CITY OF BATON ROUGE
PARISH OF EAST BATON ROUGE

Employees' Retirement System of the City of Baton Rouge
and Parish of East Baton Rouge

James A. Mack
Director | Retirement Administrator

Professional Services – Request for Proposal (RFP) Cover Sheet

Solicitation Number:	CPERS2025
Title:	City Parish Employees Retirement System Pension Consulting Services
Issue Date:	February 17, 2025
Questions Due:	March 21, 2025, by 5:00pm CST
Questions email:	CPERSRFP@brla.gov
Proposal Due Date:	April 2, 2025, by 10:00am CST
Proposal Delivery:	Preferred email to CPERSRFP@brla.gov or hand delivery to 209 St. Ferdinand Street, Baton Rouge, LA 70802
For additional information:	CPERSRFP@brla.gov

Documents Included in this Solicitation Package

RFP Schedules

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RFP Attachments

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Employees' Retirement System of the City of Baton Rouge
and Parish of East Baton Rouge

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Schedule A - Proposal Instructions

Purpose/Background

The Board of Trustees for the Employees' Retirement System of the City of Baton Rouge and Parish of East Baton Rouge, Louisiana, by and through its administrative staff (collectively referred to herein as, "CPERS"), wishes to purchase the following:

Employees' Retirement System of the City of Baton Rouge and Parish of East Baton Rouge
Pension Plan Review Services

Proposals will be received until: April 2, 2025, at 10:00am CST.

Proposal Advertisement

The proposal will be posted in the Advocate Newspaper for the official posting, as well on the City Parish Retirement System website, LaPac, National Association of Public Pension Attorneys website and the Pensions & Investments website.

Proposal Submission

1. **PREFERRED: email Proposals to CPERSRFP@brla.gov.**. If vendor does not desire email submission, sealed Proposals will be received at the Office of the Employees' Retirement System for the City of Baton Rouge and the Parish of East Baton Rouge, Louisiana by the Proposal due date and time. If submitting printed versions, vendor shall provide 6 copies to CPERS in addition to electronic copy.

2. PDF format is required.

3. All Proposals shall be considered public record once a submission has selected and no parts of any Proposal shall be considered confidential or sealed. Please call Assistant Director, Aisha K. Mirza at 225.389.3272 with any questions.

Introductory Information

1. Proposals shall be typewritten on forms attached herein. Each Proposal must give the full business address of Proposer and be signed by him with his usual signature. Proposals by partnerships must furnish the full names of all partners and must be signed with the partnership name by one of the members of the partnership or by an authorized representative, followed by the signature and title of the person signing. Proposals by corporations must be signed with the legal name of the corporation, followed by the name of the state of the incorporation and by the signature and title of the president, secretary, or

other person authorized to bind it in the matter. The name of each person signing shall also be typed or printed below the signature. A Proposal by a person who affixes to his signature the word "president," "secretary," "agent," or other title without disclosing his principal, may be held to be the Proposal of the individual signing. CPERS requires satisfactory evidence of the authority of the officer signing on behalf of a corporation shall be furnished. A power of attorney must accompany the signature of anyone not otherwise authorized to bind the Proposer. All corrections or erasures shall be initialed by the person signing the Proposal. All Proposers shall agree to comply with all of the conditions, requirements, specifications, and/or instructions of this Proposal as stated or implied herein. All designations and prices shall be fully and clearly set forth. All blank spaces in the Proposal forms shall be suitably filled in. Proposers are required to use the Proposal Forms which are included in this package and on the basis indicated in the Proposal Forms. The Proposal must be filled out completely, in detail, and signed by the Proposer.

2. Late or unsigned Proposals shall not be accepted or considered. It is the responsibility of the Proposer to ensure that the Proposal arrives to CPERS on or prior to the time indicated in Section 1, entitled, "Notice to Proposers." Hard copy Proposals received prior to the time of opening will be kept unopened in a secure place. No responsibility will attach to CPERS for the premature opening of a Proposal not properly addressed and identified. Proposals may be withdrawn upon written request to CPERS; said request being received from the withdrawing Proposer prior to the time fixed for award. Negligence on the part of a Proposer in preparing the Proposal confers no right for the withdrawal of the Proposal after it has been awarded. Proposers are expected to examine the conditions, specifications, and all instructions contained herein, failure to do so will be at the Proposers' risk.

3. The Proposal shall be awarded to only one vendor.

Schedule B - Scope of Work

Project Overview

CPERS is seeking Proposals for a vendor to provide Pension Consulting Services for the Employees' Retirement System Defined Benefit Retirement Plan. CPERS intends to award a one-time contract with no renewal to the Proposer who best meets the Board's requirements.

Summary information about the plan can be found in the Employees' Retirement System Annual Comprehensive Financial Report (https://www.brla.gov/1526/Annual-Comprehensive-Financial-Reports).

In addition to meeting the statements in Subsections B.1 and B.2 below, Consultants are required to respond to the questions and requirements in Attachment 1: Actuarial Consultant Questionnaire and Document Request, which should be completed and included with Consultant's Proposal.

Consultants wishing to submit a proposal must meet the following minimum experience requirements:

- The consultant must be a professional actuarial services firm whose primary line of business includes providing actuarial services or consulting to public pension plans, or similar entities. At a minimum, the consultant must have performed actuarial services for defined benefit pension plans with assets similar to the size of the Employees' Retirement System;
- All of the firm's actuaries performing the work must meet the professional qualification standards of the American Academy of Actuaries;
- The Primary Actuary must have a minimum of ten years of experience as an actuary performing pension and consulting services, experience analysis, valuation assignments and actuarial audit assignments for multi-employer retirement plans, GASB 67/68 disclosures, and other actuarial consulting services for public sector defined benefit retirement plans.
- The firm must have all necessary permits and licenses; and
- The firm must provide its own work facilities, equipment, supplies, and support staff to perform the required services.

Method of Procurement

Request for Proposal (RFP): A Request for Proposal (RFP) is a purchasing process where an advertisement requesting proposals for work in accordance with the requirements as outlined for a project. RFP uses a selection team that is based on a scope of work. During the selection process, the department uses interviews and a scoring form to rank consultants. The highest ranked firm is selected and enters into contract. If an agreement to contract cannot be reached, an agency can negotiate a contract with the second ranked consultant and so on until an agreement is reached.

Pricing Method

Best Value*:* Best Value refers to a project procurement method where price and other key factors, such as quality and expertise, are considered in the evaluation and selection process.

Project Scope

The CPERS has issued a Request for Proposal to solicit proposals from qualified actuarial firms to serve as an independent actuary to perform a one-time actuarial and plan consulting review.

Plan consulting services will include (but are not limited to):

1. Plan Review:

   a) Consult and advise the Retirement Board as to the actuarial soundness of the plan, its existing provisions and tiers, and provide recommendations on the structure moving forward that may provide for a more sound plan in the future.

   b) Present findings at a Retirement Board meeting in- person at CPERS choosing, no later than August 28th, 2025, including but not limited to:

      1. Present a review of the existing overall plan, its funding status, benefit structure, and plan provisions as they relate to costs, soundness, risks, and short-term and long-term viability.
      2. Assess the actuarial assumptions from the existing actuary and confirm the degree of reasonableness.

2. Plan Analysis

   a) Provide comparative analysis of the Plan's funding and benefit structure as they relate to similar sized public pension fund peers.

   b) Make recommendations of possible improvements in the Retirement Plan's funding and benefit structure including but not limited to:

      1. Current funding mechanism, including employer and employee contribution levels
      2. Review and recommend if expansion of existing tiers are necessary, including adding separate public safety or individual employer tiers
      3. Review and recommend any provision changes, including changes to DROP, retirement age provisions, accrual rates, etc.
      4. Provide analysis of membership data, and recommend if current defined benefit plan should be replaced and/or supplemented with a separate defined contribution plan
      5. Provide cost analysis of any recommended plan changes

3. Data Collection

   a) Work with CPERS staff and existing actuary to obtain necessary data for a full review of existing plan and its provisions.

   b) Reconcile and evaluate data files from the existing actuary with all data and statistical information deemed necessary to perform specified contract services, provided the data is available in the records and files of the System. The existing actuary shall provide feedback on the content of the data files and make suggestions for modifications to ensure that the full range of data is available for valuations and cost studies due to proposed benefit changes.

c) Answer unlimited plan analysis questions from the client, within reason, via phone calls, video conferencing, or emails, with follow-up with reference materials, existing work product, and existing research.

d) Meet with each employer of the plan during data collection, whether in person or video conferencing to gain insight into individual employer needs.

Schedule C - Project Schedule

Schedule

Below is the anticipated schedule for this project:

Advertisement Date	February 17, 2025
Proposal Questions Due	March 21, 2025
Proposals Are Due	April 2, 2025
Proposal Award Notice	May 29, 2025
Contract Execution	June 2, 2025
Presentation to CPERS	August 28, 2025

Schedule D – RFQ/RFP Response Criteria

RFP Response Submittal

Listed below is a description of the minimum amount of information to be included in a Proposal submitted in response to this RFP. Proposal information shall be presented in the manner and in the order listed below. Your proposal should have two to three sections as described below incorporated into a single electronic file in PDF format.

<u>Section 1. Schedule E – Bid Form Information</u>
Section 1 should include all information requested in Schedule E – Bid Form. Schedule E includes Bid Submittal Instructions, Fees, and an Attestation related to your RFP response.

<u>Section 2. Questionnaire & Document Submission Request</u>
Section 2 should include a completed Appendix A, "Consultant Questionnaire & Document Submission Request." Provide your narrative answer to each question and then attach the requested documents in order behind your answers.

<u>Section 3. Additional Information</u>
Section 3 is the space for you to provide any information that is relevant to the scope of services which was not covered in the previous sections.

Response Format

The following defines the response format:

1. Limit the total length of RFP Response to a maximum of 50 pages.
    a. The front and back cover will not count as pages.
    b. Section dividers also do not count as pages unless they have photos or text on them, then they will be included in the pages count.
    c. The Proposal document forms included in this request which are mandatory to submit with your Proposal will not be included in the page count for your proposal.

2. RFP Responses shall be mainly made up of 8 ½" x 11" paper.
    a. 11" x 17" paper can only be used for presenting large schedules, or example planning sheets.
    b. Text sizes shall be 12 point or larger.

3. Failure to follow these instructions may result in the RFP Response being rejected.

Grading Criteria

CPERS expects to consider the factors below. Key factors that will be evaluated during this selection process to evaluate a Proposal in determining which Respondent provides the services at the best value for CPERS will include:

- Dedication to exemplary standards of transparency, objectivity, and alignment
- Professional reputation as evidenced by references and other sources
- Focus, reliability, responsiveness, and professionalism of client services team
- Depth of experience with the challenges facing public pension plans similar to the Retirement Plan
- Ability to communicate clearly and succinctly in both written and oral formats
- Client education, both at meetings and through sponsored events/conferences/symposia
- Depth, expertise, and track record of research teams/personnel
- Ability to quantify results and claims made in RFP responses and oral presentations
- Transparency of organizational business activities and management of potential conflicts of interest
- Ability to serve as an actuary with respect to required services
- Proposal quality, conciseness, and completeness
- Quality of relevant references for several different competencies described above
- Overall fee structure. While this is not a low bid process, the Retirement Board has a duty to ensure that its providers fees are reasonable and competitive.
- Each of the Evaluation Criterion shall be given 20 points for a total of 100 points total

Evaluation Criterion #1 – Approach to Scope and Completeness of Work Plan

a. Discuss your approach, methodology and techniques to complete the work as specified herein. This should be specific, logical and organized. Address your capability to gather the necessary information, develop fully supportable and unbiased conclusions and communicate findings and recommendations clearly and succinctly. Provide samples if appropriate.

b. Describe any project approaches or ideas that you feel enhance the quality of your services.

c. Describe your proposed timeline/schedule for the work plan, the time of major events and activities, and a description of deliverables. In addition to the reports provided to address the benefits, funding and administrative issues, the deliverables must include the actuary's certification letter.

d. Discuss your ability to manage the work plan effectively and assure the successful fulfillment of its duties. The plan for performing and managing the contract within stated timeframes will be evaluated.

Evaluation Criterion #2 – Personnel Qualifications

a. Specify the actuaries, supervising actuary and professional staff that you would assign to CPERS account by name, title, and work location. Attach brief professional experience and qualifications for each. Identify each individual's roles and responsibilities. Also, disclose their duties and responsibilities for other accounts for which they have responsibility and how their workloads are assigned. Identify the person who would be the day-to-day contact. The supervising actuary:

1. Must meet the American Academy of Actuaries Qualification Standards and be a Fellow of the Society of Actuaries (FSA) or an Associate of the Society of Actuaries (ASA) or hold an equivalent credential from an organization such as the Conference of Consulting Actuaries. Work by an enrolled actuary (EA) is also appropriate provided the EA has substantial public-sector experience.

2. Should also have significant experience with public-sector retirement systems. Actuaries who will be required to testify before legislative and administrative bodies should also have experience providing such testimony.

3. Should be able to discuss actuarial theory, the basis for assumptions, and all other actuarial matters in language that is easily understood.

b. How long has your company performed the services requested herein?

c. How do you compensate your consultants/staff? By salary only? By salary and incentives? Are incentives related to billing levels?

d. Provide information for at least: two examples of completed pension reviews of similar scope, two current actuarial clients, and one former actuarial client. Include, at a minimum:

1) company name,
2) contact name,
3) phone number,
5) email address,
6) brief description of project scope and value,
7) status of project.

CPERS reserves the right to contact the references provided in your proposal as well as other references without prior notification to you.

Evaluation Criterion #3 – Value/Cost of Efforts

a. Provide a cost for the services and explain the basis for its calculation.

b. Any out-of-pocket expenses or additional fees that the actuary incurs should be included in the fixed price or specifically identified as to billable rate.

c. The actuarial firm’s proposal will include the fixed fee for the services described above. The fee quoted must be inclusive of any travel costs and other expenses associated with providing services under this RFP. All costs relating to the proposal shall be explained in detail, including any segmenting of fees between the fixed fee and initial services or special projects.

d. Provide hourly rates for each member of staff assigned to CPERS and project charges for special projects agreed to above and beyond the scope of the services covered in this RFP. Additional work outside the scope of this request for proposal, authorized by the CPERS Administrator, will be performed at the current hourly billable rates of the actuarial firm or under a separate fixed price as determined by the Administrator and the actuarial firm.
Provide hourly rates for your company and all subcontractors or partners. These rates will be valid throughout the term of the contract.

CPERS will make payment with 25% at the onset of the project, with remaining 75% paid upon completion.

Evaluation Criterion #4 – Capabilities and Quality Control Procedures

a. In order to assess your pension plan review capabilities, please describe:

i. your approach to the development and maintenance of valuation software
ii. the capabilities of your valuation system(s)
iii. your approach to performing forecasts of future valuation results and your technical research support

b. Describe the approach you would follow to conduct an actuarial valuation of CPERS pension plans

c. Provide a sample actives and retired lives actuarial valuation prepared by your firm for another public retirement system employing a defined benefit plan.

d. Describe how your firm can analyze the current CPERS plan and compare it to similarly sized national peers in terms of plan provisions.

e. Explain how your firm can assess the costs of individual plan provisions, and how it can provide alternative solutions and what those benefits may be in both short-term and long-term ranges.

f. Provide a sample of a benefit calculation for another defined benefit plan.

g. Discuss your quality assurance procedures.

h. What resources does your firm have that specifically address the needs of public sector clients?

i. Describe your capabilities to perform special projects and provide ancillary services such as data cleanup, discrimination testing, plan design, asset/liability modeling, contributions estimation and projections, sensitivity analysis regarding actuarial assumption factors, and consulting on tax, legal, or other matters.

j. Describe your firm's research capabilities, including actions taken to keep clients informed regarding legislative and regulatory developments.

k. Does your firm use external benefits legal expertise? If so, describe how it is used in conjunction with internal expertise?

Evaluation Criterion #5 -Experience and Quality of Firm in the area of Actuarial Consulting

a. Provide history of firm, structure and ownership.

b. Provide a general description of the firm, including size, number of employees, number of actuaries, primary business (e.g., consulting, pension planning, insurance, etc.), other business or services, and other descriptive material.

c. Identify any services you are unable to perform.

d. Describe the company's disaster recovery plan as it relates to the equipment, software, and personnel that would be used to provide the services described in this RFP.

e. A list of the public employee retirement systems for which the firm currently provides actuarial services or had provided one-time plan evaluations, including system name, approximate number of participants, and number of years the firm has been retained.

f. Indicate whether each system listed offers a defined benefit plan, defined contribution plan, or both.

g. Provide samples of written communication for both technical and non-technical audiences. For short-listed firms, CPERS will also evaluate the ability to communicate verbally.

Schedule E - Proposal Form

Proposal Submittal Instructions

The following items must be completed and submitted with your Proposal on or before the Proposal opening deadline of 10:00am CST, on April 2, 2025:

1) Schedule B- Scope of Work
2) Schedule E – Proposal Form
3) W9, if applicable.*
4) Any potential or future Addenda must be completed/acknowledged.
5) All other items as requested in the Proposal Specifications and/or Scope of Work.

*A current W9 is required for new Proposers. If you have previously worked with CPERS, only provide your W9 if there has been a change.

Failure to include any of the above items upon submittal of your Proposal may result in your Proposal being incomplete, non-responsive, and your Proposal being rejected. If there are any exclusions or contingencies submitted with your Proposal it may be disqualified.

Fees

Provide your pricing information below. Prices will be fixed. Prices should include all services in the scope of work and requirements in this RFP. Performance-based fee structures will not be considered. List any additional services not listed in the fee proposal that would incur additional fees as special or other services.

Consulting Pricing Matrix	
Contract pricing	$
Additional Services (if any, list in detail, per annum or hourly rate(s))	$

Describe your organization’s terms, including any additional costs, for consultant travel to the Employees’ Retirement System of Baton Rouge for the Parish of East Baton Rouge.

Provide additional services detail, assumptions, exclusions, proposed adjustments, and desired payment terms.

The undersigned, by his or her signature, hereby acknowledges and represents that:

1. The Proposal proposed herein meets all the conditions, specifications and special provisions set forth in the Invitation for Proposal for Request No. CPERS2025.
2. The quotations set forth herein are exclusive of any federal excise taxes and all other state and local taxes.
3. He or she is authorized to bind the below-named Proposer for the amount shown on the accompanying Proposal sheets.
4. Acknowledgement of Schedule F – Insurance and Bond
5. Acknowledgment of Schedule G – CPERS Contract
6. By submitting a responsive Proposal or proposal, the supplier agrees to be bound by all terms and conditions of the solicitation as established by CPERS.
7. CPERS reserves the right to reject any and all Proposals, to waive any informality in the Proposals, and to accept the Proposal that, in the opinion of the Board of Trustees, is to the best interests of CPERS. The Proposal(s) may be awarded to more than one vendor.

Attestation

Item	*Entry*
Company Name:	
Address:	
Phone	
Email:	
FEIN/Federal Tax ID #:	

CONTRACTOR:

By:______________________________ ______________
Date of Signature

Name: ___________________________

Title: ____________________________

Schedule F – Insurance

Insurance

1. The Consultant shall furnish a certificate of insurance for commercial general liability, comprehensive automobile liability, workers' compensation, and professional liability upon notification of award and prior to performance. Work shall not commence under this Agreement/Contract until the Consultant has submitted to CPERS and received approval thereof, the certificate of insurance showing compliance with the following types and coverage of insurance.

   a. Commercial General Liability Insurance: to include products liability, completed operations, contractual, broad form property damage, and personal injury.

Each Occurrence	$1,000,000
General Aggregate	$2,000,000

   b. Comprehensive Automobile Liability Insurance: to include all motor vehicles owned, hired, leased, or borrowed.

   Bodily Injury/Property Damage $1,000,000 (each accident) Personal Injury Protection

   c. Workers' Compensation Insurance: Per Louisiana Statutes

   d. Professional Liability Insurance*: to include coverage for damages or claims for damages arising out of the rendering, or failure to render, any professional services.

Each Occurrence	$1,000,000

   *This insurance requirement applies only to Consultants who are performing services under this Agreement as professionals licensed under the laws of the State of Louisiana, such as physicians, lawyers, engineers, nurses, mental health providers, and any other licensed professionals.

2. The Consultant's commercial general liability, comprehensive automobile liability, workers' compensation, and professional liability insurance policies and/or certificates of insurance shall be issued to include Employees' Retirement System of Baton Rouge and for the Parish of East Baton Rouge as an "additional insured" and shall include the following provisions:

   a. Underwriters shall have no right of recovery or subrogation against CPERS, it being the intent of the parties that the insurance policies so affected shall protect both parties and be primary coverage for any and all losses resulting from the actions or negligence of the Consultant.

   b. The insurance companies issuing the policy or policies shall have no response against CPERS for payment of any premiums due or for any assessments under any form of any policy.

c. Any and all deductibles contained in any insurance policy shall be assumed by and at the sole risk of the Consultant.

3. If any of the said policies shall be or at any time become unsatisfactory to CPERS as to form or substance, or if a company issuing any such policy shall be or at any time becomes unsatisfactory to CPERS, the Consultant shall promptly obtain a new policy, submit the same to CPERS for approval, and thereafter submit a certificate of insurance as herein provided.

   a. Upon failure of the Consultant to furnish, deliver, and maintain such insurance as provided herein, this Agreement/Contract, at the election of CPERS, may be immediately declared suspended, discontinued, or terminated.

   b. Failure of the Consultant to obtain and/or maintain any required insurance shall not relieve the Consultant from any liability under the Agreement/Contract, nor shall the insurance requirements be construed to conflict with the obligations of the Consultant concerning indemnification.

