RETIREMENT HORIZONS INCORPORATED

# City of Houston

## HPOPS

## Proposed Initial Risk Sharing Valuation Study

## As of July 1, 2016

**August 25, 2017**

RETIREMENT HORIZONS INCORPORATED

August 25, 2017

Mr. Kelly Dowe
Chief Business Officer and Finance Director
City of Houston
611 Walker
Houston, TX 77002

***Re: HPOPS Proposed Initial Risk Sharing Valuation Study***

Dear Kelly:

Texas Revised Statutes article 6243g-4 (the Article) sets forth requirements for an initial Risk Sharing Valuation Study (RSVS) of the Houston Police Officers' Pension System (HPOPS). The purpose of this study is to determine the City Contribution Rate for Fiscal Year 2018. The initial Study will also be used to set the Risk Sharing Corridor Midpoint, Minimum Contribution Rate, and Maximum Contribution Rate for the next 31 years. Retirement Horizons Inc. (RHI) was engaged by the City of Houston to perform this proposed initial Risk Sharing Valuation Study as the municipal actuary. This report provides the results of the Study and is organized as follows:

- Section 1 – Forecast of Corridor Midpoint
- Section 2 – Actuarial Exhibits
- Section 3 – Summary of Plan Provisions
- Section 4 – Actuarial Methods and Assumptions
- Section 5 – Summary of Valuation Data
- Section 6 – Data Sources

RHI received Actuarial Data as defined in Section 1-a of the Article and required by Section 9A(a) of the Article. RHI conducted our proposed initial RSVS using the Actuarial Data provided and plan provisions as summarized in this report. The analysis presented in this report is based on the interest rate assumption and actuarial cost and asset methods prescribed by law. All other actuarial methods and assumptions summarized in this report were adopted by the City of Houston Finance Department based on existing assumptions used by HPOPS in its July 1, 2016 actuarial valuation and input from RHI for the assumptions resulting from the changes in the plan provisions and compliance with the Article. Please note, the HPOPS actuary's proposed initial RSVS report dated July 11, 2017 was provided to RHI on August 1, 2017.

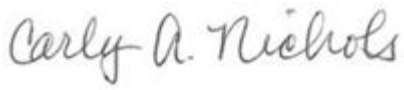
The actual costs, City Contribution Rates, and other results could be materially different from those described in this report in the future if actual plan experience differs significantly from the underlying valuation basis. Differences could occur for a number of reasons such as plan experience differing from the underlying demographic and economic assumptions or changes in plan provisions. Due to the limited scope of this report, analysis of the potential range of such future measurements has not been performed.

The results in this report and any measures of funded status are predicated on the notion of the Fund's ongoing operation and should not be relied upon for assessing the sufficiency of plan assets for settlement of plan termination liabilities.

The information contained in this report was prepared as requested by the City of Houston and solely for the purpose of satisfying the initial RSVS requirements of the Article, and should not be used for any other purpose. As significantly different results from those contained in this report may be needed for other purposes, this report should only be provided to other parties in its entirety.

The signing actuaries for this report are members of the Society of Actuaries and other professional actuarial organizations and meet the "Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion." The undersigned are available to answer questions regarding the information contained in this report or to provide further explanations or details as needed.

Respectfully submitted by Retirement Horizons Inc.



David A. Sawyer, FSA EA MAAA
Senior Consultant

Carly A. Nichols, FSA EA MAAA
Actuarial Consultant

# Forecast of Corridor Midpoint

## Forecast of Corridor Midpoint - 7% Interest Rate

The table below contains a forecast of the Corridor Midpoint, along with the corresponding Minimum and Maximum Contribution Rates using a 5% Corridor Margin as specified in the Article. Based on RHI's initial RSVS results, the City Contribution Rate for FY 2018 would be 32.18% of pensionable payroll.

