



BARTEL
ASSOCIATES, LLC

**CITY OF ROCKLIN
RETIREE HEALTHCARE PLAN**

**June 30, 2019 OPEB Actuarial Valuation
Plan Funding for 2020/21**

Doug Pryor, Vice President & Actuary
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Bartel Associates, LLC

December 18, 2020

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BENEFIT SUMMARY

■ Eligibility	■ Full-time employees retiring directly from City under CalPERS (age 50 ¹ and 5 years, or disability)
■ Medical ²	■ \$1,200 monthly City cap
■ Surviving Spouse	■ Surviving spouse coverage based on retirement plan election ■ Same benefit continues to surviving spouse
■ Other	■ No City paid dental, vision, life, Medicare Part B

¹ Miscellaneous PEPRA retirees age 52 and 5 years

² Unrepresented/Hourly receive PEMHCA minimum (\$136/month in 2019; \$139/month 2020; \$143/month 2021)

1 Fire retiree receives higher existing benefit of \$1,766/month, and 2 Police retiree receive the higher existing benefit of \$1,377/month.



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BENEFIT SUMMARY

■ Pay As ³ You Go (\$000s)	<u>Fiscal Year</u>	<u>Cash Payments</u>
	2019/20	\$1,607
	2018/19	1,434
	2017/18	1,345
	2016/17	1,281
	2015/16	1,222
	2014/15	1,121
	2013/14	1,014
	2012/13	918
	2011/12	806
	2010/11	697
	2009/10	578
	2008/09	483
	2007/08	454
	2006/07	384
	2005/06	350

³ Reported in CAFR



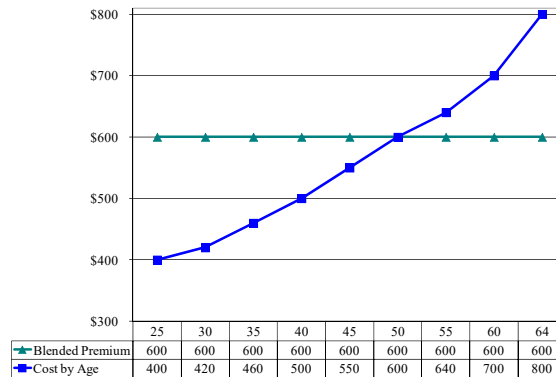
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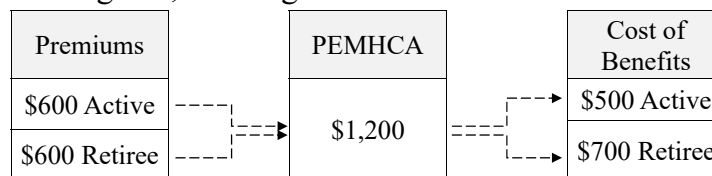


IMPLIED SUBSIDY

- For PEMHCA, employer cost for allowing retirees to participate at active rates.
 - General trend:



- Sample active age 40, retire age 60:



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IMPLIED SUBSIDY

- GASBS 75 defers to actuarial standards of practice.
- Previous Actuarial Standards of Practice No. 6⁴ (ASOP 6) allowed community rated plans to value liability using premiums, resulting in no implied subsidy.
- In May 2014, Actuarial Standards Board released revised ASOP 6:
 - Requires implied subsidy valued for community rated plans such as PEMHCA.
 - Timing: effective with all valuations on or after March 31, 2015 with earlier implementation encouraged
- Valuations on and after 6/30/15 include the implied subsidy.

⁴ Measuring Retiree Group Benefits Obligations and Determining Retiree Group Benefits Plan Costs or Contributions.



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PARTICIPANT STATISTICS

Actives

	6/30/12	6/30/13	6/30/15	6/30/16	6/30/17	6/30/18	6/30/19
■ Count							
• Miscellaneous	136	139	144	138	143	143	140
• Unrepresented/ Hourly	27	23	8	5	4	-	-
• Safety	<u>87</u>	<u>86</u>	<u>89</u>	<u>89</u>	<u>86</u>	<u>91</u>	<u>94</u>
• Total	250	248	241	232	233	234	234
■ Average							
• Age	44.7	44.1	44.5	44.5	45.0	45.0	45.1
• City Service	10.9	10.6	10.5	10.4	10.2	9.8	10.2
• CalPERS Service	13.3	13.0	12.9	12.9	13.0	13.4	13.2
• Pay	\$67,800	\$69,300	\$85,300	\$87,000	\$91,700	\$95,000	\$92,000
■ Total Payroll (000's)	16,956	17,174	20,553	20,186	21,373	22,240	21,534



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PARTICIPANT STATISTICS

Retirees

	6/30/12	6/30/13	6/30/15	6/30/16	6/30/17	6/30/18	6/30/19
■ Count ⁵							
• Miscellaneous	56	67	77	84	87	94	97
• Safety	<u>27</u>	<u>31</u>	<u>34</u>	<u>37</u>	<u>38</u>	<u>42</u>	<u>44</u>
• Total	83	98	111	121	125	136	141
■ Average							
• Age	62.0	62.1	63.2	63.5	64.0	64.2	64.4
• Service Retirement Age							
➤ Miscellaneous	57.4	57.4	57.7	57.8	57.7	57.8	57.6
➤ Safety	52.3	52.7	53.0	53.0	52.8	53.1	52.9
• Monthly Benefit	\$877	\$887	\$860	\$874	\$859	\$845	\$902