Insurance Mailing Information

Certificates of Insurance, endorsements and bonds shall be provided to CPERS via electronic correspondence or mail using the information below:

Email:

Assistant Director: Aisha K. Mirza

Email: Amirza@brla.gov
Telephone: 225.389.3272

Mail:

CPERS
209 St. Ferdinand Street
Baton Rouge, LA 70802

Schedule G – Employees' Retirement System Contract

Contractual Obligations

1. The successful Contractor will be required to sign a contract substantially similar to the CPERS Standard Contract shown in Schedule G of this document. CPERS reserves the right to add or delete provisions to the form prior to Agreement execution.

2. Issuance of this solicitation does not commit CPERS to award any agreement or to procure.

3. A formal contract is required, the Contractor agrees and understands that a Notice of Award does not constitute a contract or create a property interest of any nature until a contract is signed by the Awardee and CPERS and/or their authorized designee.

4. Contractor is responsible for reviewing the CPERS Standard Contract and understanding the terms and conditions contained therein, including, but not limited to, insurance requirements, indemnification, illegal aliens, equal opportunity, non-appropriation, and termination.

5. Contractor's Response to this solicitation is a willingness to enter into the CPERS Standard Contract or Contractor shall identify and include any proposed revisions they have for the CPERS Standard Contract. Any proposed revisions made by the Contractor after the Notice of Intent to Award the Solicitation may be grounds for rescinding said Notice. The identification of willingness to enter into the standard Agreement is for general purposes at this time but is part of the evaluation process and must be included. There may be negotiations on a project-by-project basis that provide further clarification.

Employees' Retirement System Standard Contract

Below is the standard CPERS Contract for Professional Services.

PROFESSIONAL SERVICE AGREEMENT BETWEEN THE EMPLOYEES' RETIREMENT SYSTEM AND [CONTRACTOR]

THIS AGREEMENT is made and entered into this ____day of____________, 2025, by and between CPERS, on behalf of the Board of the Employees' Retirement System for the City of Baton Rouge and the Parish of East Baton Rouge, Louisiana, hereinafter referred to as "CPERS," and [CONTRACTOR], hereinafter referred to as "Contractor".

WHEREAS, CPERS desires to retain Contractor to perform services as required by CPERS and set forth in the attached Exhibits; and

WHEREAS, Contractor is willing and has the specific ability, qualifications, and time to perform the required services according to the terms of this Agreement; and

WHEREAS, Contractor is authorized to do business in the State of Louisiana and has the time, skill, expertise, and experience necessary to provide the services as set forth below.

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, the parties hereto agree as follows:

1. **Introduction.** The terms of this Agreement are contained in the terms recited in this document and in the attached Exhibits, each of which forms an integral part of this Agreement and are incorporated herein. The parties each acknowledge and agree that this Agreement, including the attached Exhibits, define the performance obligations of Contractor and Contractor's willingness and ability to meet those requirements (the "Work"). If a conflict occurs between this Agreement and any Exhibit or other attached document, the terms of this Agreement shall control, and the remaining order of precedence shall be based upon order of attachment.

   <u>Exhibit A</u> consists of CPERS' Request for Proposal Solicitation Package No. CPERS2025

   <u>Exhibit B</u> consists of Contractor's Response to CPERS' Request.

2. **Service or Work.** Contractor agrees to procure the materials, equipment and/or products necessary for the Work and agrees to diligently provide all services, labor, personnel, and materials necessary to perform and complete the Work described in the attached Exhibits. Contractor shall further be responsible for the timely completion and acknowledges that a failure to comply with the standards and requirements of Work within the time limits prescribed by CPERS may result in CPERS decision to withhold payment or to terminate this Agreement.

3. **Term.** The term of this Agreement begins upon the date of the mutual execution of this Agreement and shall continue through and until Contractor's completion of the responsibilities described in the attached Exhibits. Both of the parties to this Agreement understand and agree that the term of this contract shall be for one-year from the date of mutual execution with no renewal periods, if needed through mutual agreement and written execution the parties may agree to extend the contract should it be necessary to fully complete the required work.

4. **Termination; Breach; Cure.** CPERS may terminate this Agreement for its own convenience upon thirty (30) days written notice to Contractor. Either Party may immediately terminate this Agreement upon material breach of the other party, however the breaching party shall have fifteen (15) days after receiving such written notice to cure such breach. Upon termination, CPERS shall take possession of all materials, equipment, tools and facilities owned by CPERS which Contractor is using, by whatever method it deems expedient; and, Contractor shall deliver to CPERS all drawings, drafts, or other documents it has completed or partially completed under this Agreement, together with all other items, materials and documents which have been paid for by CPERS, and these items, materials and documents shall be the property of CPERS. Copies of work product that is incomplete at the time of termination shall be marked "DRAFT- INCOMPLETE." If this Agreement is terminated by CPERS, Contractor shall be compensated for, and such compensation shall be limited to, (1) the sum of the amounts contained in invoices which it has submitted and which have been approved by the CPERS; (2) the reasonable value to CPERS of the services which Contractor provided prior to the date of the termination notice, but which had not yet been approved for payment; and (3) the cost of any work which CPERS approves in writing which it determines is needed to accomplish an orderly termination of the work. CPERS shall be entitled to the use of all material generated pursuant to this Agreement upon termination. Upon termination of this Agreement by CPERS, Contractor shall have no claim of any kind whatsoever against the CPERS by reason of such termination or by reason of any act incidental thereto, except for compensation for work satisfactorily performed and/or materials described herein properly delivered.
5. **Extension or Amendment.** Any amendments or modifications to this agreement shall be in writing signed by both parties. No additional services or work performed by Contractor shall be the basis for additional compensation unless and until Contractor has obtained written authorization and acknowledgement by CPERS for such additional services. Accordingly, no claim that CPERS has been unjustly enriched by any additional services, whether or not there is in fact any such unjust enrichment, shall be the basis of any increase in the compensation payable hereunder. In the event that written authorization and acknowledgment by CPERS for such additional services is not timely executed and issued in strict accordance with this Agreement, Contractor's rights with respect to such additional services shall be deemed waived and such failure shall result in non-payment for such additional services or work performed. In the event CPERS shall require changes in the scope, character, or complexity of the work to be performed, and said changes cause an increase or decrease in the time required or the costs to the Contractor for performance, an equitable adjustment in fees and completion time shall be negotiated between the parties and this Agreement shall be modified accordingly by written amendment. Any claims by the Contractor for adjustment hereunder must be made in writing prior to performance of any work covered in the anticipated amendment, unless approved and documented otherwise by CPERS. Any change in work made without such prior amendment shall be deemed covered in the compensation and time provisions of this Agreement.

6. **Compensation.** Upon Contractor's successful completion of the Work, and CPER' acceptance of the same, CPERs agrees to pay Contractor an amount not to exceed $________________ as set forth in the Exhibits. No payment in excess of that set forth in the Exhibits will be made by CPERS unless an amendment authorizing such additional payment has been specifically approved by the Board of Trustees of the Employees' Retirement System of the City of Baton Rouge and for the Parish of East Baton Rouge, Louisiana. CPERS will not withhold any taxes from monies paid to the Contractor hereunder and Contractor agrees to be solely responsible for the accurate reporting and payment of any taxes related to payments made pursuant to the terms of this Agreement. Unless expressly enumerated in the attached Exhibits, Contractor shall not be entitled to be paid for any other expenses (e.g. mileage).

7. **Independent Contractor.** Contractor agrees that it is an independent contractor and that Contractor's officers, agents or employees will not become employees of CPERS, nor entitled to any employee benefits (including unemployment insurance or workers' compensation benefits) from CPERS as a result of the execution of this Agreement. Contractor shall be solely responsible for its acts and those of its agents and employees for all acts performed pursuant to this Agreement.

8. **Subcontractors.** Contractor acknowledges that CPERs has entered into this Agreement in reliance upon the particular reputation and expertise of Contractor. Contractor shall not enter into any subcontractor agreements for the completion of the Work without CPERs' prior written consent, which may be withheld in CPERs' sole discretion. CPERS shall have the right in its reasonable discretion to approve all personnel assigned to the Work during the performance of this Agreement and no personnel to whom CPERS has an objection, in its reasonable discretion, shall be assigned to the Work. Contractor shall require each subcontractor, as approved by CPERS and to the extent of the Work to be performed by the subcontractor, to be bound to Contractor by the terms of this Agreement, and to assume toward Contractor all the obligations and responsibilities which Contractor, by this Agreement, assumes toward CPERS. CPERS shall have the right (but not the obligation) to enforce the provisions of this Agreement against any subcontractor hired by Contractor and Contractor shall cooperate in such process. The Contractor shall be responsible for the acts and omissions of its agents, employees and subcontractors.

9. **Ownership.** All work and information obtained by Contractor under this Agreement or individual work order shall become or remain (as applicable), the property of CPERS. In addition, all reports, documents, data, plans, drawings, records and computer files generated by Contractor in relation to this Agreement and all reports, test results and all other tangible materials obtained and/or produced in connection with the performance of this Agreement, whether or not such materials are in completed form, shall at all times be considered the property of CPERS. Contractor shall not make use of such material for purposes other than in connection with this Agreement without prior written approval of CPERS.

10. **Confidentiality**. CPERS is a public entity and all submissions and records of the system are subject to the Louisiana Public Records Law. CPERS and cannot guarantee the confidentiality of any documents submitted by Contractor. Contractor agrees to keep confidential all of CPERS confidential information. Contractor agrees not to sell, assign, distribute, or disclose any such confidential information to any other person or entity without seeking written permission from the CPERS. Contractor agrees to advise its employees, agents, and consultants, of the confidential and proprietary nature of this confidential information and of the restrictions imposed by this Agreement.

11. **Warranty.** Contractor warrants that the Work performed under this Agreement will be performed in a manner consistent with the standards governing such services and the provisions of this Agreement. Contractor further represents and warrants that all Work shall be performed by qualified personnel in a professional manner, consistent with industry standards, and that all services will conform to applicable specifications.

12. **Acceptance of Services Not a Waiver.** Upon completion of the Work, Contractor shall submit to CPERS originals of all test results, reports, etc., generated during completion of this work. Acceptance by CPERS of reports and incidental material(s) furnished under this Agreement shall not in any way relieve Contractor of responsibility for the quality and accuracy of the

project. In no event shall any action by CPERS hereunder constitute or be construed to be a waiver by CPERS of any breach of this Agreement or default which may then exist on the part of Contractor, and CPERS' action or inaction when any such breach or default exists shall not impair or prejudice any right or remedy available to CPERS with respect to such breach or default. No assent expressed or implied, to any breach of any one or more covenants, provisions or conditions of the Agreement shall be deemed or taken to be a waiver of any other breach. Acceptance by CPERS of, or payment for, the Work completed under this Agreement shall not be construed as a waiver of any of the CPERS rights under this Agreement or under the law generally.

13. **Insurance.** Contractor must secure, before the commencement of the Work, the following insurance covering all operations, goods, and services provided pursuant to this Agreement, and shall keep the required insurance coverage in force at all times during the term of the Agreement, or any extension thereof, and during any warranty period. For all coverages, Contractor's insurer shall waive subrogation rights against CPERS.

    Types of Insurance.

    Workers' Compensation / Employer's Liability Insurance as required by state statute, covering all of the Contractor's employees acting within the course and scope of their employment. The policy shall contain a waiver of subrogation against CPERS.

    Commercial General Liability Insurance including public liability and property damage, covering all operations required by the Work. Such policy shall include minimum limits as follows: $1,000,000 each occurrence; $1,000,000 general aggregate; $1,000,000 Personal injury $5,000; Medical payment per person.

    Automobile Liability Insurance: Contractor shall maintain limits of $1,000,000 for bodily injury per person, $1,000,000 for bodily injury for each accident, and $1,000,000 for property damage applicable to all vehicles operating both on CPERS property and elsewhere, for vehicles owned, hired, and non-owned vehicles used in the performance of this Contract.

    Professional Liability (Errors and Omissions Liability). The policy shall cover professional misconduct or lack of ordinary skill for those positions defined in the Scope of Services of this contract. Contractor shall maintain limits for all claims covering wrongful acts, errors and/or omissions, including design errors, if applicable, for damage sustained by reason of or in the course of operations under this Contract resulting from professional services. In the event that the professional liability insurance required by this Contract is written on a claims-made basis, Contractor warrants that any retroactive date under the policy shall precede the effective date of this Contract; and that either continuous coverage will be maintained, or an extended discovery period will be exercised for a period of two (2) years beginning at the time work under this Contract is completed. Minimum Limits: $1,000,000 Per Loss; $2,000,000 Aggregate.

    Proof of Insurance. Contractor shall provide to CPERS a certificate of insurance, a policy, or other proof of insurance as determined in CPERS sole discretion.

    Subcontractor Insurance. Contractor hereby warrants that all subcontractors providing services under this Agreement have or will have the above described insurance prior to their commencement of the Work, or otherwise that they are covered by the Contractor's policies to the minimum limits as required herein. Contractor agrees to provide proof of insurance for all such subcontractors upon request by CPERS.

    No limitation of Liability. The insurance coverages specified in this Agreement are the minimum requirements, and these requirements do not decrease or limit the liability of

Contractor. CPERS in no way warrants that the minimum limits contained herein are sufficient to protect the Contractor from liabilities that might arise out of the performance of the Work under by the Contractor, its agents, representatives, employees, or subcontractors. The Contractor shall assess its own risks and if it deems appropriate and/or prudent, maintain higher limits and/or broader coverages. The Contractor is not relieved of any liability or other obligations assumed or pursuant to the Contract by reason of its failure to obtain or maintain insurance in sufficient amounts, duration, or types. The Contractor shall maintain, at its own expense, any additional kinds or amounts of insurance that it may deem necessary to cover its obligations and liabilities under this Agreement.

Certification of Compliance with Insurance Requirements. The Contractor stipulates that it has met the insurance requirements identified herein. The Contractor shall be responsible for the professional quality, technical accuracy, and quantity of all services provided, the timely delivery of said services, and the coordination of all services rendered by the Contractor and shall, without additional compensation, promptly remedy and correct any errors, omissions, or other deficiencies.

14. **Indemnity.** The Contractor shall defend, indemnify and hold harmless CPERS, its officers, agents, and employees, from and against any and all injury, loss, damage, liability, suits, actions, claims, or willful acts or omissions of any type or character arising out of the Work done in fulfillment of the terms of this Agreement or on account of any act, claim or amount arising or recovered under workers' compensation law or arising out of the failure of the Contractor to conform to any statutes, ordinances, regulation, judicial decision, or other law or court decree. The Contractor shall be fully responsible and liable for any and all injuries or damage received or sustained by any person, persons, or property on account of its performance under this Agreement or its failure to comply with the provisions of the Agreement. It is agreed that the Contractor will be responsible for primary loss investigation, defense and judgment costs where this contract of indemnity applies. In consideration of the award of this contract, the Contractor agrees to waive all rights of subrogation against CPERS its associated and/or affiliated entities, successors, or assigns, its elected officials, trustees, employees, agents, and volunteers for losses arising from the work performed by the Contractor for the CPERS. A failure to comply with this provision shall result in CPERS right to immediately terminate this Agreement.

15. **Non-Assignment.** Contractor may not assign or transfer this Agreement or any interest therein or claim thereunder, without the prior written approval of CPERS. Any attempts by Contractor to assign or transfer its rights hereunder without such prior approval by CPERS shall, at the option of CPERS, automatically terminate this Agreement and all rights of Contractor hereunder. Such consent may be granted or denied at the sole and absolute discretion of CPERS.

16. **Examination of Records.** To the extent required by law, the Contractor agrees that a duly authorized representative of CPERS, including the CPERS actuary, currently Foster & Foster, shall have access to and the right to examine and audit any books, documents, papers and records of Contractor, involving all matters and/or transactions related to this Agreement. Contractor agrees to maintain these documents for three years from the date of the last payment received.

17. **Interruptions.** Neither party to this Agreement shall be liable to the other for delays in delivery or failure to deliver or otherwise to perform any obligation under this Agreement, where such failure is due to any cause beyond its reasonable control, including but not limited to Acts of God, fires, strikes, war, flood, earthquakes or Governmental actions.

18. **Notices.** CPERS may designate, prior to commencement of Work, its project representative ("CPERS Representative") who shall make, within the scope of his or her authority, all necessary and proper decisions with reference to the project. All requests for contract interpretations, change orders, and other clarification or instruction shall be directed to CPERS Representative. All notices or other communications made by one party to the other concerning the terms and conditions of this contract shall be deemed delivered under the following circumstances:
    a) personal service by a reputable courier service requiring signature for receipt; or
    b) five (5) days following delivery to the United States Postal Service, postage prepaid addressed to a party at the address set forth in this contract; or
    c) electronic transmission via email at the address set forth below, where a receipt or acknowledgment is required and received by the sending party; or

Either party may change its notice address(es) by written notice to the other. Notice may be sent to:

TO CONTRACTOR:

____

Name:
Position:
Address:
Address:
E-mail:
Phone:

TO CPERS:

____

Name:
Position:
Address:
Address:
E-mail:
Phone:

19. **Compliance with Law.** Contractor shall strictly comply with all applicable federal and State laws, rules and regulations in effect or hereafter established, including without limitation, laws applicable to discrimination and unfair employment practices.

20. **Non-Exclusive Agreement.** This Agreement is nonexclusive and CPERS may engage or use other Contractors or persons to perform services of the same or similar nature.

21. **Entire Agreement/Modifications.** This Agreement including the Exhibits attached hereto and incorporated herein, contains the entire agreement between the parties with respect to the subject matter contained in this Agreement. This instrument supersedes all prior negotiations, representations, and understandings or agreements with respect to the subject matter contained in this Agreement. This Agreement may be changed or supplemented only by a written instrument signed by both parties.

22. **Fund Availability.** Financial obligations of the CPERS payable after the current fiscal year are contingent upon funds for that purpose being appropriated, budgeted and otherwise made available. Execution of this Agreement by CPERS does not create an obligation on the part of CPERS to expend funds not otherwise appropriated in each succeeding year.

23. **Survival of Termination.** The obligations of the parties under this Agreement that by their nature would continue beyond expiration or termination of this Agreement (including, without limitation, the warranties, indemnification obligations, confidentiality and record keeping requirements) shall survive any such expiration or termination.

24. **Severability.** If any term or condition of this Agreement shall be held to be invalid, illegal, or unenforceable by a court of competent jurisdiction, this Agreement shall be construed and enforced without such provision, to the extent that this Agreement is then capable of execution within the original intent of the parties.

25. **No Third-Party Beneficiary.** It is expressly understood and agreed that the enforcement of the terms and conditions of this Agreement, and all rights of action relating to such enforcement, shall be strictly reserved to the undersigned parties and nothing in this Agreement shall give or allow any claim or right of action whatsoever by any other person not included in this Agreement. It is the express intention of the undersigned parties that any entity other than the undersigned parties receiving services or benefits under this Agreement shall be an incidental beneficiary only.

26. **Employees Retirement System for the City of Baton Rouge and for the Parish of East Baton Rouge Approval.** This Agreement shall not be valid until it has been approved by the Board for the Employees Retirement System for the City of Baton Rouge and for Parish of East Baton Rouge, Louisiana or its designee.

27. **Choice of Law/Jurisdiction.** Louisiana law, and rules and regulations established pursuant thereto, shall be applied in the interpretation, execution, and enforcement of this Agreement. Any provision included or incorporated herein by reference which conflicts with said laws, rules and/or regulations shall be null and void. In the event of a legal dispute between the parties, Contractor agrees that the 19th Judicial District Court shall have exclusive jurisdiction to resolve said dispute.

28. **Attorney's Fees/Legal Costs.** In the event of a dispute between CPERS and Contractor concerning this Agreement, the parties agree that each party shall be responsible for the payment of attorney fees and/or legal costs incurred by or on its own behalf.

29. **Binding Arbitration Prohibited**. CPERS does not agree to binding arbitration by any extra-judicial body or person. Any provision to the contrary in this Agreement or incorporated herein by reference shall be null and void.

Acknowledgment. CPERS and Contractor acknowledge that each has read this Agreement, understands it and agrees to be bound by its terms. Both parties further agree that this Agreement, with the attached Exhibits, is the complete and exclusive statement of agreement between the parties and supersedes all proposals or prior agreements, oral or written, and any other communications between the parties relating to the subject matter of this Agreement.

CONTRACTOR:
____

By: ___________________________
Name:_________________________
Title: __________________________
Date of Signature ______________

EMPLOYEES RETIREMENT
SYSTEM FOR CITY OF BATON
ROUGE AND FOR PARISH OF
EAST BATON ROUGE

____
J. W. Daniels, Chairman

ATTACHMENT 1
ACTUARIAL CONSULTANT QUESTIONNAIRE AND DOCUMENT REQUEST

Brief Statement

In 500 words or less (approximately 1 page), explain why your firm best meets the Employees Retirement System for the City of Baton Rouge and the Parish of East Baton Rouge, Louisiana ("Plan") needs for the actuarial consulting services. Address your firm's strengths, as well as any perceived weaknesses. This one page should be titled Brief Statement and should precede the first page of the following questions.

A. PROPOSER'S FIRM INFORMATION

1. If your firm has multiple offices, which office would be primarily responsible for work performed for the Plan?

2. Describe the proposing firm's organization structure and attach an organizational chart as *EXHIBIT A*. In the description, include whether there have been any material changes in the firm's organizational structure or ownership that have occurred in the past five years.

3. Provide the last audited financial report for the firm as *EXHIBIT B*.

4. Describe your firm's plans for managing the future growth of your firm.

5. Does your firm have a limitation on the number of defined benefit plan clients it intends to accept for actuarial services?

6. How long has the firm been performing defined benefit plan actuarial services?

7. What ongoing educational programs are required for the firm's actuaries?

8. Insert the total number of your <u>current</u> public pension actuarial clients (can be outside Louisiana) on the line on the next page.