| FY | City Normal Cost Rate | Admin. Expenses | Amort. of Legacy Liability | Corridor Midpoint | Minimum Contribution Rate | Maximum Contribution Rate |
|---|---|---|---|---|---|---|
| 2018 | 12.24% | 1.00% | 18.94% | 32.18% | 27.18% | 37.18% |
| 2019 | 12.27% | 1.00% | 18.94% | 32.21% | 27.21% | 37.21% |
| 2020 | 12.29% | 1.00% | 18.94% | 32.23% | 27.23% | 37.23% |
| 2021 | 12.32% | 1.00% | 18.94% | 32.26% | 27.26% | 37.26% |
| 2022 | 12.34% | 1.00% | 18.94% | 32.28% | 27.28% | 37.28% |
| 2023 | 12.36% | 1.00% | 18.94% | 32.30% | 27.30% | 37.30% |
| 2024 | 12.38% | 1.00% | 18.94% | 32.32% | 27.32% | 37.32% |
| 2025 | 12.41% | 1.00% | 18.94% | 32.35% | 27.35% | 37.35% |
| 2026 | 12.43% | 1.00% | 18.94% | 32.37% | 27.37% | 37.37% |
| 2027 | 12.45% | 1.00% | 18.94% | 32.39% | 27.39% | 37.39% |
| 2028 | 12.46% | 1.00% | 18.94% | 32.40% | 27.40% | 37.40% |
| 2029 | 12.48% | 1.00% | 18.94% | 32.42% | 27.42% | 37.42% |
| 2030 | 12.49% | 1.00% | 18.94% | 32.43% | 27.43% | 37.43% |
| 2031 | 12.50% | 1.00% | 18.94% | 32.44% | 27.44% | 37.44% |
| 2032 | 12.52% | 1.00% | 18.94% | 32.46% | 27.46% | 37.46% |
| 2033 | 12.53% | 1.00% | 18.94% | 32.47% | 27.47% | 37.47% |
| 2034 | 12.54% | 1.00% | 18.94% | 32.48% | 27.48% | 37.48% |
| 2035 | 12.55% | 1.00% | 18.94% | 32.49% | 27.49% | 37.49% |
| 2036 | 12.56% | 1.00% | 18.94% | 32.50% | 27.50% | 37.50% |
| 2037 | 12.56% | 1.00% | 18.94% | 32.50% | 27.50% | 37.50% |
| 2038 | 12.57% | 1.00% | 18.94% | 32.51% | 27.51% | 37.51% |
| 2039 | 12.57% | 1.00% | 18.94% | 32.51% | 27.51% | 37.51% |
| 2040 | 12.57% | 1.00% | 18.94% | 32.51% | 27.51% | 37.51% |
| 2041 | 12.57% | 1.00% | 18.94% | 32.51% | 27.51% | 37.51% |
| 2042 | 12.57% | 1.00% | 18.94% | 32.51% | 27.51% | 37.51% |
| 2043 | 12.57% | 1.00% | 18.94% | 32.51% | 27.51% | 37.51% |
| 2044 | 12.57% | 1.00% | 18.94% | 32.51% | 27.51% | 37.51% |
| 2045 | 12.57% | 1.00% | 18.94% | 32.51% | 27.51% | 37.51% |
| 2046 | 12.57% | 1.00% | 18.94% | 32.51% | 27.51% | 37.51% |
| 2047 | 12.56% | 1.00% | 18.94% | 32.50% | 27.50% | 37.50% |
| 2048 | 12.56% | 1.00% | 0.00% | 13.56% | 8.56% | 18.56% |

# Actuarial Exhibits

## *3.1. Actuarial Value of Assets*

| | |
|---|---|
| 1. Actuarial Value of Assets, beginning of prior year | N/A |
| 2. Net Cash Flow | |
| a. Contributions | N/A |
| b. Disbursements | N/A |
| c. Net Cash Flow [2.a. - 2.b.] | N/A |
| 3. Expected Investment Return [1. x 0.07] + [2.c. x 0.035] | N/A |
| 4. Expected Actuarial Value of Assets at end of year [1. + 2.c. + 3.] | N/A |
| 5. Market Value of Assets at end of year | $ 4,758,079,034 |
| 6. Difference [5. - 4.] | N/A |

7. Development of Actuarial Value of Assets, end of year

| Fiscal Year End | Remaining Deferrals of Excess (Shortfall) of Investment Income | Offsetting of Gains/(Losses) | Net Deferrals Remaining | Years Remaining | Recognized for This Valuation | Remaining after This Valuation |
|---|---|---|---|---|---|---|
| 2016 | $ - | $ - | $ - | 1 | $ - | $ - |
| 2017 | N/A | N/A | N/A | 2 | N/A | N/A |
| 2018 | N/A | N/A | N/A | 3 | N/A | N/A |
| 2019 | N/A | N/A | N/A | 4 | N/A | N/A |
| 2020 | N/A | N/A | N/A | 5 | N/A | N/A |
| Total | $ - | $ - | $ - | | $ - | $ - |

| | |
|---|---|
| Actuarial Value of Assets as of July 1, 2016 | $ 4,758,079,034 |