⁵ Waived retirees excluded (6, 7, 10, 13, 16, 15, 19 at June 30, 2012, 2013, 2015, 2016, 2017, 2018, and 2019 respectively)

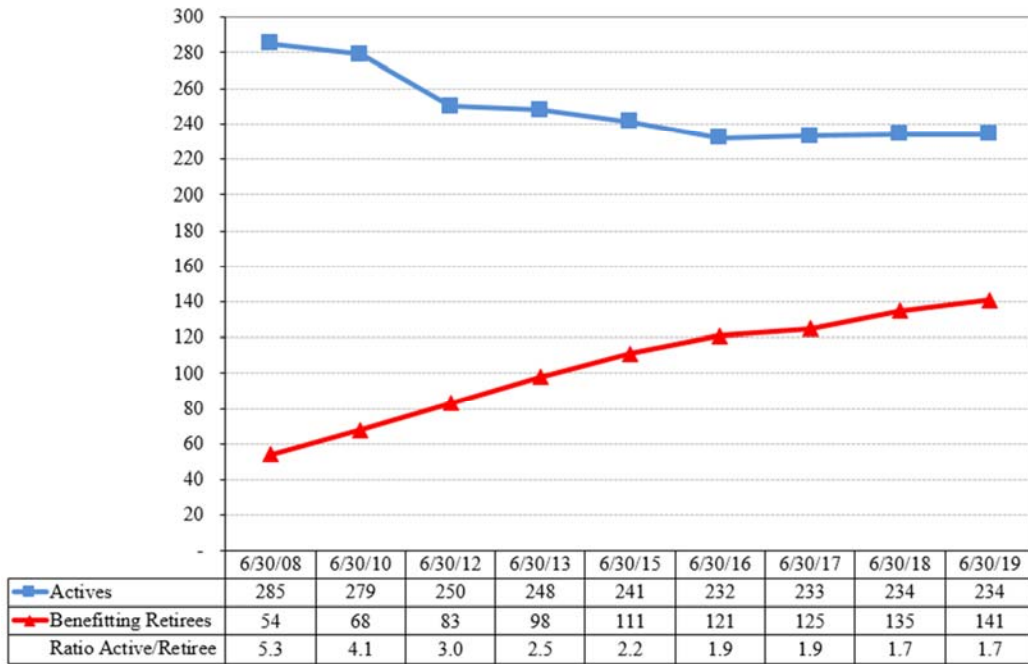


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PARTICIPANT STATISTICS

Historical Participant Counts



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PARTICIPANT STATISTICS

Participant Reconciliation

	Actives	Retirees ⁶	Total
■ June 30, 2018	234	136	370
• Withdrawal/Death	(9)	(3)	(12)
• New Retirees	(8)	8	-
• New Retirees - Waived	(4)	-	(4)
• New Hires	21	-	21
• Data Corrections	-	-	-
■ June 30, 2019	234	141	375

⁶ Waived retirees excluded (15 and 19 at June 30, 2018 and 2019, respectively)



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ACTUARIAL ASSUMPTION HIGHLIGHTS

	June 30, 2018 Valuation	June 30, 2019 Valuation						
■ Valuation Date	■ June 30, 2018 ■ 2019/20	■ June 30, 2019 ■ 2020/21 Funding						
■ Funding Plan	■ Pre-funded phase-in ⁷ : <table border="0" style="margin-left: 40px;"> <tr> <td><u>FYE</u></td> <td><u>ADC %</u></td> </tr> <tr> <td>2019</td> <td>90%</td> </tr> <tr> <td>2020+</td> <td>100%</td> </tr> </table>	<u>FYE</u>	<u>ADC %</u>	2019	90%	2020+	100%	■ City pays full ADC
<u>FYE</u>	<u>ADC %</u>							
2019	90%							
2020+	100%							
■ Valuation Discount Rate	■ 6.75% ■ Pre-funded through CERBT Strategy 1 starting 13/14	■ Same						
■ General Inflation	■ 2.75%	■ Same						

⁷ City contributed pay-go plus applicable percentage of difference between full ADC (at Full ADC Discount Rate) and pay-go. In addition to the percentages contributed through the funding plan, the City sets aside General Fund surplus per the Retiree's Health Reserve Key Management Practice.