   Then show the number of years your firm has provided services for each of those clients by completing the table on the next page.

Total number of Current Public Pension Clients: __________

Length of Service In Years	Number of Current Public Pension Clients
0-1	
1-3	
3-5	
5-10	
10+ Years	

9. For all the firm's current public pension plan actuarial services, provide the following:

Plan Name	First Year Providing Actuarial Services	Asset Size (6/30/24)	Membership Total (06/30/24)	Cost Sharing Multiple Employer (Yes/No)

10. Over the past five years, has the firm or any officer, principal or any of the staff that would provide services to the Plan, been involved in any business litigation or other criminal or civil legal proceedings related to any financial services?

    If so, provide a brief explanation and indicate the status.

11. Has the firm or any officer, principal, or any of the auditing staff that would provide services to the Plan within the last 10 years been censured or fined by any regulatory body?

    If so, please indicate the dates and describe the situation.

12. Has any litigation been brought against the firm or any officer, principal or any of the staff that would provide services to the Plan within the last 10 years by any entity for fraud, malpractice, misrepresentation, negligence, a criminal act, or similar cause of action?

    If so, provide a brief explanation and indicate the status.

13. Describe the levels of insurance coverage the Proposer carries, such as errors and omissions, fiduciary or professional liability, cyber security, automobile, and workers' compensation.

    (1) Is the coverage on a per client basis or is the dollar figure applied to the firm as a whole?

    (2) List the insurance carrier(s) and the amount of coverage maintained for each level of coverage.

14. If the insurance information described above is less than what is required Schedule F- Insurance of the RFP document, would Proposer be able to meet the requirement?

15. Is the Proposer affiliated with any other firm(s) offering actuarial services that could represent a conflict of interest?

    If yes, briefly describe the Proposer's policies and procedures for doing business with these affiliates while safeguarding against conflicts of interest.

16. List and describe any known professional relationship the Proposer or any of Proposer's staff has with any member of the CPERS Board, or staff in the last 12 months?

17. Has anyone in the Proposer's staff provided any gifts, travel expenses, entertainment, or meals to any member of the CPERS Board, or staff in the last 24 months?

    If yes, describe the expense and the purpose.

18. List any public pension plan clients that have terminated their actuarial services contracts with the Proposer in the last five years and the date of the termination. Include the reason(s) for contract termination.

19. Have any of Proposer's actuarial reports, findings or recommendations for a public pension plan been audited by another firm within the last five years?

    If so, state the number of such audits and whether any resulted in revisions to the reports or findings or recommendations.

20. Will subcontractors be used in providing the required Plan services?

    If so, describe the specific services that would be subcontracted, the name of the subcontractor, the cost to the Proposer of these services, and how the Proposer would control the quality of services provided.

21. Does the Proposer have plans/arrangements for disaster recovery?

    Briefly describe the disaster recovery plan. Include details related to protecting client data files in the description.

22. Describe how your firm monitors and manages cyber security risks as they relate to your organization. Has your firm experienced any problems with cyber security in the past 18 months? What types of cyber security challenges do you anticipate in the next 18 months and how do you plan to address them?

23. What is your cyber security breach policy? What procedures do you have in place for a cyber security breach?

24. Describe the resources the Proposer has that specifically address the needs of public fund clients, including any protection of client data files and technical resources.

B. PROPOSED PLAN PRIMARY AND SUPPORTING STAFF INFORMATION

27. For each of the staff to be assigned to the Plan including the Primary (lead) and all supporting staff, please attach I the resumes (or biographies) that include the following information:

    - Name
    - Title
    - Responsibilities within the firm
    - Years of relevant experience
    - Years with the firm
    - Degrees and professional designations
    - Institution awarding each degree and designation

28. For the Primary (lead) and Supporting staff (senior supporting) to be assigned to the Plan, provide the information in the tables on the following page.

Primary Auditor Public Retirement Fund Experience Since 2019

Plan Name	Indicate if served as Primary or Supporting Staff	Total number of Plan members 06/30/24	Asset size 06/30/24	Cost sharing multi-employer (Yes/No)

Supporting Staff Public Retirement Fund Experience Since 2019

Plan Name	Indicate if served as Primary or Supporting Staff	Total number of Plan members 06/30/24	Asset size 06/30/24	Cost sharing multi-employer (Yes/No)

29. Please provide the name, title, email, and telephone number for at least three public pension fund client references for whom the proposed Primary staff has provided full actuarial services similar to the services described in this RFP. Plan staff reserve the right to contact any of the individuals/agencies provided.

    For each reference listed, provide the contact information as follows:

Plan Name	Contact Person	Title	Phone Number	Email Address

30. How many clients are currently assigned to the Primary and supporting staff?

31. What process is undertaken to ensure that the assigned staff are not given clients beyond their workload capacity.

32. Attach recent actuarial reports for public pension clients as *EXHIBIT C*.

33. Does the Proposer have a transition plan to deal with the possible sudden departure of the proposed team of Primary and/or supporting staff?

    If so, describe the plan and the assurance that the replacement can meet the same standards as outlined in this proposal and potential contract?

C. ACTUARIAL SERVICES

34. Describe the Proposer's theory and methodology for actuarial valuations, including the decision-making process and titles and responsibilities of the various individuals involved at each stage of the process.

35. Describe the Proposer's quality control processes. How are these processes monitored and documented?

36. Describe the Proposer's use of software systems and the associated computer system support to determine appropriate actuarial methods and calculations. How are these systems monitored and reviewed?

37. Section B.2 of the RFP set forth the timelines for completion of the financial reports. Please comment on those timelines and address any issues that your firm would have in meeting the deadlines or any requests for a schedule accommodation.

    - Include proposed dates for each key stage of the project.
    - Include dates by which your firm must have specific data from CPERS (Generally describe the information required from CPERS and/or our current actuary for the year under audit.)

38. Describe how the Proposer controls costs, quality, and timeliness of its services, specifically, the services required by this RFP.

39. If you have a sample Education Presentation that you have recently provided to a client which you would like to show us, please attach as *EXHIBIT D.*

ATTACHMENT 2

https://www.brla.gov/264/Retirement-System

Governance link to Code of Ordinances Section 1:250

ATTACHMENT 3

https://www.brla.gov/1526/Annual-Comprehensive-Financial-Reports

ATTACHMENT 4

https://www.brla.gov/307/Retirement-System-Investments

ATTACHMENT 5

January 21, 2020

Board of Trustees
c/o Mr. Jeffrey R. Yates, Retirement Administrator
Employees' Retirement System
209 St. Ferdinand Street
Baton Rouge, LA 70802

Re: Actuarial Experience Study
Police Guarantee Trust (PGT) of the Employees' Retirement System of the City of Baton Rouge and Parish of East Baton Rouge

Dear Board:

As requested, we have performed an experience study determined as of December 31, 2018. In the course of the analysis, we compiled plan experience from January 1, 2013 through December 31, 2018. While we cannot verify the accuracy of all information provided, the supplied information was reviewed for consistency and reasonableness. As a result of this review, we have no reason to doubt the substantial accuracy of the information and believe it has produced appropriate results.

The purpose of this study is to review the current actuarial assumptions and methods to determine which changes, if any, are necessary in order to achieve the objective of developing costs that are stable, predictable, and represent our best estimate of anticipated experience.

It is important to remember that the ultimate cost of plan benefits is independent of any actuarial assumptions or methods utilized throughout the valuation process. This cost will be the sum of the benefits paid from the fund and the expenses incurred, less any net investment gains received.

The specific assumptions and methods investigated throughout the remainder of this study are as follows:

- Inflation
- Investment Return
- Salary Increases
- Cost-of-Living Adjustments
- Administrative Expenses
- Mortality Rates
- Retirement Rates
- Withdrawal Rates
- Disability Rates

The balance of this Report presents details of the experience analysis. In addition, the report also contains the corresponding impact on the funding period required to amortize the Unfunded Actuarial Accrued Liability (UAAL) for any proposed changes.

To the best of our knowledge, this report is complete and accurate in all aspects.

The undersigned are familiar with the immediate and long-term aspects of pension valuations and meet the Qualification Standards of the American Academy of Actuaries necessary to render the actuarial opinions contained herein. All sections of this report are considered an integral part of the actuarial opinions.

Respectfully submitted,

FOSTER & FOSTER INC.

Shelley R. Johnson, ASA, MAAA.

D. Patrick McDonald, FSA, EA, MAAA, FCA

ACTUARIAL STANDARDS OF PRACTICE

Background

The Actuarial Standards Board has provided coordinated guidance through of a series of Actuarial Standards of Practice (ASOP) for measuring pension obligations and determining pension plan costs or contributions. The ASOPs that apply specifically to valuing pensions are as follows:

- ASOP No. 4, *Measuring Pension Obligations and Determining Pension Plan Costs or Contributions*, which ties together the standards shown below, provides guidance on actuarial cost methods, and addresses overall considerations for measuring pension obligations and determining plan costs or contributions

- ASOP No. 27, *Selection of Economic Assumptions for Measuring Pension Obligations*

- ASOP No. 35, *Selection of Demographic and Other Noneconomic Assumptions for Measuring Pension Obligations*

- ASOP No. 44, *Selection and Use of Asset Valuation Methods for Pension Valuations*

- ASOP No. 51, *Assessment and Disclosure of Risk associated with Measuring Pension Obligations and Determining Pension Plan Contributions*

Please note that the contents displayed throughout the remainder of this report are in compliance and consistent with the above-mentioned Actuarial Standards of Practice. When applicable, further details of the ASOP associated with the reviewed actuarial assumption will be provided in the experience analysis, which is the basis for the remainder of the report.

Additional Required Communications

Please keep in mind that future actuarial measurements may differ significantly from current measurements due to such factors as the following:

- Plan experience differing from that anticipated by the economic or demographic assumptions
- Changes in demographic assumptions
- Increases or decreases expected as part of the natural operation of the methodology used
- Changes in plan provisions or applicable law

Please refer to the *Discussion of Risk* section in our January 1, 2019 actuarial valuation report for more information on future experience deviating from the actuarial assumptions and the potential impact.

The data used for purposes of this report was compiled from previous actuarial valuations and from data provided by the plan administrator, unless otherwise indicated.

EXPERIENCE REVIEW SUMMARY

Economic Assumptions

ASOP No. 27, *Selection of Economic Assumptions for Measuring Pension Obligations,* provides guidance to actuaries in selecting (including giving advice on selecting) economic assumptions – primarily investment return, discount rate, and salary scale – for measuring obligations under defined benefit pension plans.

Throughout the remainder of this section, we have used the standards set forth in ASOP No. 27 as a guideline for reviewing and if applicable, selecting proposed changes to the following economic actuarial assumptions:

- Inflation
- Investment Return
- Salary Increases
- Cost-of-Living Adjustments

Please keep in mind that ASOP No. 27 states that "the best an actuary can do is to use professional judgment to estimate possible future economic outcomes based on past experience and future expectations, and to select assumptions based upon that application of professional judgment."

Inflation

Inflation refers to general economic inflation, defined as price changes over the whole of the economy. The assumed inflation rate is the basis for the other economic assumptions, such as assumed investment returns, the discount rate, and salary increase assumptions.

In order to assess the reasonableness of the inflation assumption, we review historical inflation, applicable inflation forecasts to the extent available, inflation assumptions used by the system's investment consultant and other investment consultants, and assumptions currently used by similar plans.

Following ASOP No. 27, which provides guidance on the selection of economic assumptions, such as inflation, our determination of an appropriate inflation assumption includes a review of recent and long-term historical inflation, without giving undue weight to recent experience. We note that, long-term historical experience, beyond 35 or so years, is less meaningful given that the Federal Reserve Board's monetary policy changed in the 1980's toward more vigilance in preventing high inflation.

Historical Inflation

Inflation has been relatively low over the past 20 years, particularly over the last ten years. The table below shows the average historical change in the annual CPI-U, over various periods.

Periods Ending Dec 2018	Average Annual Increase in CPI-U
Last 5 years	1.5%
Last 10 years	1.8%
Last 20 years	2.2%
Last 30 years	2.5%
Last 40 years	3.3%

Source: Bureau of Labor Statistics, CPI-U, all items, not seasonally adjusted

The current assumption of 2.75% appears to be high relative to recent increases and the average increase over the last 20-30 years.

Yields on Government Securities of Various Maturities

The spread between the nominal yield on treasury securities and the inflation indexed nominal yield on inflation protected treasury bills (TIPS) of the same maturity is referred to as the "breakeven rate of inflation" and represents the bond market's expectation of inflation over the period to maturity. Current estimates reported at Bloomberg.com on August 27, 2019 are as follows:

Years to Maturity	Bond Nominal Yield	TIPS Nominal Yield	Breakeven Rate of Inflation
10 Years	2.07%	0.34%	1.73%
30 Years	2.54%	0.75%	1.79%

The current assumption is about 100 basis points higher than the above market data.

Forecasts of Inflation

The Federal Reserve Bank of Philadelphia conducts a quarterly survey of the Society of Professional Forecasters and publishes a mid-term expectation. Their most recent forecast (second quarter of 2019) predicts average inflation over the next ten years (2019-2028) will be 2.20%. The Philadelphia Fed's Livingston Survey summarizes the forecasts of economists from industry, government, banking, and academia. The June 2019 report shows an average 10-year inflation expectation of 2.26%. The report does not provide a forecast beyond 10 years.

The Social Security Administration's 2019 Trustees Report includes the Office of the Chief Actuary's projection of ultimate long-term (75 year) average annual inflation. The intermediate cost assumption is 2.60%. The report provides a low-to-high range of 2.00% to 3.20%.

Capital market assumptions used by AndCo, the investment consultant advising the Board for PGT, are developed using an inflation assumption of 2.25%.

Horizon Actuarial Services, LLC, compiles and summarizes expected returns and volatility by asset class for 34 different investment advisors. The results of the survey are provided in a report titled Survey of Capital Market Assumptions: 2019 Edition. The report defines the short-term horizon as 10 years and the long-term horizon as 20 years. All advisors provided short-term assumptions, while 16 provided both short-term and long-term assumptions. The average short-term (10-year) inflation assumption for all advisors is 2.21%, with a range of 1.7% to 2.7%. Of the 16 advisors providing both short-term and long-term assumptions, the short-term inflation assumption is 2.30% long-term inflation assumption is 2.29%, with a range from 1.8% to 2.7%.

Recommendation

The Federal Reserve forecaster survey responses, based on 10-year forecasts, would appear to support an inflation assumption near 2.25%. The Social Security administration utilizes a longer-term 75-year assumption, and currently assumes 2.60% in their intermediate cost projections. The system's investment consultant's uses a mid-term, 15-year assumption of 2.25%. The average inflation assumptions currently used by investment advisors is 2.30% as reported in the 2019 Horizon Actuarial Services survey. Based on these determinations, we recommend reducing the long-term inflation assumption from 2.75% to 2.25%.

Investment Return

We believe that the decision to modify the investment return assumption should be made based upon input from the Board's investment professionals, reflecting any significant changes to the asset allocation, and their judgment of capital market returns. We also consider the capital market assumptions used by other reputable investment consulting firms. This assumption should reasonably reflect the expected duration of benefit payouts, which is shorter for PGT than for many pension plans since the plan is closed and since benefits cease once the Municipal Police Employees Retirement System (MPERS) benefit exceeds what would have been paid under the CPERS plan provisions.

In January 2019, the Board reduced the discount rate, net of all expenses, from 7.25% to 5.75%, based on our recommendation, following a review of AndCo's (PGT's investment consultant) expected returns for PGT and a review of Horizon Actuarial Services, LLC (HAS) Survey of Capital Market Assumptions, 2018 Edition, which provided average assumptions by asset class for 34 investment advisors.

As part of this experience study, we revisited this recommendation. We reviewed AndCo's capital market assumptions as of August 2019, and the HAS, Inc. 2019 Survey of Capital Market Assumptions and determined the expected aggregate return for each using PGT's current portfolio allocation and our current recommended inflation assumption of 2.25%. The resulting AndCo 15-year expected return is 5.48% and the HAS 10-year expected return is 6.52%.

Actual plan returns over the past 19 years, as provided in actuarial valuation reports prepared by our firm and the prior actuary, have averaged 5.0% per year, as illustrated on the following page. Excluding the most recent year, the 5-, 10-, and 18-year returns are 5.8%, 4.1%, and 5.6%, respectively.

Based on the above information, we recommend retaining the 5.75% discount rate.

Investment Return History (Net-of-Fees)
January 1, 2000 through December 31, 2018

Year Ending	Market Investment Return
12/31/2018	-5.3%
12/31/2017	10.6%
12/31/2016	5.6%
12/31/2015	-2.1%
12/31/2014	4.0%
12/31/2013	11.6%
12/31/2012	12.2%
12/31/2011	-1.7%
12/31/2010	12.4%
12/31/2009	26.7%
12/31/2008	-28.0%
12/31/2007	3.5%
12/31/2006	14.9%
12/31/2005	6.9%
12/31/2004	12.6%
12/31/2003	23.2%
12/31/2002	-7.3%
12/31/2001	-0.7%
12/31/2000	9.4%

Geometric Averages	
5-Year Average	**2.4%**
10-Year Average	**7.0%**
19-Year Average	**5.0%**

Salary Increases

The salary increase assumption is used to project a participant's salary from the valuation date until the assumed retirement age and plays an important role in measuring individual pension costs and obligations. Salary increase assumptions are typically represented as a flat salary scale assumption or an age-based or service-based assumption. A flat salary scale assumption assumes that a participant will get the same rate of salary increase for all years of service, whereas an age-based table may assume rates based on the participant's age and a service-based table may assume different rates based on the participant's longevity with the plan. "Real" salary increases represent the increase net of the inflation component.

Salary growth is comprised of three basic components:

- Merit increases
- Longevity increases
- Inflation increases

Currently, the valuation utilizes an age-based salary scale assumption for purposes of projecting individual salaries.

The table below illustrates the actual average real salary increase experience since 2013. The experience shows that on average, members received larger than expected increases in pensionable earnings. Based on the actual experience realized in the plan over the past 5 years, we propose changing the real salary increase assumptions as illustrated in the Proposed Increase column in the table below.

The funding impact of the proposed changes to the real salary increase assumption and lowering the inflation assumption to 2.25% is as follows:

Salary Increases	Sponsor Contribution ($)	UAAL
Current	8,398,532	28,242,318
Proposed	8,508,588	28,421,875

The proposed assumed real rates of salary increase below increased at all ages. This change has the result of projecting larger expected benefits at retirement for all active members and therefore increases plan liabilities and ultimately the sponsor contribution.

Individual Real Salary Increase Experience

January 1, 2013 through December 31, 2018

Age	Exposed	Prior Year Salaries	Actual Salaries	Expected Salaries	Actual Increase	Expected Increase	Proposed Increase
35 - 39	65	4,723,314	4,978,212	4,950,269	3.84%	2.00%	3.75%
40 - 44	324	25,266,673	26,615,529	26,359,758	3.78%	1.53%	3.75%
45 - 49	256	20,324,958	21,186,571	21,031,434	2.70%	0.71%	2.75%
50 - 54	78	6,080,514	6,356,808	6,247,728	3.00%	0.00%	2.75%
55+	39	3,134,346	3,270,113	3,220,540	2.79%	0.00%	2.50%
Total	**762**	**59,529,805**	**62,407,233**	**61,809,729**	**3.28%**	**1.05%**	**3.24%**

Cost-of-Living Adjustments

The accrued benefit in the PGT plan is the excess of benefits that would have been payable in the CPERS plan over the benefits payable under MPERS, where MPERS benefits are subject to cost-of-living adjustments (COLAs). We currently assume MPERS will grant an annual 2.0% COLA. After discussing with the actuary for the MPERS plan, we propose changing this to assume MPERS will grant a 2.5% COLA once every four years. For simplicity, we would value this with roughly a 0.62% annual COLA.

The funding impact of only changing the MPERS COLA assumption as discussed shown above is as follows:

MPERS COLA	Sponsor Contribution ($)	UAAL
Current	8,398,532	28,242,318
Proposed	8,821,461	29,596,231

As you can see, the proposed MPERS COLA assumption results in an increase to the sponsor contribution. Lowering the MPERS COLA assumption delays the assumed point in time when the MPERS benefits exceed those that would have been payable under CPERS, therefore increasing the liabilities in the PGT plan and ultimately increasing the contribution requirements.

Demographic Assumptions

ASOP No. 35, *Selection of Demographic and Other Noneconomic Assumptions for Measuring Pension Obligations,* provides guidance to actuaries in selecting (including giving advice on selecting) demographic and other noneconomic assumptions for measuring obligations under defined benefit pension plans.

Over the following pages, the following applicable assumptions will be reviewed:

- Administrative Expenses
- Mortality Rates
- Retirement Rates
- Withdrawal Rates
- Disability Rates

Generally, demographic assumptions are based on actual plan experience with additional considerations for current trends. ASOP No. 35 states "the actuary should use professional judgment to estimate possible future outcomes based on past experience and future expectations, and select assumptions based upon application of that professional judgment." ASOP No. 35 also states that "a reasonable assumption is one that is appropriate for the measurement and has no significant bias (i.e. it is not significantly optimistic or pessimistic)." And, when selecting demographic assumptions, "the actuary should not give undue weight to past experience or to experience that is not sufficiently credible."

Demographic trends generally remain consistent over time, absent significant changes in plan provisions. Therefore, the best true indicator of future experience is past experience when sufficient data exists to have reliable experience. For each assumption, this analysis compares actual experience for the studied time period to the current assumptions used for purpose of the annual valuation.

Note that actuarial assumptions reflect expected average experience over long periods of time. A change in actuarial assumptions may be necessary when actual experience over a period of years indicates a consistent pattern that differs from the current assumptions. Proposed changes to the demographic assumptions are intended to develop costs that are stable, predictable, and represent our best estimate of anticipated future experience.

