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December 14, 2021

Ms. Michelle Warner
Director of Retirement Field Services and Defined Contribution Program
Georgia Municipal Association
201 Pryor Street, SW
Atlanta, Georgia 30303

Re: Benefit Studies for the City of Senoia

Dear Michelle:

As requested, we have developed the impact on plan funding of the following changes for the City of Senoia Retirement Plan.

1. Alternative Normal Retirement at the Rule of 80 with minimum age 55 for Public Safety Personnel

2. Change benefit multiplier from 1.50% to 2.50% for all Employees

The data, financial information, and plan provisions for the July 1, 2021 valuation were used to develop these results. The City provided a list of 14 Public Safety Personnel, all of whom were included in the valuation data. Since the results are dependent on a given set of assumptions and data as of a specific date, there is a risk that emerging results may differ significantly, as actual experience differs from the assumptions. The results are calculated as if each change was made alone. If the changes are combined, the results would not necessarily be additive.

When determining the Recommended Contribution, the total level dollar amortization is adjusted, if necessary, to be within a corridor of the 10-year and the 30-year amortization of the unfunded/(surplus) actuarial accrued liability. In addition, since the funded ratio on an actuarial basis prior to the plan change is 88.92%, the plan change is amortized over 20 years per the GMEBS funding policy. The amortization period may change depending on the funded ratio when the plan change is first reflected. If the actuarial funding ratio drops below 80%, the amortization period would be 15 years instead of 20.

Please note, for the fiscal year January 1, 2021 to December 31, 2021, GASB standards require that the plan's Net Pension Liability (NPL) be reported on the sponsoring employer's balance sheet. The standards require using the Entry Age Funding method and assets at market (rather than the projected Unit Credit method and smoothed assets which are used for determining contribution requirements). For the fiscal year ended December 31, 2021, we have calculated the NPL as $253,126. Inclusion of the proposed benefit improvement (1) would increase this by an estimated $150,000. Inclusion of the proposed benefit improvement (2) would increase this by an estimated $740,000.

We are members of the American Acadamy of Actuaries and we meet the Qualification Standards of the American Academy of Actuaries to render the actuarial option herein.

If you have any questions or need additional information, please let us know.

Sincerely,

Jeanette R. Cooper

Malichi Waterman

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Vice President and Consulting Actuary

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City of Senoia
Benefit Studies
Summary of Results

	Current Plan	Rule of 80 at Age 55 for Public Safety	2.50% Multiplier for All Employees
Current Recommended Contribution			
Recommended Contribution as of July 1, 2021	$125,381	$125,381	$125,381
Covered Payroll	$1,761,945	$1,761,945	$1,761,945
% of Covered Payroll	7.04%	7.04%	7.04%
Impact of Benefit Improvement			
Cost of Benefit Improvement	--	$21,128	$114,706
% of Covered Payroll	--	1.18%	6.44%
Total Plan Cost of Benefit Improvement			
$ Amount (Recommended Contribution + Cost of Benefit Improvement)	--	$146,509	$240,087
% of Covered Payroll	--	8.22%	13.48%
Funding Elements			
Mid-year Normal Cost with Expenses	$98,568	$107,888	$159,476
Actuarial Value of Assets	$1,651,876	$1,651,876	$1,651,876
Actuarial Accrued Liability	$1,857,811	$1,975,856	$2,388,793
Unfunded Actuarial Accrued Liability	$205,935	$323,980	$736,917
Funded Ratio on Actuarial Value of Assets	88.92%	83.60%	69.15%
Market Value of Assets	$1,898,117	$1,898,117	$1,898,117
Funded Ratio on Market Value of Assets	102.17%	96.07%	79.46%

Fiscal year begins January 1, 2022.