# Actuarial Exhibits

## *3.2. Actuarial Accrued Liability*

| | July 1, 2016 |
|---|---|
| A. Discount Rate | 7.0% |
| B. Actuarial Accrued Liability | |
| 1. Active | 2,785,521,245 |
| 2. Terminated Vested | 6,440,221 |
| 3. Disabled | 104,387,919 |
| 4. Retired | 3,262,975,448 |
| 5. Total | $6,159,324,833 |
| C. Change in Actuarial Accrued Liability | |
| 1. Benefits Accumulated | N/A |
| 2. Benefits Paid | N/A |
| 3. Decrease in Discount Period | N/A |
| 4. Plan Experience | N/A |
| 5. Actuarial Assumptions | N/A |
| 6. Actuarial Methods | N/A |
| 7. Plan Amendments | N/A |
| 8. Net Change | N/A |
| D. Actuarial Value of Assets | $4,758,079,034 |
| E. Unfunded Actuarial Liability | $1,401,245,799 |
| F. Total Normal Cost % of Payroll | 22.74% |
| G. Member Contribution % of Payroll | 10.50% |
| H. City Normal Cost Rate [F - G] | 12.24% |

# Actuarial Exhibits

### *3.3. Gain/Loss Analysis*

| | | Liability | Assets | Unfunded |
|---|---|---|---|---|
| A. | Values at Prior Year Beginning | N/A | N/A | N/A |
| B. | Expected Changes During Year | | | |
| | 1. Normal Cost | N/A | N/A | N/A |
| | 2. Contributions | N/A | N/A | N/A |
| | 3. Benefits Paid | N/A | N/A | N/A |
| | 4. Interest on | | | |
| | a. Item A | N/A | N/A | N/A |
| | b. Item B.1 | N/A | N/A | N/A |
| | c. Item B.2 | N/A | N/A | N/A |
| | d. Item B.3 | N/A | N/A | N/A |
| | 5. Total Expected Changes | $0 | $0 | $0 |
| C. | Expected Values at Prior Year End | N/A | N/A | N/A |
| D. | Other Changes | | | |
| | 1. Plan Experience | N/A | N/A | N/A |
| | 2. Actuarial Assumptions | N/A | N/A | N/A |
| | 3. Actuarial Methods | N/A | N/A | N/A |
| | 4. Plan Amendments | N/A | N/A | N/A |
| | 5. Total Other Changes | $0 | $0 | $0 |
| E. | Actual Values as of Current Year Beginning | $6,159,324,833 | $4,758,079,034 | $1,401,245,799 |

# Actuarial Exhibits

### *3.4. Liability Layers*

| Fiscal Year | Initial Amount of Liability Layer (BOY) | Liability Layer to be Amortized (EOY) | Amortization Period | Payoff Year | Amortization Amount | Level Percent of Payroll Amortization Rate |
|---|---|---|---|---|---|---|
| 2016 | $1,401,245,799 | $1,420,121,991 | 30 | 2047 | $82,932,273 | 18.94% |
| Total | | | | | | 18.94% |

# Summary of Plan Provisions

| | |
|---|---|
| ***Eligibility and Participation*** | Any police officer shall automatically become a participant in the plan upon graduation from the police academy. |
| ***Final Average Pay (FAP)*** | The average of the 78 bi-weekly payroll periods of salary prior to termination of employment or DROP date, before reduction for pre-tax employee contributions and salary deferrals but excluding overtime, executive level pay, strategic officer staffing program pay, motorcycle allowance, clothing allowance and mentor pay. |
| ***Credited Service*** | Elapsed time from date of hire, for all periods of service classified as full-time, fully paid, active duty employment with the City of Houston Police Department, but excluding any period of DROP participation. |

***Retirement Benefit***

Eligibility

| | |
|---|---|
| ➢ Sworn prior to October 9, 2004 | Earlier of 20 years of service or the age at which the member attains both age 60 and at least 10 years of service. |
| ➢ Sworn after October 9, 2004 | Rule of 70, when age plus service total at least 70. |

