

Costa Mesa

Unfunded Pension Payments Comparison

PERS versus Fixed Loan Amortization

Valuations as of 6/30/13 (dated October 2014)

	<u>PERS 2014-15 Required Contributions ^{1/}</u>			<u>Unfunded</u>
	<u>Normal</u>	<u>Unfunded</u>	<u>Total</u>	<u>Balances ^{2/}</u>
MISCELLANEOUS	3,639,058	4,447,791	8,086,849	78,789,261
POLICE	5,245,599	3,903,776	9,149,375	82,006,287
FIRE	3,060,805	2,872,678	5,933,483	56,521,995
TOTAL	<u>11,945,462</u>	<u>11,224,245</u>	<u>23,169,707</u>	<u>217,317,543</u>

1/ Before any pre-payment discounts

2/ PERS pension unfunded MVA liabilities as of 6/30/13. Does not include Retiree Medical or Police 1% Supplemental plans.

Unfunded Liability Fixed Payments Over 20 Years

	<u>5% Interest</u>		<u>6% Interest</u>	
	<u>5% Interest</u>	<u>Increase over PERS</u>	<u>6% Interest</u>	<u>Increase over PERS</u>
MISCELLANEOUS	6,322,254	1,874,463	6,869,207	2,421,416
POLICE	6,580,397	2,676,621	7,149,682	3,245,906
FIRE	4,535,471	1,662,793	4,927,845	2,055,167
TOTAL	<u>17,438,122</u>	<u>6,213,877</u>	<u>18,946,734</u>	<u>7,722,489</u>

Unfunded Liability Fixed Payments Over 30 Years

	<u>5% Interest</u>		<u>6% Interest</u>	
	<u>5% Interest</u>	<u>Increase over PERS</u>	<u>6% Interest</u>	<u>Increase over PERS</u>
MISCELLANEOUS	5,125,354	677,563	5,723,954	1,276,163
POLICE	5,334,627	1,430,851	5,957,667	2,053,891
FIRE	3,676,837	804,159	4,106,261	1,233,583
TOTAL	<u>14,136,818</u>	<u>2,912,573</u>	<u>15,787,883</u>	<u>4,563,638</u>

**Costa Mesa PERS Total Contribution Rates
Valuations as of 6/30/13 (dated October 2014)**

Valuations use "Standard" Employee contributions; Miscellaneous ~8% and Safety ~9%

	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
<u>Miscellaneous</u>							
Total Normal Cost	16.990%	16.864%	16.864%	16.864%	16.864%	16.864%	16.864%
Total Unfunded Cost	20.766%	23.944%	25.936%	27.636%	29.236%	30.836%	30.736%
TOTAL RATE	37.756%	40.808%	42.80%	44.50%	46.10%	47.70%	47.60%

Source: pages 6 & 26

Police

Total Normal Cost	28.928%	28.806%	28.806%	28.806%	28.806%	28.806%	28.806%
Total Unfunded Cost	21.528%	26.785%	30.994%	33.594%	36.194%	38.794%	39.194%
TOTAL RATE	50.456%	55.591%	59.80%	62.40%	65.00%	67.60%	68.00%

Source: pages 6 & 26

Fire

Total Normal Cost	29.113%	29.216%	30.286%	30.286%	30.286%	30.286%	30.286%
Total Unfunded Cost	27.324%	33.884%	36.520%	39.156%	41.791%	44.427%	44.621%
TOTAL RATE	56.437%	63.100%	66.806%	69.442%	72.077%	74.713%	74.907%

Source: Section 1 pages 7,12,14 & 18

Projected Fire REC % p7,18	20.128%	20.230%	21.300%	21.300%	21.300%	21.300%	21.300%
Employee PERL% p14	8.985%	8.986%	8.986%	8.986%	8.986%	8.986%	8.986%
Projected Fire UAL \$ p7,18	2,872,678	3,395,605	3,769,534	4,162,840	4,576,354	5,010,932	5,183,764
Calculated Fire UAL %	27.324%	33.884%	36.520%	39.156%	41.791%	44.427%	44.621%

**Costa Mesa PERS Total Contribution Rates
Valuations as of 6/30/13 (dated October 2014)**

Valuations use "Standard" Employee contributions; Miscellaneous ~8% and Safety ~9%

<u>Total Rates Chart</u>	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
MISCELLANEOUS	37.756%	40.808%	42.800%	44.500%	46.100%	47.700%	47.600%
POLICE	50.456%	55.591%	59.800%	62.400%	65.000%	67.600%	68.000%
FIRE	56.437%	63.100%	66.806%	69.442%	72.077%	74.713%	74.907%

<u>Payroll Base</u>	Payroll Growth:		3.0%	3.0%	3.0%	3.0%	3.0%
Miscellaneous	21,418,822	20,696,438	21,317,331	21,956,851	22,615,557	23,294,024	23,992,845
Police	18,133,294	16,348,321	16,838,771	17,343,934	17,864,252	18,400,180	18,952,185
Fire	10,513,535	10,021,248	10,321,885	10,631,542	10,950,488	11,279,003	11,617,373
TOTAL	50,065,651	47,066,007	48,477,987	49,932,327	51,430,297	52,973,207	54,562,403

<u>Total Contributions</u>	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
MISCELLANEOUS	8,086,890	8,445,802	9,123,818	9,770,799	10,425,772	11,111,249	11,420,594
POLICE	9,149,335	9,088,195	10,069,585	10,822,615	11,611,764	12,438,522	12,887,486
FIRE	5,933,483	6,323,413	6,895,620	7,382,709	7,892,819	8,426,891	8,702,202
TOTAL	23,169,708	23,857,410	26,089,023	27,976,123	29,930,355	31,976,662	33,010,282

**Costa Mesa PERS Total Contribution Rates
Valuations as of 6/30/13 (dated October 2014)**

Valuations use "Standard" Employee contributions; Miscellaneous ~8% and Safety ~9%

	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
<u>Employee Contributions (estimated)</u>							
MISCELLANEOUS	13.5%	15.3%	16.5%	17.5%	18.5%	19.5%	19.4%
POLICE	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
FIRE	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
<u>Required Employer Contributions (REC balance)</u>							
MISCELLANEOUS	24.256%	25.508%	26.300%	27.000%	27.600%	28.200%	28.200%
POLICE	45.456%	50.591%	54.800%	57.400%	60.000%	62.600%	63.000%
FIRE	51.437%	58.100%	61.806%	64.442%	67.077%	69.713%	69.907%
<u>Employee Contributions (estimated rates above)</u>							
MISCELLANEOUS	2,891,541	3,166,555	3,517,360	3,842,449	4,183,878	4,542,335	4,654,612
POLICE	906,665	817,416	841,939	867,197	893,213	920,009	947,609
FIRE	525,677	501,062	516,094	531,577	547,524	563,950	580,869
TOTAL	4,323,883	4,485,033	4,875,393	5,241,223	5,624,615	6,026,294	6,183,090
<u>Required Employer Contributions (REC balance)</u>							
MISCELLANEOUS	5,195,349	5,279,247	5,606,458	5,928,350	6,241,894	6,568,914	6,765,982
POLICE	8,242,670	8,270,779	9,227,646	9,955,418	10,718,551	11,518,513	11,939,877
FIRE	5,407,806	5,822,351	6,379,526	6,851,132	7,345,295	7,862,941	8,121,333
TOTAL	18,845,825	19,372,377	21,213,630	22,734,900	24,305,740	25,950,368	26,827,192
<u>Miscellaneous Employee Rate Estimate Detail</u>							
Classic PERL	8.000%	8.000%	8.000%	8.000%	8.000%	8.000%	8.000%
Cost Share	2.469%	2.469%	2.469%	2.469%	2.469%	2.469%	2.469%
Employer Increase	5.510%	8.562%	10.554%	12.254%	13.854%	15.454%	15.354%
60% of Increase to EE's	3.306%	5.137%	6.332%	7.352%	8.312%	9.272%	9.212%
Total	13.775%	15.606%	16.801%	17.821%	18.781%	19.741%	19.681%
ALL MISC ESTIMATE	13.5%	15.3%	16.5%	17.5%	18.5%	19.5%	19.4%

