Total OPEB Liability - Ending (a)	\$ 14,129,533	\$ 12,161,955	\$ 9,901,084
Plan Fiduciary Net Position			
Employer Contributions	\$ 331,284	\$ 388,598	\$ 386,874
Active Member Contributions	-	-	-
Net Investment Income	-	-	-
Benefit Payments ^a	(331,284)	(388,598)	(386,874)
Operating Expenses	-	-	-
Other	-	-	-
Net Change in Plan Fiduciary Net Position	\$ -	\$ -	\$ -
Plan Fiduciary Net Position - Beginning	-	-	-
Plan Fiduciary Net Position - Ending (b)	-	-	-
Net OPEB Liability - Ending (a) - (b)	\$ 14,129,533	\$ 12,161,955	\$ 9,901,084
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	0.00%	0.00%	0.00%
Covered-Employee Payroll	\$ 3,855,621	\$ 3,761,581	\$ 4,793,877
Net OPEB Liability as a Percentage of Covered-Employee Payroll	366.47%	323.32%	206.54%
Actual Contribution as a Percentage of Covered-Employee Payroll	8.59%	10.33%	8.07%
Discount Rate Beginning of Year	2.75%	3.71%	3.31%
Discount Rate End of Year	2.00%	2.75%	3.71%
Amortization Factor Liability (Gain)/Loss	6.06940	5.95346	7.26029
Amortization Factor Assumption Changes	6.06940	6.39467	7.21652

^a Actual benefit payments and contributions allocated in proportion to expected benefit payments.



Schedules of Required Supplementary Information

Schedule of Changes in Net OPEB Liability and Related Ratios

Multiyear

Police

Fiscal Year Ending December 31,	2020	2019	2018
Total OPEB Liability			
Service Cost	\$ 31,248,181	\$ 24,185,142	\$ 25,011,012
Interest on the Total OPEB Liability	17,835,016	19,436,820	18,431,360
Changes of Benefit Terms	-	-	-
Difference between Expected and Actual Experience	(1,983,233)	(42,079,477)	(63,086)
Changes of Assumptions	85,329,946	105,418,108	(32,821,307)
Benefit Payments ^a	(13,595,959)	(14,954,520)	(12,427,568)
Net Change in Total OPEB Liability	\$ 118,833,951	\$ 92,006,072	\$ (1,869,588)
Total OPEB Liability - Beginning	\$ 640,764,675	\$ 548,758,603	\$ 550,628,190
Total OPEB Liability - Ending (a)	\$ 759,598,626	\$ 640,764,675	\$ 548,758,603
Plan Fiduciary Net Position			
Employer Contributions	\$ 13,595,959	\$ 14,954,520	\$ 12,427,568
Active Member Contributions	-	-	-
Net Investment Income	-	-	-
Benefit Payments ^a	(13,595,959)	(14,954,520)	(12,427,568)
Operating Expenses	-	-	-
Other	-	-	-
Net Change in Plan Fiduciary Net Position	\$ -	\$ -	\$ -
Plan Fiduciary Net Position - Beginning	-	-	-
Plan Fiduciary Net Position - Ending (b)	-	-	-
Net OPEB Liability - Ending (a) - (b)	\$ 759,598,626	\$ 640,764,675	\$ 548,758,603
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	0.00%	0.00%	0.00%
Covered-Employee Payroll	\$ 160,883,446	\$ 154,695,621	\$ 158,888,423
Net OPEB Liability as a Percentage of Covered-Employee Payroll	472.14%	414.21%	345.37%
Actual Contribution as a Percentage of Covered-Employee Payroll	8.45%	9.67%	7.82%
Discount Rate Beginning of Year	2.75%	3.71%	3.31%
Discount Rate End of Year	2.00%	2.75%	3.71%
Amortization Factor Liability (Gain)/Loss	7.39620	7.29824	7.60354
Amortization Factor Assumption Changes	7.39620	7.73946	7.55977

^a Actual benefit payments and contributions allocated in proportion to expected benefit payments.



Schedules of Required Supplementary Information

Schedule of Changes in Net OPEB Liability and Related Ratios

Multiyear

Fire

Fiscal Year Ending December 31,	2020	2019	2018
Total OPEB Liability			
Service Cost	\$ 12,616,932	\$ 10,016,911	\$ 10,856,643
Interest on the Total OPEB Liability	8,353,552	9,286,292	8,608,895
Changes of Benefit Terms	-	-	-
Difference between Expected and Actual Experience	(1,278,868)	(11,809,995)	(38,262)
Changes of Assumptions	37,998,571	48,848,736	(14,453,234)
Benefit Payments ^a	(8,767,217)	(9,749,582)	(7,537,338)
Net Change in Total OPEB Liability	\$ 48,922,970	\$ 46,592,362	\$ (2,563,296)
Total OPEB Liability - Beginning	\$ 302,488,821	\$ 255,896,459	\$ 258,459,755
Total OPEB Liability - Ending (a)	\$ 351,411,791	\$ 302,488,821	\$ 255,896,459
Plan Fiduciary Net Position			
Employer Contributions	\$ 8,767,217	\$ 9,749,582	\$ 7,537,338
Active Member Contributions	-	-	-
Net Investment Income	-	-	-
Benefit Payments ^a	(8,767,217)	(9,749,582)	(7,537,338)
Operating Expenses	-	-	-
Other	-	-	-
Net Change in Plan Fiduciary Net Position	\$ -	\$ -	\$ -
Plan Fiduciary Net Position - Beginning	-	-	-
Plan Fiduciary Net Position - Ending (b)	-	-	-
Net OPEB Liability - Ending (a) - (b)	\$ 351,411,791	\$ 302,488,821	\$ 255,896,459
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	0.00%	0.00%	0.00%
Covered-Employee Payroll	\$ 62,471,316	\$ 60,068,573	\$ 65,945,705
Net OPEB Liability as a Percentage of Covered-Employee Payroll	562.52%	503.57%	388.04%
Actual Contribution as a Percentage of Covered-Employee Payroll	14.03%	16.23%	11.43%
Discount Rate Beginning of Year	2.75%	3.71%	3.31%
Discount Rate End of Year	2.00%	2.75%	3.71%
Amortization Factor Liability (Gain)/Loss	4.98860	4.79707	5.67748
Amortization Factor Assumption Changes	4.98860	5.23829	5.63371

^a Actual benefit payments and contributions allocated in proportion to expected benefit payments.



Schedules of Required Supplementary Information

Outflows and Inflows Arising from Current and Prior Reporting Periods

CITY OF MILWAUKEE RETIREE HEALTHCARE AND LIFE INSURANCE PROGRAMS									
GASB NO. 75 DISCLOSURES									
DEFERRED INFLOWS AND OUTFLOWS									
TOTAL									
Valuation Date	1/1/2019								
Measurement Date	12/31/2020								
	Non-Investment Experience			Assumption Changes			Investment Experience		
Date Established	(Gain)/Loss	Amortization Factor	Initial Amortization	(Gain)/Loss	Amortization Factor	Initial Amortization	(Gain)/Loss	Amortization Factor	Initial Amortization
1/1/2018	\$ (182,328)	*	\$ (26,190)	\$ (70,237,050)	*	\$ (10,089,009)	\$ -	5.00000	\$ -
1/1/2019	\$ (55,889,715)	*	\$ (8,578,896)	\$ 238,470,036	*	\$ 36,604,407	\$ -	5.00000	\$ -
1/1/2020	\$ (5,316,248)	*	\$ (874,525)	\$ 190,275,603	*	\$ 30,560,602	\$ -	5.00000	\$ -
Deferred Outflows/(Inflows) Recognized in OPEB Expense for Current Plan Year End	Outflows	(Inflows)	Net	Outflows	(Inflows)	Net	Outflows	(Inflows)	Net
12/31/2020	\$ 10,817	\$ (9,490,428)	\$ (9,479,611)	\$ 67,165,009	\$ (10,089,009)	\$ 57,076,001	\$ -	\$ -	\$ -
Deferred Outflows/(Inflows) Recognized in OPEB Expense for Future Plan Years Ending									
12/31/2021	\$ 10,817	\$ (9,490,428)	\$ (9,479,611)	\$ 67,165,009	\$ (10,089,008)	\$ 57,076,001	\$ -	\$ -	\$ -
12/31/2022	10,817	(9,490,428)	(9,479,611)	67,165,009	(10,089,008)	57,076,001	-	-	-
12/31/2023	10,817	(8,988,663)	(8,977,846)	67,165,009	(9,149,284)	58,015,725	-	-	-
12/31/2024	10,817	(6,917,852)	(6,907,035)	59,974,960	(7,523,515)	52,451,445	-	-	-
12/31/2025	6,431	(6,344,004)	(6,337,572)	37,262,270	(3,119,211)	34,143,059	-	-	-
12/31/2026	-	(1,989,480)	(1,989,480)	21,673,009	-	21,673,009	-	-	-
12/31/2027	-	(106,238)	(106,238)	4,570,959	-	4,570,959	-	-	-
12/31/2028	-	-	-	-	-	-	-	-	-
12/31/2029	-	-	-	-	-	-	-	-	-
Total	\$ 49,699	\$ (43,327,092)	\$ (43,277,392)	\$ 324,976,224	\$ (39,970,026)	\$ 285,006,198	\$ -	\$ -	\$ -
Change in Deferred Outflows/(Inflows) Recognized in Liability and Assets for Current Plan Year End									
12/31/2020			\$ 4,163,363			\$ 133,199,602			\$ -

Numbers may not add due to rounding.