Administrative Expenses

The ultimate cost of the plan is the sum of the benefits *and expenses* paid out of the trust fund, less any investment gains earned. Administrative expenses are certainly deducted from the trust fund each year. However, there is currently no administrative expense load factored into the contribution requirements of the plan. This methodology was carried over from the prior actuary. We recommend adding an administrative expense load to the contribution requirements. We propose setting this assumption to an average of the prior two year's actual administrative expenses to best estimate the next year's expenses while also mitigating against year over year volatility. The average of the 2018 and 2017 administrative expenses was $279,371.

The funding impact of only changing the administrative expense load as discussed above is as follows:

Administrative Expenses	Sponsor Contribution ($)	UAAL
Current	8,398,532	28,242,318
Proposed	8,693,967	28,242,318

Mortality Rates

The rate of mortality is the probability of death at a given age. As mortality rates have continued to decline over time, concern has increased about the impact of potential future mortality improvement on the magnitude of pension obligations. ASOP No. 35 discusses the importance of actuaries considering mortality improvements when measuring pension obligations. Specifically, an actuary should adjust mortality rates to reflect mortality improvement prior to the measurement date and include an assumption regarding the expected mortality improvement after the measurement date, if reasonable.

The plan currently assumes rates of mortality based on the RP-2000 Mortality Table (sex distinct) with a Blue Collar Adjustment, projected to 2019 using Scale BB.

With only one death in five years and very little exposure, PGT mortality experience is not sufficient to rely on for purposes of evaluating the appropriateness of any specific standard mortality table. Therefore, we recommend utilizing the mortality tables that are currently being recommended for CPERS police and fire members, which are shown below. Please see the CPERS experience study for additional information related to this recommendation.

Our proposed mortality tables are reported below.

Healthy Active Lives:	RP-2006 Blue Collar Employee Projected back to 2001, Generational with MP-2018 (2016 base year)
Healthy Inactive Lives:	RP-2006 Blue Collar Annuitant Projected back to 2001, Generational with MP-2018 (2016 base year)
Disabled Lives:	RP-2006 Disability Table Projected back to 2001, Generational with MP-2018 (2016 base year)

The funding impact of only the proposed changes to the mortality assumptions is as follows:

Mortality Rates	Sponsor Contribution ($)	UAAL
Current	8,398,532	28,242,318
Proposed	8,362,486	28,126,813

The impact is an overall decrease in life expectancy for plan participants. As you can imagine, this means that benefits are expected to be paid for a shorter period of time, resulting in a decrease in the actuarial liabilities.

Retirement Rates

A retirement rate is the associated probability at a specific point in time that a participant will retire, given that they have attained the eligibility requirements for retirement. The associated cost due to retirement experience is determined by the age at which participants actually retire.

The valuation currently applies varying retirement probabilities at each age and service combination and separates the tables into two main groups: members with more or less than 25 years of service. As shown on the following page, we analyzed the retirement experience separately for these two groups. Since 2013, there were more retirements than expected for members with less than 25 years of service, and there were less retirements than expected for members with 25 or more years of service. We propose changing the retirement rates assumption to what is illustrated in the Proposed Retirement Rate columns in the tables on the following page. The funding impact of only making the proposed retirement rate changes is as follows:

Retirement Rates	Sponsor Contribution ($)	UAAL
Current	8,398,532	28,242,318
Proposed	8,333,080	27,984,740

In the aggregate, the proposed retirement rates assume that members will retire at later ages than the current assumption. This has the effect of decreasing the present value of the expected benefits and ultimately decreasing the plan's funding requirements.

Retirement Experience

January 1, 2013 through December 31, 2018

Less Than 25 Years of Service

Age	Exposed	Actual Retirements	Expected Retirements	Actual Retirement Rate	Expected Retirement Rate	Proposed Retirement Rate
< 55	319	10	0.0	3.1%	0%	3%
55 - 60	40	3	4.0	7.5%	10%	7%
61 - 63	2	0	0.4	0.0%	20%	20%
64	0	0	0.0	N/A	25%	25%
65+	0	0	0.0	N/A	100%	100%
Total	**361**	**13**	**4.4**	**3.6%**	**1.2%**	**3.5%**

25 or More Years of Service

Age	Service	Exposed	Actual Retirements	Expected Retirements	Actual Retirement Rate	Expected Retirement Rate	Proposed Retirement Rate
<55	25	70	9	14.0	12.9%	20%	15.0%
	26	53	13	15.9	24.5%	30%	25.0%
	27	35	9	14.0	25.7%	40%	25.0%
	28+	47	32	47.0	68.1%	100%	70.0%
55+	25	9	3	1.8	33.3%	20%	33.3%
	26	7	5	2.1	71.4%	30%	50.0%
	27	5	1	2.0	20.0%	40%	50.0%
	28+	5	5	5.0	100.0%	100%	100.0%
Total	**Total**	**231**	**77**	**101.8**	**33.3%**	**44.1%**	**34.4%**

Please note that a 100% probability of retirement will apply once a member reaches age 65.

Withdrawal Rates

The withdrawal rate, or termination rate, is the probability that a participant will separate employment prior to eligibility for retirement. Currently, the valuation utilizes an age-based table for termination rates.

Overall, the actual incidence of termination was slightly more than expected. Since 2013, there have been 3 non-retirement terminations, while about 2 were expected. Given this experience, we are proposing changes to the assumed termination rates. The experience, along with the current and proposed assumptions, are displayed in the table below.

Withdrawal Experience

January 1, 2013 through December 31, 2018

Age	Exposed	Actual Terminations	Expected Terminations	Actual Termination Rate	Expected Termination Rate	Proposed Termination Rate
35 - 39	35	1	0.41	2.9%	1.2%	1.0%
40 - 44	136	0	1.10	0.0%	0.8%	1.0%
45 - 49	70	2	0.44	2.9%	0.6%	1.0%
50 - 54	22	0	0.07	0.0%	0.3%	1.0%
55+	0	0	0.00	N/A	N/A	1.0%
Total	**263**	**3**	**2.02**	**1.1%**	**0.8%**	**1.0%**

The funding impact of only changing the termination rates to the proposed rates as shown above is as follows:

Termination Rates	Sponsor Contribution ($)	UAAL
Current	8,398,532	28,242,318
Proposed	8,363,472	28,060,425

As you can see, the proposed termination rates result in increases to the assumed rates at almost all ages. Increasing the assumed rates of termination has the impact of decreasing the probability of continuing employment until retirement age and ultimately receiving a pension benefit from the plan, thereby decreasing the total costs.

Disability Rates

The disability rate assumption is the probability that a member will become disabled while an active member in the plan. Currently, the valuation utilizes an age-based assumption for predicting the occurrence of future disabilities.

Over the studied time period (2013-2018), there were no disability retirements in the plan. With no disability retirements during the experience period, we considered whether it would be appropriate to use disability assumptions utilized by the MPERS plan. However, since these assumed disability rates were greater than current experience, we recommend retaining the current assumptions.

Conclusion

As stated throughout the content of this report, we have recommended a number of changes to the actuarial assumptions utilized for purposes of completing the annual valuations. It is our belief that these changes reflect sound actuarial principles, are our best estimate of anticipated future experience, and will assist in achieving the objective of describing the true funded nature of the plan.

Below we have provided a summary of the plan's funding impact for each of the discussed changes, if made independently of one another. Additionally, we have determined the impact for a combination of these changes to assist in the discussion.

Summary of Results

Description	Change in Sponsor Funding	UAAL Increase/(Decrease)	Funded Ratio
Current Plan	n/a	n/a	36.2%
Administrative Expenses	295,435	0	36.2%
Salary Increases and Inflation	110,056	179,557	36.1%
Cost-of-Living Adjustments	422,929	1,353,913	35.1%
Mortality Rates	(36,046)	(115,505)	36.3%
Retirement Rates	(65,452)	(257,578)	36.4%
Withdrawal Rates	(35,060)	(181,893)	36.4%
Combination	671,765	879,722	35.5%

January 21, 2020

Board of Trustees
c/o Mr. Jeffrey R. Yates, Retirement Administrator
Employees' Retirement System
209 St. Ferdinand Street
Baton Rouge, LA 70802

Re: Actuarial Experience Study
Employees' Retirement System of the
City of Baton Rouge and Parish of East Baton Rouge (CPERS)

Dear Board:

As requested, we have performed an experience study determined as of December 31, 2018. In the course of the analysis, we compiled plan experience from January 1, 2013 through December 31, 2018. While we cannot verify the accuracy of all information provided, the supplied information was reviewed for consistency and reasonableness. As a result of this review, we have no reason to doubt the substantial accuracy of the information and believe it has produced appropriate results.

The purpose of this study is to review the current actuarial assumptions and methods to determine which changes, if any, are necessary in order to achieve the objective of developing costs that are stable, predictable, and represent our best estimate of anticipated experience.

It is important to remember that the ultimate cost of plan benefits is independent of any actuarial assumptions or methods utilized throughout the valuation process. This cost will be the sum of the benefits paid from the fund and the expenses incurred, less any net investment gains received.

The specific assumptions and methods investigated throughout the remainder of this study are as follows:

- Inflation
- Investment Return
- Salary Increases
- Mortality Rates
- Retirement Rates
- Withdrawal Rates
- Disability Rates
- Converted Leave

The balance of this Report presents details of the experience analysis. In addition, the report also contains the corresponding impact on the Sponsor Contribution and the Unfunded Actuarial Accrued Liability (UAAL) for any proposed changes.

To the best of our knowledge, this report is complete and accurate in all aspects.

The undersigned are familiar with the immediate and long-term aspects of pension valuations and meet the Qualification Standards of the American Academy of Actuaries necessary to render the actuarial opinions contained herein. All sections of this report are considered an integral part of the actuarial opinions.

Respectfully submitted,

FOSTER & FOSTER INC.

Shelley R. Johnson, ASA, MAAA.	D. Patrick McDonald, FSA, EA, MAAA, FCA

ACTUARIAL STANDARDS OF PRACTICE

Background

The Actuarial Standards Board has provided coordinated guidance through of a series of Actuarial Standards of Practice (ASOP) for measuring pension obligations and determining pension plan costs or contributions. The ASOPs that apply specifically to valuing pensions are as follows:

- ASOP No. 4, *Measuring Pension Obligations and Determining Pension Plan Costs or Contributions*, which ties together the standards shown below, provides guidance on actuarial cost methods, and addresses overall considerations for measuring pension obligations and determining plan costs or contributions

- ASOP No. 27, *Selection of Economic Assumptions for Measuring Pension Obligations*

- ASOP No. 35, *Selection of Demographic and Other Noneconomic Assumptions for Measuring Pension Obligations*

- ASOP No. 44, *Selection and Use of Asset Valuation Methods for Pension Valuations*

- ASOP No. 51, *Assessment and Disclosure of Risk associated with Measuring Pension Obligations and Determining Pension Plan Contributions*

Please note that the contents displayed throughout the remainder of this report are in compliance and consistent with the above-mentioned Actuarial Standards of Practice. When applicable, further details of the ASOP associated with the reviewed actuarial assumption will be provided in the experience analysis, which is the basis for the remainder of the report.

Additional Required Communications

Please keep in mind that future actuarial measurements may differ significantly from current measurements due to such factors as the following:

- Plan experience differing from that anticipated by the economic or demographic assumptions
- Changes in demographic assumptions
- Increases or decreases expected as part of the natural operation of the methodology used
- Changes in plan provisions or applicable law

Please refer to the *Discussion of Risk* section in our January 1, 2019 actuarial valuation report for more information on future experience deviating from the actuarial assumptions and the potential impact.

The data used for purposes of this report was compiled from previous actuarial valuations and from data provided by the plan administrator, unless otherwise indicated.

EXPERIENCE REVIEW SUMMARY

Economic Assumptions

ASOP No. 27, *Selection of Economic Assumptions for Measuring Pension Obligations,* provides guidance to actuaries in selecting (including giving advice on selecting) economic assumptions – primarily investment return, discount rate, and salary scale – for measuring obligations under defined benefit pension plans.

Throughout the remainder of this section, we have used the standards set forth in ASOP No. 27 as a guideline for reviewing and if applicable, selecting proposed changes to the following economic actuarial assumptions:

- Inflation
- Investment Return
- Salary Increases

Please keep in mind that ASOP No. 27 states that "the best an actuary can do is to use professional judgment to estimate possible future economic outcomes based on past experience and future expectations, and to select assumptions based upon that application of professional judgment."

Inflation

Inflation refers to general economic inflation, defined as price changes over the whole of the economy. The assumed inflation rate is the basis for the other economic assumptions, such as assumed investment returns, the discount rate, and salary increase assumptions.

In order to assess the reasonableness of the inflation assumption, we review historical inflation, applicable inflation forecasts to the extent available, inflation assumptions used by the system's investment consultant and other investment consultants, and assumptions currently used by similar plans.

Following ASOP No. 27, which provides guidance on the selection of economic assumptions, such as inflation, our determination of an appropriate inflation assumption includes a review of recent and long-term historical inflation, without giving undue weight to recent experience. We note that, long-term historical experience, beyond 35 or so years, is less meaningful given that the Federal Reserve Board's monetary policy changed in the 1980's toward more vigilance in preventing high inflation.

Historical Inflation

Inflation has been relatively low over the past 20 years, particularly over the last ten years. The table below shows the average historical change in the annual CPI-U, over various periods.

Periods Ending Dec 2018	Average Annual Increase in CPI-U
Last 5 years	1.5%
Last 10 years	1.8%
Last 20 years	2.2%
Last 30 years	2.5%
Last 40 years	3.3%

Source: Bureau of Labor Statistics, CPI-U, all items, not seasonally adjusted

The current assumption of 2.75% appears to be high relative to recent increases and the average increase over the last 20-30 years.

Yields on Government Securities of Various Maturities

The spread between the nominal yield on treasury securities and the inflation indexed nominal yield on inflation protected treasury bills (TIPS) of the same maturity is referred to as the "breakeven rate of inflation" and represents the bond market's expectation of inflation over the period to maturity. Current estimates reported at Bloomberg.com on August 27, 2019 are as follows:

Years to Maturity	Bond Nominal Yield	TIPS Nominal Yield	Breakeven Rate of Inflation
10 Years	2.07%	0.34%	1.73%
30 Years	2.54%	0.75%	1.79%

The current assumption is about 100 basis points higher than the above market data.

Forecasts of Inflation

The Federal Reserve Bank of Philadelphia conducts a quarterly survey of the Society of Professional Forecasters and publishes a mid-term expectation. Their most recent forecast (second quarter of 2019) predicts average inflation over the next ten years (2019-2028) will be 2.20%. The Philadelphia Fed's Livingston Survey summarizes the forecasts of economists from industry, government, banking, and academia. The June 2019 report shows an average 10-year inflation expectation of 2.26%. The report does not provide a forecast beyond 10 years.

The Social Security Administration's 2019 Trustees Report includes the Office of the Chief Actuary's projection of ultimate long-term (75 year) average annual inflation. The intermediate cost assumption is 2.60%. The report provides a low-to-high range of 2.00% to 3.20%.

Capital market assumptions used by AndCo, the investment consultant advising the CPERS Board, are developed using an inflation assumption of 2.25%.

Horizon Actuarial Services, LLC, compiles and summarizes expected returns and volatility by asset class for 34 different investment advisors. The results of the survey are provided in a report titled Survey of Capital Market Assumptions: 2019 Edition. The report defines the short-term horizon as 10 years and the long-term horizon as 20 years. All advisors provided short-term assumptions, while 16 provided both short-term and long-term assumptions. The average short-term (10-year) inflation assumption for all advisors is 2.21%, with a range of 1.7% to 2.7%. Of the 16 advisors providing both short-term and long-term assumptions, the short-term inflation assumption is 2.30% long-term inflation assumption is 2.29%, with a range from 1.8% to 2.7%.

Recommendation

The Federal Reserve forecaster survey responses, based on 10-year forecasts, would appear to support an inflation assumption near 2.25%. The Social Security administration utilizes a longer-term 75-year assumption, and currently assumes 2.60% in their intermediate cost projections. The system's investment consultant's uses a mid-term, 15-year assumption of 2.25%. The average inflation assumptions currently used by investment advisors is 2.30% as reported in the 2019 Horizon Actuarial Services survey. Based on these determinations, we recommend reducing the long-term inflation assumption from 2.75% to 2.25%.

Investment Return

The assumed rate of investment return is currently 7.25%, net of investment related expenses. We believe that the decision to modify the investment return assumption should be made based upon input from the Board's investment professionals, reflecting any significant changes to the asset allocation, and their judgment of capital market returns. We also consider the capital market assumptions used by other reputable investment consulting firms. Keep in mind, however, that this assumption should reflect the best estimate of investment returns expected to be realized until the last participants in the plan dies, which could be 50+ years from now.

We reviewed AndCo's capital market assumptions as of August 2019, and the HAS, Inc. 2019 Survey of Capital Market Assumptions and determined the expected aggregate return for each using CPERS's current portfolio allocation and our current recommended inflation assumption of 2.25%. The resulting AndCo 15-year expected return is 6.15% and the HAS 20-year expected return is 7.29%.

Actual plan returns over the past 30 years, as provided in actuarial valuation reports prepared by our firm and the prior actuary, have averaged 7.4% per year, as illustrated on the following page. Excluding the most recent year, the 5-, 10-, 20-, and 29-year returns are 8.3%, 5.3%, 6.5% and 7.9%, respectively.

Based on these results, the current 7.25% assumption could be considered reasonable. Since CPERS is an ongoing plan, we believe a longer-term horizon is more appropriate, so have given more consideration to the HAS 20-year expected return than to AndCo's 15-year expected return. For informational purposes, we have determined the actuarial impact if the investment return assumption was decreased from the current 7.25% assumption to 7.00% or 6.50% per year, net of investment related expenses. We included the impact of a change to 6.50% should the Board wish to consider adopting a discount rate closer to the investment consultant's 15-year expected return.

The impact of decreasing only the investment return assumption is shown below.

Investment Return	Sponsor Contribution ($)	UAAL
7.25% (Current)	50,673,053	595,688,255
7.00%	53,437,359	634,342,939
6.50%	59,194,957	716,948,876

As you can see, the funding requirement increases due to lowering the expected level of future investment earnings.

Investment Return History (Net-of-Fees)

January 1, 1989 through December 31, 2018

Year Ending	Market Investment Return
12/31/2018	-5.9%
12/31/2017	15.7%
12/31/2016	7.9%
12/31/2015	-0.9%
12/31/2014	4.8%
12/31/2013	14.9%
12/31/2012	13.3%
12/31/2011	-2.1%
12/31/2010	15.0%
12/31/2009	24.3%
12/31/2008	-28.8%
12/31/2007	4.2%
12/31/2006	14.6%
12/31/2005	8.7%
12/31/2004	11.3%
12/31/2003	23.8%
12/31/2002	-8.1%
12/31/2001	-1.8%
12/31/2000	2.4%
12/31/1999	12.5%
12/31/1998	13.4%
12/31/1997	17.5%
12/31/1996	10.6%
12/31/1995	24.5%
12/31/1994	-5.7%
12/31/1993	11.8%
12/31/1992	5.6%
12/31/1991	16.4%
12/31/1990	6.7%
12/31/1989	14.4%

Geometric Averages	
5-Year Average	**4.1%**
10-Year Average	**8.3%**
20-Year Average	**5.5%**
30-Year Average	**7.4%**

Salary Increases

The salary increase assumption is used to project a participant's salary from the valuation date until the assumed retirement age and plays an important role in measuring individual pension costs and obligations. Salary increase assumptions are typically represented as a flat salary scale assumption or an age-based or service-based assumption. A flat salary scale assumption assumes that a participant will get the same rate of salary increase for all years of service, whereas an age-based table may assume rates based on the participant's age and a service-based table may assume different rates based on the participant's longevity with the plan. "Real" salary increases represent the increase net of the inflation component.

Salary growth is comprised of three basic components:

- Merit increases
- Longevity increases
- Inflation increases

Currently, the valuation utilizes age-based salary scale assumptions for purposes of projecting individual salaries.

The tables on the following pages illustrate the actual average real salary increase experience since 2013. The experience shows that on average, members received considerably larger than expected real increases in pensionable earnings. Based on the actual experience realized in the plan over the past 5 years, we propose changing the real salary increase assumptions as illustrated in the Proposed Increase columns in the tables on the following pages.

The funding impact of the proposed changes to the real salary increase assumption and lowering the inflation assumption to 2.25% is as follows:

Salary Increases	Sponsor Contribution ($)	UAAL
Current	50,673,053	595,688,255
Proposed – BREC/Regular	56,938,562	630,978,444
Proposed – Fire/Police	50,452,984	594,897,873

The proposed assumed real rates of salary increase below increased at all ages for BREC and Regular employees. This change has the result of projecting larger expected benefits at retirement for all active members and therefore increases plan liabilities and ultimately the sponsor contribution. For Fire and Police Officers, while the proposed salary increase assumption increased in the aggregate, the decrease in the rates for a significantly sized group of younger members offset the increase in plan liabilities and ultimately lowered the sponsor contribution.