ACTUARIAL ASSUMPTION HIGHLIGHTS

	June 30, 2018 Valuation	June 30, 2019 Valuation																				
■ Mortality, Termination, Disability	■ CalPERS 1997-2015 Experience Study ■ Post-retirement mortality projected fully generational with Scale MP-2018	■ CalPERS 1997-2015 Experience Study ■ Mortality projected fully generational with Scale MP-2019																				
■ City Cap Increases	■ None	■ Same																				
■ PEMHCA Minimum Increases	<table border="0" style="margin-left: 40px;"> <tr> <td><u>Year</u></td> <td><u>PEMHCA Minimum</u></td> </tr> <tr> <td>2018</td> <td>\$ 133</td> </tr> <tr> <td>2019</td> <td>136</td> </tr> <tr> <td>2020</td> <td>139</td> </tr> <tr> <td>2021</td> <td>4.25% increase/year</td> </tr> </table>	<u>Year</u>	<u>PEMHCA Minimum</u>	2018	\$ 133	2019	136	2020	139	2021	4.25% increase/year	<table border="0" style="margin-left: 40px;"> <tr> <td><u>Year</u></td> <td><u>PEMHCA Minimum</u></td> </tr> <tr> <td>2019</td> <td>\$ 136</td> </tr> <tr> <td>2020</td> <td>139</td> </tr> <tr> <td>2021</td> <td>143</td> </tr> <tr> <td>2022</td> <td>4.25% increase/year</td> </tr> </table>	<u>Year</u>	<u>PEMHCA Minimum</u>	2019	\$ 136	2020	139	2021	143	2022	4.25% increase/year
<u>Year</u>	<u>PEMHCA Minimum</u>																					
2018	\$ 133																					
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2020	139																					
2021	4.25% increase/year																					
<u>Year</u>	<u>PEMHCA Minimum</u>																					
2019	\$ 136																					
2020	139																					
2021	143																					
2022	4.25% increase/year																					



ACTUARIAL ASSUMPTION HIGHLIGHTS

	June 30, 2018 Valuation	June 30, 2019 Valuation
■ Medical Plan at Retirement	■ Actives: <u>Medical Plan</u> <u>Pre-65</u> <u>Post-65</u> Blue Shield 10% 0% Kaiser 60% 35% UnitedHealth 10% 15% PERS Choice 15% 30% PERSCare 5% 20%	■ Same
	■ Retirees < 65: ● Pre-65: Same as current election ● Post 65: Post 65 assumptions for actives	
	■ Retirees ≥ 65: Same as current election	



ACTUARIAL ASSUMPTION HIGHLIGHTS

	June 30, 2018 Valuation			June 30, 2019 Valuation		
■ Healthcare Trend	<u>Increase from Prior Year</u>		<u>Increase from Prior Year</u>		<u>Year</u>	
	<u>Non-Medicare</u>	<u>Medicare</u>	<u>Non-Medicare</u>	<u>Medicare</u>		
	<u>All Plans</u>	<u>All Plans</u>	<u>All Plans</u>	<u>All Plans</u>		
	<u>Year</u>	Actual Premiums		Actual Premiums		
	2018			n/a		
	2019			Actual Premiums		
	2020	7.50% ⁸	6.50%	Actual Premiums		
	2021	7.25%	6.30%	2021	7.25% 6.30%	
	2022	7.00%	6.10%	2022	7.00% 6.10%	
	2023	6.75%	5.90%	2023	6.75% 5.90%	
	2024	6.50%	5.70%	2024	6.50% 5.70%	
	2025	6.25%	5.50%	2025	6.25% 5.50%	
	2026	6.00%	5.30%	2026	6.00% 5.30%	
	2027	5.80%	5.15%	2027	5.80% 5.15%	
	2028	5.60%	5.00%	2028	5.60% 5.00%	
	2029	5.40%	4.85%	2029	5.40% 4.85%	
	2030	5.20%	4.70%	2030	5.20% 4.70%	
	2031-2035	5.05%	4.60%	2031-2035	5.05% 4.60%	
	2036-2045	4.90%	4.50%	2036-2045	4.90% 4.50%	
	2046-2055	4.75%	4.45%	2046-2055	4.75% 4.45%	
	2056-2065	4.60%	4.40%	2056-2065	4.60% 4.40%	
	2066-2075	4.30%	4.20%	2066-2075	4.30% 4.20%	
	2076+	4.00%	4.00%	2076+	4.00% 4.00%	

⁸ Additional 15.24% for PERSCare for 2020. CalPERS made risk adjustments between PERSCare and PERS Choice from 2014 through 2018 but stopped doing so starting with 2019. CalPERS is reflecting the impact of this change over 2 years with the 2019 and 2020 PERSCare premiums.



ASSETS

Market Value of Plan Assets

(Amounts in 000's)

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20 ⁹
■ Market Value (Beginning of Year)	\$1,772	\$4,045	\$8,342	\$12,330	\$13,796	21,157
• Contributions	2,277 ¹⁰	4,266 ¹¹	3,155	506	6,431	7,686
• Benefit Payments	-	-	-	-	-	-
• Expenses	(2)	(3)	(6)	(23)	(3)	(21)
• Investment Earnings	(2)	34	839	983	933	518
■ Market Value (End of Year)	4,045	8,342	12,330 ¹²	13,796	21,157	29,341
■ Approximate Return	(0.2%)	0.8%	10.0%	7.8%	6.3%	2.0%

⁹ Contributions, expenses and investment earnings based on CERBT unaudited 6/30/20 asset statement.