* Varies by employee group.



Schedules of Required Supplementary Information

Outflows and Inflows Arising from Current and Prior Reporting Periods

CITY OF MILWAUKEE RETIREE HEALTHCARE AND LIFE INSURANCE PROGRAMS									
GASB NO. 75 DISCLOSURES									
DEFERRED INFLOWS AND OUTFLOWS									
GENERAL									
Valuation Date	1/1/2019								
Measurement Date	12/31/2020								
	Non-Investment Experience			Assumption Changes			Investment Experience		
Date Established	(Gain)/Loss	Amortization Factor	Initial Amortization	(Gain)/Loss	Amortization Factor	Initial Amortization	(Gain)/Loss	Amortization Factor	Initial Amortization
1/1/2018	\$ (68,868)	7.26029	\$ (9,486)	\$ (19,528,028)	7.21652	\$ (2,706,019)	\$ -	5.00000	\$ -
1/1/2019	\$ (1,577,185)	5.71613	\$ (275,918)	\$ 71,873,730	6.15734	\$ 11,672,852	\$ -	5.00000	\$ -
1/1/2020	\$ (1,743,394)	5.86190	\$ (297,411)	\$ 57,184,547	5.86190	\$ 9,755,292	\$ -	5.00000	\$ -
Deferred Outflows/(Inflows) Recognized in OPEB Expense for Current Plan Year End	Outflows	(Inflows)	Net	Outflows	(Inflows)	Net	Outflows	(Inflows)	Net
12/31/2020	\$ -	\$ (582,815)	\$ (582,815)	\$ 21,428,144	\$ (2,706,019)	\$ 18,722,125	\$ -	\$ -	\$ -
Deferred Outflows/(Inflows) Recognized in OPEB Expense for Future Plan Years Ending									
12/31/2021	\$ -	\$ (582,815)	\$ (582,815)	\$ 21,428,144	\$ (2,706,019)	\$ 18,722,125	\$ -	\$ -	\$ -
12/31/2022	-	(582,815)	(582,815)	21,428,144	(2,706,019)	18,722,125	-	-	-
12/31/2023	-	(582,815)	(582,815)	21,428,144	(2,706,019)	18,722,125	-	-	-
12/31/2024	-	(504,489)	(504,489)	21,428,144	(2,706,019)	18,722,125	-	-	-
12/31/2025	-	(258,808)	(258,808)	10,244,707	(585,898)	9,658,809	-	-	-
12/31/2026	-	-	-	-	-	-	-	-	-
12/31/2027	-	-	-	-	-	-	-	-	-
12/31/2028	-	-	-	-	-	-	-	-	-
12/31/2029	-	-	-	-	-	-	-	-	-
Total	\$ -	\$ (2,511,740)	\$ (2,511,740)	\$ 95,957,283	\$ (11,409,972)	\$ 84,547,311	\$ -	\$ -	\$ -
Change in Deferred Outflows/(Inflows) Recognized in Liability and Assets for Current Plan Year End									
12/31/2020			\$ (1,160,579)			\$ 38,462,422			\$ -

Numbers may not add due to rounding.



Schedules of Required Supplementary Information

Outflows and Inflows Arising from Current and Prior Reporting Periods

CITY OF MILWAUKEE RETIREE HEALTHCARE AND LIFE INSURANCE PROGRAMS									
GASB NO. 75 DISCLOSURES									
DEFERRED INFLOWS AND OUTFLOWS									
PORT									
Valuation Date	1/1/2019								
Measurement Date	12/31/2020								
Date Established	Non-Investment Experience			Assumption Changes			Investment Experience		
	(Gain)/Loss	Amortization Factor	Initial Amortization	(Gain)/Loss	Amortization Factor	Initial Amortization	(Gain)/Loss	Amortization Factor	Initial Amortization
1/1/2018	\$ (362)	7.26029	\$ (50)	\$ (102,513)	7.21652	\$ (14,205)	\$ -	5.00000	\$ -
1/1/2019	\$ 71,333	6.59456	\$ 10,817	\$ 403,463	7.03578	\$ 57,345	\$ -	5.00000	\$ -
1/1/2020	\$ (9,397)	6.89330	\$ (1,363)	\$ 332,467	6.89330	\$ 48,230	\$ -	5.00000	\$ -
Deferred Outflows/(Inflows) Recognized in OPEB Expense for Current Plan Year End	Outflows	(Inflows)	Net	Outflows	(Inflows)	Net	Outflows	(Inflows)	Net
12/31/2020	\$ 10,817	\$ (1,413)	\$ 9,404	\$ 105,575	\$ (14,205)	\$ 91,370	\$ -	\$ -	\$ -
Deferred Outflows/(Inflows) Recognized in OPEB Expense for Future Plan Years Ending									
12/31/2021	\$ 10,817	\$ (1,413)	\$ 9,404	\$ 105,575	\$ (14,205)	\$ 91,370	\$ -	\$ -	\$ -
12/31/2022	10,817	(1,413)	9,404	105,575	(14,205)	91,370	-	-	-
12/31/2023	10,817	(1,413)	9,404	105,575	(14,205)	91,370	-	-	-
12/31/2024	10,817	(1,413)	9,404	105,575	(14,205)	91,370	-	-	-
12/31/2025	6,431	(1,376)	5,055	105,575	(3,076)	102,499	-	-	-
12/31/2026	-	(1,218)	(1,218)	45,135	-	45,135	-	-	-
12/31/2027	-	-	-	-	-	-	-	-	-
12/31/2028	-	-	-	-	-	-	-	-	-
12/31/2029	-	-	-	-	-	-	-	-	-
Total	\$ 49,699	\$ (8,245)	\$ 41,455	\$ 573,010	\$ (59,897)	\$ 513,113	\$ -	\$ -	\$ -
Change in Deferred Outflows/(Inflows) Recognized in Liability and Assets for Current Plan Year End									
12/31/2020			\$ (18,801)			\$ 241,097			\$ -

Numbers may not add due to rounding.