Individual Real Salary Increase Experience

BREC and Regular

January 1, 2013 through December 31, 2018

Less Than 1 Year of Service

Age	Exposed	Prior Year Salaries	Actual Salaries	Expected Salaries	Actual Increase	Expected Increase	Proposed Increase
< 25	124	3,301,950	3,694,157	3,477,573	10.25%	2.50%	10.25%
25 - 29	306	9,045,717	10,035,082	9,526,836	9.32%	2.50%	9.25%
30 - 34	171	5,445,590	5,610,178	5,713,092	1.52%	2.10%	5.65%
35 - 39	141	4,731,409	5,155,710	4,929,661	7.38%	1.40%	5.65%
40 - 44	116	3,719,187	4,148,632	3,861,088	9.92%	1.04%	5.65%
45 - 49	109	3,349,359	3,553,452	3,464,058	4.55%	0.66%	5.65%
50 - 54	90	2,755,377	3,027,581	2,839,774	8.28%	0.30%	5.65%
55 - 60	79	2,536,814	2,666,046	2,606,576	3.56%	0.00%	5.65%
60 - 64	60	2,159,066	2,311,682	2,218,441	5.51%	0.00%	5.65%
65+	25	802,354	868,085	824,419	6.61%	0.00%	5.65%
	1,221	**37,846,823**	**41,070,605**	**39,461,518**	**6.94%**	**1.48%**	**6.91%**

1 or More Year of Service

Age	Exposed	Prior Year Salaries	Actual Salaries	Expected Salaries	Actual Increase	Expected Increase	Proposed Increase
< 25	86	2,629,733	2,844,267	2,769,602	6.58%	2.50%	6.50%
25 - 29	704	24,486,648	26,175,599	25,789,032	5.34%	2.50%	5.25%
30 - 34	1191	45,844,976	48,722,943	48,084,662	4.73%	2.08%	4.75%
35 - 39	1235	55,159,621	58,366,679	57,469,079	4.27%	1.40%	4.25%
40 - 44	1344	61,606,420	64,719,295	63,961,403	3.52%	1.04%	3.50%
45 - 49	1385	63,043,835	66,075,139	65,199,750	3.28%	0.65%	3.25%
50 - 54	1429	62,851,748	65,688,302	64,774,194	2.99%	0.30%	3.00%
55 - 60	1329	56,342,473	58,896,336	57,891,891	3.01%	0.00%	3.00%
60 - 64	717	32,128,887	33,541,710	33,012,431	2.87%	0.00%	3.00%
65+	408	17,720,427	18,312,425	18,207,738	1.83%	0.00%	1.75%
	9,828	**421,814,768**	**443,342,695**	**437,159,782**	**3.57%**	**0.86%**	**3.56%**

Individual Real Salary Increase Experience

Fire and Police

January 1, 2013 through December 31, 2018

Less Than 1 Year of Service

Age	Exposed	Prior Year Salaries	Actual Salaries	Expected Salaries	Actual Increase	Expected Increase	Proposed Increase
< 25	39	1,172,005	1,371,117	1,252,405	15.28%	4.00%	15.50%
25 - 29	39	1,193,172	1,398,681	1,275,024	15.51%	4.00%	15.50%
30 - 34	25	752,428	885,533	800,142	15.97%	3.50%	15.50%
35 - 39	7	227,704	267,459	238,646	15.75%	2.00%	15.50%
40 - 44	0	0	0	0	N/A	N/A	15.50%
45 - 49	0	0	0	0	N/A	N/A	15.50%
50 - 54	0	0	0	0	N/A	N/A	15.50%
55 - 60	0	0	0	0	N/A	N/A	15.50%
60 - 64	0	0	0	0	N/A	N/A	15.50%
65+	0	0	0	0	N/A	N/A	15.50%
	110	**3,345,309**	**3,922,790**	**3,566,217**	**15.55%**	**3.75%**	**15.50%**

1 or More Year of Service

Age	Exposed	Prior Year Salaries	Actual Salaries	Expected Salaries	Actual Increase	Expected Increase	Proposed Increase
< 25	108	4,217,967	4,570,562	4,507,320	6.78%	4.00%	6.50%
25 - 29	361	15,523,326	16,302,272	16,588,226	3.49%	4.00%	3.50%
30 - 34	535	26,293,571	27,548,848	27,876,551	3.25%	3.18%	3.25%
35 - 39	495	28,956,510	30,282,441	30,347,871	3.05%	2.00%	3.00%
40 - 44	436	29,346,667	30,583,844	30,637,625	2.70%	1.60%	2.75%
45 - 49	327	24,093,325	24,940,821	24,915,570	2.01%	0.65%	2.00%
50 - 54	125	9,729,059	10,058,248	9,996,608	1.88%	0.00%	2.00%
55 - 60	24	1,809,264	1,873,093	1,859,019	2.02%	0.00%	2.00%
60 - 64	11	812,044	853,425	834,375	3.56%	0.00%	2.00%
65+	2	289,029	303,313	296,978	3.41%	0.00%	2.00%
	2,424	**141,070,762**	**147,316,867**	**147,860,143**	**2.90%**	**2.01%**	**2.89%**

Demographic Assumptions

ASOP No. 35, *Selection of Demographic and Other Noneconomic Assumptions for Measuring Pension Obligations,* provides guidance to actuaries in selecting (including giving advice on selecting) demographic and other noneconomic assumptions for measuring obligations under defined benefit pension plans.

Over the following pages, the following applicable assumptions will be reviewed:

- Mortality Rates
- Retirement Rates
- Withdrawal Rates
- Disability Rates

Generally, demographic assumptions are based on actual plan experience with additional considerations for current trends. ASOP No. 35 states "the actuary should use professional judgment to estimate possible future outcomes based on past experience and future expectations, and select assumptions based upon application of that professional judgment." ASOP No. 35 also states that "a reasonable assumption is one that is appropriate for the measurement, and has no significant bias (i.e. it is not significantly optimistic or pessimistic). " And, when selecting demographic assumptions, "the actuary should not give undue weight to past experience or to experience that is not sufficiently credible."

Demographic trends generally remain consistent over time, absent significant changes in plan provisions. Therefore, the best true indicator of future experience is past experience when sufficient data exists to have reliable experience. For each assumption, this analysis compares actual experience for the studied time period to the current assumptions used for purpose of the annual valuation.

Note that actuarial assumptions reflect expected average experience over long periods of time. A change in actuarial assumptions may be necessary when actual experience over a period of years indicates a consistent pattern that differs from the current assumptions. Proposed changes to the demographic assumptions are intended to develop costs that are stable, predictable, and represent our best estimate of anticipated future experience.

<u>Mortality Rates</u>

The rate of mortality is the probability of death at a given age. As mortality rates have continued to decline over time, concern has increased about the impact of potential future mortality improvement on the magnitude of pension obligations. ASOP No. 35 discusses the importance of actuaries considering mortality improvements when measuring pension obligations. Specifically, an actuary should adjust mortality rates to reflect mortality improvement prior to the measurement date and include an assumption regarding the expected mortality improvement after the measurement date, if reasonable.

The plan currently assumes rates of mortality based on the RP-2000 Mortality Table (sex distinct) with a Blue Collar Adjustment, projected to 2019 using Scale BB.

In order for a plan to develop a mortality table based solely on its own experience it must have hundreds of thousands of lives and thousands of deaths at each age and sex. However, many plans provide enough fully credible experience to develop a custom mortality table by multiplying the mortality rates in a published table by the ratio of actual to expected deaths. We employed this methodology by first identifying a standard table with mortality rates that are similar to those shown by the actual plan membership.

We attempted to evaluate Regular/BREC mortality experience separately from Police and Fire but with very few deaths over the experience period, we found that the Police and Fire experience had little to no credibility. Therefore, we combined the Regular/BREC and Police and Fire experience for purposes of this study.

Mortality patterns generally differ for active, inactive, and disability retiree members, therefore, we evaluated mortality experience for each of these groups separately relative to standard tables derived from experience specific to each of these groups.

The Society of Actuaries recently completed a comprehensive study with the primary objective to develop mortality tables comprised solely of public-sector lives. Contributors to the study were asked to identify plan members as teachers, public safety personnel, or general employees. This helped provide new insights into the composition of gender-specific pension mortality by factors such as job category, specifically in the public sector. In order to find a standard table with the best fit to actual experience, we compared actual CPERS mortality experience to the new standard table specific to public plan experience as well as to other standard tables such as the RP-2000, RP-2006 Blue Collar, and RP-2006 White Collar. Generally, mortality rates in Louisiana are higher than rates shown in standard tables based on recent national average mortality experience. Therefore, we also reviewed current experience relative to mortality rates in these standard tables projected back to 2001. We found that the experience using the RP-2006 Blue Collar Employees and RP-2006 Blue Collar Annuitants, both projected back to 2001 using the MP-2018 mortality improvement scale produced the best fit to actual experience.

With only 31 deaths over the five-year experience period, we found that the actual mortality experience for disability retirees had very little credibility. Therefore, for disability retirees, we recommend using a table consistent our recommendation for all other members. We recommend using the RP-2006 Disability Table, projected back to 2001 using the MP-2018 mortality improvement scale for disabled retirees

Our proposed mortality tables are reported below.

Healthy Active Lives:	RP-2006 Blue Collar Employee Projected back to 2001, Generational with MP-2018 (2016 base year)
Healthy Inactive Lives:	RP-2006 Blue Collar Annuitant Projected back to 2001, Generational with MP-2018 (2016 base year)
Disabled Lives:	RP-2006 Disability Table Projected back to 2001, Generational with MP-2018 (2016 base year)

The actuarial profession has increasingly become more focused on the issue of future mortality improvement. Mortality rates have declined over time as advances in medical care have evolved. The extent of future mortality improvement will impact the magnitude of pension costs and liabilities for future benefit commitments. ASOP No. 35 discusses the importance of actuaries considering mortality improvement when measuring pension obligations. Specifically, an actuary should make and disclose a specific recommendation with respect to future mortality improvement after the measurement date. Mortality improvement can be accounted for with static or generational mortality tables. A static table includes a projection of the base mortality rates to a specific date or equivalently for a specific number of years. The same mortality rates at any given age apply to everyone. A generational table anticipates future improvements in mortality by using a different static mortality table for each year of birth, with the tables for later years of birth assuming lower mortality than the tables of earlier years of birth.

We recommend projecting future mortality experience using the generational improvement rates in the MP-2018 Mortality Improvement Scale.

The funding impact of only the proposed changes to the mortality assumptions is as follows:

Mortality Rates	Sponsor Contribution ($)	UAAL
Current	50,673,053	595,688,255
Proposed	48,469,366	563,998,757

The impact is an overall decrease in life expectancy for plan participants. As you can imagine, this means that benefits are expected to be paid for a shorter period of time, resulting in a decrease in the actuarial liabilities.

Retirement Rates

A retirement rate is the associated probability at a specific point in time that a participant will retire, given that they have attained the eligibility requirements for retirement. The associated cost due to retirement experience is determined by the age at which participants actually retire.

The valuation currently applies varying retirement probabilities at each age and service combination and separates the tables into two main groups: members with more or less than 25 years of service. As shown on the following pages, we analyzed the retirement experience separately for these two groups. Since 2013, there were generally more retirements than expected except for BREC and General members age 65 and older with less than 25 years of service. We propose changing the retirement rates assumption to what is illustrated in the Proposed Retirement Rate columns in the tables on the following pages.

The funding impact of only making the proposed retirement rate changes is as follows:

Retirement Rates	Sponsor Contribution ($)	UAAL
Current	50,673,053	595,688,255
Proposed – BREC/Regular	50,674,805	595,820,008
Proposed – Fire/Police	50,743,196	596,253,804

In the aggregate, the proposed retirement rates assume that members will retire at earlier ages than the current assumption. This has the effect of increasing the present value of the expected benefits and ultimately increasing the plan's funding requirements.

Retirement Experience

BREC and General

January 1, 2013 through December 31, 2018

Less Than 25 Years of Service

Age	Exposed	Actual Retirements	Expected Retirements	Actual Retirement Rate	Expected Retirement Rate	Proposed Retirement Rate
<55	717	49	0.0	6.8%	0%	5.0%
55 - 60	994	137	93.7	13.8%	10%	15.0%
61 - 63	277	50	52.0	18.1%	20%	20.0%
64	67	21	15.3	31.3%	25%	25.0%
65 - 69	195	50	195.0	25.6%	100%	25.0%
70+	71	18	71.0	25.4%	100%	100.0%
Total	**2,321**	**325**	**427.0**	**14.0%**	**18.4%**	**16.2%**

25 or More Years of Service

Age	Service	Exposed	Actual Retirements	Expected Retirements	Actual Retirement Rate	Expected Retirement Rate	Proposed Retirement Rate
All Ages	25	164	82	39.2	50.0%	20%	50.0%
All Ages	26	96	55	32.3	57.3%	30%	55.0%
All Ages	27	46	41	19.0	89.1%	40%	90.0%
< 65	28+	18	4	18.0	22.2%	100%	20.0%
65 - 69	28+	5	0	5.0	0.0%	100%	25.0%
70+	28+	1	1	1.0	100.0%	100%	100.0%
	Total	**330**	**183**	**114.5**	**55.5%**	**34.7%**	**55.2%**

Please note that a 100% probability of retirement will apply once a member reaches age 70.

Retirement Experience

Fire and Police

January 1, 2013 through December 31, 2018

Less Than 25 Years of Service

Age	Exposed	Actual Retirements	Expected Retirements	Actual Retirement Rate	Expected Retirement Rate	Proposed Retirement Rate
< 55	475	7	0.0	1.5%	0%	1.5%
55 - 60	18	3	1.8	16.7%	10%	10.0%
61 - 63	8	1	1.4	12.5%	20%	15.0%
64	2	0	0.5	0.0%	25%	20.0%
65+	2	0	2.0	0.0%	100%	100.0%
Total	**505**	**11**	**5.7**	**2.2%**	**1.1%**	**2.5%**

25 or More Years of Service

Age	Service	Exposed	Actual Retirements	Expected Retirements	Actual Retirement Rate	Expected Retirement Rate	Proposed Retirement Rate
<55	25	67	15	13.4	22.4%	20%	22.0%
	26	51	11	15.3	21.6%	30%	22.0%
	27	52	41	20.8	78.8%	40%	80.0%
	28+	14	12	14	85.7%	100%	100.0%
55+	25	13	6	2.6	46.2%	20%	45.0%
	26	8	6	2.4	75.0%	30%	75.0%
	27	6	6	2.4	100.0%	40%	80.0%
	28+	1	1	1	100.0%	100%	100.0%
Total	**Total**	**212**	**98**	**71.9**	**46.2%**	**33.9%**	**46.8%**

Please note that a 100% probability of retirement will apply once a member reaches age 65.

Withdrawal Rates

The withdrawal rate, or termination rate, is the probability that a participant will separate employment prior to eligibility for retirement. Currently, the valuation utilizes age-based tables for termination rates.

Overall, the actual incidence of termination was more than expected for BREC and General employees, but less than expected for Firefighters and Police Officers. Given this experience, we are proposing changes to the assumed termination rates. The experience, along with the current and proposed assumptions, are displayed in the tables below.

Termination Experience

BREC and Regular

January 1, 2013 through December 31, 2018

Less Than 2 Years of Service

Age	Exposed	Actual Terminations	Expected Terminations	Actual Termination Rate	Expected Termination Rate	Proposed Termination Rate
< 25	284	100	88.91	35.2%	31.3%	34.1%
25 - 29	693	150	209.72	21.6%	30.3%	27.5%
30 - 34	453	114	125.12	25.2%	27.6%	26.4%
35 - 39	360	103	84.32	28.6%	23.4%	25.3%
40 - 44	292	70	54.62	24.0%	18.7%	22.0%
45 - 49	261	59	36.41	22.6%	14.0%	19.8%
50 - 54	226	53	17.11	23.5%	7.6%	22.0%
55 - 59	196	33	4.24	16.8%	2.2%	16.5%
60 - 64	132	20	0.17	15.2%	0.1%	17.6%
Total	**2,897**	**702**	**620.62**	**24.2%**	**21.4%**	**24.8%**

2 - 3 Years of Service

Age	Exposed	Actual Terminations	Expected Terminations	Actual Termination Rate	Expected Termination Rate	Proposed Termination Rate
< 25	31	7	6.33	22.6%	20.4%	24.8%
25 - 29	359	69	67.61	19.2%	18.8%	20.0%
30 - 34	381	73	65.05	19.2%	17.1%	19.2%
35 - 39	223	38	32.28	17.0%	14.5%	18.4%
40 - 44	187	25	21.68	13.4%	11.6%	16.0%
45 - 49	165	22	14.09	13.3%	8.5%	14.4%
50 - 54	140	21	6.53	15.0%	4.7%	16.0%
55 - 59	151	21	1.83	13.9%	1.2%	12.0%
60 - 64	97	13	0.08	13.4%	0.1%	12.8%
Total	**1,734**	**289**	**215.48**	**16.7%**	**12.4%**	**17.3%**

4 Years of Service

Age	Exposed	Actual Terminations	Expected Terminations	Actual Termination Rate	Expected Termination Rate	Proposed Termination Rate
< 25	1	0	0.14	0.0%	14.0%	18.6%
25 - 29	77	13	10.40	16.9%	13.5%	15.0%
30 - 34	139	16	17.20	11.5%	12.4%	14.4%
35 - 39	91	14	9.55	15.4%	10.5%	13.8%
40 - 44	72	10	6.10	13.9%	8.5%	12.0%
45 - 49	63	8	3.95	12.7%	6.3%	10.8%
50 - 54	57	6	1.97	10.5%	3.5%	12.0%
55 - 59	71	3	0.70	4.2%	1.0%	9.0%
60 - 64	40	4	0.03	10.0%	0.1%	9.6%
Total	**611**	**74**	**50.04**	**12.1%**	**8.2%**	**12.6%**

5 - 7 Years of Service

Age	Exposed	Actual Terminations	Expected Terminations	Actual Termination Rate	Expected Termination Rate	Proposed Termination Rate
< 25	2	0	0.28	0.0%	14.0%	13.2%
25 - 29	114	19	15.34	16.7%	13.5%	10.6%
30 - 34	398	42	49.09	10.6%	12.3%	10.2%
35 - 39	294	30	31.08	10.2%	10.6%	9.8%
40 - 44	238	16	20.15	6.7%	8.5%	8.5%
45 - 49	185	9	11.39	4.9%	6.2%	7.7%
50 - 54	210	14	7.27	6.7%	3.5%	8.5%
55 - 59	237	15	2.22	6.3%	0.9%	6.4%
60 - 64	151	13	0.10	8.6%	0.1%	6.8%
Total	**1,829**	**158**	**136.92**	**8.6%**	**7.5%**	**8.7%**

8 - 15 Years of Service

Age	Exposed	Actual Terminations	Expected Terminations	Actual Termination Rate	Expected Termination Rate	Proposed Termination Rate
< 25	0	0	0.00	N/A	N/A	7.8%
25 - 29	20	2	2.67	10.0%	13.4%	6.3%
30 - 34	255	19	27.75	7.5%	10.9%	6.0%
35 - 39	574	27	42.96	4.7%	7.5%	5.8%
40 - 44	552	23	30.95	4.2%	5.6%	5.0%
45 - 49	521	20	20.41	3.8%	3.9%	4.5%
50 - 54	532	23	11.63	4.3%	2.2%	5.0%
55 - 59	41	1	0.39	2.4%	1.0%	3.8%
60 - 64	25	2	0.02	8.0%	0.1%	4.0%
Total	**2,520**	**117**	**136.78**	**4.6%**	**5.4%**	**5.1%**

16 or More Years of Service

Age	Exposed	Actual Terminations	Expected Terminations	Actual Termination Rate	Expected Termination Rate	Proposed Termination Rate
< 25	0	0	0.00	N/A	N/A	4.7%
25 - 29	0	0	0.00	N/A	N/A	3.8%
30 - 34	0	0	0.00	N/A	N/A	3.6%
35 - 39	41	0	1.16	0.0%	2.8%	3.5%
40 - 44	147	1	3.40	0.7%	2.3%	3.0%
45 - 49	144	5	2.47	3.5%	1.7%	2.7%
50 - 54	148	7	1.39	4.7%	0.9%	3.0%
55 - 59	0	0	0.00	N/A	N/A	2.3%
60 - 64	0	0	0.00	N/A	N/A	2.4%
Total	**480**	**13**	**8.42**	**2.7%**	**1.8%**	**2.9%**

Termination Experience
Fire and Police
January 1, 2013 through December 31, 2018

Less than 10 Years of Service

Age	Exposed	Actual Terminations	Expected Terminations	Actual Termination Rate	Expected Termination Rate	Proposed Termination Rate
< 25	152	5	10.81	3.3%	7.1%	3.5%
25 - 29	411	13	20.58	3.2%	5.0%	3.5%
30 - 34	400	16	15.98	4.0%	4.0%	3.5%
35 - 39	158	3	5.10	1.9%	3.2%	3.5%
40 - 44	71	3	1.62	4.2%	2.3%	3.5%
45 - 49	7	0	0.12	0.0%	1.7%	3.5%
50 - 54	1	1	0.01	100.0%	1.0%	3.5%
55+	2	0	0.00	0.0%	0.0%	3.5%
Total	**1,202**	**41**	**54.22**	**3.4%**	**4.5%**	**3.5%**

10 or More Years of Service

Age	Exposed	Actual Terminations	Expected Terminations	Actual Termination Rate	Expected Termination Rate	Proposed Termination Rate
< 25	0	0	0.00	N/A	N/A	0.5%
25 - 29	2	0	0.07	0.0%	3.5%	0.5%
30 - 34	178	2	3.85	1.1%	2.2%	0.5%
35 - 39	309	3	4.64	1.0%	1.5%	0.5%
40 - 44	177	0	1.89	0.0%	1.1%	0.5%
45 - 49	88	0	0.72	0.0%	0.8%	0.5%
50 - 54	18	0	0.08	0.0%	0.4%	0.5%
55+	0	0	0.00	N/A	N/A	0.5%
Total	**772**	**5**	**11.25**	**0.6%**	**1.5%**	**0.5%**

The funding impact of only changing the termination rates to the proposed rates as shown above is as follows:

Termination Rates	Sponsor Contribution ($)	UAAL
Current	50,673,053	595,688,255
Proposed – BREC/Regular	47,901,016	585,003,927
Proposed – Fire/Police	51,036,773	595,402,049

As you can see, the proposed termination rates result in increases to the assumed rates at almost all ages for BREC and General employees. Increasing the assumed rates of termination has the impact of decreasing the probability of continuing employment until retirement age and ultimately receiving a pension benefit from the plan, thereby decreasing the total costs. Conversely, the proposed termination rates were lower than the currently assumed rates at almost all ages for Firefighters and Police Officers and has the impact of increasing the total costs.