¹⁰ Includes contribution accrual of \$777,000.

¹¹ Includes contribution accrual of \$1,766,400.

¹² Based on CERBT audited asset statements beginning 6/30/17.

Beginning balance and changes during 2016/17 for GASBS 75 reporting will differ.



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ASSETS

Actuarial Value of Plan Assets

(Amounts in 000's)

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
■ Actuarial Value (Beginning of Year)	\$1,757	\$4,138	\$8,632	\$12,380	\$13,737	21,160
• Contributions	2,277	4,266	3,155	506	6,431	7,686
• Benefit Payments	-	-	-	-	-	-
• Credited Return	104	228	593	851	992	1,406
■ Actuarial Value (End of Year)	4,138	8,632	12,380	13,737	21,160	30,252
■ Approximate Return	5.9%	5.5%	6.9%	6.9%	6.7%	5.8%

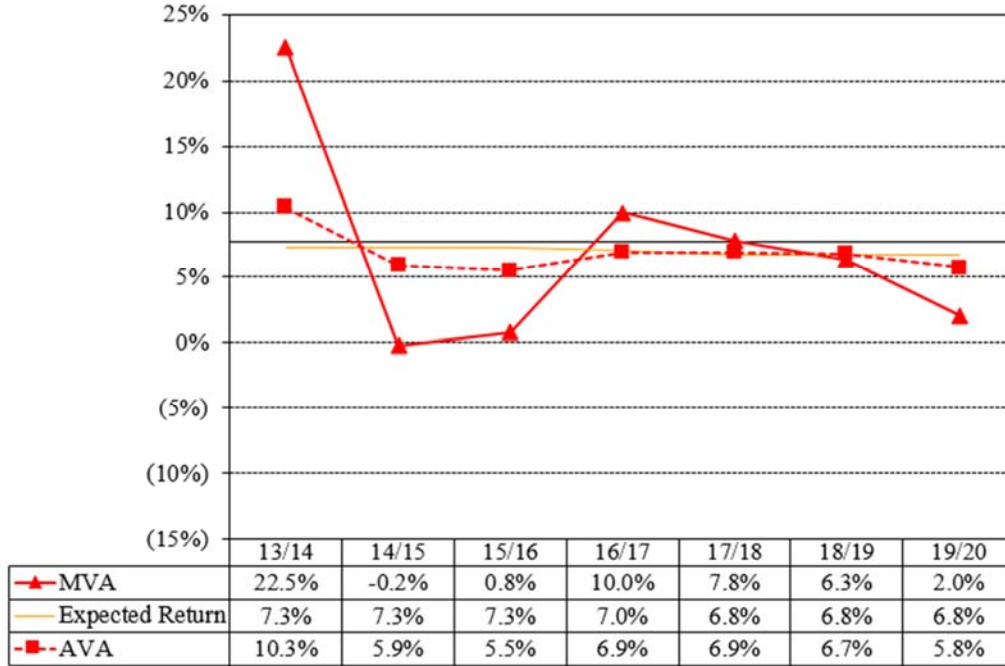


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ASSETS

Historical Asset Returns



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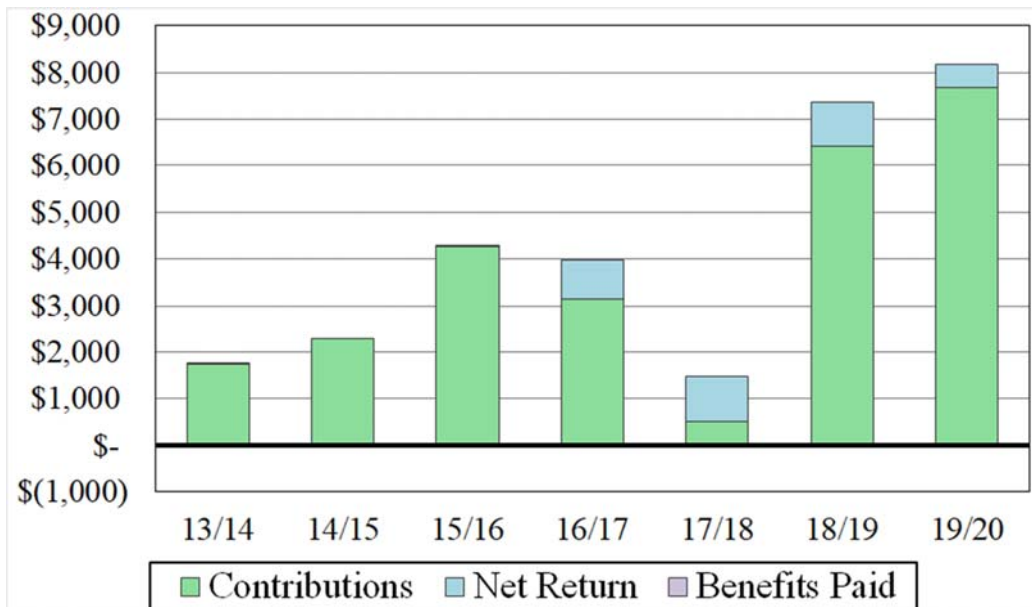
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ASSETS