Amount

| | |
|---|---|
| ➢ Sworn prior to October 9, 2004 | Accrued benefit of 2.75% of FAP times credited service up to 20 years of service, plus 2.0% of FAP for credited service in excess of 20 years. In addition, the member will receive a $5,000 lump sum. |
| ➢ Sworn after October 9, 2004 | Accrued benefit of 2.25% of FAP times credited service up to 20 years of service, plus 2.0% of FAP for credited service in excess of 20 years, up to a maximum of 80% of FAP. |

***Termination Benefit***

| | |
|---|---|
| Eligibility | Termination of employment prior to satisfying the retirement eligibility requirements. |
| Amount | Less than 10 years of service: Lump Sum refund of member contributions without interest.<br>At least 10 but less than 20 years of service:<br>Choice of<br>o Refund of contributions without interest, or<br>o Monthly benefit determined as set forth above payable at normal retirement age |

# Summary of Plan Provisions

### *On-Duty Disability*

| | |
|---|---|
| Eligibility | No age or service requirements. |
| Amount | Officers who are not capable of performing their normal and customary police officer duties receive the greater of their accrued retirement benefit or 45% of FAP (100% of FAP for officers with a Catastrophic Disability). If sworn prior to October 9, 2004, the benefit is the greater of the accrued retirement benefit or 55% of FAP, and the member will receive a $5,000 lump sum. |

### *Off-Duty Disability*

| | |
|---|---|
| Eligibility | No age or service requirements. |
| Benefit | Officers who are not capable of performing their normal and customary police officer duties receive the greater of their accrued retirement benefit or 22.5% of FAP (27.5% of FAP if sworn prior to October 9, 2004, plus $5,000 lump sum). |

### *Active Member Death*

| | |
|---|---|
| Eligibility | No age or service requirements. |
| Duty Related Benefit | 100% of Final Average Pay (FAP). In addition, if the member was sworn before October 9, 2004, a $5,000 lump sum will be paid, divided equally among eligible survivors. |
| Non-Duty Related Benefit | Greater of the accrued retirement benefit or Off-Duty Disability benefit. In addition, if the member was sworn before October 9, 2004, a $5,000 lump sum will be paid, divided equally among eligible survivors. |
| Allocation to Beneficiaries | The benefit amount above is payable to a surviving spouse, or allocated 50% to the surviving spouse with the remaining 50% divided equally among any eligible children, or otherwise paid to any eligible parents. |

### *Retired Member Death*

| | |
|---|---|
| Eligibility | Retired and receiving monthly pension. |
| Amount | 100% of monthly pension the retired member was receiving. The benefit is paid for at least five years following the member's retirement date, even if the beneficiary dies. |
| Allocation to Beneficiaries | The benefit amount above is payable to a surviving spouse, or allocated 50% to the surviving spouse with the remaining 50% divided equally among any eligible children, or otherwise paid to any eligible parents. |

***Supplemental Annuity***

An extra monthly benefit of $150 is payable for life to any retired or disabled member or to an eligible survivor of a deceased member.

***Cost of Living Adjustment***

The five-year investment return less 5%. The COLA will be no less than 0% nor greater than 4%. Only retired members or survivors who are age 55 or older, received benefits prior to June 8, 1995, or survivors of members who died in the line of duty will be eligible for the COLA. Notwithstanding the foregoing, there will be no COLA for retired members or survivors under age 70 for the first three years after July 1, 2017.

***DROP***

Upon reaching retirement eligibility, members sworn prior to October 9, 2004 may enter the Deferred Retirement Option Plan (DROP). The member's monthly annuity (without COLA) is added to a notional account. Interest is credited on the account using 65% of the 5-year compound average of the Fund's rate of return, with a minimum of 2.5%. Members may remain in DROP for a maximum of 20 years.

***PROP***

Members sworn prior to October 9, 2004 may have participated in the Post Retirement Option Plan (PROP) at or after service retirement and prior to July 1, 2017. No new amounts are credited to PROP after that date. Account balances are credited with interest at the same rate credited to DROP balances.

***PLOP***

Members sworn after October 9, 2004 are eligible for the Partial Lump Sum Option Plan (PLOP) at service retirement eligibility. The member receives a reduced monthly benefit plus a lump sum of up to 20% of the value of the unreduced annuity.

***Contribution Rates***

*Members*

10.50% of pensionable pay.