Additionally, we looked at the rate of terminated members withdrawing their employee contributions. Currently, we assume 100% of employees who terminate other than for retirement, death, or disability are assumed to withdraw their contributions. Over the past five years, the experience showed that 76% of vested terminated members withdraw their employee contributions. Therefore, we recommend lowering the current assumption from 100% to a 75% contribution withdrawal rate for terminated vested members. The impact of this proposed assumption change is shown below:

Employee Contribution Withdrawal Rate	Sponsor Contribution ($)	UAAL
Current (100%)	50,673,053	595,688,255
Proposed (75%)	50,867,926	596,367,984

The proposed contribution withdrawal rate results in increases to the liabilities because we are now assuming a portion of vested terminated members will leave their contributions in the fund in order to collect a deferred monthly retirement benefit, which has more value than their employee contributions alone.

Disability Rates

The disability rate assumption is the probability that a member will become disabled while an active member in the plan. Currently, the valuation utilizes an age-based assumption for predicting the occurrence of future disabilities.

Over the studied time period (2013-2018), there were 25 total disability retirements in the plan, while approximately 85 were expected. Therefore, we recommend decreasing the disability rates at almost all ages to more closely align with the experience. The experience, along with the current and proposed assumptions, are displayed in the tables below.

Disability Experience
BREC and Regular
January 1, 2013 through December 31, 2018

Age	Exposed	Actual Disabilities	Expected Disabilities	Actual Disability Rate	Expected Disability Rate	Proposed Disability Rate
20 - 24	315	0	0.19	0.00%	0.06%	0.01%
25 - 29	1263	0	0.76	0.00%	0.06%	0.01%
30 - 34	1626	0	1.01	0.00%	0.06%	0.01%
35 - 39	1591	1	1.33	0.06%	0.08%	0.06%
40 - 44	1608	1	2.44	0.06%	0.15%	0.06%
45 - 49	1671	4	4.86	0.24%	0.29%	0.25%
50 - 54	1744	5	12.00	0.29%	0.69%	0.30%
55 - 59	1659	5	20.50	0.30%	1.24%	0.30%
60 - 64	956	4	36.05	0.42%	3.77%	0.45%
65+	555	4	1.05	0.72%	0.19%	0.70%
Total	**12,988**	**24**	**80.19**	**0.18%**	**0.62%**	**0.19%**

Disability Experience
Fire and Police
January 1, 2013 through December 31, 2018

Age	Exposed	Actual Disabilities	Expected Disabilities	Actual Disability Rate	Expected Disability Rate	Proposed Disability Rate
20 - 24	151	0	0.09	0.00%	0.06%	0.01%
25 - 29	413	0	0.25	0.00%	0.06%	0.01%
30 - 34	578	0	0.36	0.00%	0.06%	0.01%
35 - 39	509	1	0.43	0.20%	0.08%	0.06%
40 - 44	446	0	0.66	0.00%	0.15%	0.06%
45 - 49	361	0	1.00	0.00%	0.28%	0.25%
50 - 54	172	0	1.07	0.00%	0.62%	0.30%
55 - 59	42	0	0.47	0.00%	1.12%	0.30%
60 - 64	16	0	0.62	0.00%	3.88%	0.45%
65+	2	0	0.00	0.00%	0.00%	0.70%
Total	**2,690**	**1**	**4.95**	**0.04%**	**0.18%**	**0.09%**

Additionally, we looked at the proportion of service-related disability retirements recorded in the valuation data since 2013. Currently, the valuation assumes that 25% of BREC and Regular employee, 50% of Firefighter and 75% of Police Officer disablements are service-related. The experience, along with the current and proposed assumptions is summarized below.

Service-Related Disability Experience

	Service-Related	**Non Service-Related**	**Actual Service-Related (%)**	**Expected Service-Related (%)**	**Proposed Service-Related (%)**
BREC/Regular	83	100	45%	25%	45%
Fire	18	7	72%	50%	70%
Police	17	15	53%	75%	55%

The funding impact of only making the proposed disability assumption changes is as follows:

Disability Rates	Sponsor Contribution ($)	UAAL
Current	50,673,053	595,688,255
Proposed – BREC/Regular	50,845,181	597,387,238
Proposed – Fire/Police	50,718,047	596,180,273

Converted Leave

CPERS permits members to convert all or a portion of unused accumulated vacation and sick leave to purchase additional service credit. This service provision is applicable to members who retire, enter DROP, or die. Eligible members may convert accrued leave to retirement credit by choosing one of two methods. These methods are commonly referred to as the “one for one” leave option, where the member receives one day of creditable service for each day of converted accrued leave, and the “two for one” leave option, where the member receives one day of creditable service for each two days of converted leave plus a lump sum payment from the Retirement System for up to 960 hours of leave.

Current assumptions shown below are applicable to members hired prior to April 4, 2019. We compared actual converted leave during the experience period to current assumptions. The data provided by CPERS includes only leave converted to service credit and does not indicate which option was selected by the member or how much service credit was paid as a lump sum under the “two for one” leave option. CPERS staff approximates that 70% of members choose the 2 for 1 leave option. We approximated the total leave converted to retirement credit or paid as a lump sum using the following formula.

X = total average converted leave (including lump sum)
(1 for 1 option) (30%) + (2 for 1 option) (70%) = data average
(X) (30%) + (50%) (X) (70%) = data average
X = data average / 0.65

Therefore, we determined our recommended assumption by dividing the leave provided by the system by 0.65, then rounding to the nearest 0.05.

Resolution 51399 reduced accrued sick leave and the accrual limit for employees hired on or after April 4, 2015, thereby decreasing the service expected to be transferred to the Retirement System. The resolution did not impact vacation leave. As assumed by the prior actuary, we currently assume no leave will be converted for members hired on or after April 5, 2015. However, we believe it is appropriate to continue to assume some leave will be converted to retirement service credit. Since vacation leave is unaffected and sick leave was reduced by approximately one-half, we propose assuming approximately three-fourths of the assumption for employees hired on or after April 5, 2015. As experience develops for these members, we will revisit these assumptions.

			Recommended Assumption	
	Current Assumptions	Actual Experience	Hired Before April 5, 2015	Hired on or After April 5, 2015
BREC	1.00 Year	0.41 Years	0.65 Years	0.50 Years
Regular	1.00 Year	0.34 Years	0.55 Years	0.40 Years
Fire	1.75 Years	0.80 Years	1.25 Years	0.95 Years
Police	1.50 Years	0.47 Years	0.75 Years	0.55 Years

The impact of the proposed assumption changes is shown below:

Converted Leave	Sponsor Contribution ($)	UAAL
Current	50,673,053	595,688,255
Proposed	49,057,737	578,378,980

The proposed changes decreased the converted leave assumption for the majority of members (those hired before April 5, 2015), therefore lowering the liabilities and ultimately the sponsor contribution. These decreases were offset in part by increasing the assumption from non-zero for those members hired on and after April 5, 2015.

Conclusion

As stated throughout the content of this report, we have recommended a number of changes to the actuarial assumptions utilized for purposes of completing the annual valuations. It is our belief that these changes reflect sound actuarial principles, are our best estimate of anticipated future experience, and will assist in achieving the objective of describing the true funded nature of the plan.

Below we have provided a summary of the plan's funding impact for each of the discussed changes, if made independently of one another. Additionally, we have determined the impact for a combination of these changes to assist in the discussion.

Summary of Results

Description	Change in Sponsor Funding	UAAL Increase/(Decrease)	Funded Ratio
Current Plan	n/a	n/a	66.6%
Investment Return: i = 7.00%	2,764,306	38,654,684	65.2%
Investment Return: i = 6.50%	8,521,904	121,260,621	62.4%
Salary Increases and Inflation - BREC/Regular	6,265,509	35,290,189	65.4%
Salary Increases and Inflation - Fire/Police	(220,069)	(790,382)	66.7%
Mortality Rates	(2,203,687)	(31,689,498)	67.8%
Retirement Rates - BREC/Regular	1,752	131,753	66.6%
Retirement Rates - Fire/Police	70,143	565,549	66.6%
Withdrawal Rates - BREC/Regular	(2,772,037)	(10,684,328)	67.0%
Withdrawal Rates - Fire/Police	363,720	(286,206)	66.7%
Employee Contribution Withdrawal Rate	194,873	679,729	66.6%
Disability Rates - BREC/Regular	172,128	1,698,983	66.6%
Disability Rates - Fire/Police	44,994	492,018	66.6%
Converted Leave	(1,615,316)	(17,309,275)	67.3%
Combination: i = 7.25%	1,064,249	(12,711,409)	67.1%
Combination: i = 7.00%	4,054,745	25,626,832	65.7%
Combination: i = 6.50%	10,310,330	107,546,334	62.9%

ATTACHMENT 6

June 12, 2024

VIA EMAIL
Board of Trustees
Employees Retirement System of the
City of Baton Rouge and Parish of East Baton Rouge

RE: GASB Statement No.67 and No.68 – Employees' Retirement System of the City of Baton Rouge and Parish of East Baton Rouge

Dear Board:

We are pleased to present to the Board a GASB Statement No.67 and No.68 measured as of December 31, 2023, for the Employees' Retirement System of the City of Baton Rouge and Parish of East Baton Rouge.

The calculation of the liability associated with the benefits referenced in this report was performed to satisfy the requirements of GASB No.67 and No.68 and is not applicable for other purposes, such as determining the plan's funding requirements. A calculation of the plan's liability for other purposes may produce significantly different results.

The total pension liability, net pension liability, and certain sensitivity information shown in this report are based on a measurement date of December 31, 2023, using generally accepted actuarial principles. It is our opinion that the assumptions used for this purpose are internally consistent, reasonable, and comply with the requirements under GASB No.67 and No.68.

Certain schedules should include a 10-year history of information. As provided for in GASB No.67 and No.68, this historical information is only presented for the last 2 years in which the information was measured in conformity with the requirements of GASB No.67 and No.68.

To the best of our knowledge, these statements are complete and accurate and are in accordance with generally recognized actuarial practices and methods. Future actuarial measurements may differ significantly from the current measurements presented in this report for a variety of reasons including changes in applicable laws, changes in plan provisions, changes in assumptions, or plan experience differing from expectations. Due to the limited scope of the valuation, we did not perform an analysis of the potential range of such future measurements.

In performing the analysis, we used third-party software to model (calculate) the underlying liabilities and costs. These results are reviewed in the aggregate and for individual sample lives. The output from the software is either used directly or input into internally developed models to generate the costs. All internally developed models are reviewed as part of the process. As a result of this review, we believe that the models have produced reasonable results. We do not believe there are any material inconsistencies among assumptions or unreasonable output produced due to the aggregation of assumptions.

If there are any questions, concerns, or comments about any of the items contained in this report, please contact me at 239-433-5500.

Respectfully submitted,
Foster & Foster, Inc.

By: Shelley R. Johnson

Shelley R. Johnson, ASA, MAAA

Enclosures

STATEMENT OF FIDUCIARY NET POSITION
DECEMBER 31, 2023

ASSETS	MARKET VALUE
Cash and Cash Equivalents:	
Money Market	2,839,045
Cash	13,038,448
Total Cash and Equivalents	15,877,493
Receivables:	
Member Contributions	1,216,533
Employer Contributions	4,152,192
MERS Contributions	1,662,168
From Broker for Investments Sold	2,158,037
Other	103,518
Investment Income	122,467
Total Receivable	9,414,915
Investments:	
Fixed Income	357,331,440
Equities	483,399,935
Alternative	258,408,440
Real Estate	140,029,752
Total Investments	1,239,169,567
Properties at Cost, Net of Accumulated Depreciation	626,132
Total Assets	1,265,088,107
Deferred Outflows of Resources - OPEB related	912,113
LIABILITIES	
Payables:	
Accrued Expenses and Benefits	1,318,968
Total OPEB Liability	3,295,137
To Broker for Investments Purchased	438,949
Total Liabilities	5,053,054
Deferred Inflows of Resources - OPEB related	1,048,829
NET POSITION RESTRICTED FOR PENSIONS	1,259,898,337

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2023
Market Value Basis

ADDITIONS		
Contributions:		
Member	14,393,329	
Employer	57,263,731	
MERS Contributions	1,466,205	
DROP Severance Contributions	1,858,996	
Total Contributions		74,982,261
Investment Income:		
Net Increase in Fair Value of Investments	97,178,997	
Interest & Dividends	4,252,331	
Less Investment Expense[1]	(5,682,644)	
Net Investment Income		95,748,684
Total Additions		170,730,945
DEDUCTIONS		
Distributions to Members:		
Benefit Payments	97,331,411	
Lump Sum DROP Distributions	25,082,744	
Supplemental Benefit Payments	1,763,996	
Excess Benefit Plan	240,368	
Refunds of Member Contributions	4,107,796	
Total Distributions		128,526,315
Administrative Expense		1,814,060
Total Deductions		130,340,375
Net Increase in Net Position		40,390,570
NET POSITION RESTRICTED FOR PENSIONS		
Beginning of the Year		1,219,520,062
Beginning of the Year Adjustment		(12,295)
End of the Year		1,259,898,337

[1]Investment related expenses include investment advisory, custodial and performance monitoring fees.

NOTES TO THE FINANCIAL STATEMENTS
(For the Year Ended December 31, 2023)

Plan Administration

This plan was effective December 31, 1953 and was most recently amended effective September 1, 2015 (Ord. Nos. 16039 and 16040).

The plan is a cost-sharing employer defined benefit pension plan, established and amended by the City of Baton Rouge, Louisiana and Parish of East Baton Rouge acting through its Board of Trustees.

Any regular employee of the City-Parish, excluding Police Officers who elected to transfer into the Municipal Police Employees' Retirement System of Louisiana (MPERS) as of February 26, 2000 and Police Officers hired after that date. Part-time council members with service prior to January 1, 1997, retroactive to December 31, 1976.

Plan Membership as of December 31, 2023:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	3,885
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	8
Active Plan Members	2,779
	6,672

Benefits Provided

The Plan provides retirement, termination, disability and death benefits.

The Plan provisions can be found in the January 1, 2023 Actuarial Valuation Report for the Employees' Retirement System of the City of Baton Rouge and Parish of East Baton Rouge prepared by Foster & Foster Actuaries and Consultants.

Contributions

Member Contributions: Equal to the Maximum Employer Contribution, if less than 8.00%. If the Maximum Employer Contribution is 17% or greater, Member Contribution is 50% of Employer Contribution (but not more than 9.5%). Maximum Employer Contribution rate is the larger of the City rate and the Special Funds rate.

Employer Contributions: Balance of actuarially required contribution less member contributions, as determined above. City then determines equivalent City Rate and the Special Funds Rate.

MERS payments received for 2006 and later are reserved for future Supplemental Benefit Payments.

Investment Policy:

The following was the Board's adopted asset allocation policy as of December 31, 2023:

Asset Class	Target Allocation
Domestic Equity	34.50%
International Equity	15.50%
Domestic Bonds	25.00%
International Bonds	5.00%
Real Estate	15.00%
Alternative Assets	5.00%
Total	100.00%

Concentrations:

The Plan did not hold investments in any one organization that represent 5 percent or more of the Pension Plan's Fiduciary Net Position.

Rate of Return:
For the year ended December 31, 2023, the annual money-weighted rate of return on Pension Plan investments, net of Pension Plan investment expense, was 8.03 percent.
The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Deferred Retirement Option Program
Eligibility and Participation Period
Members Hired Prior to 9/1/2015: Members with 25 to 30 years of service, regardless of age, are eligible for the lesser of five (5) years of participation, or combined service and DROP participation up to thirty-two (32) years. Members with at least 10 years of service up to 25 years of service are eligible for up to 3 years of participation.
Members Hired On/After 9/1/2015: Non-public safety members must have between 25 and 33 years of service at age 55. Public safety members must meet an age 50 requirement. Members with 10 or up to 25 years of service and are age 60 for non-public safety or age 55 for public safety are eligible for up to 3 years of participation.
All other Members eligible for DROP: Not more than thirty-six (36) months.
For Members who are not eligible to participate at thirty (30) years of Creditable Service due to age, the participation period is the difference of the earliest date of eligibility plus five (5) years and the date of election to enter DROP, provided this difference is at least two (2) years.
The DROP balance as of December 31, 2023 is $331,887,708.

NET PENSION LIABILITY OF THE SPONSOR

The components of the Net Pension Liability of the Sponsor on December 31, 2023 were as follows:

Total Pension Liability	$ 2,017,112,621
Plan Fiduciary Net Position	$ (1,259,898,337)
Sponsor's Net Pension Liability	$ 757,214,284
Plan Fiduciary Net Position as a percentage of Total Pension Liability	62.46%

Actuarial Assumptions:
The Total Pension Liability was determined as of the measurement date using the following actuarial assumptions:

Inflation	2.25%
Salary Increases	Age based
Discount Rate	7.00%
Investment Rate of Return	7.00%

Mortality Rates Healthy Active Lives:
RP-2006 Blue Collar Employee Projected back to 2001, Generational with MP-2018 (2016 base year).
Mortality Rates Healthy Inactive Lives:
RP-2006 Blue Collar Annuitant Projected back to 2001, Generational with MP-2018 (2016 base year).
Mortality Rates Disabled Lives:
RP-2006 Disability Table Projected back to 2001, Generational with MP-2018 (2016 base year).

The most recent actuarial experience study used to review the other significant assumptions was dated March 20, 2020.

The Long-Term Expected Rate of Return on Pension Plan investments can be determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of Pension Plan investment expenses and inflation) are developed for each major asset class.
For 2023, the inflation rate assumption of the investment advisor was 2.50%.
These ranges are combined to produce the Long-Term Expected Rate of Return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in the Pension Plan's target asset allocation as of December 31, 2023 are summarized in the following table:

Asset Class	Long Term Expected Real Rate of Return[1]
Domestic Equity	7.50%
International Equity	8.50%
Domestic Bonds	2.50%
International Bonds	3.50%
Real Estate	4.50%
Alternative Assets	5.66%

[1] Source: AndCo Consulting

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Discount Rate:

The Discount Rate used to measure the Total Pension Liability was 7.00 percent.

The projection of cash flows used to determine the Discount Rate assumed that Plan Member contributions will be made at the current contribution rate and that Sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the Member rate. Based on those assumptions, the Pension Plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the Long-Term Expected Rate of Return on Pension Plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability. For purpose of this valuation, the expected rate of return on pension plan investments is 7.00%; the municipal bond rate is 4.00% (based on the weekly rate closest to but not later than the measurement date of the S&P Municipal Bond 20 Year High Grade Rate Index); and the resulting single discount rate is 7.00%.

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
Sponsor's Net Pension Liability	$ 935,657,348	$ 757,214,284	$ 606,907,259

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SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

Last 2 Years

	12/31/2023	12/31/2022
Total Pension Liability		
Service Cost	23,040,222	22,949,660
Interest	135,565,028	132,416,868
Changes of benefit terms	-	-
Differences between Expected and Actual Experience	9,229,566	14,877,594
Changes of assumptions	-	-
Benefit Payments, including Refunds of Employee Contributions	(128,526,315)	(122,138,640)
Net Change in Total Pension Liability	39,308,501	48,105,482
Total Pension Liability - Beginning	1,977,804,120	1,929,698,638
Total Pension Liability - Ending (a)	$2,017,112,621	$1,977,804,120
Plan Fiduciary Net Position		
Contributions - Employer	57,263,731	54,959,600
Contributions - Employee	16,252,325	16,175,594
Contributions - Nonemployer Contributing Entity	1,466,205	1,365,673
Net Investment Income	95,748,684	(144,181,035)
Benefit Payments, including Refunds of Employee Contributions	(128,526,315)	(122,138,640)
Administrative Expense	(1,814,060)	(2,141,449)
Net Change in Plan Fiduciary Net Position	40,390,570	(195,960,257)
Plan Fiduciary Net Position - Beginning	1,219,520,062	1,415,480,319
Beginning of the Year adjustment	(12,295)	-
Plan Fiduciary Net Position - Ending (b)	$ 1,259,898,337	$ 1,219,520,062
Net Pension Liability - Ending (a) - (b)	$ 757,214,284	$ 758,284,058
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	62.46%	61.66%
Covered Payroll[1]	$ 155,453,389	$ 153,543,554
Net Pension Liability as a percentage of Covered Payroll	487.10%	493.86%

[1] Covered Payroll excludes applicable DROP Participants and Rehired Retirees on which employers began to contribute beginning in FYE 12/31/2023.

SCHEDULE OF CONTRIBUTIONS

Last 2 Years

Fiscal Year Ended	Actuarially Determined Contribution	Contributions in relation to the Actuarially Determined Contributions	Contribution Deficiency (Excess)	Covered Payroll[1]	Contributions as a percentage of Covered Payroll
12/31/2023	$ 56,431,147	$ 58,729,936	$ (2,298,789)	$ 155,453,389	37.78%
12/31/2022	$ 56,187,499	$ 56,325,273	$ (137,774)	$ 153,543,554	36.68%

Notes to Schedule

Valuation Date: 01/01/2022

Actuarially Determined contribution rates are calculated as of January 1, two years prior of the following year in which contributions are reported.

Methods and assumptions used to determine contribution rates can be found in the January 1, 2022 Actuarial Valuation for the Employees' Retirement System of the City of Baton Rouge and Parish of East Baton Rouge prepared by Foster & Foster Actuaries and Consultants.