**Costa Mesa PERS Total Contribution Rates
Valuations as of 6/30/13 (dated October 2014)**

Valuations use "Standard" Employee contributions; Miscellaneous ~8% and Safety ~9%

<u>Active Employees</u>	<u>6/30/13</u>	<u>Unfunded 6/30/12</u>	<u>Unfunded 6/30/13</u>	<u>Per Employee</u>	<u>Unfund Est 6/30/14</u>	<u>Unfund Est 6/30/15</u>
MISCELLANEOUS	273 page C-1	83,960,536	78,789,261	288,605	80,952,671	82,671,582
POLICE	122 page C-1	83,627,245	82,006,287	672,183	85,163,254	87,987,642
FIRE	74 page 21	60,650,648	56,521,995	763,811	57,103,301	58,437,826
TOTAL	469	228,238,429	217,317,543	463,364	223,219,226	229,097,050

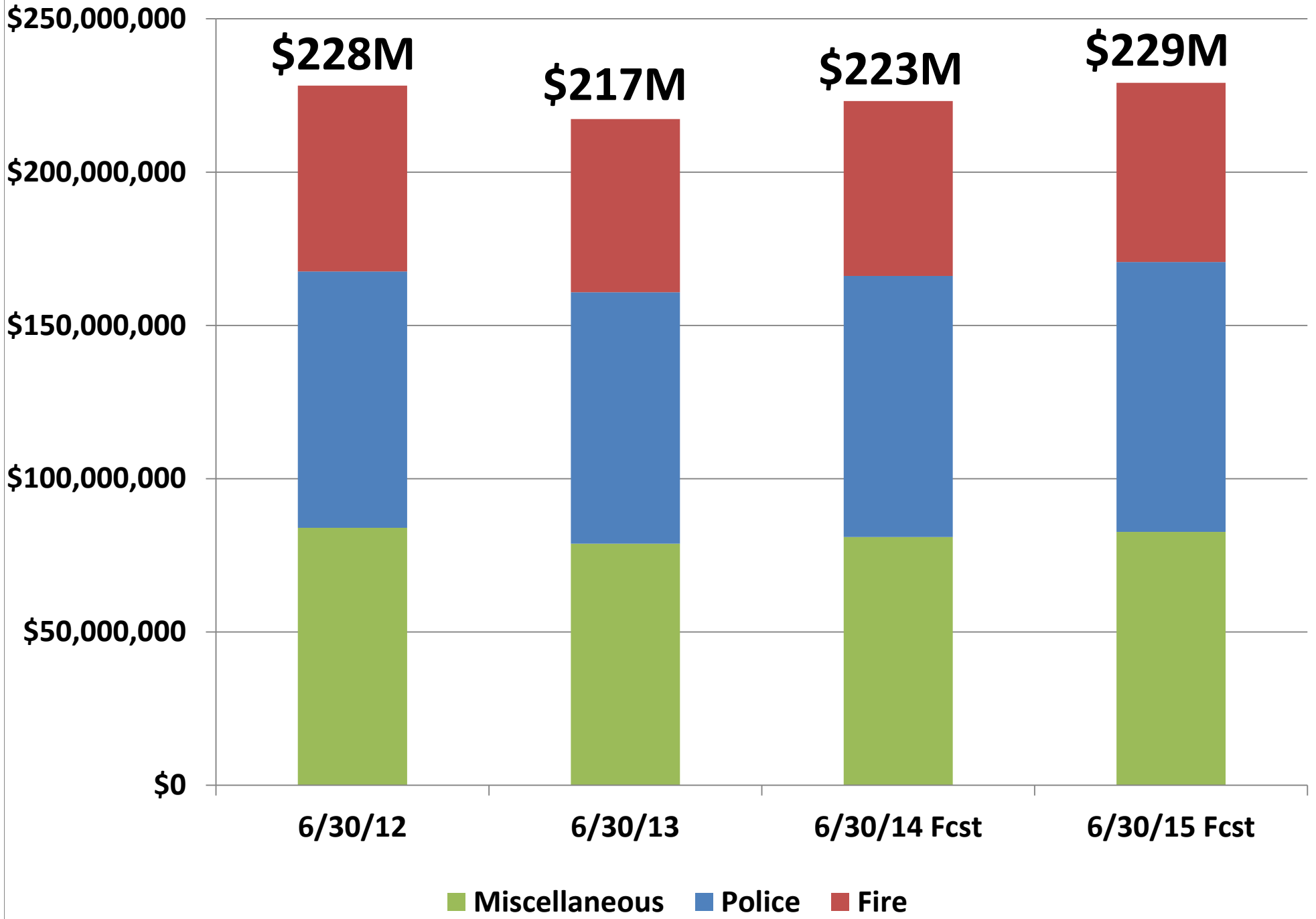
	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
<u>Total Contributions per Active Employee</u>							
MISCELLANEOUS	29,622	30,937	33,421	35,790	38,190	40,701	41,834
POLICE	74,995	74,493	82,538	88,710	95,178	101,955	105,635
FIRE	80,182	85,452	93,184	99,766	106,660	113,877	117,597
TOTAL	184,799	190,882	209,142	224,267	240,028	256,533	265,066
WEIGHTED AVERAGE	49,402	50,869	55,627	59,651	63,817	68,181	70,384

<u>Employee Contributions per Active Employee</u>							
MISCELLANEOUS	10,592	11,599	12,884	14,075	15,326	16,639	17,050
POLICE	7,432	6,700	6,901	7,108	7,321	7,541	7,767
FIRE	7,104	6,771	6,974	7,183	7,399	7,621	7,850
TOTAL	25,127	25,070	26,759	28,367	30,046	31,801	32,667
WEIGHTED AVERAGE	9,219	9,563	10,395	11,175	11,993	12,849	13,184

<u>Employer Contributions per Active Employee</u>							
MISCELLANEOUS	19,031	19,338	20,536	21,716	22,864	24,062	24,784
POLICE	67,563	67,793	75,636	81,602	87,857	94,414	97,868
FIRE	73,078	78,680	86,210	92,583	99,261	106,256	109,748
TOTAL	159,672	165,812	182,383	195,900	209,982	224,732	232,399
WEIGHTED AVERAGE	40,183	41,306	45,232	48,475	51,825	55,331	57,201

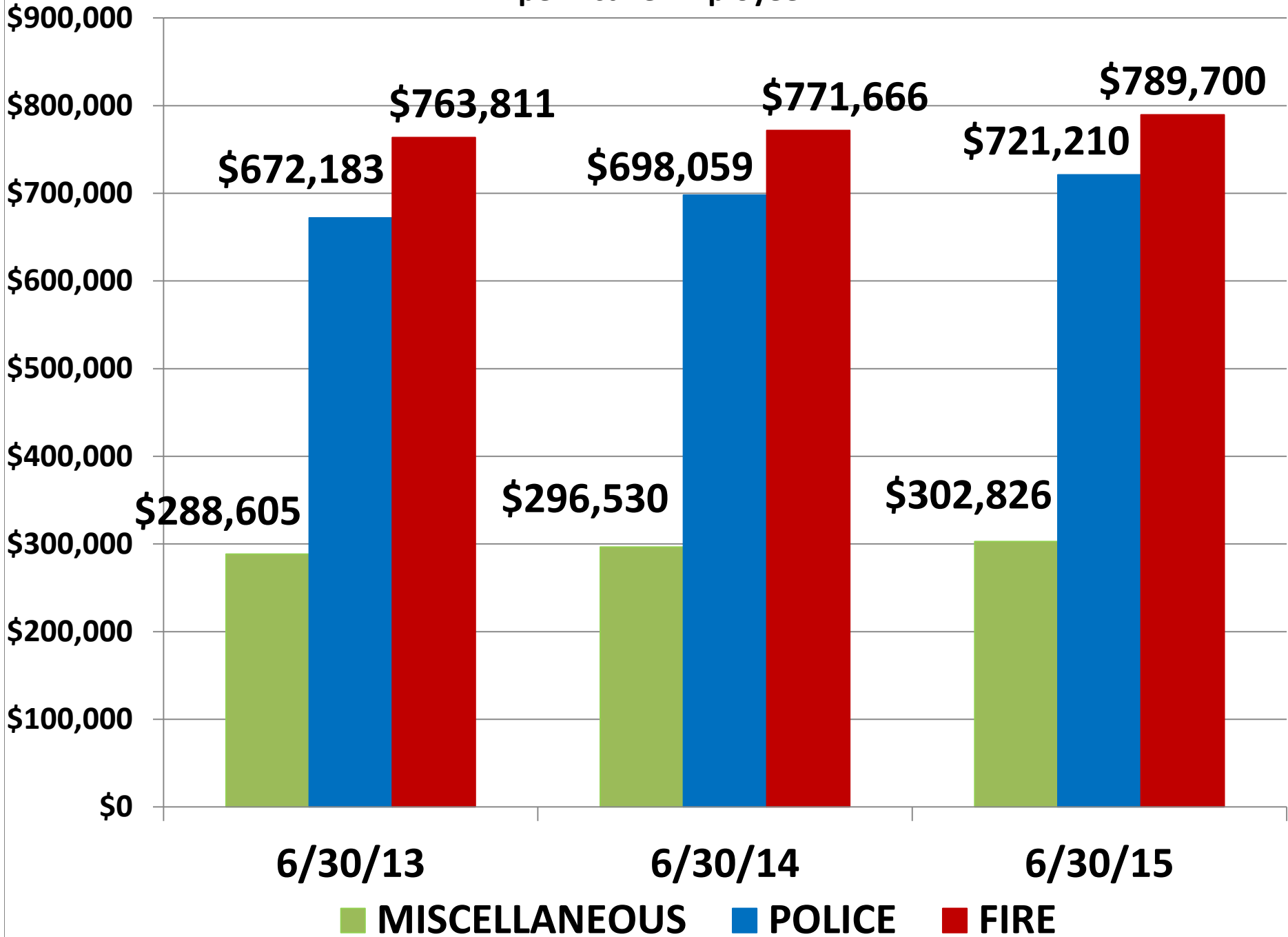
Costa Mesa Unfunded Pension Liability

Source: 6/30/13
PERS Valuations



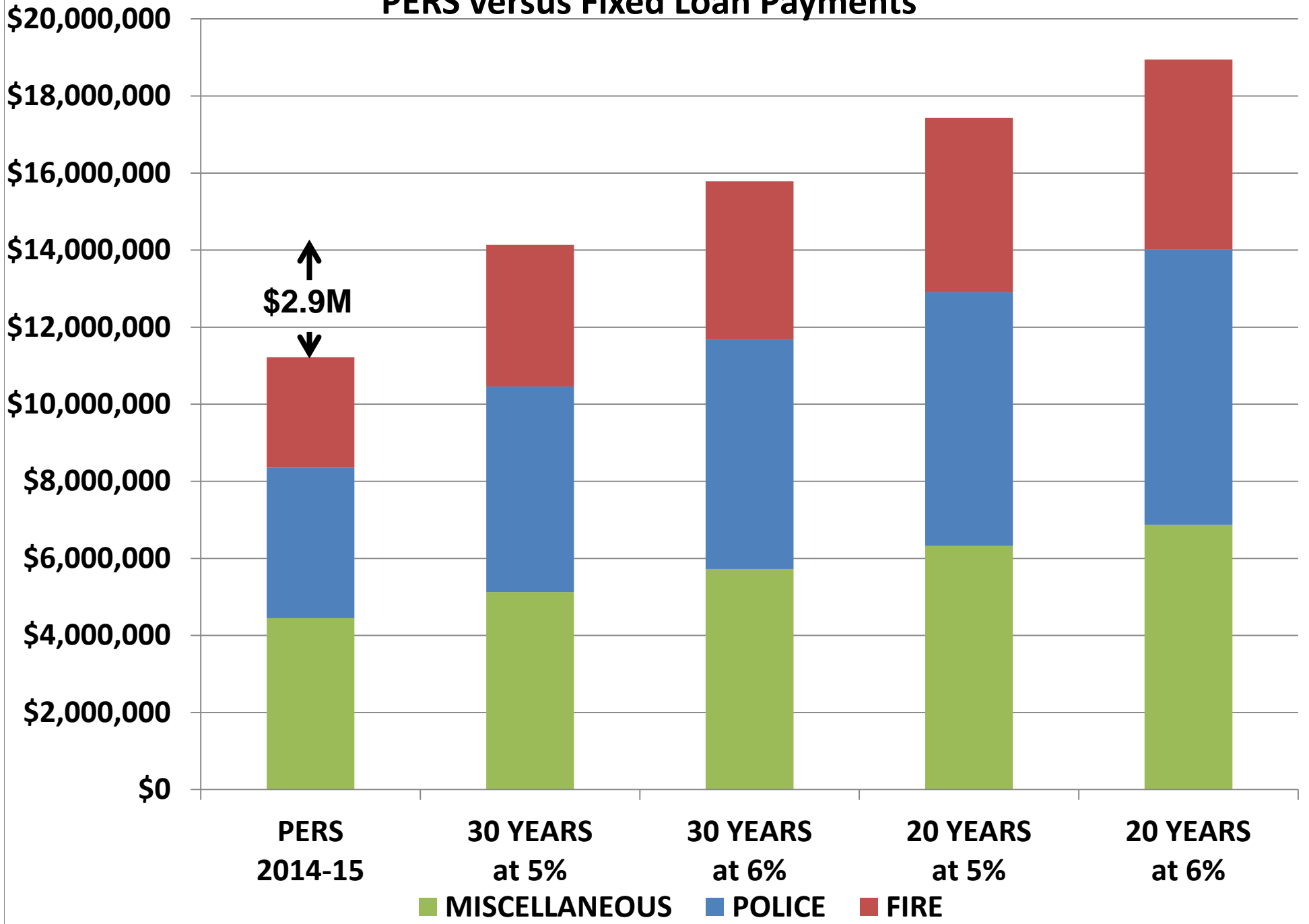
Costa Mesa Unfunded Pension Liability per Active Employee

Source: 6/30/13
PERS Valuations



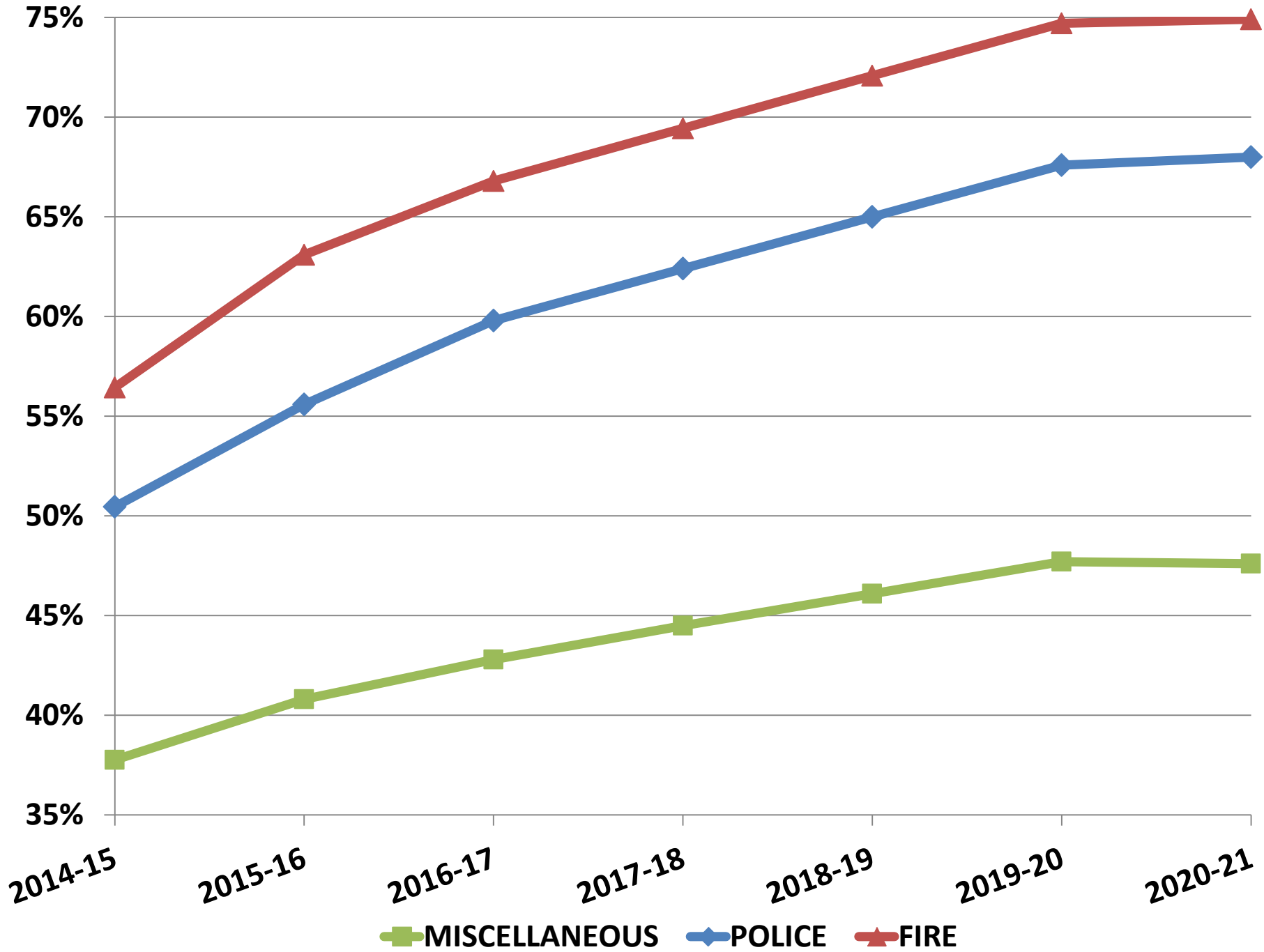
Costa Mesa Unfunded Pension Liability Amortization PERS versus Fixed Loan Payments