Schedules of Required Supplementary Information

Outflows and Inflows Arising from Current and Prior Reporting Periods

CITY OF MILWAUKEE RETIREE HEALTHCARE AND LIFE INSURANCE PROGRAMS									
GASB NO. 75 DISCLOSURES									
DEFERRED INFLOWS AND OUTFLOWS									
WATER									
Valuation Date	1/1/2019								
Measurement Date	12/31/2020								
Date Established	Non-Investment Experience			Assumption Changes			Investment Experience		
	(Gain)/Loss	Amortization Factor	Initial Amortization	(Gain)/Loss	Amortization Factor	Initial Amortization	(Gain)/Loss	Amortization Factor	Initial Amortization
1/1/2018	\$ (7,597)	7.26029	\$ (1,046)	\$ (2,154,315)	7.21652	\$ (298,526)	\$ -	5.00000	\$ -
1/1/2019	\$ (265,570)	5.70829	\$ (46,524)	\$ 7,611,947	6.14950	\$ 1,237,815	\$ -	5.00000	\$ -
1/1/2020	\$ (197,411)	5.85490	\$ (33,717)	\$ 5,989,194	5.85490	\$ 1,022,937	\$ -	5.00000	\$ -
Deferred Outflows/(Inflows) Recognized in OPEB Expense for Current Plan Year End	Outflows	(Inflows)	Net	Outflows	(Inflows)	Net	Outflows	(Inflows)	Net
12/31/2020	\$ -	\$ (81,287)	\$ (81,287)	\$ 2,260,752	\$ (298,526)	\$ 1,962,226	\$ -	\$ -	\$ -
Deferred Outflows/(Inflows) Recognized in OPEB Expense for Future Plan Years Ending									
12/31/2021	\$ -	\$ (81,287)	\$ (81,287)	\$ 2,260,752	\$ (298,526)	\$ 1,962,226	\$ -	\$ -	\$ -
12/31/2022	-	(81,287)	(81,287)	2,260,752	(298,526)	1,962,226	-	-	-
12/31/2023	-	(81,287)	(81,287)	2,260,752	(298,526)	1,962,226	-	-	-
12/31/2024	-	(67,716)	(67,716)	2,260,752	(298,526)	1,962,226	-	-	-
12/31/2025	-	(29,097)	(29,097)	1,059,566	(64,636)	994,930	-	-	-
12/31/2026	-	-	-	-	-	-	-	-	-
12/31/2027	-	-	-	-	-	-	-	-	-
12/31/2028	-	-	-	-	-	-	-	-	-
12/31/2029	-	-	-	-	-	-	-	-	-
Total	\$ -	\$ (340,675)	\$ (340,675)	\$ 10,102,574	\$ (1,258,738)	\$ 8,843,836	\$ -	\$ -	\$ -
Change in Deferred Outflows/(Inflows) Recognized in Liability and Assets for Current Plan Year End									
12/31/2020			\$ (116,124)			\$ 4,026,968			\$ -

Numbers may not add due to rounding.



Schedules of Required Supplementary Information

Outflows and Inflows Arising from Current and Prior Reporting Periods

CITY OF MILWAUKEE RETIREE HEALTHCARE AND LIFE INSURANCE PROGRAMS									
GASB NO. 75 DISCLOSURES									
DEFERRED INFLOWS AND OUTFLOWS									
TRANSPORTATION									
Valuation Date	1/1/2019								
Measurement Date	12/31/2020								
	Non-Investment Experience			Assumption Changes			Investment Experience		
Date Established	(Gain)/Loss	Amortization Factor	Initial Amortization	(Gain)/Loss	Amortization Factor	Initial Amortization	(Gain)/Loss	Amortization Factor	Initial Amortization
1/1/2018	\$ (2,189)	7.26029	\$ (302)	\$ (620,783)	7.21652	\$ (86,023)	\$ -	5.00000	\$ -
1/1/2019	\$ (152,343)	5.68286	\$ (26,807)	\$ 2,253,296	6.12407	\$ 367,941	\$ -	5.00000	\$ -
1/1/2020	\$ (55,621)	5.81090	\$ (9,572)	\$ 1,792,990	5.81090	\$ 308,556	\$ -	5.00000	\$ -
Deferred Outflows/(Inflows) Recognized in OPEB Expense for Current Plan Year End	Outflows	(Inflows)	Net	Outflows	(Inflows)	Net	Outflows	(Inflows)	Net
12/31/2020	\$ -	\$ (36,681)	\$ (36,681)	\$ 676,497	\$ (86,023)	\$ 590,474	\$ -	\$ -	\$ -
Deferred Outflows/(Inflows) Recognized in OPEB Expense for Future Plan Years Ending									
12/31/2021	\$ -	\$ (36,681)	\$ (36,681)	\$ 676,497	\$ (86,023)	\$ 590,474	\$ -	\$ -	\$ -
12/31/2022	-	(36,681)	(36,681)	676,497	(86,023)	590,474	-	-	-
12/31/2023	-	(36,681)	(36,681)	676,497	(86,023)	590,474	-	-	-
12/31/2024	-	(28,179)	(28,179)	676,497	(86,023)	590,474	-	-	-
12/31/2025	-	(7,840)	(7,840)	295,860	(18,625)	277,235	-	-	-
12/31/2026	-	-	-	-	-	-	-	-	-
12/31/2027	-	-	-	-	-	-	-	-	-
12/31/2028	-	-	-	-	-	-	-	-	-
12/31/2029	-	-	-	-	-	-	-	-	-
Total	\$ -	\$ (146,061)	\$ (146,061)	\$ 3,001,848	\$ (362,715)	\$ 2,639,133	\$ -	\$ -	\$ -
Change in Deferred Outflows/(Inflows) Recognized in Liability and Assets for Current Plan Year End									
12/31/2020			\$ (18,940)			\$ 1,202,516			\$ -

Numbers may not add due to rounding.



Schedules of Required Supplementary Information

Outflows and Inflows Arising from Current and Prior Reporting Periods

CITY OF MILWAUKEE RETIREE HEALTHCARE AND LIFE INSURANCE PROGRAMS									
GASB NO. 75 DISCLOSURES									
DEFERRED INFLOWS AND OUTFLOWS									
SEWER									
Valuation Date	1/1/2019								
Measurement Date	12/31/2020								
	Non-Investment Experience			Assumption Changes			Investment Experience		
Date Established	(Gain)/Loss	Amortization Factor	Initial Amortization	(Gain)/Loss	Amortization Factor	Initial Amortization	(Gain)/Loss	Amortization Factor	Initial Amortization
1/1/2018	\$ (1,964)	7.26029	\$ (270)	\$ (556,871)	7.21652	\$ (77,166)	\$ -	5.00000	\$ -
1/1/2019	\$ (76,478)	5.95346	\$ (12,846)	\$ 2,060,756	6.39467	\$ 322,261	\$ -	5.00000	\$ -
1/1/2020	\$ (48,324)	6.06940	\$ (7,962)	\$ 1,647,888	6.06940	\$ 271,508	\$ -	5.00000	\$ -
Deferred Outflows/(Inflows) Recognized in OPEB Expense for Current Plan Year End	Outflows	(Inflows)	Net	Outflows	(Inflows)	Net	Outflows	(Inflows)	Net
12/31/2020	\$ -	\$ (21,078)	\$ (21,078)	\$ 593,769	\$ (77,166)	\$ 516,603	\$ -	\$ -	\$ -
Deferred Outflows/(Inflows) Recognized in OPEB Expense for Future Plan Years Ending									
12/31/2021	\$ -	\$ (21,078)	\$ (21,078)	\$ 593,769	\$ (77,166)	\$ 516,603	\$ -	\$ -	\$ -
12/31/2022	-	(21,078)	(21,078)	593,769	(77,166)	516,603	-	-	-
12/31/2023	-	(21,078)	(21,078)	593,769	(77,166)	516,603	-	-	-
12/31/2024	-	(20,480)	(20,480)	593,769	(77,166)	516,603	-	-	-
12/31/2025	-	(8,032)	(8,032)	398,696	(16,708)	381,989	-	-	-
12/31/2026	-	(553)	(553)	18,843	-	18,843	-	-	-
12/31/2027	-	-	-	-	-	-	-	-	-
12/31/2028	-	-	-	-	-	-	-	-	-
12/31/2029	-	-	-	-	-	-	-	-	-
Total	\$ -	\$ (92,299)	\$ (92,299)	\$ 2,792,615	\$ (325,372)	\$ 2,467,243	\$ -	\$ -	\$ -
Change in Deferred Outflows/(Inflows) Recognized in Liability and Assets for Current Plan Year End									
12/31/2020			\$ (27,246)			\$ 1,131,285			\$ -

Numbers may not add due to rounding.