Historical Contributions and Returns

(Amounts in 000's)



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RESULTS

Plan Funded Status

(Amounts in 000's)

	6/30/18	6/30/19
■ Present Value of Benefits		
• Actives	\$23,469	\$23,197
• Retirees	<u>21,808</u>	<u>22,403</u>
• Total	45,277	45,600
■ Actuarial Accrued Liability (AAL)		
• Actives	12,743	12,828
• Retirees	<u>21,808</u>	<u>22,403</u>
• Total	34,551	35,231
■ Actuarial Value of Assets	<u>13,737</u>	<u>21,160</u>
■ Unfunded AAL (UAAL)	20,814	14,071
■ Funded Ratio	39.8%	60.1%



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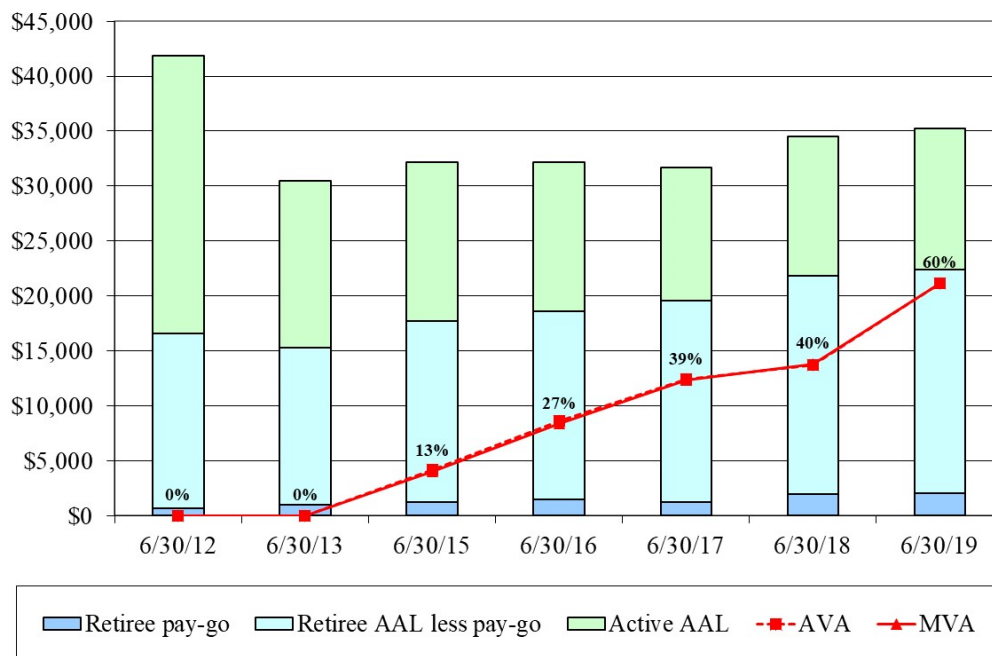
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Historical Plan Funded Status

(Amounts in 000's)



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RESULTS

Actuarial (Gain)/Loss Analysis

(Amounts in 000's)

	Actuarial Accrued Liability
■ 6/30/18 Actual	\$34,551
■ 6/30/19 Expected	36,619
• Demographic Change	(398)
• Actual Premiums and Claims	(340)
• Mortality Scale MP-19 improvement	(84)
• Remove ACA Excise Tax	(566)
• Total (Gain)/Loss	(1,388)
• 6/30/19 Actual	35,231



RESULTS

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RESULTS

Actuarially Determined Contribution (ADC)

(Amounts in 000's)

	6/30/18 Valuation		6/30/19 Valuation
	2019/20	2020/21 ¹³	2020/21
■ ADC - \$			
• Service Cost ¹⁴	\$ 1,464	\$ 1,510	\$1,379
• UAAL Amortization	<u>1,546</u>	<u>1,590</u>	<u>720</u>
• Total	3,010	3,100	2,099
■ Payroll	23,594	24,302	22,845
■ ADC - % of Total City Payroll			
• Service Cost	6.2%	6.2%	6.0%
• UAAL Amortization	<u>6.6%</u>	<u>6.5%</u>	<u>3.2%</u>
• Total	12.8%	12.8%	9.2%

¹³ Provided for illustrative purposes only.

¹⁴ Included estimated expenses of \$15k, \$17k, and \$19k, respectively.



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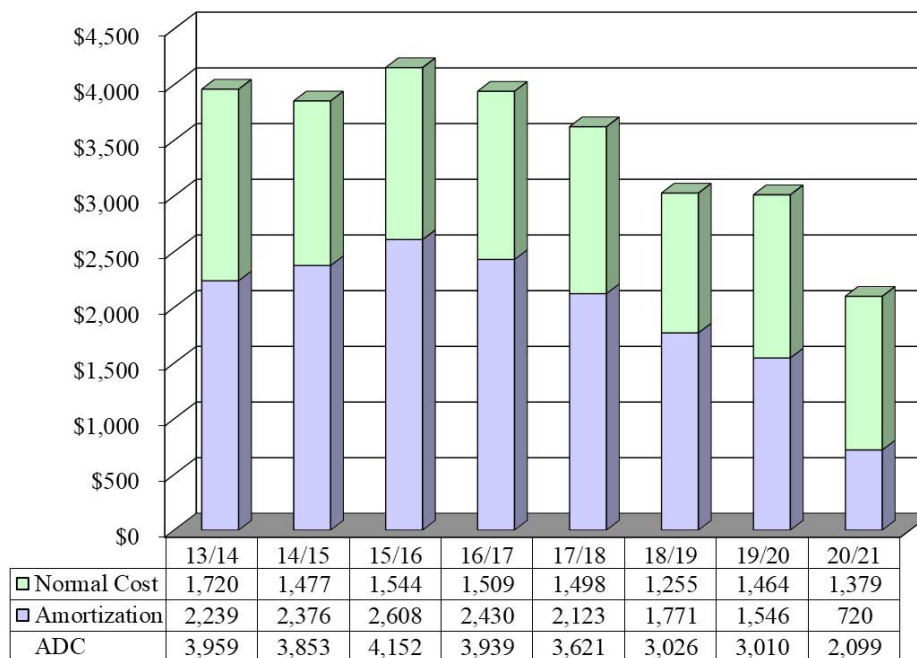
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Actuarially Determined Contributions

(Amounts in 000's)



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Amortization Bases

(Amounts in 000's)

	6/30/18 Valuation		6/30/19 Valuation
	6/30/19	6/30/20	6/30/20
■ Outstanding Balance	\$ 15,333	\$ 14,794	\$6,699

Amortization Payments

(Amounts in 000's)

	6/30/18 Valuation		6/30/19 Valuation
	2019/20	2020/21	2020/21
■ Amortization Payment	\$1,546	\$1,590	\$ 720
■ Amortization Years	13	12	12



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RESULTS

10-Year Contribution Projection

(Amounts in 000's)

Fiscal Year Ending	(a) ADC	Contributions				
		Benefit Payments			(e) Pre- Funding (a) -(d)	(f) Total Contribution (d) + (e)
		(b) Cash	(c) Implied Subsidy	(d) Total (b) + (c)		
2020/21	\$2,099	\$1,589	\$415	\$2,003	\$96	\$2,099
2021/22	2,177	1,659	383	2,042	135	2,177
2022/23	2,253	1,761	401	2,162	91	2,253
2023/24	2,328	1,887	427	2,314	14	2,328
2024/25	2,404	2,016	484	2,500	(96)	2,404
2025/26	2,477	2,154	496	2,650	(173)	2,477
2026/27	2,548	2,262	556	2,818	(270)	2,548
2027/28	2,616	2,366	564	2,930	(314)	2,616
2028/29	2,680	2,492	650	3,142	(462)	2,680
2029/30	2,735	2,621	737	3,358	(623)	2,735



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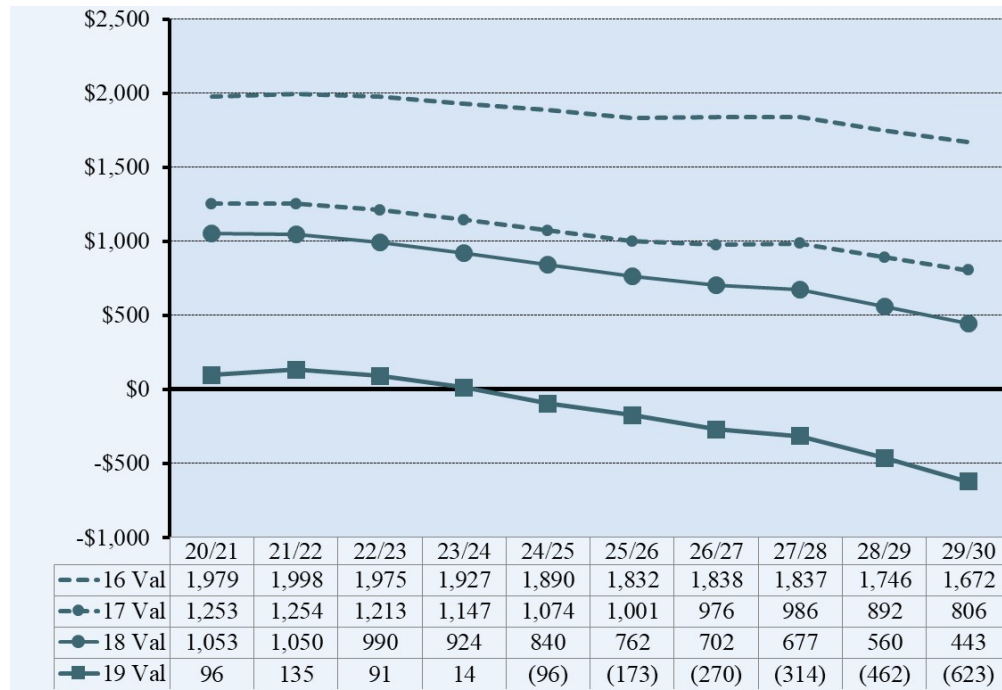
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RESULTS

Projected Trust Contribution Comparison

(Amounts in 000's)



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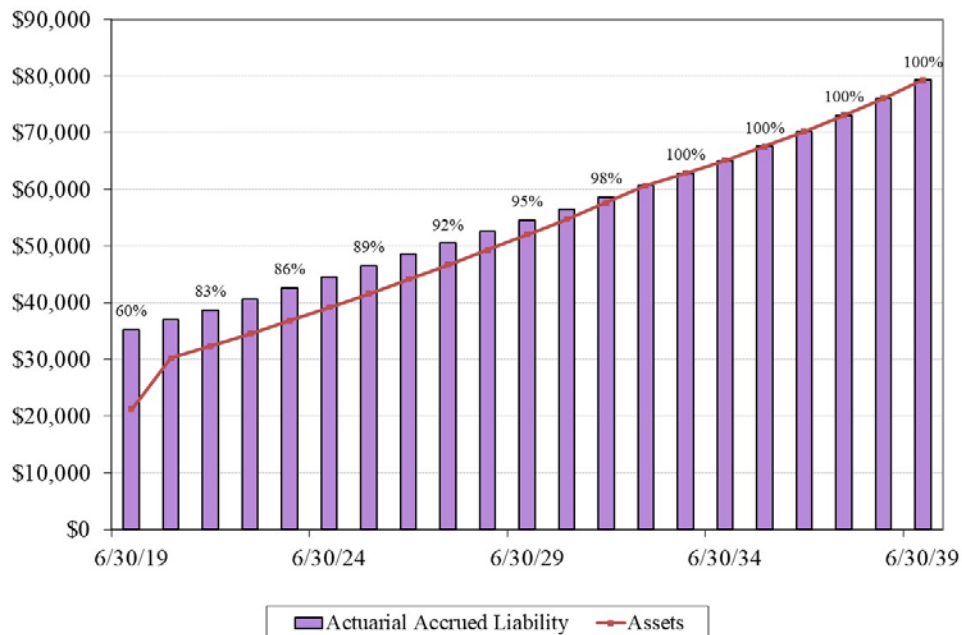
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Projected Funded Status

(Amounts in 000's)



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Actuarial Obligations by Cash and Implied Subsidy

June 30, 2019

(Amounts in 000's)

	Cash Subsidy	Implied Subsidy	Total
■ Present Value of Benefits			
• Actives	\$17,151	\$6,045	\$23,197
• Retirees	<u>18,813</u>	<u>3,590</u>	<u>22,403</u>
• Total	35,964	9,635	45,600
■ Actuarial Accrued Liability (AAL)			
• Actives	9,494	3,334	12,828
• Retirees	<u>18,813</u>	<u>3,590</u>	<u>22,403</u>
• Total	28,307	6,924	35,231
■ Actuarial Assets¹⁵	<u>17,001</u>	<u>4,159</u>	<u>21,160</u>
■ Unfunded AAL (UAAL)	11,306	2,765	14,071
■ 2020/21 Service Cost¹⁶	1,053	326	1,379
■ 2020/21 Pay-As-You-Go Cost	1,589	415	2,003

¹⁵ Assets allocated on AAL.

¹⁶ Included estimated expenses of \$19k for 20/21.



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RESULTS

Actuarially Determined Contribution (ADC)

2020/21 Fiscal Year

(Amounts in 000's)

	Cash Subsidy	Implied Subsidy	Total
■ ADC - \$			
• Service Cost ¹⁷	\$1,053	\$326	\$1,379
• UAAL Amortization	<u>578</u>	<u>142</u>	<u>720</u>
• Total	1,631	469	2,099
■ Projected Payroll	22,845	22,845	22,845
■ ADC - %			
• Service Cost	4.6%	1.4%	6.0%
• UAAL Amortization	<u>2.5%</u>	<u>0.6%</u>	<u>3.2%</u>
• Total	7.1%	2.1%	9.2%

¹⁷ Included estimated expenses of \$19k for 2020/21.



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ACTUARIAL CERTIFICATION

This report presents the City of Rocklin Retiree Healthcare Plan (“Plan”) June 30, 2019 actuarial valuation. The purpose of this valuation is to:

- Determine the Plan’s June 30, 2019 Funded Status, and
- Calculate the 2020/21 Actuarially Determined Contribution.

Information provided in this report may be useful to the City for the Plan’s financial management. Future valuations may differ significantly if the Plan’s experience differs from our assumptions or if there are changes in Plan design, actuarial methods, or actuarial assumptions. The project scope did not include an analysis of this potential variation.

The valuation is based on Plan provisions, participant data, and asset information provided by the City as summarized in this report, which we relied on and did not audit. We reviewed the participant data for reasonableness.

To the best of my knowledge, this report is complete and accurate and has been conducted using generally accepted actuarial principles and practices. As a member of the American Academy of Actuaries meeting the Academy Qualification Standards, I certify the actuarial results and opinions herein.