Source: 6/30/13
PERS Valuations



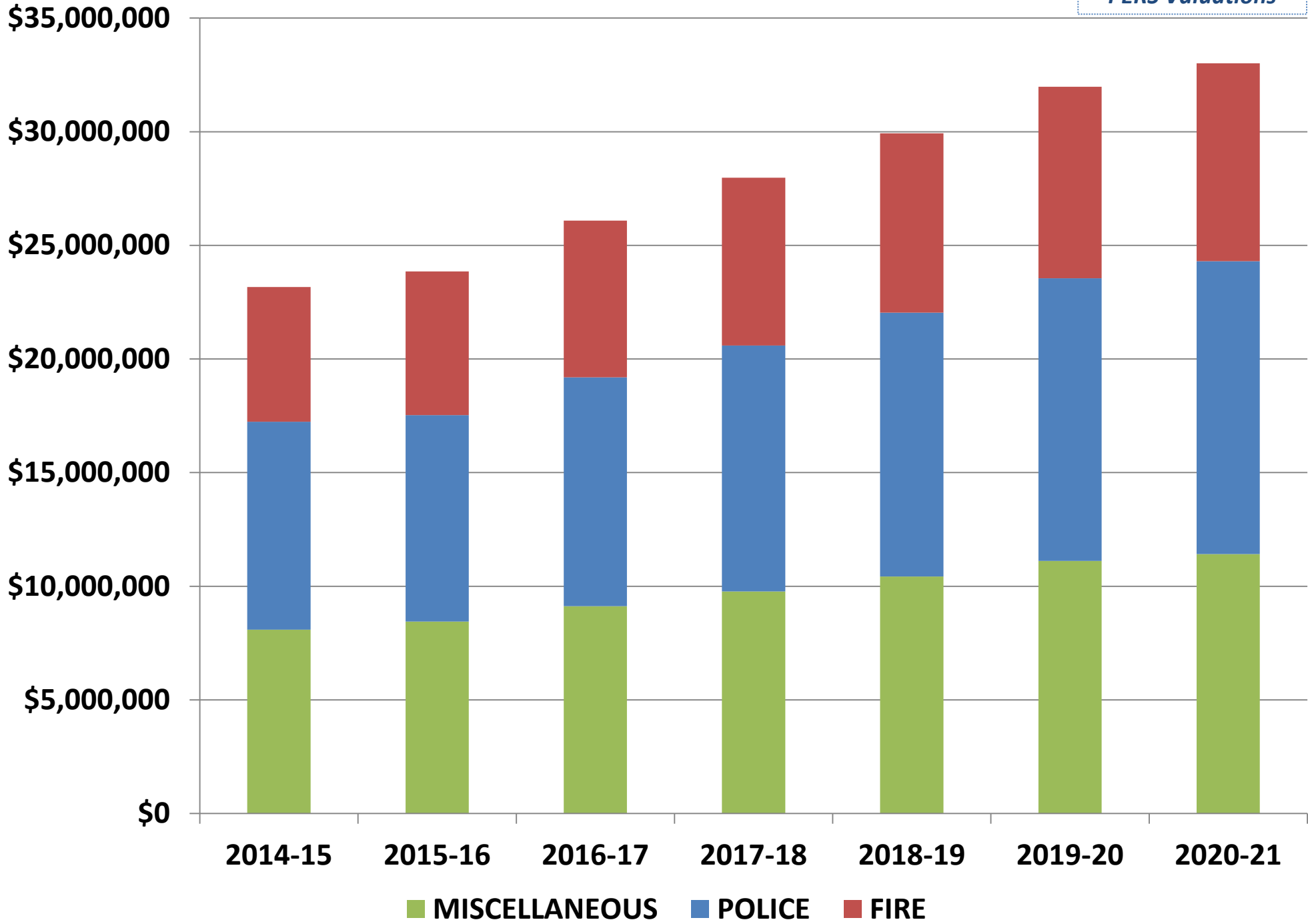
Costa Mesa's TOTAL PERS Contribution Rates