[1] Covered Payroll excludes applicable DROP Participants and Rehired Retirees on which employers began to contribute beginning in FYE 12/31/2023.

SCHEDULE OF INVESTMENT RETURNS
Last 2 Years

Fiscal Year Ended	Annual Money-Weighted Rate of Return Net of Investment Expense
12/31/2023	8.03%
12/31/2022	-10.38%

NOTES TO THE FINANCIAL STATEMENTS
(For the Year Ended December 31, 2023)

Plan Description
This plan was effective December 31, 1953 and was most recently amended effective September 1, 2015 (Ord. Nos. 16039 and 16040).
The plan is a cost-sharing employer defined benefit pension plan, established and amended by the City of Baton Rouge, Louisiana and Parish of East Baton Rouge acting through its Board of Trustees.
Any regular employee of the City-Parish, excluding Police Officers who elected to transfer into the Municipal Police Employees' Retirement System of Louisiana (MPERS) as of February 26, 2000 and Police Officers hired after that date. Part-time council members with service prior to January 1, 1997, retroactive to December 31, 1976.

Plan Membership as of December 31, 2023:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	3,885
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	8
Active Plan Members	2,779
	6,672

Benefits Provided
The Plan provides retirement, termination, disability and death benefits.
The Plan provisions can be found in the January 1, 2023 Actuarial Valuation Report for the Employees' Retirement System of the City of Baton Rouge and Parish of East Baton Rouge prepared by Foster & Foster Actuaries and Consultants.

Contributions
Member Contributions: Equal to the Maximum Employer Contribution, if less than 8.00%. If the Maximum Employer Contribution is 17% or greater, Member Contribution is 50% of Employer Contribution (but not more than 9.5%). Maximum Employer Contribution rate is the larger of the City rate and the Special Funds rate.
Employer Contributions: Balance of actuarially required contribution less member contributions, as determined above. City then determines equivalent City Rate and the Special Funds Rate.
MERS payments received for 2006 and later are reserved for future Supplemental Benefit Payments.

Net Pension Liability

The measurement date is December 31, 2023.
The measurement period for the pension expense was January 1, 2023 to December 31, 2023.
The reporting period is January 1, 2023 through December 31, 2023.

The Sponsor's Net Pension Liability was measured as of December 31, 2023.
The Total Pension Liability used to calculate the Net Pension Liability was determined as of that date.
The employer's proportion of the Net Pension Liability was based the employer's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers.

Actuarial Assumptions:
The Total Pension Liability was determined as of the measurement date using the following actuarial assumptions:

Inflation	2.25%
Salary Increases	Age based
Discount Rate	7.00%
Investment Rate of Return	7.00%

Mortality Rates Healthy Active Lives:
RP-2006 Blue Collar Employee Projected back to 2001, Generational with MP-2018 (2016 base year).
Mortality Rates Healthy Inactive Lives:
RP-2006 Blue Collar Annuitant Projected back to 2001, Generational with MP-2018 (2016 base year).
Mortality Rates Disabled Lives:
RP-2006 Disability Table Projected back to 2001, Generational with MP-2018 (2016 base year).

The most recent actuarial experience study used to review the other significant assumptions was dated March 20, 2020.

The Long-Term Expected Rate of Return on Pension Plan investments can be determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of Pension Plan investment expenses and inflation) are developed for each major asset class.
For 2023, the inflation rate assumption of the investment advisor was 2.50%.
These ranges are combined to produce the Long-Term Expected Rate of Return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in the Pension Plan's target asset allocation as of December 31, 2023 are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return[1]
Domestic Equity	34.50%	7.50%
International Equity	15.50%	8.50%
Domestic Bonds	25.00%	2.50%
International Bonds	5.00%	3.50%
Real Estate	15.00%	4.50%
Alternative Assets	5.00%	5.66%
Total	100.00%	

[1] Source: AndCo Consulting

Discount Rate:
The Discount Rate used to measure the Total Pension Liability was 7.00 percent.
The projection of cash flows used to determine the Discount Rate assumed that Plan Member contributions will be made at the current contribution rate and that Sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the Member rate. Based on those assumptions, the Pension Plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the Long-Term Expected Rate of Return on Pension Plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability. For purpose of this valuation, the expected rate of return on pension plan investments is 7.00%; the municipal bond rate is 4.00% (based on the weekly rate closest to but not later than the measurement date of the S&P Municipal Bond 20 Year High Grade Rate Index); and the resulting single discount rate is 7.00%.

CHANGES IN NET PENSION LIABILITY

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances as of December 31, 2022	$ 1,977,804,120	$ 1,219,520,062	$ 758,284,058
Beginning of the Year adjustment	-	(12,295)	12,295
Changes for a Year:			
Service Cost	23,040,222	-	23,040,222
Interest	135,565,028	-	135,565,028
Differences between Expected and Actual Experience	9,229,566	-	9,229,566
Changes of assumptions	-	-	-
Changes of benefit terms	-	-	-
Contributions - Employer	-	57,263,731	(57,263,731)
Contributions - Employee	-	16,252,325	(16,252,325)
Contributions - Nonemployer Contributing Entity		1,466,205	(1,466,205)
Net Investment Income	-	95,748,684	(95,748,684)
Benefit Payments, including Refunds of Employee Contributions	(128,526,315)	(128,526,315)	-
Administrative Expense	-	(1,814,060)	1,814,060
Net Changes	39,308,501	40,390,570	(1,082,069)
Balances as of December 31, 2023	$ 2,017,112,621	$ 1,259,898,337	$ 757,214,284

Sensitivity of the Net Pension Liability to changes in the Discount Rate.

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
Sponsor's Net Pension Liability	$ 935,657,348	$ 757,214,284	$ 606,907,259

Pension Plan Fiduciary Net Position.

Detailed information about the pension Plan's Fiduciary Net Position is available in a separately issued Plan financial report.

PENSION EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS

For the year ended December 31, 2023, the Sponsor will recognize a Pension Expense of $68,658,512.
On December 31, 2023, the Sponsor reported Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	23,942,385	-
Changes of assumptions	-	-
Net difference between Projected and Actual Earnings on Pension Plan investments	87,302,565	-
Total	$ 111,244,950	$ -

Amounts reported as Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions will be recognized in Pension Expense as follows:

Year ended December 31:	
2024	$ 31,451,661
2025	$ 34,123,346
2026	$ 48,133,906
2027	$ (2,463,963)
2028	$ -
Thereafter	$ -

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

Last 2 Years

	12/31/2023	12/31/2022
Total Pension Liability		
Service Cost	23,040,222	22,949,660
Interest	135,565,028	132,416,868
Changes of benefit terms	-	-
Differences between Expected and Actual Experience	9,229,566	14,877,594
Changes of assumptions	-	-
Benefit Payments, including Refunds of Employee Contributions	(128,526,315)	(122,138,640)
Net Change in Total Pension Liability	39,308,501	48,105,482
Total Pension Liability - Beginning	1,977,804,120	1,929,698,638
Total Pension Liability - Ending (a)	$ 2,017,112,621	$ 1,977,804,120
Plan Fiduciary Net Position		
Contributions - Employer	57,263,731	54,959,600
Contributions - Employee	16,252,325	16,175,594
Contributions - Nonemployer Contributing Entity	1,466,205	1,365,673
Net Investment Income	95,748,684	(144,181,035)
Benefit Payments, including Refunds of Employee Contributions	(128,526,315)	(122,138,640)
Administrative Expense	(1,814,060)	(2,141,449)
Net Change in Plan Fiduciary Net Position	40,390,570	(195,960,257)
Plan Fiduciary Net Position - Beginning	1,219,520,062	1,415,480,319
Beginning of the Year adjustment	(12,295)	-
Plan Fiduciary Net Position - Ending (b)	$ 1,259,898,337	$ 1,219,520,062
Net Pension Liability - Ending (a) - (b)	$ 757,214,284	$ 758,284,058
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	62.46%	61.66%
Covered Payroll[1]	$ 155,453,389	$ 153,543,554
Net Pension Liability as a percentage of Covered Payroll	487.10%	493.86%

[1] Covered Payroll excludes applicable DROP Participants and Rehired Retirees on which employers began to contribute beginning in FYE 12/31/2023.

SCHEDULE OF CONTRIBUTIONS
Last 2 Years

Fiscal Year Ended	Actuarially Determined Contribution	Contributions in relation to the Actuarially Determined Contributions	Contribution Deficiency (Excess)	Covered Payroll[1]	Contributions as a percentage of Covered Payroll
12/31/2023	$ 56,431,147	$ 58,729,936	$ (2,298,789)	$ 155,453,389	37.78%
12/31/2022	$ 56,187,499	$ 56,325,273	$ (137,774)	$ 153,543,554	36.68%

Notes to Schedule

Valuation Date: 01/01/2022

Actuarially Determined contribution rates are calculated as of January 1, two years prior of the following year in which contributions are reported.

Methods and assumptions used to determine contribution rates can be found in the January 1, 2022 Actuarial Valuation for the Employees' Retirement System of the City of Baton Rouge and Parish of East Baton Rouge prepared by Foster & Foster Actuaries and Consultants.

[1] Covered Payroll excludes applicable DROP Participants and Rehired Retirees on which employers began to contribute beginning in FYE 12/31/2023.

EXPENSE DEVELOPMENT AND AMORTIZATION SCHEDULES

The following information is not required to be disclosed but is provided for informational purposes.

COMPONENTS OF PENSION EXPENSE
YEAR ENDING DECEMBER 31, 2023

	Net Pension Liability	Deferred Inflows	Deferred Outflows	Pension Expense
Balances as of December 31, 2022	$ 758,284,058	$ 104,108,069	$ 226,363,664	
Total Pension Liability Factors:				
Service Cost	23,040,222	-	-	23,040,222
Interest	135,565,028	-	-	135,565,028
Changes in benefit terms	-	-	-	-
Differences between Expected and Actual Experience with regard to economic or demographic assumptions	9,229,566	-	9,229,566	-
Current year amortization of experience difference	-	-	(18,488,937)	18,488,937
Change in assumptions about future economic or demographic factors or other inputs	-	-	-	-
Current year amortization of change in assumptions	-	(6,012,499)	-	(6,012,499)
Benefit Payments, including Refunds of Employee Contributions	(128,526,315)	-	-	-
Net change	39,308,501	(6,012,499)	(9,259,371)	171,081,688
Plan Fiduciary Net Position:				
Contributions - Employer	57,263,731	-	-	-
Contributions - Employee	16,252,325	-	-	(16,252,325)
Contributions - Nonemployer Contributing Entity	1,466,205	-	-	-
Projected Net Investment Income	83,428,870	-	-	(83,428,870)
Difference between projected and actual earnings on Pension Plan investments	12,319,814	12,319,814	-	-
Current year amortization	-	(52,846,518)	(48,290,477)	(4,556,041)
Benefit Payments, including Refunds of Employee Contributions	(128,526,315)	-	-	-
Administrative Expenses	(1,814,060)	-	-	1,814,060
Net change	40,390,570	(40,526,704)	(48,290,477)	(102,423,176)
Beginning of the Year adjustment	(12,295)	-	-	-
Balances as of December 31, 2023	$ 757,214,284	$ 57,568,866	$ 168,813,816	$ 68,658,512

SCHEDULE OF EMPLOYER PENSION AMOUNTS
YEAR ENDING DECEMBER 31, 2023

Employer	Employer Contributions[1]	Current Year Proportionate Share
City of Baton Rouge and Parish of East Baton Rouge	42,953,781	80.91308%
District Attorney of the Nineteenth Judicial District	1,286,521	2.42345%
East Baton Rouge Parish Family Court	289,956	0.54620%
East Baton Rouge Parish Juvenile Court	280,947	0.52923%
St. George Fire Protection District (certain electing members)	36,380	0.06853%
Brownsfield Fire Protection District	108,611	0.20459%
Eastside Fire Protection District	79,073	0.14895%
Recreation and Park Commission for the Parish of East Baton Rouge (BREC)	7,531,513	14.18729%
Office of the Coroner of East Baton Rouge Parish	519,545	0.97868%
Total	$53,086,326	

[1] The Employer Contributions were based on the 2023 data multiplied by the FY2025 Contribution rates.

SCHEDULE OF EMPLOYER PENSION AMOUNTS

YEAR ENDING DECEMBER 31, 2023

Employer	Net Pension Liability[1]	Current Year Proportionate Share	Prior Year Proportionate Share	Change in Proportion from Prior Year[2]	Proportionate Share of Collective Pension Expense
City of Baton Rouge and Parish of East Baton Rouge	612,685,388	80.91308%	80.90484%	0.00824%	55,553,715
District Attorney of the Nineteenth Judicial District	18,350,716	2.42345%	2.54808%	-0.12463%	1,663,905
East Baton Rouge Parish Family Court	4,135,880	0.54620%	0.44449%	0.10171%	375,011
East Baton Rouge Parish Juvenile Court	4,007,381	0.52923%	0.43803%	0.09120%	363,359
St. George Fire Protection District (certain electing members)	518,917	0.06853%	0.06430%	0.00423%	47,052
Brownsfield Fire Protection District	1,549,205	0.20459%	0.19003%	0.01456%	140,470
Eastside Fire Protection District	1,127,880	0.14895%	0.13737%	0.01158%	102,268
Recreation and Park Commission for the Parish of East Baton Rouge (BREC)	107,428,210	14.18729%	14.36347%	-0.17617%	9,740,784
Office of the Coroner of East Baton Rouge Parish	7,410,707	0.97868%	0.90940%	0.06928%	671,947
Total	$757,214,284	100.00000%	100.00000%	0.00000%	$68,658,512

[1] The portion of the Net Pension Liability was calculated using the proportion of employer contributions.
[2] The impact to the Net Pension Liability due to the Change in Proportion was reflected in the rebalancing of the Deferred Inflow/Outflow balances for the fiscal year.

SCHEDULE OF EMPLOYER PENSION AMOUNTS
YEAR ENDING DECEMBER 31, 2023

	Collective Deferred Outflow			Collective Deferred Inflow		
	Experience Gain/Loss	Change of Assumptions	Investment Gain/Loss	Experience Gain/Loss	Change of Assumptions	Investment Gain/Loss
Employer						
City of Baton Rouge and Parish of East Baton Rouge	19,372,521	-	70,639,192	-	-	-
District Attorney of the Nineteenth Judicial District	580,232	-	2,115,735	-	-	-
East Baton Rouge Parish Family Court	130,773	-	476,844	-	-	-
East Baton Rouge Parish Juvenile Court	126,710	-	462,029	-	-	-
St. George Fire Protection District (certain electing members)	16,408	-	59,828	-	-	-
Brownsfield Fire Protection District	48,984	-	178,615	-	-	-
Eastside Fire Protection District	35,662	-	130,038	-	-	-
Recreation and Park Commission for the Parish of East Baton Rouge (BREC)	3,396,776	-	12,385,871	-	-	-
Office of the Coroner of East Baton Rouge Parish	234,319	-	854,413	-	-	-
Total	$23,942,385	$0	$87,302,565	$0	$0	$0

SCHEDULE OF EMPLOYER PENSION AMOUNTS
YEAR ENDING DECEMBER 31, 2023

	Collective Deferred Outflow/Inflow to be Recognized					
Employer	2024	2025	2026	2027	2028	Thereafter
City of Baton Rouge and Parish of East Baton Rouge	25,448,506	27,610,249	38,946,625	(1,993,668)	-	-
District Attorney of the Nineteenth Judicial District	762,216	826,963	1,166,502	(59,713)	-	-
East Baton Rouge Parish Family Court	171,788	186,381	262,906	(13,458)	-	-
East Baton Rouge Parish Juvenile Court	166,451	180,590	254,738	(13,040)	-	-
St. George Fire Protection District (certain electing members)	21,554	23,385	32,986	(1,689)	-	-
Brownsfield Fire Protection District	64,348	69,814	98,478	(5,041)	-	-
Eastside Fire Protection District	46,848	50,827	71,696	(3,670)	-	-
Recreation and Park Commission for the Parish of East Baton Rouge (BREC)	4,462,139	4,841,179	6,828,898	(349,570)	-	-
Office of the Coroner of East Baton Rouge Parish	307,811	333,958	471,077	(24,114)	-	-
Total	$ 31,451,661	$ 34,123,346	$ 48,133,906	$ (2,463,963)	$ -	$ -

SCHEDULE OF EMPLOYER PENSION AMOUNTS
YEAR ENDING DECEMBER 31, 2023

Employer	Net Pension Liability Assuming -1% Change in Discount Rate	Net Pension Liability Assuming +1% Change in Discount Rate	Prior Year End Net Pension Liability	Change in Net Pension Liability due to Change in Proportion[1]	Employer's Proportionate Share of Total Contributions[2]
City of Baton Rouge and Parish of East Baton Rouge	757,069,165	491,067,346	613,488,503	(72,923)	47,520,200
District Attorney of the Nineteenth Judicial District	22,675,196	14,708,099	19,321,709	1,103,139	1,423,291
East Baton Rouge Parish Family Court	5,110,531	3,314,908	3,370,498	(900,220)	320,781
East Baton Rouge Parish Juvenile Court	4,951,749	3,211,916	3,321,487	(807,225)	310,815
St. George Fire Protection District (certain electing members)	641,204	415,912	487,556	(37,462)	40,247
Brownsfield Fire Protection District	1,914,286	1,241,688	1,440,976	(128,886)	120,157
Eastside Fire Protection District	1,393,673	903,996	1,041,630	(102,535)	87,479
Recreation and Park Commission for the Parish of East Baton Rouge (BREC)	132,744,450	86,103,712	108,915,871	1,559,329	8,332,188
Office of the Coroner of East Baton Rouge Parish	9,157,094	5,939,682	6,895,828	(613,218)	574,778
Total	$ 935,657,348	$ 606,907,259	$ 758,284,058	$ -	$ 58,729,936

[1] The impact to the Net Pension Liability due to the Change in Proportion was reflected in the rebalancing of the Deferred Inflow/Outflow balances for the fiscal year.
[2] The portion of the employer's share of the total contributions was calculated using the proportion of the employer's actual 2023 contributions. This results in a $0 impact to the differences between contributions and share of contributions for all employers.

AMORTIZATION SCHEDULE - INVESTMENTS

Plan Year Ending	Differences Between Expected and Actual Earnings	Recognition Period (Years)	2023	2024	2025	2026	2027	2028	2029
			Increase (Decrease) in Pension Expense Arising from the Recognition of the of Differences Between Projected and Actual Earnings on Pension Plan Investments						
2023	$ (12,319,814)	5	$ (2,463,962)	$ (2,463,963)	$ (2,463,963)	$ (2,463,963)	$ (2,463,963)	$ -	$ -
2022	$ 241,452,385	5	$ 48,290,477	$ 48,290,477	$ 48,290,477	$ 48,290,477	$ -	$ -	$ -
2021	$ (88,649,793)	5	$ (17,729,959)	$ (17,729,959)	$ (17,729,959)	$ -	$ -	$ -	$ -
2020	$ (61,265,479)	5	$ (12,253,096)	$ (12,253,096)	$ -	$ -	$ -	$ -	$ -
2019	$ (101,997,503)	5	$ (20,399,501)	$ -	$ -	$ -	$ -	$ -	$ -
Net Increase (Decrease) in Pension Expense			$ (4,556,041)	$ 15,843,459	$ 28,096,555	$ 45,826,514	$ (2,463,963)	$ -	$ -

AMORTIZATION SCHEDULE - CHANGES OF ASSUMPTIONS

Plan Year Ending	Changes of Assumptions	Recognition Period (Years)	Increase (Decrease) in Pension Expense Arising from the Recognition of the Effects of Changes of Assumptions						
			2023	2024	2025	2026	2027	2028	2029
2019	$ (30,062,495)	5	$ (6,012,499)	$ -	$ -	$ -	$ -	$ -	$ -
Net Increase (Decrease) in Pension Expense			$ (6,012,499)	$ -	$ -	$ -	$ -	$ -	$ -

AMORTIZATION SCHEDULE - EXPERIENCE

Plan Year Ending	Differences Between Expected and Actual Experience	Recognition Period (Years)	Increase (Decrease) in Pension Expense Arising from the Recognition of the Effects of Differences between Expected and Actual Experience						
			2023	2024	2025	2026	2027	2028	2029
2023	$ 9,229,566	4	$ 2,307,390	$ 2,307,392	$ 2,307,392	$ 2,307,392	$ -	$ -	$ -
2022	$ 14,877,594	4	$ 3,719,399	$ 3,719,399	$ 3,719,399	$ -	$ -	$ -	$ -
2021	$ 24,243,767	4	$ 6,060,942	$ 6,060,942	$ -	$ -	$ -	$ -	$ -
2020	$ 17,602,346	5	$ 3,520,469	$ 3,520,469	$ -	$ -	$ -	$ -	$ -
2019	$ 14,403,685	5	$ 2,880,737	$ -	$ -	$ -	$ -	$ -	$ -
Net Increase (Decrease) in Pension Expense			$ 18,488,937	$ 15,608,202	$ 6,026,791	$ 2,307,392	$ -	$ -	$ -

June 6, 2024

VIA EMAIL
Board of Trustees
Employees Retirement System of the
City of Baton Rouge and Parish of East Baton Rouge

RE: GASB Statement No.67 and No.68 – Police Guarantee Trust of the Employees' Retirement System of the City of Baton Rouge and Parish of East Baton Rouge

Dear Board:

We are pleased to present to the Board GASB Statements No.67 and No.68 measured as of December 31, 2023, for the Police Guarantee Trust of the Employees' Retirement System of the City of Baton Rouge and Parish of East Baton Rouge.