Schedules of Required Supplementary Information Outflows and Inflows Arising from Current and Prior Reporting Periods

CITY OF MILWAUKEE RETIREE HEALTHCARE AND LIFE INSURANCE PROGRAMS									
GASB NO. 75 DISCLOSURES									
DEFERRED INFLOWS AND OUTFLOWS									
POLICE									
Valuation Date	1/1/2019								
Measurement Date	12/31/2020								
	Non-Investment Experience			Assumption Changes			Investment Experience		
Date Established	(Gain)/Loss	Amortization Factor	Initial Amortization	(Gain)/Loss	Amortization Factor	Initial Amortization	(Gain)/Loss	Amortization Factor	Initial Amortization
1/1/2018	\$ (63,086)	7.60354	\$ (8,297)	\$ (32,821,307)	7.55977	\$ (4,341,577)	\$ -	5.00000	\$ -
1/1/2019	\$ (42,079,477)	7.29824	\$ (5,765,701)	\$ 105,418,108	7.73946	\$ 13,620,868	\$ -	5.00000	\$ -
1/1/2020	\$ (1,983,233)	7.39620	\$ (268,142)	\$ 85,329,946	7.39620	\$ 11,536,998	\$ -	5.00000	\$ -
Deferred Outflows/(Inflows) Recognized in OPEB Expense for Current Plan Year End	Outflows	(Inflows)	Net	Outflows	(Inflows)	Net	Outflows	(Inflows)	Net
12/31/2020	\$ -	\$ (6,042,140)	\$ (6,042,140)	\$ 25,157,866	\$ (4,341,577)	\$ 20,816,289	\$ -	\$ -	\$ -
Deferred Outflows/(Inflows) Recognized in OPEB Expense for Future Plan Years Ending									
12/31/2021	\$ -	\$ (6,042,140)	\$ (6,042,140)	\$ 25,157,866	\$ (4,341,577)	\$ 20,816,289	\$ -	\$ -	\$ -
12/31/2022	-	(6,042,140)	(6,042,140)	25,157,866	(4,341,577)	20,816,289	-	-	-
12/31/2023	-	(6,042,140)	(6,042,140)	25,157,866	(4,341,577)	20,816,289	-	-	-
12/31/2024	-	(6,042,140)	(6,042,140)	25,157,866	(4,341,577)	20,816,289	-	-	-
12/31/2025	-	(6,038,850)	(6,038,850)	25,157,866	(2,430,269)	22,727,597	-	-	-
12/31/2026	-	(1,987,710)	(1,987,710)	21,609,031	-	21,609,031	-	-	-
12/31/2027	-	(106,238)	(106,238)	4,570,959	-	4,570,959	-	-	-
12/31/2028	-	-	-	-	-	-	-	-	-
12/31/2029	-	-	-	-	-	-	-	-	-
Total	\$ -	\$ (32,301,358)	\$ (32,301,358)	\$ 151,969,319	\$ (19,796,576)	\$ 132,172,743	\$ -	\$ -	\$ -
Change in Deferred Outflows/(Inflows) Recognized in Liability and Assets for Current Plan Year End									
12/31/2020			\$ 4,058,907			\$ 64,513,657			\$ -

Numbers may not add due to rounding.



Schedules of Required Supplementary Information

Outflows and Inflows Arising from Current and Prior Reporting Periods

CITY OF MILWAUKEE RETIREE HEALTHCARE AND LIFE INSURANCE PROGRAMS									
GASB NO. 75 DISCLOSURES									
DEFERRED INFLOWS AND OUTFLOWS									
FIRE									
Valuation Date	1/1/2019								
Measurement Date	12/31/2020								
	Non-Investment Experience			Assumption Changes			Investment Experience		
Date Established	(Gain)/Loss	Amortization Factor	Initial Amortization	(Gain)/Loss	Amortization Factor	Initial Amortization	(Gain)/Loss	Amortization Factor	Initial Amortization
1/1/2018	\$ (38,262)	5.67748	\$ (6,739)	\$ (14,453,234)	5.63371	\$ (2,565,493)	\$ -	5.00000	\$ -
1/1/2019	\$ (11,809,995)	4.79707	\$ (2,461,917)	\$ 48,848,736	5.23829	\$ 9,325,325	\$ -	5.00000	\$ -
1/1/2020	\$ (1,278,868)	4.98860	\$ (256,358)	\$ 37,998,571	4.98860	\$ 7,617,081	\$ -	5.00000	\$ -
Deferred Outflows/(Inflows) Recognized in OPEB Expense for Current Plan Year End	Outflows	(Inflows)	Net	Outflows	(Inflows)	Net	Outflows	(Inflows)	Net
12/31/2020	\$ -	\$ (2,725,014)	\$ (2,725,014)	\$ 16,942,406	\$ (2,565,493)	\$ 14,376,913	\$ -	\$ -	\$ -
Deferred Outflows/(Inflows) Recognized in OPEB Expense for Future Plan Years Ending									
12/31/2021	\$ -	\$ (2,725,014)	\$ (2,725,014)	\$ 16,942,406	\$ (2,565,493)	\$ 14,376,913	\$ -	\$ -	\$ -
12/31/2022	-	(2,725,014)	(2,725,014)	16,942,406	(2,565,493)	14,376,913	-	-	-
12/31/2023	-	(2,223,250)	(2,223,250)	16,942,406	(1,625,769)	15,316,637	-	-	-
12/31/2024	-	(253,436)	(253,436)	9,752,357	-	9,752,357	-	-	-
12/31/2025	-	-	-	-	-	-	-	-	-
12/31/2026	-	-	-	-	-	-	-	-	-
12/31/2027	-	-	-	-	-	-	-	-	-
12/31/2028	-	-	-	-	-	-	-	-	-
12/31/2029	-	-	-	-	-	-	-	-	-
Total	\$ -	\$ (7,926,714)	\$ (7,926,714)	\$ 60,579,575	\$ (6,756,755)	\$ 53,822,819	\$ -	\$ -	\$ -
Change in Deferred Outflows/(Inflows) Recognized in Liability and Assets for Current Plan Year End									
12/31/2020			\$ 1,446,146			\$ 23,621,658			\$ -

Numbers may not add due to rounding.



SECTION E

SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS

Summary of Actuarial Assumptions and Methods

Development of Per Capita Claim Costs

Per capita claim costs were developed separately for pre-Medicare and Medicare eligible coverage under the United Healthcare Choice Plan (EPO) and United Healthcare Choice Plus Plan (PPO). Per capita claim costs were based on calendar year 2019 and 2020 average costs provided in the healthcare actuary's rating report. Average costs were converted to a per person per month costs using enrollment information contained in the rating reports. Standard morbidity tables were used to develop age and gender adjusted expected claims costs

Cost Method and Expense Calculations for Retiree Healthcare Benefits

The retiree healthcare actuarial valuation was based on the Entry Age Normal cost method. Under this method, the normal cost and actuarial accrued liability are directly proportional to the employee's salary. The normal cost rate equals the present value of future benefits at entry age divided by the present value of future salary at entry age. The normal cost at the member's attained age equals the normal cost rate at entry age multiplied by the salary at attained age. The actuarial accrued liability equals the present value of benefits at attained age less present value of future salaries at attained age multiplied by normal cost rate at entry age.

Under GASB Statements No. 74 and 75, the Entry Age Normal Method is the required cost method.



Summary of Actuarial Assumptions and Methods

Actuarial Assumptions

The actuarial assumptions used in our valuation are outlined on the following pages.

Valuation Date	January 1, 2019
Measurement Date	December 31, 2020
Discount Rate	2.75% at January 1, 2020 2.00% at January 1, 2021
Inflation¹	2.50%
Wage Inflation¹	2.50% for general 4.00% for public safety

OPEB Assumptions

Fiscal Year	Healthcare Trend	
	Pre-Medicare <u>Medical and Rx</u>	Post-Medicare <u>Medical and Rx</u>
<u>Beginning 1/1</u>		
2020	3.02%	6.63%
2021	8.00%	9.50%
2022	7.50%	9.00%
2023	7.00%	8.50%
2024	6.50%	8.00%
2025	6.00%	7.50%
2026	5.50%	7.00%
2027	5.00%	6.50%
2028	4.50%	6.00%
2029	4.50%	5.50%
2030	4.50%	5.00%
2031	4.50%	4.50%

¹ Wage inflation used to project payroll.



Summary of Actuarial Assumptions and Methods

Annual Per Capita Claim Costs for Calendar Year End 2019

Blended Cost United Healthcare Choice Plus/ United Healthcare Choice

<u>Age</u>	<u>Male</u>	<u>Female</u>
55	\$10,920	\$11,923
60	14,103	13,887
64	17,150	16,185
65	6,229	5,875
70	6,785	6,566
75	7,287	7,111
80	7,650	7,517



Summary of Actuarial Assumptions and Methods

OPEB Participation

A 6% load is applied for future General Employee retirees and a 19% load is applied for future Police and Fire retirees to the pre-Medicare retiree per capita claim cost to account for covered children that are not directly valued.

Participation

95% of future Police and Fire retirees and 85% of future General Employee retirees who meet eligibility conditions for retiree healthcare benefits are assumed to participate at retirement.

Of these future retirees assumed to participate at retirement, 70% are assumed to continue their coverage beyond the point at which they become Medicare eligible.