Source: 6/30/13
PERS Valuations



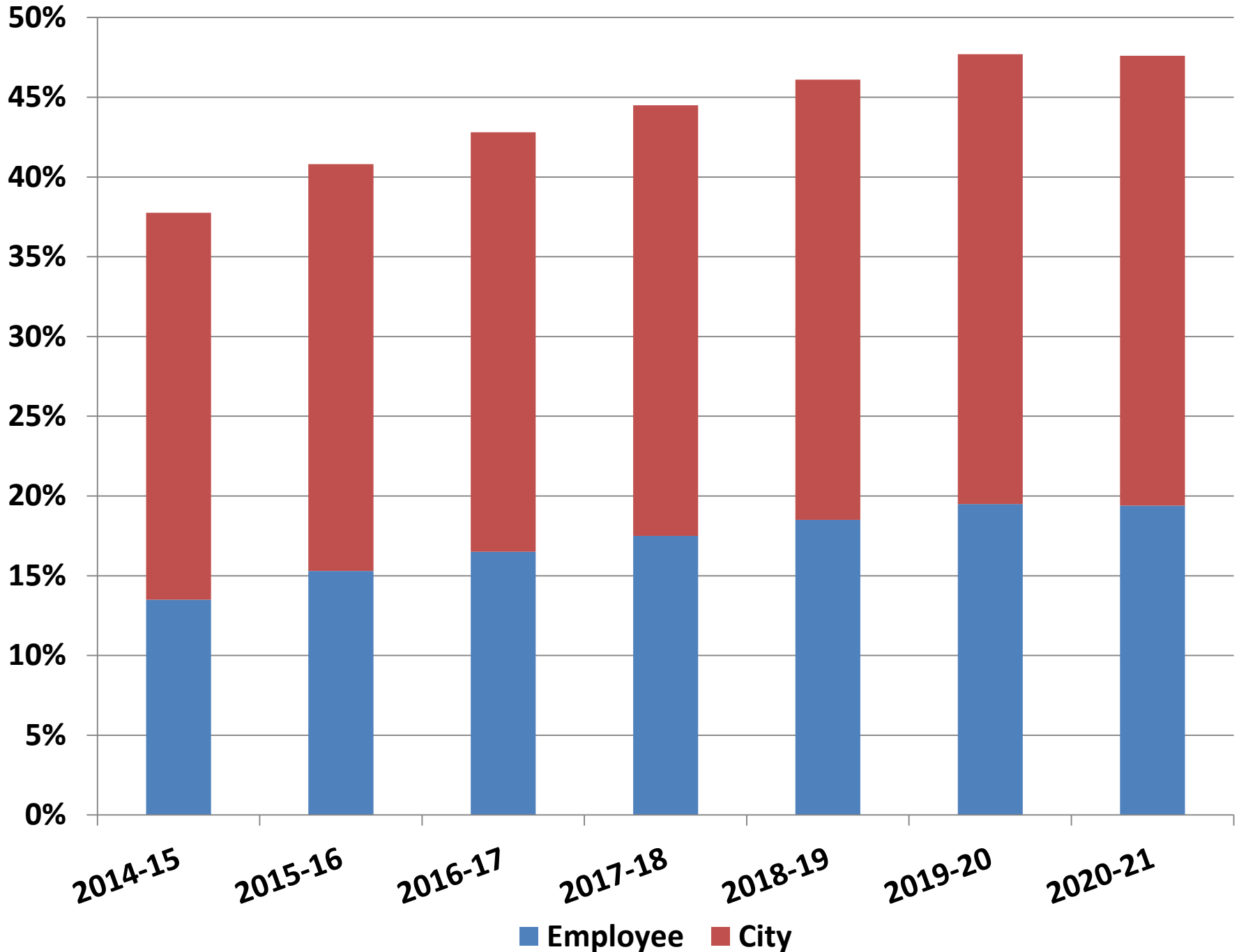
Costa Mesa TOTAL PERS Contributions

*Source: 6/30/13
PERS Valuations*



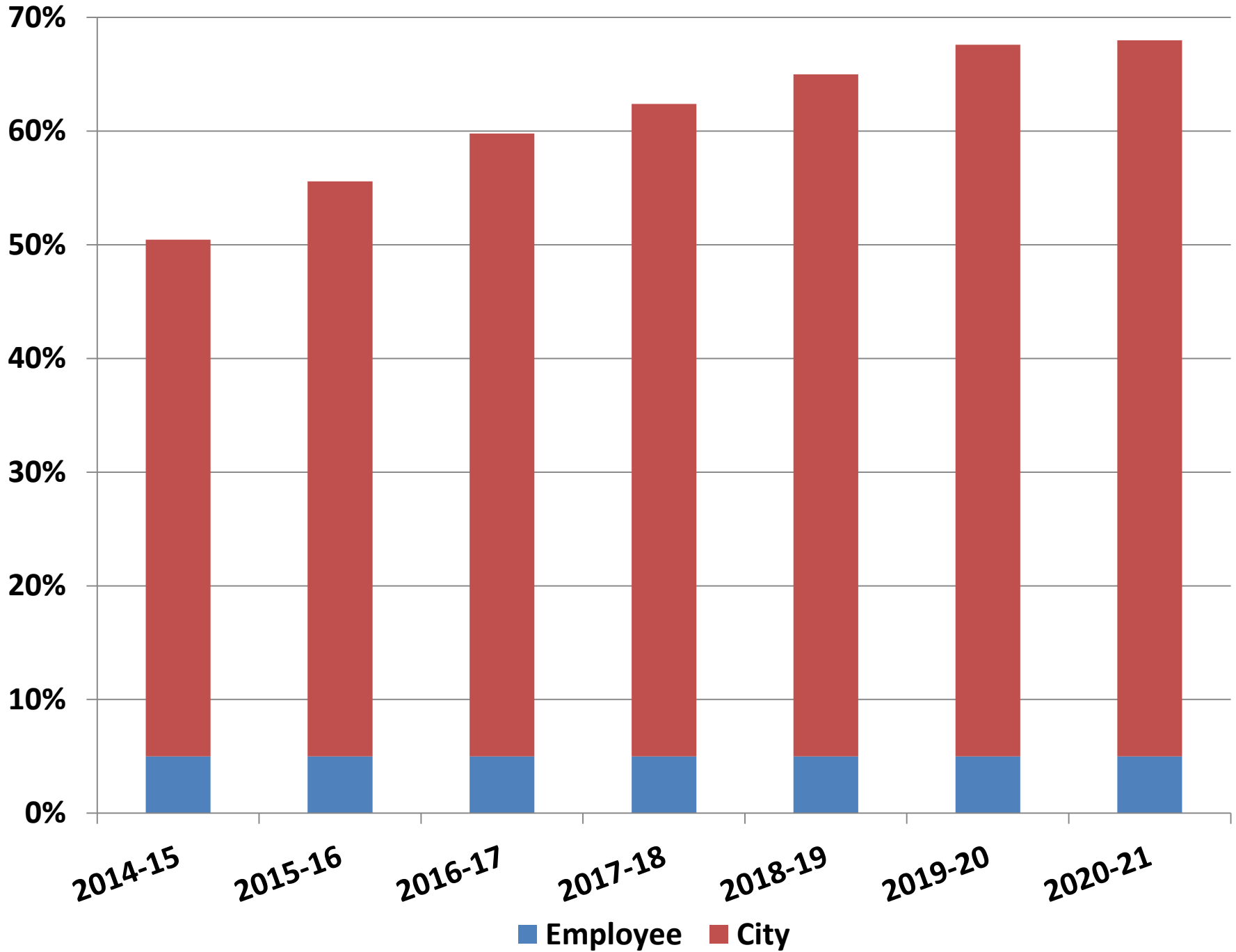
Costa Mesa MISCELLANEOUS - PERS Contribution Rates

Source: 6/30/13
PERS Valuations



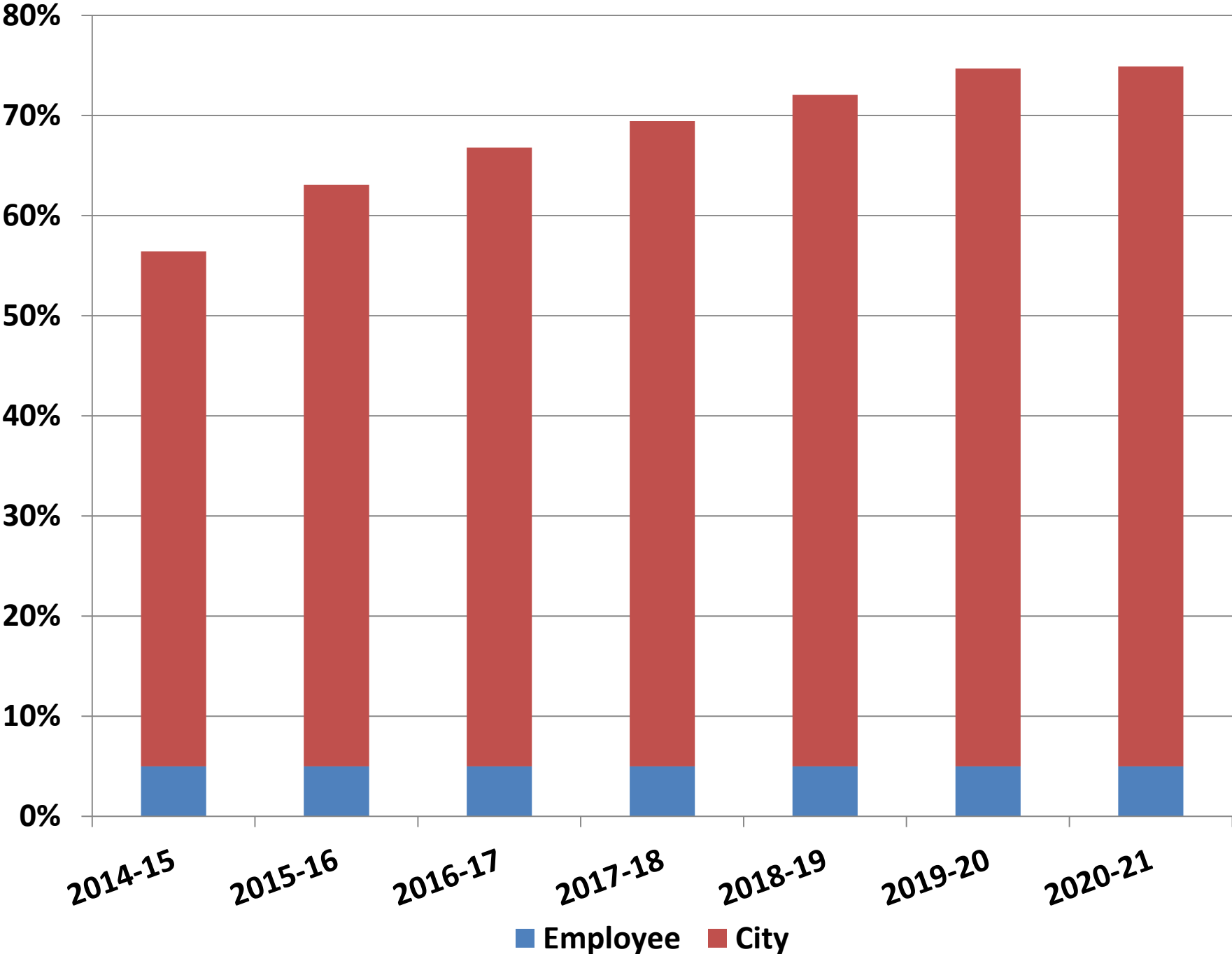
Costa Mesa POLICE - PERS Contribution Rates

Source: 6/30/13
PERS Valuations



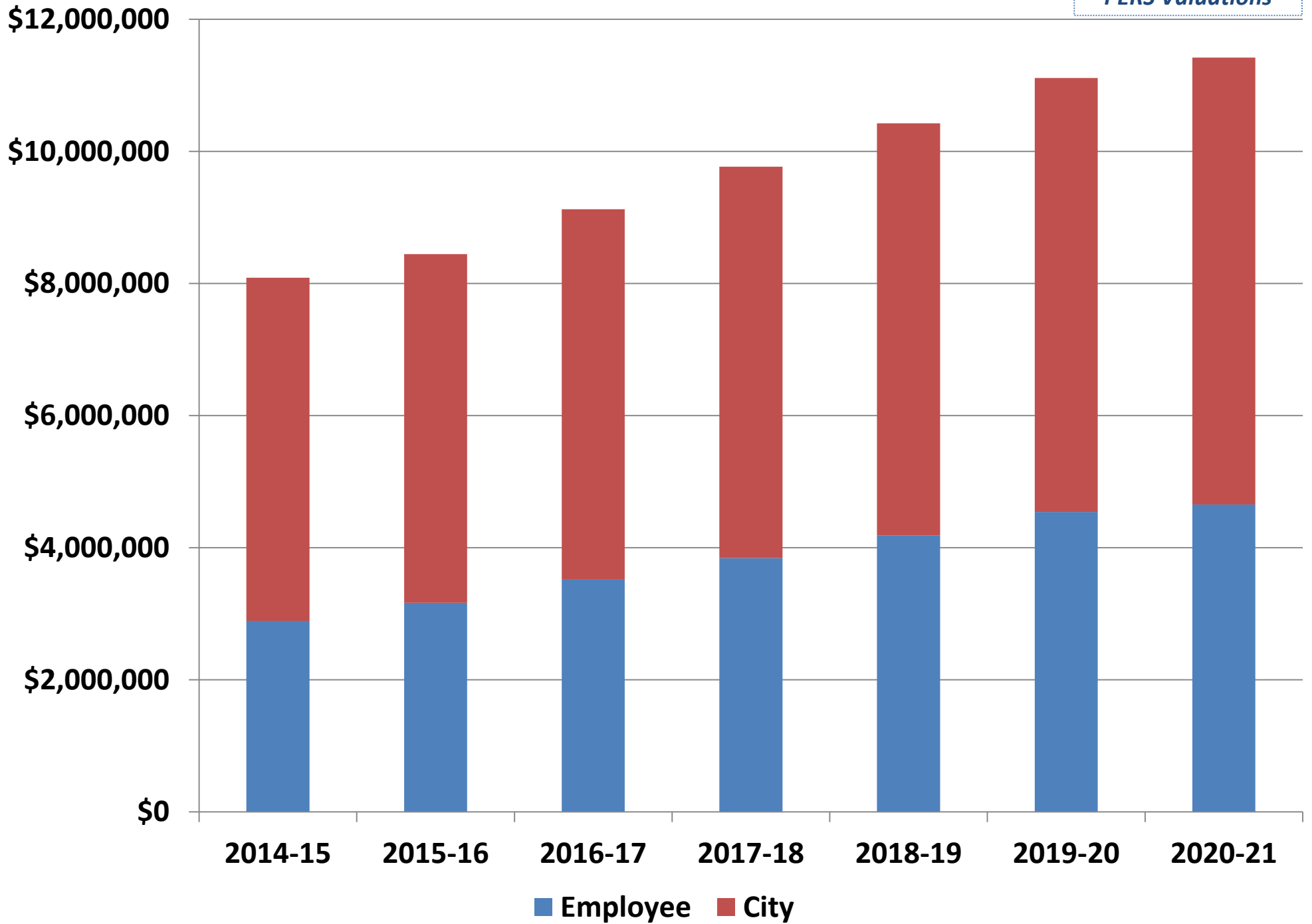
Costa Mesa FIRE - PERS Contribution Rates

Source: 6/30/13
PERS Valuations



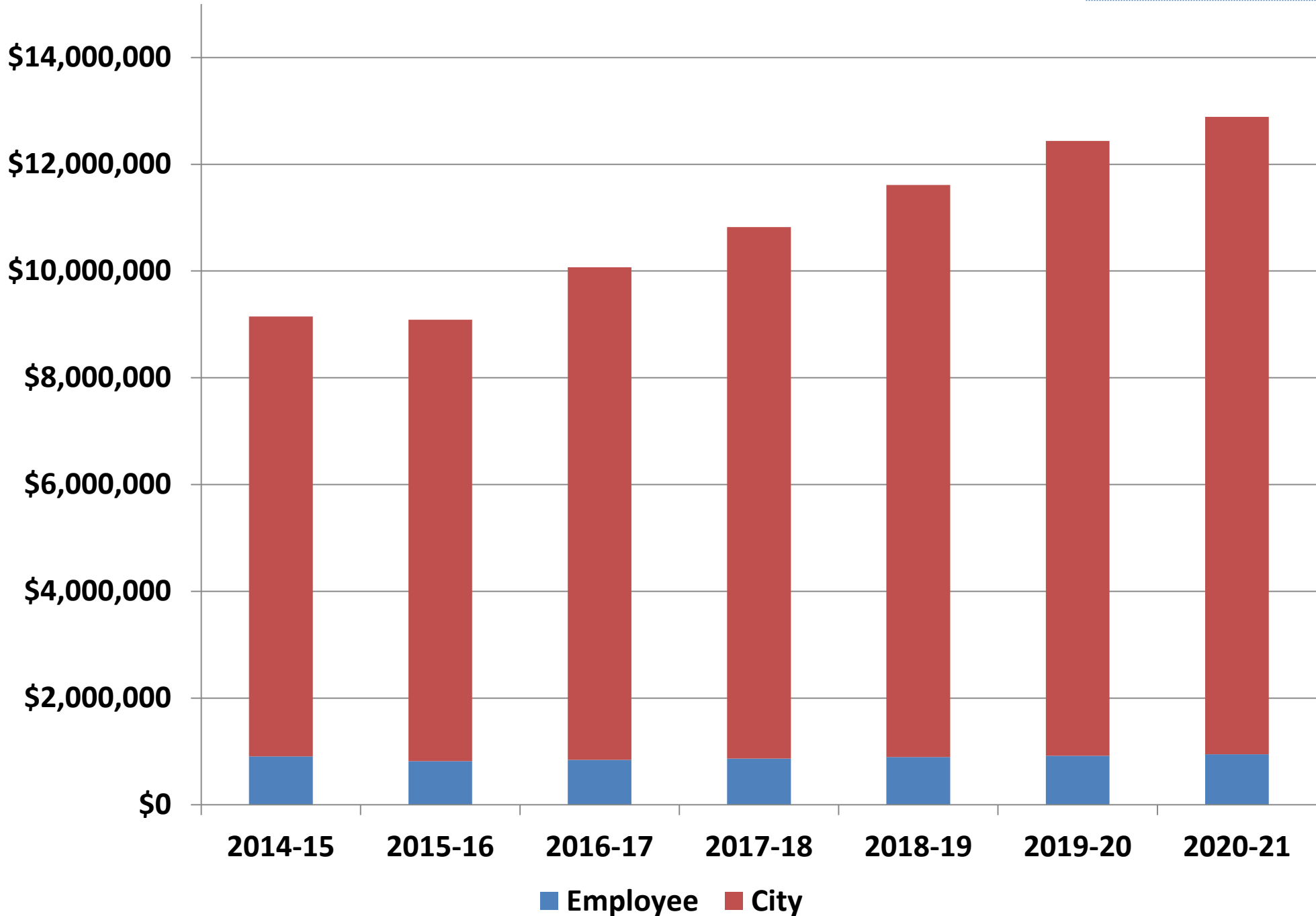
Costa Mesa MISCELLANEOUS - PERS Contributions

*Source: 6/30/13
PERS Valuations*



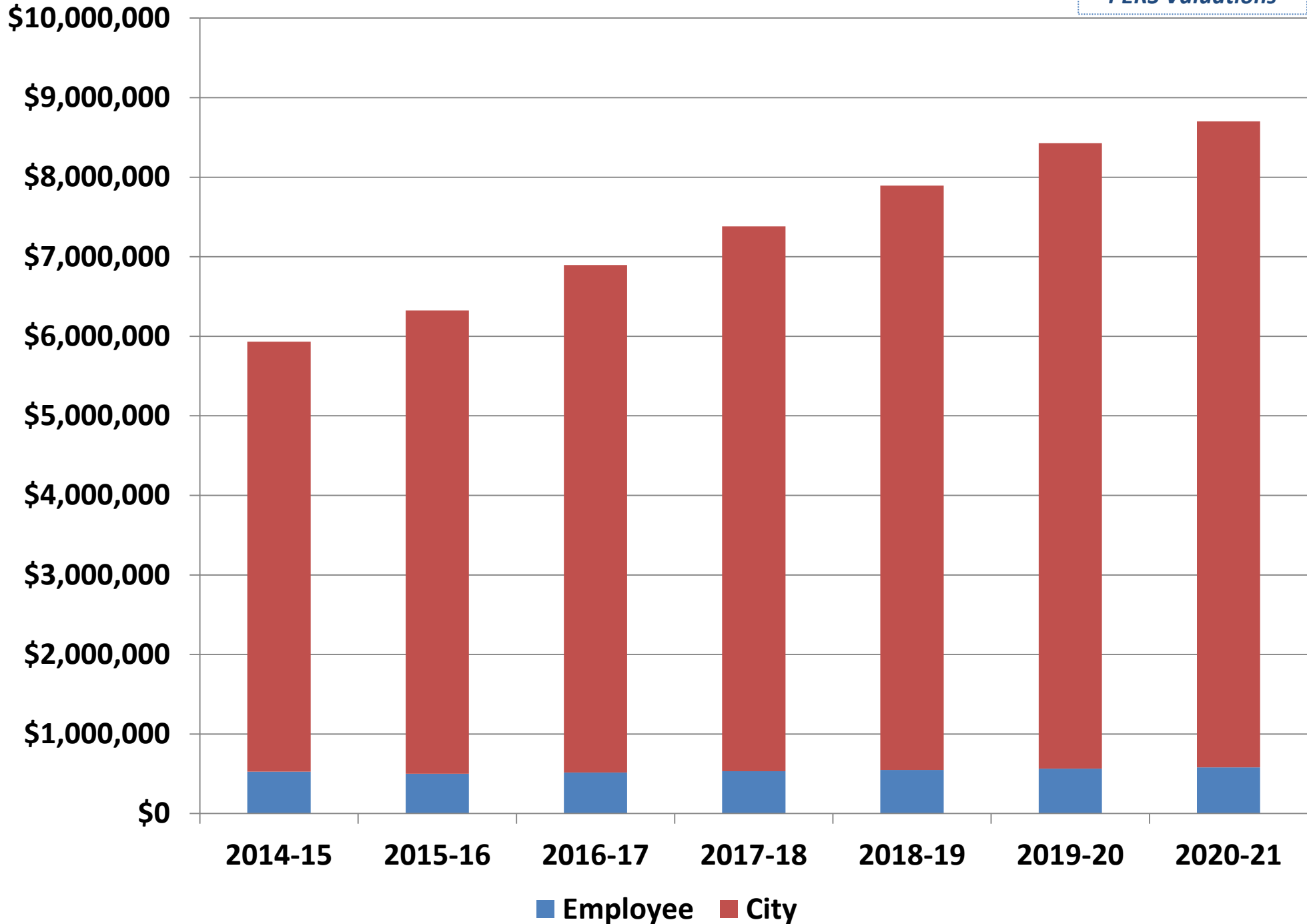
Costa Mesa POLICE - PERS Contributions

*Source: 6/30/13
PERS Valuations*



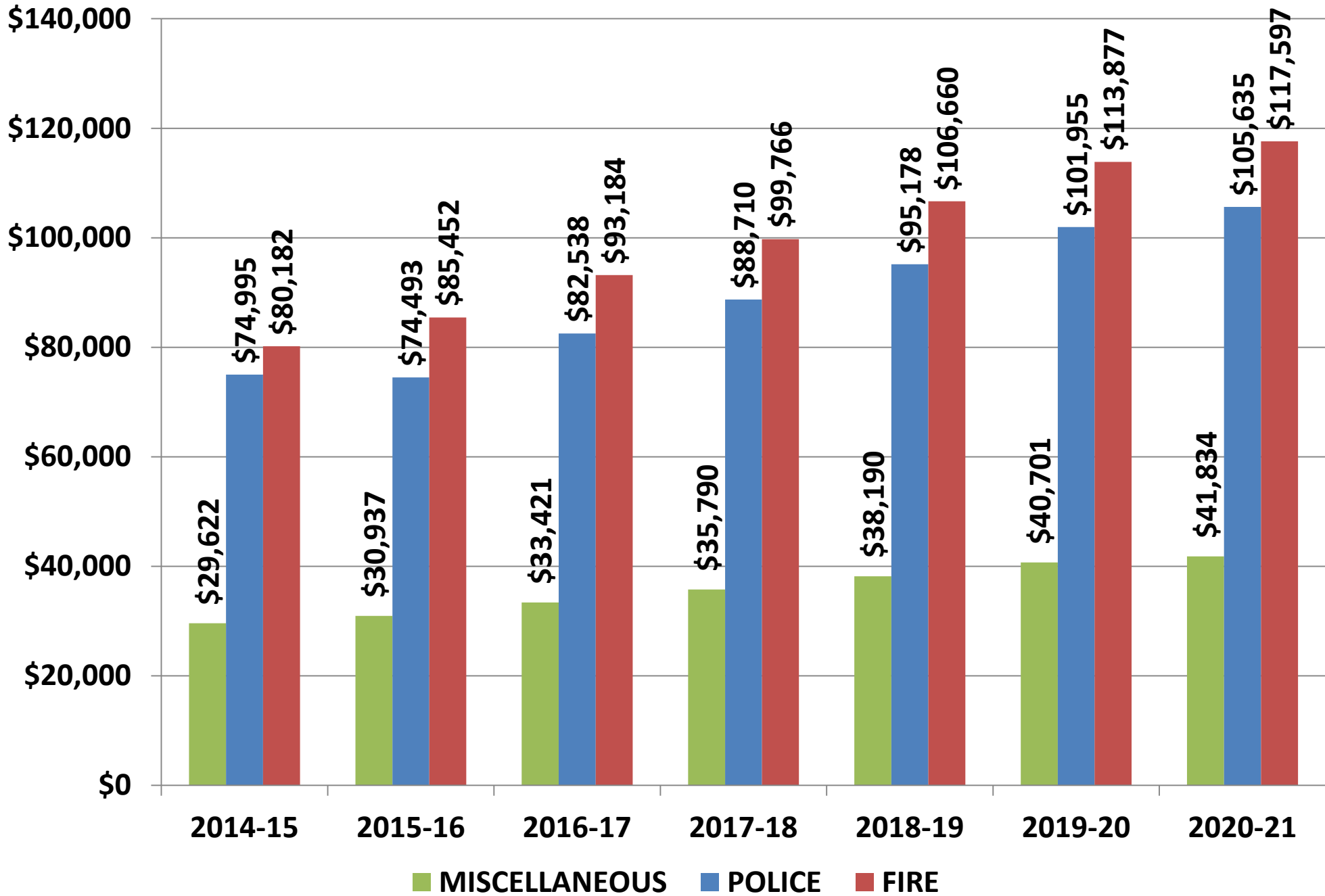
Costa Mesa FIRE - PERS Contributions

*Source: 6/30/13
PERS Valuations*



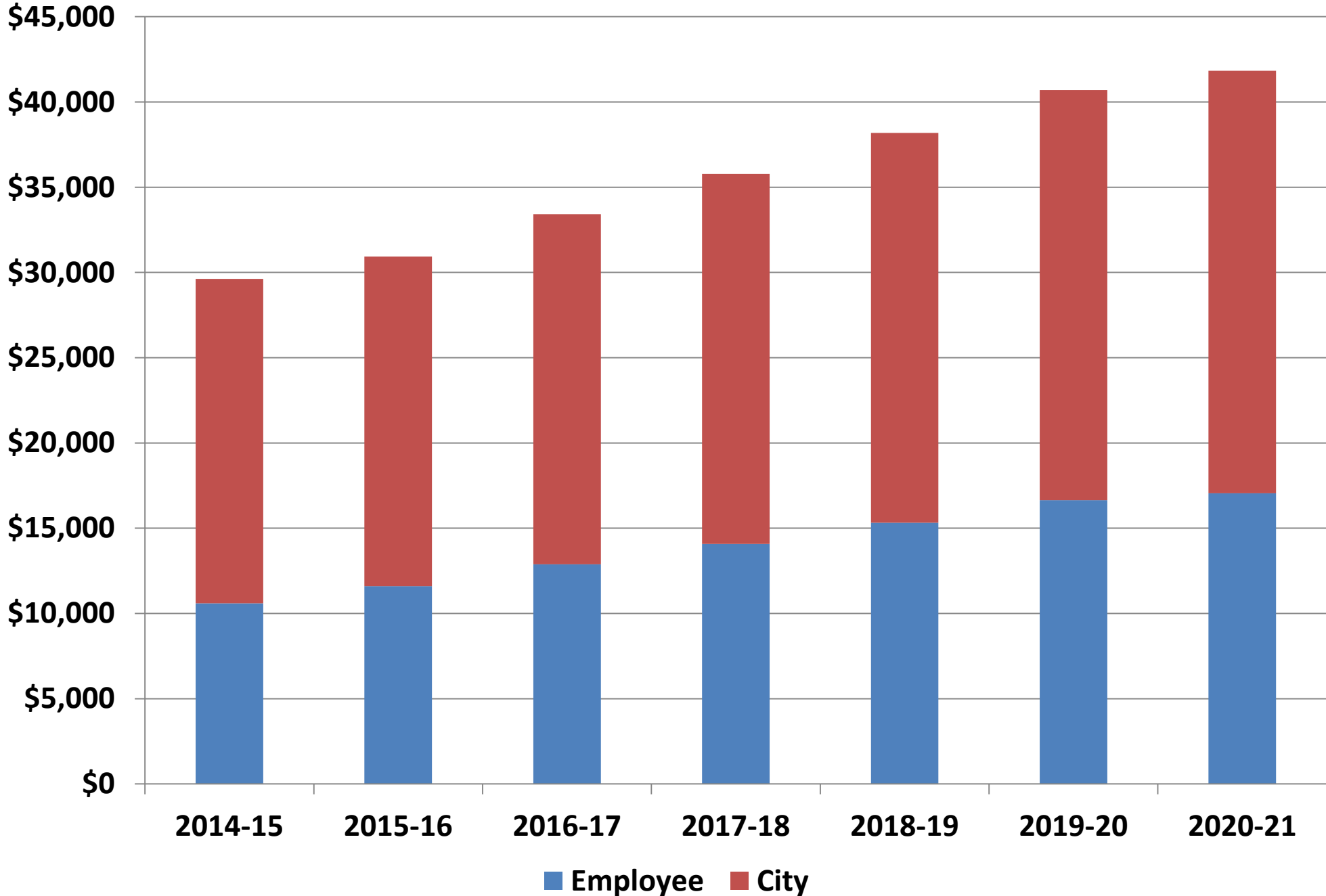
Costa Mesa - Total Annual PERS Contributions per Active Employee

Source: 6/30/13
PERS Valuations



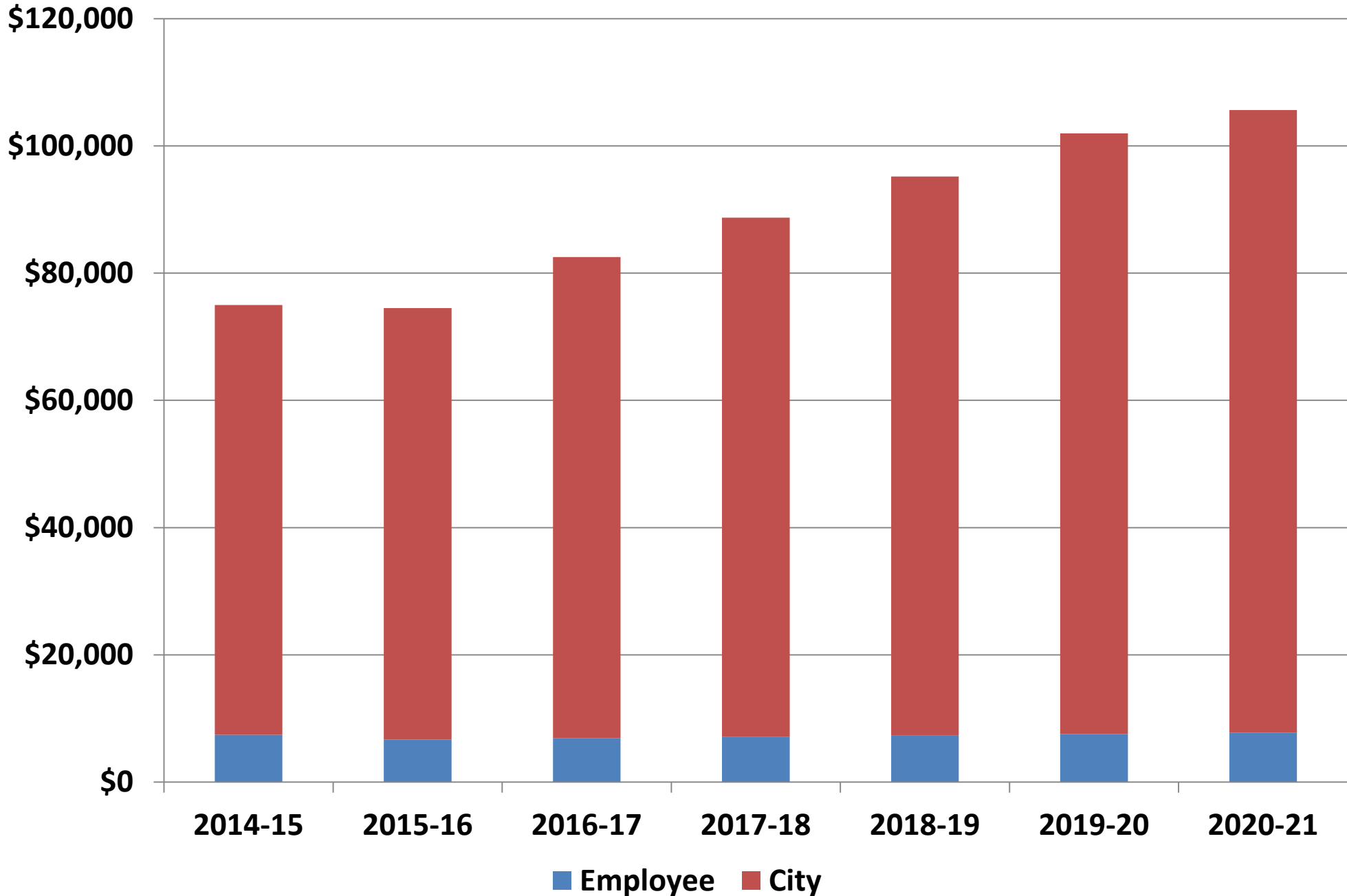
Costa Mesa - Annual PERS Contributions per MISCELLANEOUS Active Employee

*Source: 6/30/13
PERS Valuations*



Costa Mesa - Annual PERS Contributions per POLICE Active Employee

Source: 6/30/13
PERS Valuations



Costa Mesa - Annual PERS Contributions per FIRE Active Employee

Source: 6/30/13
PERS Valuations