*City*

The City Contribution Rate from the RSVS applied to pensionable payroll.

# Actuarial Methods and Assumptions

## *Actuarial Cost Methods*

| | |
|---|---|
| Measurement Date | Census data as of July 1, 2016 for all members. Plan changes assumed to take effect July 1, 2016, with changes to City Budget Cost Rate effective July 1, 2017 (Fiscal Year 2018). Impact of plan changes measured on future accruals only; no impact to accruals through the valuation date, including for back-DROP accruals based on dates before the valuation date. |
| Actuarial Value of Assets | Fair market value of assets as of June 30, 2016 plus receivable contributions, with smoothing of future gains and losses over a period of no more than five years (that is, initial Actuarial Value equal to Fair Market Value with smoothing thereafter). Gains may be used to offset outstanding losses, and vice versa, to accelerate the amortization. |
| Actuarial Cost Method | The Ultimate Entry Age Normal Actuarial Cost Method A method under which the actuarial present value of all potential future projected benefits of each individual included in the valuation is calculated, assuming continued service and pay increases. The *normal cost* is calculated as the average uniform percentage of payroll which, if applied to the compensation of each participant during the entire period of anticipated covered service, would meet the cost of all benefits payable based on benefits provisions for new hires. The portion of the actuarial present value of future benefits not provided for at the valuation date by the present value of future normal costs is called the *actuarial accrued liability*. |

## *Key Economic Assumptions*

| | |
|---|---|
| Interest Rate | 7.0% as prescribed by law. |
| Inflation | 2.25%. |
| Wage Inflation | 2.75%. |
| Payroll Growth | 2.75%. |

# Actuarial Methods and Assumptions

Individual Pay Increase Rate

A service-related assumption:

| *Service* | *Rate* |
|---|---|
| 1 | 14.75% |
| 2 | 11.75% |
| 3 | 10.00% |
| 4 | 8.75% |
| 5 | 8.25% |
| 6 | 7.75% |
| 7 | 7.00% |
| 8 | 6.75% |
| 9 | 6.25% |
| 10 | 6.00% |
| 11 | 5.75% |
| 12 | 5.50% |
| 13 | 5.25% |
| 14 | 5.00% |
| 15 | 4.75% |
| 16 | 4.50% |
| 17 | 4.25% |
| 18+ | 2.75% |

DROP Interest Crediting Rate

5.10%. Please note: 5.90% was assumed to be credited prior to the valuation date. This reflects the historical assumption, since actual rates of return on DROP balances were not provided.

COLA

2.00%

# Actuarial Methods and Assumptions

## *Demographic Assumptions*

Mortality Rates

- Healthy retirees — The RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103%. The rates are projected on a fully generational basis by scale BB.

- Disabled males and females — The RP2000 Disabled Retiree Mortality Tables without adjustment. The rates are projected on a fully generational basis by scale BB.

- Active members — The RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment with male rates multiplied by 54% and female rates multiplied by 51%. The rates are projected on a fully generational basis by scale BB. An additive factor of .0003 is applied to all active mortality rates.

Retirement Rates

| | ***Service*** | | |
|---|---|---|---|
| ***Age*** | ***<25*** | ***25 - 29*** | ***30+*** |
| 40 - 49 | 4.0% | 6.0% | 10.0% |
| 50 - 54 | 4.0% | 6.0% | 10.0% |
| 55 - 59 | 6.8% | 10.2% | 17.0% |
| 60 - 64 | 9.6% | 14.4% | 24.0% |
| 65+ | 100.0% | 100.0% | 100.0% |

For members sworn after October 9, 2004, rates in the first year of eligibility were increased by 30%, less 3% for each year below age 55. For members currently in DROP, the rates above were multiplied by 1.1.

Eligible members are assumed to enter DROP at first eligibility and remain in DROP until retirement or reaching the maximum 20 years in DROP.