Election

Future retirees are assumed to elect United Healthcare Choice Plus Plan coverage (PPO) and United Healthcare Choice Plan Coverage (EPO) as follows:

Election assumptions for future retirees	PPO	EPO
Pre-Medicare		
Police/Fire	9%	91%
General	4%	96%
Post-Medicare		
Police/Fire	68%	32%
General	65%	35%

Per capita claim cost and premium were adjusted based on assumed election.

City-Paid Coverage of Future Police and Fire Retirees Based on Sick Leave

Future police and fire retirees are assumed to retire with sufficient sick leave in order to receive City contributions in the amount of 87% of the Basic Plan premiums until attainment of age 60.

Spouse Coverage

Future retirees that elect coverage at retirement are assumed to enroll as follows:

Election	Single Family	
General	50%	50%
Police/Fire	40%	60%

50% of spouses are expected to continue coverage after the death of the retiree.



Summary of Actuarial Assumptions and Methods

Females are assumed to be three years younger than their spouses in cases where no spouse date of birth is supplied.

Pension-Related Assumptions

The pension-related assumptions disclosed in the City of Milwaukee Employees' Retirement System actuarial valuation report as of January 1, 2019, and provided by the actuary, are assumed. The pension-related assumptions are based on an experience study for period from January 1, 2012, to December 31, 2016.

The assumed rate of price inflation was 2.50%. This assumption is not used directly in the actuarial valuation. However, the price inflation assumption underlies all of the other economic assumptions (investment return, salary increase, and payroll growth assumption).

The rates of annual salary increase used for individual members are in accordance with the following table. This assumption is used to project a member's current salary to the salaries for use to spread costs under entry age normal cost method. The salary increases include a wage inflation component of 2.50% for General Employees and 4.00% for Fire and Police.

Salary Increases		
Age	General	
	Employees	Fire and Police
20	5.50%	13.40%
25	4.93%	9.47%
30	3.79%	7.72%
35	3.78%	5.78%
40	2.89%	4.68%
45	2.50%	4.28%
50	2.50%	4.08%
55	2.50%	4.00%
60	2.50%	4.00%
65	2.50%	4.00%

Mortality

For regular retirees and for survivors, the RP-2014 Healthy Annuitant Mortality Table (using 111% of rates for males and 110% of rates for females) (base year 2006) projected generationally with Scale MP-2016. For duty and ordinary disability retirees, the RP-2014 Disability Mortality Table (using 102% of rates for males and 98% of rates for females) (base year 2006) projected generationally with Scale MP-2016 was used. For death in active service, the RP-2014 Non-annuitant Mortality Table (base year 2006) projected generationally with Scale MP-2016.



Summary of Actuarial Assumptions and Methods

This assumption is used to measure the probabilities of members dying before retirement and the probabilities of each benefit payment being made after retirement. Based on the most recent experience study, these tables provide a margin for near-term mortality improvements.

Rates of separation from active membership are represented by the following table (rates do not apply to members eligible to retire and do not include separation on account of death or disability). This assumption measures the probabilities of members terminating employment.

Sample Turnover Rates Less Than 5 Years of Service				
% Separating Within Next Year				
Age	General Employees		Police/Fire	
	Male	Female	Male	Female
20	17.62%	24.05%	6.15%	5.55%
25	15.93%	24.12%	2.33%	4.65%
30	11.31%	16.77%	2.75%	7.38%
35	10.66%	15.60%	3.38%	6.63%
40	8.78%	10.40%	4.40%	4.40%
45	9.10%	9.23%	5.40%	4.40%
50	8.32%	8.58%	8.80%	4.40%
55	6.83%	7.80%	10.00%	4.40%

Sample Turnover Rates At Least 5 Years of Service				
Age	General Employees		Police/Fire	
	Male	Female	Male	Female
20	13.00%	14.30%	-	-
25	12.68%	14.30%	1.34%	2.33%
30	6.92%	8.45%	1.13%	3.34%
35	7.19%	7.27%	1.10%	1.88%
40	4.51%	8.45%	0.90%	0.97%
45	2.99%	4.67%	1.08%	1.53%
50	2.38%	3.38%	4.05%	6.70%
55	1.99%	3.64%	0.00%	0.00%

Summary of Actuarial Assumptions and Methods

Rates of disability were as follows:

Sample Disability Rates			
% Separating Within Next Year			
Age	General		
	Employees	Police	Fire
	Males/Females	Males/Females	Males/Females
20	0.050%	0.030%	0.064%
25	0.050%	0.030%	0.136%
30	0.060%	0.100%	0.280%
35	0.077%	0.187%	0.760%
40	0.131%	0.231%	0.960%
45	0.162%	0.231%	0.960%
50	0.256%	0.210%	1.080%
55	0.527%	0.210%	1.080%
60	0.077%	0.210%	1.080%
65	0.200%	0.210%	1.080%

Rates of retirement for members eligible to retire during the next year were as follows:

Age	Representative Normal Retirement Rates ¹					Early Retirement Rates ²
	% Separating Within Next Year (Age-Based)					General Employees
	General Employees		Firemen	Policemen		
	Male	Female	In Combined Fund	Not in Combined Fund		
49			13.0%	25.0%		
50			13.0	25.0		
51			13.0	25.0	44.0%	
52			18.0	25.0	44.0	
53			18.0	25.0	24.0	
54	35.0%	26.0%	20.0	25.0	24.0	
55	45.0	26.0	25.0	25.0	24.0	4.0%
56	30.0	17.0	25.0	25.0	40.0	4.0
57	27.0	15.0	30.0	25.0	35.0	4.0
58	27.0	20.0	35.0	25.0	35.0	4.0
59	22.0	20.0	35.0	25.0	35.0	4.0
60	19.0	19.0	35.0	25.0	35.0	4.0
61	19.0	20.0	50.0	25.0	35.0	4.0
62	28.0	25.0	50.0	50.0	50.0	4.0
63	20.0	18.0	100.0	100.0	100.0	4.0
64	20.0	18.0	100.0	100.0	100.0	4.0
65	30.0	25.0	100.0	100.0	100.0	
66	30.0	30.0	100.0	100.0	100.0	
67	18.0	20.0	100.0	100.0	100.0	
68	18.0	20.0	100.0	100.0	100.0	
69	18.0	20.0	100.0	100.0	100.0	
70	100.0	100.0	100.0	100.0	100.0	



SECTION F

SUMMARY OF PRINCIPAL PLAN PROVISIONS

Plan Provisions

PLAN MEMBERS

City of Milwaukee (hereinafter referred to as the "City") employees and their dependents qualify for retiree healthcare benefits if they satisfy the eligibility requirements specified under City ordinance, unless stated otherwise in a certified collective bargaining agreement. Certain members participating in the City of Milwaukee Employees' Retirement System ("ERS") and employed by the Milwaukee Public Schools are covered by a separate retiree healthcare plan, and therefore are not eligible to participate under the City's retiree healthcare plan.

Members of Boards and Commissions are not eligible for retiree healthcare benefits.

ELIGIBLE SERVICE

Eligible Service includes creditable service used for purposes of determining pension benefits payable from the Employees' Retirement System ("ERS") of the City of Milwaukee. Creditable service includes service as an active employee. Creditable service may also be granted under certain conditions for periods of absence due to military leave. The City Charter Chapter 36, Section 4, provides more details.

HEALTHCARE SERVICE REQUIREMENT

In addition to meeting the pension requirements under ERS, employees must have 15 years of creditable service with the City, the Housing Authority, and/or the Redevelopment Authority in order to participate in the City health plans.

NORMAL RETIREMENT ELIGIBILITY

General City employees: At least age 55 and at least 30 years of creditable service or at least age 60 and at least 4 years of creditable service (15 years of creditable service is required to receive healthcare benefits).

New General City employees hired after 1/1/14: At least 60 years of age and 30 years of creditable service or at least 65 years of age and 4 years of creditable service (15 years of creditable service is required to receive healthcare benefits).

In accordance with City Code of Ordinances 350-30 (Health Benefits), General City employees (including RACM and HACM) hired or rehired after 1/1/17 who meet the retirement creditable service requirements are eligible for health insurance but are required to pay 100% of the full cost of any health benefit plan offered by the City.

Police Officers: At least age 57 and at least 4 years of creditable service or at any age with at least 25 years of creditable service, if hired prior to 12/20/2015.