The calculation of the liability associated with the benefits referenced in this report was performed to satisfy the requirements of GASB No.67 and No.68 and is not applicable for other purposes, such as determining the plan's funding requirements. A calculation of the plan's liability for other purposes may produce significantly different results.

The total pension liability, net pension liability, and certain sensitivity information shown in this report are based on a measurement date of December 31, 2023, using generally accepted actuarial principles. It is our opinion that the assumptions used for this purpose are internally consistent, reasonable, and comply with the requirements under GASB No.67 and No.68.

Certain schedules should include a 10-year history of information. As provided for in GASB No.67 and No.68, this historical information is only presented for the last 2 years in which the information was measured in conformity with the requirements of GASB No.67 and No.68.

To the best of our knowledge, these statements are complete and accurate and are in accordance with generally recognized actuarial practices and methods. Future actuarial measurements may differ significantly from the current measurements presented in this report for a variety of reasons including changes in applicable laws, changes in plan provisions, changes in assumptions, or plan experience differing from expectations. Due to the limited scope of the valuation, we did not perform an analysis of the potential range of such future measurements.

In performing the analysis, we used third-party software to model (calculate) the underlying liabilities and costs. These results are reviewed in the aggregate and for individual sample lives. The output from the software is either used directly or input into internally developed models to generate the costs. All internally developed models are reviewed as part of the process. As a result of this review, we believe that the models have produced reasonable results. We do not believe there are any material inconsistencies among assumptions or unreasonable output produced due to the aggregation of assumptions.

If there are any questions, concerns, or comments about any of the items contained in this report, please contact me at 239-433-5500.

Respectfully submitted,
Foster & Foster, Inc.

By: Shelley R. Johnson
Shelley R. Johnson, ASA, MAAA

SRJ/lke
Enclosures

STATEMENT OF FIDUCIARY NET POSITION
DECEMBER 31, 2023

ASSETS	MARKET VALUE
Cash and Cash Equivalents:	
Money Market	68,020
Cash	1,031,585
Total Cash and Equivalents	1,099,605
Receivables:	
Member Contributions	272
Employer Contributions	487,572
Investment Income	303
Total Receivable	488,147
Investments:	
Fixed Income	8,322,867
Equities	8,934,814
Alternative	2,776,613
Total Investments	20,034,294
Total Assets	21,622,046
Deferred Outflows of Resources - OPEB related	159,906
LIABILITIES	
Payables:	
Accrued Expenses and Benefits	156,941
Total OPEB Liability	669,766
Total Liabilities	826,707
Deferred Inflows of Resources - OPEB related	183,964
NET POSITION RESTRICTED FOR PENSIONS	20,771,281

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2023
Market Value Basis

<u>ADDITIONS</u>		
Contributions:		
Member	15,796	
Employer	5,557,734	
Total Contributions		5,573,530
Investment Income:		
Net Increase in Fair Value of Investments	1,894,119	
Interest & Dividends	642,051	
Less Investment Expense[1]	(40,630)	
Net Investment Income		2,495,540
Total Additions		8,069,070
<u>DEDUCTIONS</u>		
Distributions to Members:		
Benefit Payments	829,691	
Lump Sum DROP Distributions	2,390,782	
Total Distributions		3,220,473
Administrative Expense		326,128
Total Deductions		3,546,601
Net Increase in Net Position		4,522,469
NET POSITION RESTRICTED FOR PENSIONS		
Beginning of the Year		16,248,812
End of the Year		20,771,281

[1]Investment related expenses include investment advisory, custodial and performance monitoring fees.

NOTES TO THE FINANCIAL STATEMENTS

(For the Year Ended December 31, 2023)

Plan Administration

This plan was effective February 26, 2000 and was most recently amended effective February 28, 2001.

The plan is a single employer defined benefit pension plan, established and amended by the City of Baton Rouge, Louisiana and Parish of East Baton Rouge acting through its Board of Trustees.

Eligible police employees who are active members or in the Deferred Retirement Option Plan (DROP) of the City of Baton Rouge and Parish of East Baton Rouge (CPERS) on February 26, 2000 who elected to transfer into the Municipal Police Employees' Retirement System of Louisiana (MPERS) are automatically included in the Police Guarantee Trust (PGT).

Plan Membership as of December 31, 2023:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	264
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	1
Active Plan Members	13
	278

Benefits Provided

The Plan provides retirement and drop benefits.

The Plan provisions can be found in the January 1, 2023 Actuarial Valuation Report for the Police Guarantee Trust of the Employees' Retirement System of the City of Baton Rouge and Parish of East Baton Rouge prepared by Foster & Foster Actuaries and Consultants.

Contributions

Member Contributions: Based on current member contribution rate under CPERS, applied to member's compensation not covered by MPERS. Member contributions are "picked up" by the City.

Employer Contributions: Balance of actuarially required contribution less member contributions, as determined above.

Investment Policy:

The following was the Board's adopted asset allocation policy as of December 31, 2023:

Asset Class	Target Allocation
Domestic Equity	29.50%
International Equity	17.00%
Domestic Bonds	31.00%
International Bonds	10.00%
Alternative Assets	12.50%
Total	100.0%

Concentrations:

The Plan did not hold investments in any one organization that represent 5 percent or more of the Pension Plan's Fiduciary Net Position.

Rate of Return:

For the year ended December 31, 2023, the annual money-weighted rate of return on Pension Plan investments, net of Pension Plan investment expense, was 14.46 percent.

The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Deferred Retirement Option Program

The DROP balance as of December 31, 2023 is $40,811,773.

NET PENSION LIABILITY OF THE SPONSOR

The components of the Net Pension Liability of the Sponsor on December 31, 2023 were as follows:

Total Pension Liability	$ 49,470,231
Plan Fiduciary Net Position	$ (20,771,281)
Sponsor's Net Pension Liability	$ 28,698,950
Plan Fiduciary Net Position as a percentage of Total Pension Liability	41.99%

Actuarial Assumptions:
The Total Pension Liability was determined as of the measurement date using the following actuarial assumptions:

Inflation	2.25%
Salary Increases	Age based
Discount Rate	5.75%
Investment Rate of Return	5.75%

Mortality Rates Healthy Active Lives:
RP-2006 Blue Collar Employee Projected back to 2001, Generational with MP-2018 (2016 base year).
Mortality Rates Healthy Inactive Lives:
RP-2006 Blue Collar Annuitant Projected back to 2001, Generational with MP-2018 (2016 base year).
Mortality Rate Disabled Lives:
RP-2006 Disability Table Projected back to 2001, Generational with MP-2018 (2016 base year).

The significant assumptions are based upon the most recent experience study dated January 21, 2020.

The Long-Term Expected Rate of Return on Pension Plan investments can be determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of Pension Plan investment expenses and inflation) are developed for each major asset class.

For 2023, the inflation rate assumption of the investment advisor was 2.50%.

These ranges are combined to produce the Long-Term Expected Rate of Return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic rates real rates of return for each major asset class included in the Pension Plan's target asset allocation as of December 31, 2023 are summarized in the following table:

Asset Class	Long Term Expected Real Rate of Return[1]
Domestic Equity	7.50%
International Equity	8.50%
Domestic Bonds	2.50%
International Bonds	3.50%
Alternative Assets	5.47%

[1] Source: AndCo Consulting

Discount Rate:

The Discount Rate used to measure the Total Pension Liability was 5.75 percent.

The projection of cash flows used to determine the Discount Rate assumed that Plan Member contributions will be made at the current contribution rate and that Sponsor contributions for 2024 will be $5.0 million and will remain on this level, based on information provided by the City of Baton Rouge-Parish of East Baton Rouge, but not to exceed the sponsor contribution requirement for that year. The projection further assumes that no further contributions are due after all benefits have been paid out. Based on those assumptions, the Plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the Long-Term Expected Rate of Return on Pension Plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability. For purpose of this valuation, the expected rate of return on pension plan investments is 5.75%; the municipal bond rate is 4.00% (based on the weekly rate closest to but not later than the measurement date of the S&P Municipal Bond 20 Year High Grade Rate Index); and the resulting single discount rate is 5.75%.

	1% Decrease 4.75%	Current Discount Rate 5.75%	1% Increase 6.75%
Sponsor's Net Pension Liability	$ 29,006,748	$ 28,698,950	$ 28,424,904

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

Last 2 Years

	12/31/2023	12/31/2022
Total Pension Liability		
Service Cost	121,967	251,074
Interest	2,718,813	2,545,957
Changes of benefit terms	-	-
Differences between Expected and Actual Experience	1,003,010	3,681,455
Changes of assumptions	-	-
Benefit Payments, including Refunds of Employee Contributions	(3,220,473)	(3,574,242)
Net Change in Total Pension Liability	623,317	2,904,244
Total Pension Liability - Beginning	48,846,914	45,942,670
Total Pension Liability - Ending (a)	$ 49,470,231	$ 48,846,914
Plan Fiduciary Net Position		
Contributions - Employer	5,557,734	5,492,651
Contributions - Employee	15,796	28,715
Net Investment Income	2,495,540	(2,408,193)
Benefit Payments, including Refunds of Employee Contributions	(3,220,473)	(3,574,242)
Administrative Expense	(326,128)	(375,477)
Net Change in Plan Fiduciary Net Position	4,522,469	(836,546)
Plan Fiduciary Net Position - Beginning	16,248,812	17,085,358
Plan Fiduciary Net Position - Ending (b)	$ 20,771,281	$ 16,248,812
Net Pension Liability - Ending (a) - (b)	$ 28,698,950	$ 32,598,102
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	41.99%	33.26%
Covered Payroll	$ 1,439,094	$ 3,101,701
Net Pension Liability as a percentage of Covered Payroll	1994.24%	1050.97%

SCHEDULE OF CONTRIBUTIONS

Last 2 Years

Fiscal Year Ended	Actuarially Determined Contribution	Contributions in relation to the Actuarially Determined Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a percentage of Covered Payroll
12/31/2023	$ 8,970,637	$ 5,557,734	$ 3,412,903	$ 1,439,094	386.20%
12/31/2022	$ 8,873,645	$ 5,492,651	$ 3,380,994	$ 3,101,701	177.09%

Notes to Schedule

Valuation Date: 01/01/2022

Actuarially Determined contribution rates are calculated as of January 1, two years prior of the following year in which contributions are reported.

Methods and assumptions used to determine contribution rates can be found in the January 1, 2022 Actuarial Valuation for the Employees' Retirement System of the Police Guarantee Trust of the Employees' Retirement System of the City of Baton Rouge and Parish of East Baton Rouge prepared by Foster & Foster Actuaries and Consultants.

SCHEDULE OF INVESTMENT RETURNS
Last 2 Years

Fiscal Year Ended	Annual Money-Weighted Rate of Return Net of Investment Expense
12/31/2023	14.46%
12/31/2022	-13.48%

NOTES TO THE FINANCIAL STATEMENTS
(For the Year Ended December 31, 2023)

Plan Description

This plan was effective February 26, 2000 and was most recently amended effective February 28, 2001.

The plan is a single employer defined benefit pension plan, established and amended by the City of Baton Rouge, Louisiana and Parish of East Baton Rouge acting through its Board of Trustees.

Eligible police employees who are active members or in the Deferred Retirement Option Plan (DROP) of the City of Baton Rouge and Parish of East Baton Rouge (CPERS) on February 26, 2000 who elected to transfer into the Municipal Police Employees' Retirement System of Louisiana (MPERS) are automatically included in the Police Guarantee Trust (PGT).

Plan Membership as of December 31, 2023:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	264
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	1
Active Plan Members	13
	278

Benefits Provided

The Plan provides retirement and drop benefits.

The Plan provisions can be found in the January 1, 2023 Actuarial Valuation Report for the Police Guarantee Trust of the Employees' Retirement System of the City of Baton Rouge and Parish of East Baton Rouge prepared by Foster & Foster Actuaries and Consultants.

Contributions

Member Contributions: Based on current member contribution rate under CPERS, applied to member's compensation not covered by MPERS. Member contributions are "picked up" by the City.

Employer Contributions: Balance of actuarially required contribution less member contributions, as determined above.

Net Pension Liability

The measurement date is December 31, 2023.
The measurement period for the pension expense was January 1, 2023 to December 31, 2023.
The reporting period is January 1, 2023 through December 31, 2023.

The Sponsor's Net Pension Liability was measured as of December 31, 2023.
The Total Pension Liability used to calculate the Net Pension Liability was determined as of that date.

Actuarial Assumptions:

The Total Pension Liability was determined as of the measurement date using the following actuarial assumptions:

Inflation	2.25%
Salary Increases	Age based
Discount Rate	5.75%
Investment Rate of Return	5.75%

Mortality Rates Healthy Active Lives:
RP-2006 Blue Collar Employee Projected back to 2001, Generational with MP-2018 (2016 base year).
Mortality Rates Healthy Inactive Lives:
RP-2006 Blue Collar Annuitant Projected back to 2001, Generational with MP-2018 (2016 base year).
Mortality Rate Disabled Lives:
RP-2006 Disability Table Projected back to 2001, Generational with MP-2018 (2016 base year).

The significant assumptions are based upon the most recent experience study dated January 21, 2020.

The Long-Term Expected Rate of Return on Pension Plan investments can be determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of Pension Plan investment expenses and inflation) are developed for each major asset class.

For 2023, the inflation rate assumption of the investment advisor was 2.50%.

These ranges are combined to produce the Long-Term Expected Rate of Return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic rates real rates of return for each major asset class included in the Pension Plan's target asset allocation as of December 31, 2023 are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return[1]
Domestic Equity	29.50%	7.50%
International Equity	17.00%	8.50%
Domestic Bonds	31.00%	2.50%
International Bonds	10.00%	3.50%
Alternative Assets	12.50%	5.47%
Total	100.00%	

[1] Source: AndCo Consulting

Discount Rate:
The Discount Rate used to measure the Total Pension Liability was 5.75 percent.
The projection of cash flows used to determine the Discount Rate assumed that Plan Member contributions will be made at the current contribution rate and that Sponsor contributions for 2024 will be $5.0 million and will remain on this level, based on information provided by the City of Baton Rouge-Parish of East Baton Rouge, but not to exceed the sponsor contribution requirement for that year. The projection further assumes that no further contributions are due after all benefits have been paid out. Based on those assumptions, the Plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the Long-Term Expected Rate of Return on Pension Plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability. For purpose of this valuation, the expected rate of return on pension plan investments is 5.75%; the municipal bond rate is 4.00% (based on the weekly rate closest to but not later than the measurement date of the S&P Municipal Bond 20 Year High Grade Rate Index); and the resulting single discount rate is 5.75%.

CHANGES IN NET PENSION LIABILITY

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances as of December 31, 2022	$ 48,846,914	$ 16,248,812	$ 32,598,102
Changes for a Year:			
Service Cost	121,967	-	121,967
Interest	2,718,813	-	2,718,813
Differences between Expected and Actual Experience	1,003,010	-	1,003,010
Changes of assumptions	-	-	-
Changes of benefit terms	-	-	-
Contributions - Employer	-	5,557,734	(5,557,734)
Contributions - Employee	-	15,796	(15,796)
Net Investment Income	-	2,495,540	(2,495,540)
Benefit Payments, including Refunds of Employee Contributions	(3,220,473)	(3,220,473)	-
Administrative Expense	-	(326,128)	326,128
Net Changes	623,317	4,522,469	(3,899,152)
Balances as of December 31, 2023	$ 49,470,231	$ 20,771,281	$ 28,698,950

Sensitivity of the Net Pension Liability to changes in the Discount Rate.

	1% Decrease 4.75%	Current Discount Rate 5.75%	1% Increase 6.75%
Sponsor's Net Pension Liability	$ 29,006,748	$ 28,698,950	$ 28,424,904

Pension Plan Fiduciary Net Position.

Detailed information about the pension Plan's Fiduciary Net Position is available in a separately issued Plan financial report.

PENSION EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS

For the year ended December 31, 2023, the Sponsor will recognize a Pension Expense of $3,156,403.
On December 31, 2023, the Sponsor reported Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	-	-
Changes of assumptions	-	-
Net difference between Projected and Actual Earnings on Pension Plan investments	599,455	-
Total	$ 599,455	$ -

Amounts reported as Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions will be recognized in Pension Expense as follows:

Year ended December 31:	
2024	$ 221,487
2025	$ 291,995
2026	$ 386,565
2027	$ (300,592)
2028	$ -
Thereafter	$ -

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

Last 2 Years

	12/31/2023	12/31/2022
Total Pension Liability		
Service Cost	121,967	251,074
Interest	2,718,813	2,545,957
Changes of benefit terms	-	-
Differences between Expected and Actual Experience	1,003,010	3,681,455
Changes of assumptions	-	-
Benefit Payments, including Refunds of Employee Contributions	(3,220,473)	(3,574,242)
Net Change in Total Pension Liability	623,317	2,904,244
Total Pension Liability - Beginning	48,846,914	45,942,670
Total Pension Liability - Ending (a)	$ 49,470,231	$ 48,846,914
Plan Fiduciary Net Position		
Contributions - Employer	5,557,734	5,492,651
Contributions - Employee	15,796	28,715
Net Investment Income	2,495,540	(2,408,193)
Benefit Payments, including Refunds of Employee Contributions	(3,220,473)	(3,574,242)
Administrative Expense	(326,128)	(375,477)
Net Change in Plan Fiduciary Net Position	4,522,469	(836,546)
Plan Fiduciary Net Position - Beginning	16,248,812	17,085,358
Plan Fiduciary Net Position - Ending (b)	$ 20,771,281	$ 16,248,812
Net Pension Liability - Ending (a) - (b)	$ 28,698,950	$ 32,598,102
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	41.99%	33.26%
Covered Payroll	$ 1,439,094	$ 3,101,701
Net Pension Liability as a percentage of Covered Payroll	1994.24%	1050.97%

SCHEDULE OF CONTRIBUTIONS

Last 2 Years

Fiscal Year Ended	Actuarially Determined Contribution	Contributions in relation to the Actuarially Determined Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a percentage of Covered Payroll
12/31/2023	$ 8,970,637	$ 5,557,734	$ 3,412,903	$ 1,439,094	386.20%
12/31/2022	$ 8,873,645	$ 5,492,651	$ 3,380,994	$ 3,101,701	177.09%

Notes to Schedule

Valuation Date: 01/01/2022

Actuarially Determined contribution rates are calculated as of January 1, two years prior of the following year in which contributions are reported.

Methods and assumptions used to determine contribution rates can be found in the January 1, 2022 Actuarial Valuation for the Employees' Retirement System of the Police Guarantee Trust of the Employees' Retirement System of the City of Baton Rouge and Parish of East Baton Rouge prepared by Foster & Foster Actuaries and Consultants.

COMPONENTS OF PENSION EXPENSE
YEAR ENDING DECEMBER 31, 2023

	Net Pension Liability	Deferred Inflows	Deferred Outflows	Pension Expense
Balances as of December 31, 2022	$ 32,598,102	$ 651,352	$ 2,748,628	
Total Pension Liability Factors:				
Service Cost	121,967	-	-	121,967
Interest	2,718,813	-	-	2,718,813
Changes in benefit terms	-	-	-	-
Differences between Expected and Actual Experience with regard to economic or demographic assumptions	1,003,010	-	1,003,010	-
Current year amortization of experience difference	-	-	(1,003,010)	1,003,010
Change in assumptions about future economic or demographic factors or other inputs	-	-	-	-
Current year amortization of change in assumptions	-	-	-	-
Benefit Payments, including Refunds of Employee Contributions	(3,220,473)	-	-	-
Net change	623,317	-	-	3,843,790
Plan Fiduciary Net Position:				
Contributions - Employer	5,557,734	-	-	-
Contributions - Employee	15,796	-	-	(15,796)
Projected Net Investment Income	992,581	-	-	(992,581)
Difference between projected and actual earnings on Pension Plan investments	1,502,959	1,502,959	-	-
Current year amortization	-	(692,295)	(687,157)	(5,138)
Benefit Payments, including Refunds of Employee Contributions	(3,220,473)	-	-	-
Administrative Expenses	(326,128)	-	-	326,128
Net change	4,522,469	810,664	(687,157)	(687,387)
Balances as of December 31, 2023	$ 28,698,950	$ 1,462,016	$ 2,061,471	$ 3,156,403

AMORTIZATION SCHEDULE - INVESTMENTS

Plan Year Ending	Differences Between Expected and Actual Earnings	Recognition Period (Years)	2023	2024	2025	2026	2027	2028	2029	2030	2031
			Increase (Decrease) in Pension Expense Arising from the Recognition of the of Differences Between Projected and Actual Earnings on Pension Plan Investments								
2023	$ (1,502,959)	5	$ (300,591)	$ (300,592)	$ (300,592)	$ (300,592)	$ (300,592)	$ -	$ -	$ -	$ -
2022	$ 3,435,786	5	$ 687,157	$ 687,157	$ 687,157	$ 687,157	$ -	$ -	$ -	$ -	$ -
2021	$ (472,851)	5	$ (94,570)	$ (94,570)	$ (94,570)	$ -	$ -	$ -	$ -	$ -	$ -
2020	$ (352,541)	5	$ (70,508)	$ (70,508)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
2019	$ (1,133,132)	5	$ (226,626)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Net Increase (Decrease) in Pension Expense			$ (5,138)	$ 221,487	$ 291,995	$ 386,565	$ (300,592)	$ -	$ -	$ -	$ -

AMORTIZATION SCHEDULE - EXPERIENCE

Plan Year Ending	Differences Between Expected and Actual Experience	Recognition Period (Years)	2023	2024	2025	2026	2027	2028	2029	2030	2031
			Increase (Decrease) in Pension Expense Arising from the Recognition of the Effects of Differences between Expected and Actual Experience								
2023	$ 1,003,010	1	$ 1,003,010	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Net Increase (Decrease) in Pension Expense			$ 1,003,010	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -