

December 1, 2017

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602.803.6174

Mr. Robert B. Ash  
Pension Administrator  
El Paso City Employees' Pension Fund  
400 West San Antonio, Suite B  
El Paso, TX 79901-1196

**Re: September 1, 2017 Roll-Forward Valuation Results**

Dear Mr. Ash,

This report provides the results of the September 1, 2017 roll-forward valuation of the El Paso City Employees' Pension Fund (Fund). It is based on a roll-forward of the September 1, 2016 valuation liabilities (assuming no liability gains or losses during the year) and the August 31, 2017 asset statement that was provided to us by the City.

The primary purpose of the roll-forward valuation is to present the estimated actuarial position of the El Paso City Employees' Pension Fund as of September 1, 2017.

Use of this report for any other purpose or by anyone other than the City or the Board may not be appropriate and may result in mistaken conclusions because of failure to understand applicable assumptions, methods, or inapplicability of the report for that purpose. Conduent will not accept any liability for any such statement made without prior review by Conduent.

This roll-forward valuation is based on the participant data, plan provisions, and actuarial assumptions and methods described in the September 1, 2016 actuarial valuation report.

Where presented, references to "funded ratio" and "unfunded accrued liability" typically are measured on an actuarial value of assets basis. It should be noted that the same measurements using market value of assets would result in different funded ratios and unfunded accrued liabilities. Moreover, the funded ratio presented is appropriate for evaluating the need and level of future contributions but makes no assessment regarding the funded status of the Fund if the Fund were to settle (i.e., purchase annuities) for a portion or all of its liabilities.

Future actuarial measurements may differ significantly from current measurements due to plan experience differing from that anticipated by the economic and demographic assumptions, increases or decreases expected as part of the natural operation of the methodology used for these measurements, and changes in plan provisions or applicable law. An analysis of the potential range of such future differences is beyond the scope of this valuation.

This report was prepared under my supervision and in accordance with all applicable Actuarial Standards of Practice. I am a Fellow of the Society of Actuaries, an Enrolled Actuary, a Member of the American Academy of Actuaries and a Fellow of the Conference of Consulting Actuaries. I meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein.

I am available to discuss this report with you at your convenience. I can be reached at 602-803-6174.

Sincerely,



David J. Kershner, FSA, EA, MAAA, FCA  
Principal

	September 1, 2017	September 1, 2016
Membership <sup>1</sup>		
Active		4,217
Terminated with deferred benefits		141
Retired paid from Fund <sup>2</sup>		2,863
Compensation		
Total		\$ 156,336,028
Average		\$ 37,073
Assets		
Market value	\$ 776,137,711	\$ 723,103,443
Actuarial value	\$ 785,412,525	\$ 749,026,818
Valuation Results		
Actuarial Accrued Liability (AAL)	\$ 975,995,580	\$ 945,772,098
Actuarial Value of Assets (AVA)	\$ 785,412,525	\$ 749,026,818
Funded ratio (AVA/AAL)	80.5%	79.2%
Unfunded Actuarial Accrued Liability (UAAL)	\$ 190,583,055	\$ 196,745,280
UAAL funding period	14 years	17 years

<sup>1</sup> Census data as of July 1 preceding valuation date.

<sup>2</sup> Excludes retirees for whom annuities were purchased from Prudential, but whose cost-of-living increases are paid by the Fund.