# Actuarial Methods and Assumptions

Disability Rates

| *Age* | *Males* | *Females* |
|---|---|---|
| 20 | 0.1149% | 0.1149% |
| 25 | 0.1145% | 0.1145% |
| 30 | 0.1197% | 0.1197% |
| 35 | 0.1321% | 0.1321% |
| 40 | 0.1516% | 0.1516% |
| 45 | 0.1785% | 0.1785% |
| 50 | 0.2126% | 0.2126% |
| 55 | 0.2538% | 0.2538% |
| 60 | 0.3023% | 0.3023% |

Percentage of Deaths and Disabilities in the Line of Duty

- Deaths 100%
- Disabilities 100%

Termination Rates

Sample Rates

| *Service* | *Termination Rate* |
|---|---|
| 1 | 2.71% |
| 3 | 1.95% |
| 5 | 1.40% |
| 7 | 1.01% |
| 9 | 0.72% |
| 11 | 0.52% |
| 13 | 0.37% |
| 15 | 0.27% |
| 17 | 0.19% |
| 19 | 0.14% |
| 20+ | 0.10% |

For participants with at least 10 years of service but less than 20 years, 50% are assumed to elect a contribution refund, and 50% are assumed to elect a deferred monthly benefit. A commencement age of 60 was used for members hired prior to 2004, and a commencement age of 55 was used for members hired in 2004 and later.

# Actuarial Methods and Assumptions

| | |
|---|---|
| Percentage married | 90% of participants are assumed to be married.<br>No beneficiaries other than the spouse assumed. |
| Age difference | Husbands assumed to be three years older than wives. |
| Development of Valuation Pay | Valuation pay is projected by increasing the maximum of the past five years of pay or $31,000 with the nominal individual pay increase rate. Historical valuation pay for years before data was available was regressed with the nominal individual pay increase rate. |
| Payment of DROP Balances | Installments over 10 years. The value of the DROP balance is multiplied by a factor which reflects the difference between the assumed DROP interest crediting rate and the interest rate assumption (0.9310 at 5.10% DROP interest crediting and 7.0% interest). |
| Administrative Expenses | 1.00% of payroll |
| Funding Policy | The City is assumed to contribute the City Contribution Rate from the prior year. This actuarially determined rate is measured as the normal cost rate, plus the administrative expenses rate, plus 30-year amortization rate of the Unfunded Actuarial Accrued Liability (UAAL) less the member contribution rate, adjusted with interest to mid-year. The 30-year closed amortization rate of the UAAL is calculated as a level percent of pay. |
| Benefits Not Valued | Due to limitations of the data received, no adjustment has been made for the difference between pay based on the classified position and executive level pay. |

# Summary of Valuation Data

| | July 1, 2016 |
|---|---|
| A. Active Members Not in DROP | |
| 1. Number | 3,204 |
| 2. Valuation payroll | $235,020,845 |
| 3. Average pay | $73,352 |
| 4. Average age | 36.5 |
| 5. Average service | 8.8 |
| B. Active Members in DROP | |
| 1. Number | 2,057 |
| 2. Valuation payroll | $191,140,953 |
| 3. Average pay | $92,922 |
| 4. Average age | 52.1 |
| 5. Average service | 26.5 |
| C. Terminated Vested | |
| 1. Number | 32 |
| 2. Total benefits | $785,327 |
| 3. Average Annual benefits | $24,541 |
| D. Disabled | |
| 1. Number | 161 |
| 2. Total benefits | $7,221,170 |
| 3. Average Annual benefits | $44,852 |
| E. Retired | |
| 1. Number | 3,002 |
| 2. Total benefits | $155,529,581 |
| 3. Average Annual benefits | $51,809 |
| F. Beneficiaries | |
| 1. Number | 713 |
| 2. Total benefits | $30,196,683 |
| 3. Average Annual benefits | $42,352 |

**Notes:**

1. DROP Balance values not shown.

# Data Sources

Data and inputs used in this report were provided from the following sources:

- Individual census data as of July 1, 2016 was originally provided by the HPOPS actuary on October 7, 2016.

- The fair value of assets of $4,080,460,000 as of June 30, 2016 is from the HPOPS July 1, 2016 Actuarial Valuation Report dated October 7, 2016. It is our understanding this amount includes a contribution receivable of $14.284 million based on the plan's funded status being below 80% as of July 1, 2015 as well as the discounted value of the $750 million of Pension Obligation Bonds anticipated to be deposited to the trust December 31, 2017.

- Fiscal Year 2017 payroll of $426,161,798 was based on the highest year in the past five in the individual census data projected forward with one year of assumed salary increase. Adjustments were made to use a minimum pay of $31,000.

- The provisions of the Article are contained in the enrolled text of Senate Bill 2190, which was signed by the Governor on May 31, 2017.