New police officers hired on/after 12/20/2015: At least age 50 and at least 25 years of creditable service in the Police classification (not any age), or at least age 57.

Firefighters: At least age 49 with at least 22 years of creditable service or at least age 57 and at least 4 years of creditable service, if hired prior to 7/30/2016.

New firefighters hired on/after 7/30/2016: At least age 52 with 25 years of creditable service in the Fire classification, or at least age 57.



Plan Provisions

EARLY RETIREMENT ELIGIBILITY

General City employees: At least age 55 and at least 15 years of creditable service.

DUTY DISABILITY RETIREMENT

Disabled in the line of duty. There are no additional age or service requirements.

ORDINARY DISABILITY RETIREMENT

Disabled during active employment, but not in the line of duty. There are no additional age or service requirements.

Plan Provisions

SURVIVING SPOUSE COVERAGE

DEATH OF EMPLOYEE IN ACTIVE SERVICE

If a Police Officer or Firefighter dies while in active service in the line of duty, the surviving spouse that receives a duty death pension from ERS is eligible to continue in a City health plan.

If a City employee with at least four years of creditable service dies while in active service, but not in the line of duty, the surviving spouse of an active member is eligible to continue in a City health plan for a period equal to the deceased member's service credit. Surviving spouses of active members with less than four years of creditable service are eligible for up to three years of COBRA coverage only.

DEATH OF EMPLOYEE AFTER RETIREMENT

If a City employee dies after retirement, the surviving spouse is eligible to continue in a City health plan for a period of time equal to the length of service the employee completed with the City.

MEDICARE

Benefits for members eligible for Medicare modified as follows:

The amount payable under the City's health plan will be reduced by the amount payable under Medicare for those expenses that are covered by both. Retirees eligible for Medicare as a result of disability and who are under 65 are required to enroll in Medicare Parts A and B. Prescription drug benefits for Medicare-eligible retirees and dependents reflect drug cost savings due to enrollment in a Medicare Part D prescription drug plan ("PDP"), with a "wrap" feature.

All Medicare retirees over 65 pay 75% of the cost of the City's Healthcare premium based on their plan code and health plan selection Rate Chart 1.

FUNDING POLICY

Retiree healthcare benefits are funded on a pay-as-you-go basis. Medical benefits provided through the EPO and PPO plans have been self-insured since 1/1/2012.

CHANGES EFFECTIVE JANUARY 1, 2014

Effective January 1, 2012, the City Basic Plan is now the UnitedHealthcare Choice Plus Plan (PPO Plan) and the City HMO Plan is now the UnitedHealthcare Choice Plan (EPO Plan). For some employees who retired between 1/1/2012 and 12/31/2013 the City pays 88% of the cost of either plan. For employees who retire after 1/1/2014 the City pays 88% of the premium of the low cost plan (excluding the High Deductible Health Plan) and the member pays the remaining cost. Starting in 2012, the City uses four premium tiers: single, employee and spouse, employee and child/ren and employee, spouse and child/ren. The premium tier factors are: 1.0 for single, 2.0 for employee and spouse, 1.5 for employee and child/ren, and 3.0 for employee, spouse and child/ren. An additional premium tier for two adults without Medicare was added in 2012. The Milwaukee Retiree Association sponsors Medicare Advantage Plan(s) that are available to City of Milwaukee Medicare retirees. Currently, over 1,200 City Medicare retirees enroll in this option.



Plan Provisions

PREMIUM COST SHARING

RETIREES

There are different premium cost sharing arrangements depending on employee type, age, and date of retirement. The premium cost sharing for future retirees is as follows:

General City Retirees Under Age 65

General City retirees (including RACM and HACM) hired or rehired after 1/1/17 who meet the retirement creditable service requirements are eligible for health insurance but are required to pay 100% of the full cost of any health benefit plan offered by the City.

General City retirees under age 65: (retired after 1/1/14):

The City pays 88% of the premium of the low cost plan (excluding the High Deductible Health Plan) and the retiree pays the remaining cost based on the tier in which they are enrolled.

General City retirees under age 65: (retired between 1/1/12 and 12/31/13):

The City pays 88% of the premium for all plans and the retiree pays the remaining cost based on the tier in which they are enrolled.

General City retirees (retired on or after 1/1/05 and prior to 1/1/12):

Under age 65: The City contributes 100% of the single or family premium for the lowest cost plan. Retirees must contribute the excess premium amount if enrolled in the higher cost plan.

Retirees enrolled in the Basic/PPO plan contribute \$30 per month for single coverage and \$60 per month for family coverage. If the Basic/PPO plan is the lowest cost plan offered by the City, the stated premiums will be waived.

General City retirees (retired prior to 1/1/05):

Under age 65: The City contributes up to 100% of the single or family rate under the Basic plan for all plans. Retirees must contribute the excess premium amount if enrolled in a higher cost HMO plan.

General City Management retirees (retired after 1/1/2014):

Under Age 65: May enroll in the same plans as active employees (excluding High Deductible Health Plan). The City will pay 88% of the premium of the low cost plan (excluding High Deductible Health Plan) and the retiree pays the remaining balance.

General City Management retirees (retired after 1/1/2004 and prior to 1/1/2014):

Under age 65: May enroll in the same plans as active employees. The retiree will pay 12% of the premium cost of either retiree plan, and the City will pay 88% of either plan.

General City Management retirees (retired prior to 1/1/04):

Under age 65: The City contributes up to 100% of the single or family rate under the Basic plan for all plans. Retirees must contribute the excess premium amount if enrolled in a higher cost HMO plan.



Plan Provisions

General City Retirees Age 65 and Older

Age 65 and older: The City contributes 25% of the premium for retirees enrolled in the City's health plans and the retiree contributes the remaining 75%.

Police Officers/Firefighters:

Under age 60: The City contributes between 65% and 100% of the single, retiree with spouse only, retiree with child/ren only, or family retiree rate (retiree with spouse and child/ren) for the PPO plan based on the "percentage formula" as defined in the labor agreements. The percentage formula is based on the amount of unused sick leave at the time of retirement. Retirees must contribute the excess premium amount if enrolled in an EPO plan.

Between age 60 and 65: The City contributes up to 100% of the single rate under the PPO retiree plan for retirees electing single coverage. The City contributes the greatest of 100% of the single rate under the PPO plan and the amount determined by the percentage formula for family coverage under the retiree PPO plan. Retirees must contribute the excess premium amount for family coverage or if enrolled in a higher cost EPO plan.

Age 65 and older: The City contributes 25% of the single or family premium for retirees enrolled in City retiree plan and the retirees contribute the remaining 75%. Retirees over 65 with a spouse under 65 pay 75% of the "one with Medicare, one without Medicare" rate; the City pays the 25% balance.

DISABLED RETIREES (DUTY)

General City/Police Officers/Firefighters:

Under age 65 (until conversion to service retirement): The City contributes 100% of the single or family premium for the lowest cost EPO plan. Retirees must contribute the excess premium amount if enrolled in the higher cost PPO plan. Retirees pay the same rates as Active employees.

Between conversion to service retirement and age 65: The City will contribute in accordance with normal retirement provisions as defined under the applicable labor agreement. Police Officers and Firefighters will have their unused sick leave time at the time of duty disability pension commencement used in determining the City-paid health insurance benefits.

DISABLED RETIREES (ORDINARY)

The City contributes 25% of the single or family premium for retirees enrolled in an EPO or PPO plan and the retirees contribute the remaining 75%.



Plan Provisions

SURVIVING SPOUSES

Duty Death

Police Officers/Firefighters:

The City contributes 100% of the single or family premium for the EPO or PPO plan on behalf of surviving spouses of an active employee who dies in service. Upon attainment of age 65, surviving spouses pay in accordance with the applicable retiree premium schedule.

Ordinary Death

While eligible for coverage, the City contributes 25% of the single or family premium for surviving spouses enrolled in an EPO plan and the surviving spouses contribute the remaining 75%. The City contributes 25% of the single or family premium for surviving spouses enrolled in the PPO plan. Surviving spouses contribute the remaining 75%.

Death after Retirement

Surviving spouses of retirees pay premiums in accordance with the applicable retiree premium schedule.

<u>100% RETIREE PLAN RATES</u>	<u>2019 UHC CHOICE PLUS RATES (PPO)</u>	<u>2019 UHC CHOICE RATES (EPO)</u>
One Adult w/o Medicare	\$ 1,141.00	\$ 1,055.00
Two Adults w/o Medicare	2,283.00	2,108.00
Two Adults & Dependent Child(ren)	3,424.00	3,163.00
One Adult with Medicare	408.00	477.00
Two Adults with Medicare	770.00	953.00
One Adult with Medicare, One person w/o Medicare	1,766.00	1,528.00
One Adult with Medicare, One person w/o Medicare & Dependent Child(ren)	2,069.00	2,052.00
Two Adults with Medicare & Dependent Child(ren)	1,080.00	1,479.00
Adult & Dependent Child(ren)	1,713.00	1,582.00
Adult with Medicare & Dependent Child(ren)	1,000.00	1,002.00



Plan Provisions

100% RETIREE PLAN RATES	2020 UHC CHOICE PLUS RATES (PPO)	2020 UHC CHOICE RATES (EPO)
One Adult w/o Medicare	\$ 1,176.00	\$ 1,087.00
Two Adults w/o Medicare	2,352.00	2,172.00
Two Adults & Dependent Child(ren)	3,528.00	3,259.00
One Adult with Medicare	435.00	509.00
Two Adults with Medicare	821.00	1,017.00
One Adult with Medicare, One person w/o Medicare	1,884.00	1,630.00
One Adult with Medicare, One person w/o Medicare & Dependent Child(ren)	2,207.00	2,189.00
Two Adults with Medicare & Dependent Child(ren)	1,152.00	1,578.00
Adult & Dependent Child(ren)	1,765.00	1,630.00
Adult with Medicare & Dependent Child(ren)	1,067.00	1,069.00

LIFE INSURANCE BENEFIT

Eligibility conditions

Current Employees:

General employees who retire through the Employees' Retirement System (ERS) on a service retirement, or an ordinary or duty disability retirement are eligible to continue life insurance coverage after retirement, provided they had at least 50% of their salary in voluntary coverage as an active employee at the time of their retirement. Police employees in the MPA and Fire employees have the same eligibility requirement. Police employees in the MPSO must have 20 years of creditable service in addition to meeting the eligibility requirements listed for other General and Police employees.

Previous Employees:

Various rules for eligibility applied prior to January 1, 2014. These varied by employee classification and union/bargaining unit affiliation.

Benefit amount

Retired on/after 2014*:

Upon retirement, the retirees pay for any coverage they want to carry, and are eligible to do so, at age banded rates. Retirees may carry coverage in 50% multiples of their annual base salary at the time of retirement up to 300% (capped as \$300,000), except for MPSO employees who may carry up to 150% of the annual salary at the time of retirement. Retirees may reduce coverage at any time to any multiple of 50% of their annual salary at the time of retirement, except MPSO retirees who may reduce or increase their coverage to any multiple of \$1,000 at any time.

In retirement, upon attaining age 65, if the retiree was carrying at least 50% of their annual salary at the time of retirement as voluntary coverage, the City picks up the cost for \$10,000 of coverage. The retiree may carry any excess and pay for it at age banded rates. Upon attaining age



Plan Provisions

65, MPSO retirees are reduced to 50% of their annual base salary at the time of retirement and the premiums for this coverage is paid for by the City.

Retired prior to 2014*:

Various rules for benefit amount coverages apply based upon employee classification and union affiliation.

*The 2014 date is for General employees. The protective service employees had different start dates for the new benefit design:

MPA	May 1, 2016
MPSO	August 1, 2015
Fire	January 1, 2017

Cost for Coverage

The following rate chart is in effect for 1/1/2017 through 12/31/2019:

Age	<25	25-29	30-34	35-39	40-44	45-49	50-54	55-59	60-64	65-69	70-74	75-79	80-84	85-89	90+
Rate per \$1,000 of Coverage	0.040	0.048	0.064	0.072	0.080	0.120	0.184	0.344	0.528	1.016	1.648	1.944	2.240	4.232	6.400

In addition, the City pays \$1.931 per thousand of coverage for basic life insurance (any coverage that is paid for by the City for retirees).

Premium Cost Sharing

Retirees must pay the full cost of coverage until age 65. The City pays the full cost of coverage upon the retiree's attainment of age 65. For General Employees retired on or after January 1, 2014, the City pays for \$10,000 in coverage when the retirees attain age 65.

Dental Benefits

Retirees and dependents are not eligible for dental coverage; however, retirees are eligible for COBRA dental coverage for up to 18 months.



Plan Provisions

Medicare Eligible Retirees

United Healthcare EPO Choice Effective 1/1/2020

<i>Plan Feature</i>	<i>In Network</i>	<i>Out of Network</i>
Member Pays (Single Plan)		
Annual Deductible	\$1,000 per person	N/A
Co-Insurance	Generally 20% up to \$1,000	N/A
Annual Out-of-Pocket Maximum	\$2,000 per year	N/A
<u>Covered Services</u>		
-Physicians Visits	60-80% after deductible met 100% after Out-of-Pocket Maximum met	N/A
-Emergency Care	\$250 copay not part of deductible or co-insurance	N/A
-Inpatient/Outpatient Services	80% after deductible met 100% after Out-of-Pocket Maximum met	N/A
Prescription Drug Co-insurance	Co-insurance of 20% with maximum of \$75 for retail at 30-day supply \$150 for mail order at 90 day supply \$3,600 out-of-pocket max	N/A
Maximum Lifetime Benefit	No Lifetime Maximum	N/A



Plan Provisions

Medicare Eligible Retirees

United Healthcare PPO Choice Plus Effective 1/1/2020

<i>Plan Feature</i>	<i>In Network</i>	<i>Out of Network</i>
Member Pays Single Plan		
Annual Deductible	\$2,000 per person	\$4,000 per person
Co-Insurance	Generally 20% up to \$2,000	Generally 40% up to \$4,000
Annual Out-of-Pocket Maximum	\$4,000 per year	\$8,000 per year
<u>Covered Services</u>		
-Physicians Visits	60-80% after deductible met 100% after Out-of-Pocket Maximum met	60% after deductible met 100% after Out-of-Pocket Maximum met
-Emergency Care	\$250 copay not part of deductible or co-insurance	\$250 copay not part of deductible or co-insurance
-Inpatient/Outpatient Services	80% after deductible met 100% after Out-of-Pocket Maximum met	60% after deductible met 100% after Out-of-Pocket Maximum met
Prescription Drug Co-insurance	Co-insurance of 20% with maximum of \$75 for retail at 30-day supply \$150 for mail order at 90 day supply \$3,600 out-of-pocket max	N/A
Maximum Lifetime Benefit	No Lifetime Maximum	No Lifetime Maximum



Plan Provisions

Non-Medicare under 65 Retirees

United Healthcare EPO Choice Effective 1/1/2020

<i>Plan Feature</i>	<i>In Network</i>	<i>Out of Network</i>
Member Pays		
Annual Deductible	\$1,000 per person \$2,000 per family	N/A
Co-Insurance	Generally 20% up to \$1,000 per person, \$2,000 per family	N/A
Annual Out-of-Pocket Maximum	\$2,000 per person \$4,000 per family	
<u>Covered Services</u>		
-Physicians Visits	60-80% after deductible met 100% after Out-of-Pocket Maximum met	N/A
-Emergency Care	\$250 copay not part of deductible or co-insurance	N/A
-Inpatient/Outpatient Services	80% after deductible met 100% after Out-of-Pocket Maximum met	N/A
Prescription Drug Co-insurance	Co-insurance of 20% with: Minimum of \$4 and maximum of \$75 for retail (30—day supply) Minimum of \$8 and maximum of \$150 for mail order (90—day supply)	N/A
Maximum Lifetime Benefit	No Lifetime Maximum	N/A



Plan Provisions

Non-Medicare under 65 Retirees

United Healthcare PPO Choice Plus Effective 1/1/2020

<i>Plan Feature</i>	<i>In Network</i>	<i>Out of Network</i>
Member Pays		
Annual Deductible	\$2,000 per person \$4,000 per family	\$4,000 per person \$8,000 per family
Co-Insurance	Generally 20% up to \$2,000	Generally 40% up to \$4,000
Annual Out-of-Pocket Maximum	\$4,000 per person \$8,000 per family	\$8,000 per person \$16,000 per family
<u>Covered Services</u>		
-Physicians Visits	60-80% after deductible met 100% after Out-of-Pocket Maximum met	60% after deductible met 100% after Out-of-Pocket Maximum met
-Emergency Care	\$250 copay not part of deductible or co-insurance	\$250 co-pay not part of deductible or co- insurance
-Inpatient/Outpatient Services	80% after deductible met 100% after Out-of-Pocket Maximum met	60% after deductible met 100% after Out-of-Pocket Maximum met
Prescription Drug Co-insurance	Co-insurance of 20% with: Minimum of \$4 and maximum of \$75 for retail (30—day supply) Minimum of \$8 and maximum of \$150 for mail order (90—day supply)	N/A
Maximum Lifetime Benefit	No Lifetime Maximum	No Lifetime Maximum



