Employees' Retirement Fund

of the City of DALLAS ®

To: Board of Trustees

From: Cheryl Alston
Executive Director

Date: April 18, 2019

Subject: Actuarial Review

Included in the April 23, 2019 agenda is a draft report of the results of the actuarial review performed by Deloitte Consulting of the Employees' Retirement Fund December 31, 2017 actuarial valuation report and the December 31, 2014 experience study. Deloitte was selected by the City of Dallas as an independent actuary to conduct the review pursuant to Texas Government Code Section 802.1012.

Deloitte notes in their report that, "Plan provisions, methods and assumptions disclosed in the December 31, 2017 actuarial valuation report were appropriately valued based on (Deloitte's) review of the sample life outputs." The Deloitte report also includes 26 recommendations to provide additional detail, improve the understanding of the actuarial work performed, and to provide sensitivity analyses. Of the 26 recommendations:

- 16 relate to recommendations for the valuation report:
  - 11 have either already been resolved or will be implemented with the 2018 actuarial valuation report;
  - 2 issues related to new and proposed Actuarial Standards of Practice will be discussed with the Board;
  - 1 will be addressed in connection with the Fund's 2020 experience study; and
  - 2 are under consideration for the 2019 valuation report.
- 10 relate to recommendations for the experience study:
  - 3 will be addressed in connection with the Fund's 2020 experience study; and
  - 7 are under consideration for the 2020 experience study.

Attached are responses to each of the Deloitte recommendations. Please let me know if you have any questions.