SECTION G

PARTICIPANT DATA

Participant Data As of January 1, 2019

Counts by Employee Group

Actives							
General	Port	Water	Transportation	Sewer	Police	Fire	Total
2,552	15	268	87	72	1,925	709	5,628

Inactives			
Non-Public Safety ¹	Police	Fire	Total
1,508	1,139	722	3,369

Retiree and Surviving Spouse Healthcare Coverage Type and Life Insurance by Employee Group

	Healthcare Coverage			Total	Total Life Insurance
	1 Person	2 Person	Family ²		
Non-Public Safety ¹	921	484	103	1,508	2,435
Police	466	404	269	1,139	1,646
Fire	<u>247</u>	<u>302</u>	<u>173</u>	<u>722</u>	<u>916</u>
All Plans	1,634	1,190	545	3,369	4,997

Retiree and Surviving Spouse Coverage Type by Plan

	Healthcare Coverage			Total
	1 Person	2 Person	Family ²	
PPO	831	428	40	1,299
EPO	<u>803</u>	<u>761</u>	<u>506</u>	<u>2,070</u>
All Plans	1,634	1,189	546	3,369

¹Counts for the General, Port, Water, Transportation, and Sewer employee groups were estimated based on the number of active members in each group.

²Includes contracts with one adult and dependent children.

Participant Data As of January 1, 2019

City of Milwaukee
Retiree Healthcare and Life Insurance Programs
Actuarial Valuation as of January 1, 2019
Age Service Distribution for Total Active Population

Attained Age	Years of Service at Valuation Date									Total	Valuation Payroll
	0-1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	Over 35		
Under 20										0	\$ -
20-24	56	114								170	\$ 6,369,875
25-29	46	219	66	14						345	\$ 17,794,116
30-34	27	203	219	121	22					592	\$ 36,641,041
35-39	12	162	209	218	125	26				752	\$ 50,760,037
40-44	11	104	132	179	221	97	11			755	\$ 52,060,044
45-49	1	87	108	128	233	318	87	2		964	\$ 70,242,806
50-54		61	85	90	165	254	178	26	6	865	\$ 58,119,029
55-59		57	73	63	103	127	161	83	23	690	\$ 42,937,482
60-64		24	46	50	52	41	66	38	34	351	\$ 21,125,456
65-69		10	21	12	19	12	9	11	16	110	\$ 6,421,338
Over 70		3		8	7	3	4	4	5	34	\$ 2,335,563
Total	153	1,044	959	883	947	878	516	164	84	5,628	\$ 364,806,787

While not used in the financial computations, the following group averages are computed and shown because of their general interest.

Age: 40.2 years
Service: 13.4 years
Average Pay: \$64,820



SECTION H

GLOSSARY

Glossary

Accrued Service. The service credited under the plan, which was rendered before the date of the actuarial valuation.

Actuarial Accrued Liability (AAL). The difference between (i) the actuarial present value of future plan benefits; and (ii) the actuarial present value of future normal cost, which is sometimes referred to as "accrued liability" or "past service liability."

Actuarial Assumptions. Estimates of future plan experience with respect to rates of mortality, disability, turnover, retirement, rate or rates of investment income, and salary increases. Decrement assumptions (rates of mortality, disability, turnover, and retirement) are generally based on past experience, often modified for projected changes in conditions. Economic assumptions (salary increases and investment income) consist of an underlying rate in an inflation-free environment plus a provision for a long-term average rate of inflation.

Actuarial Cost Method. A mathematical budgeting procedure for allocating the dollar amount of the "actuarial present value of future plan benefits" between the actuarial present value of future normal cost and the actuarial accrued liability. Sometimes referred to as the "actuarial funding method."

Actuarial Equivalent. A single amount or series of amounts of equal value to another single amount or series of amounts, computed on the basis of the rate(s) of interest and mortality tables used by the plan.

Actuarial Present Value. The amount of funds presently required to provide a payment or series of payments in the future. It is determined by discounting the future payments at a predetermined rate of interest, taking into account the probability of payment.

Actuarial Value of Assets. The value of cash, investments, and other property belonging to a pension or OPEB plan, as used by the actuary for the purpose of an actuarial valuation.

Amortization. Paying off an interest-bearing liability by means of periodic payments of interest and principal, as opposed to paying it off with a lump sum payment.

Annual OPEB Expense. An accrual-basis measure of the periodic cost of an employer's participation in a defined OPEB plan.

Actuarially Determined Contribution (ADC). The ADC is the normal cost plus the portion of the unfunded actuarial accrued liability to be amortized in the current period. The ADC is an amount that is actuarially determined in accordance with the requirements so that, if paid on an ongoing basis, it would be expected to provide sufficient resources to fund both the normal cost for each year and the amortized unfunded liability.

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

Entry Age Normal Cost Method. A method under which the normal cost and actuarial accrued liability are directly proportional to the employee's salary. The normal cost rate equals the present value of future benefits at entry age divided by the present value of future salary at entry age. The normal cost at the member's attained age equals the normal cost rate at entry age multiplied by the salary at attained



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age. The actuarial accrued liability equals the present value of benefits at attained age less present value of future salaries at attained age multiplied by normal cost rate at entry age.

Expected Net Employer Contributions. The difference between the age-adjusted premium or expected retiree healthcare claims and retired member's share of the premium. This amount is used to offset the Annual OPEB Cost during the fiscal year.

Explicit Rate Subsidy. The portion of the premium paid by the employer. The premium may be based on the experience of active and retired members or retired members only.

Governmental Accounting Standards Board (GASB). GASB is the private, nonpartisan, nonprofit organization that works to create and improve the rules U.S. state and local governments follow when accounting for their finances and reporting them to the public.

Implicit Rate Subsidy. The de facto subsidy of retirees by permitting them to pay lower than age-adjusted premiums through the use of a single common or blended premium for both retirees and active employees.

Medical Trend Rate (Health Inflation). The increase in the plan's cost over time. Trend includes all elements that may influence a plan's cost, assuming those enrollments and the plan benefits do not change. Trend includes such elements as pure price inflation, changes in utilization, advances in medical technology, and cost shifting.

Normal Cost. The annual cost assigned, under the actuarial funding method, to current and subsequent plan years. Sometimes referred to as "current service cost." Any payment toward the unfunded actuarial accrued liability is not part of the normal cost.

Other Postemployment Benefits (OPEB). OPEB are postemployment benefits other than pensions. OPEB generally takes the form of health insurance and dental, vision, prescription drugs, or other healthcare benefits.

Pay-as-you-go funding. A method of financing benefits by making required payments only as they come due.

Plan member. A plan's membership includes active service employees, terminated employees who are eligible to receive benefits but are not receiving them, and retired employees and beneficiaries currently receiving benefits.

Pre-funding. A method of financing benefits by placing resources in trust as employees earn benefits so that the resources thus accumulated, along with related earnings, can be used to make benefit payments as they become due.

Present Value of all Projected Benefits. The present value of the cost to finance benefits payable in the future, discounted to reflect the expected effects of the time value of money and the probabilities of payment.



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Projected Unit Credit Cost Method. A method under which the normal cost and actuarial accrued liability are directly proportional to the employee's service. The normal cost equals the present value of future benefits divided by projected service at retirement, and the actuarial accrued liability equals the present value of benefits multiplied by the ratio of service at valuation date to projected service at retirement.

Qualified Plan. A qualified plan is an employer-sponsored retirement plan that qualifies for special tax treatment under Section 401(a) of the Internal Revenue Code.

Reserve Account. An account used to indicate that funds have been set-aside for a specific purpose and are not generally available for other uses.

Unfunded Actuarial Accrued Liability (UAAL). The difference between the actuarial accrued liability and valuation assets. Sometimes referred to as "unfunded accrued liability."

Valuation Assets. The value of current plan assets recognized for valuation purposes.