Respectfully submitted,



Doug Pryor, ASA, MAAA, EA
Vice President
Bartel Associates, LLC
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ACTUARIAL CERTIFICATION

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PREMIUMS

2019 PEMHCA Monthly Medical Premiums
Sacramento

Plan	Non-Medicare			Medicare		
	EE	EE+1	Family	EE	EE+1	Family
Anthem Select	\$946.14	\$1,892.28	\$2,459.96	n/a	n/a	n/a
Anthem Tradional	1,178.79	2,357.58	3,064.85	\$357.44	\$714.88	\$1,072.32
Blue Shield Access+	881.01	1,762.02	2,290.63	n/a	n/a	n/a
Kaiser	687.99	1,375.98	1,788.77	323.74	647.48	971.22
UnitedHealthCare	928.85	1,857.70	2,415.01	299.37	598.74	898.11
Western Health Advantage	696.68	1,393.36	1,811.37	n/a	n/a	n/a
PERS Choice	798.58	1,597.16	2,076.31	360.41	720.82	1,081.23
PERS Select	508.68	1,017.36	1,322.57	360.41	720.82	1,081.23
PERSCare	1,027.99	2,055.98	2,672.77	394.83	789.66	1,184.49
PORAC	774.00	1,623.00	2,076.00	513.00	1,022.00	1,635.00



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PREMIUMS

2020 PEMHCA Monthly Medical Premiums
Sacramento/Region 1

Plan	Non-Medicare			Medicare		
	EE	EE+1	Family	EE	EE+1	Family
Anthem Select	\$868.98	\$1,737.96	\$2,259.35	\$388.15	\$776.30	\$1,164.45
Anthem Tradional	1,184.84	2,369.68	3,080.58	388.15	776.30	1,164.45
Blue Shield Access+	1,127.77	2,255.54	2,932.20	n/a	n/a	n/a
Blue Shield Trio	833.00	1,666.00	2,165.80	n/a	n/a	n/a
Health Net SmartCare	1,000.52	2,001.04	2,601.35	n/a	n/a	n/a
Kaiser	768.49	1,536.98	1,998.07	339.43	678.86	1,018.29
UnitedHealthCare	899.94	1,799.88	2,339.84	327.03	654.06	981.09
Western Health Advantage	731.96	1,463.92	1,903.10	n/a	n/a	n/a
Anthem EPO Del Norte	861.18	1,722.36	2,239.07	n/a	n/a	n/a
PERS Choice	861.18	1,722.36	2,239.07	351.39	702.78	1,054.17
PERS Select	520.29	1,040.58	1,352.75	351.39	702.78	1,054.17
PERSCare	1,133.14	2,266.28	2,946.16	384.78	769.56	1,154.34
PORAC	774.00	1,699.00	2,199.00	513.00	1,022.00	1,635.00



December 18, 2020

E-2



PREMIUMS

PEMHCA Monthly Premium Increases²⁰

Sacramento

Medical Plan	Non-Medicare		Medicare	
	2019	2020	2019	2020
Anthem Select	0.4%	(8.2%)	n/a	n/a
Anthem Traditional	1.8%	0.5%	(3.5%)	8.6%
Blue Shield Access+	9.2%	28.0%	n/a	n/a
Kaiser	(2.3%)	11.7%	2.3%	4.8%
UnitedHealthcare	11.7%	(3.1%)	(9.5%)	9.2%
Western Health Advantage	(6.5%)	5.1%	n/a	n/a
PERS Choice	8.6%	7.8%	4.2%	(2.5%)
PERS Select	(25.7%)	2.3%	4.2%	(2.5%)
PERSCare	28.9%	10.2%	3.3%	(2.5%)
PORAC	5.4%	0.0%	5.4%	0.0%

²⁰ The increases are for Single premiums only.



December 18, 2020

E-3



DATA SUMMARY

Active Participant Statistics

June 30, 2019

	Miscellaneous	Safety	Unrepresented Hourly	Total
■ Count	140	94	0	234
■ Average:				
• Age	47.4	41.6	0	45.1
• Service	10.1	10.5	0	10.2
• CalPERS Service	12.2	14.7	0	13.2
• Pay	\$78,400	\$112,300	\$0	\$92,000
■ Total Payroll (000s)	10,979	10,555	0	21,534



December 18, 2020

E-4



DATA SUMMARY

Active Participant Statistics
June 30, 2018

	Miscellaneous	Safety	Unrepresented Hourly	Total
■ Count	143	91	0	234
■ Average:				
• Age	47.1	41.8	n/a	45.0
• Service	9.4	10.4	n/a	9.8
• CalPERS Service	12.1	15.3	n/a	13.4
• Pay	\$ 81,500	\$ 116,400	n/a	\$ 95,000
■ Total Payroll (000s)	11,647	10,593	n/a	22,240



December 18, 2020

E-5



DATA SUMMARY

Retired Participant Statistics
June 30, 2019

	Misc.	Safety	Total
■ Currently receiving benefit			
➢ Count < 65	48	36	84
➢ Count > 65	<u>49</u>	<u>8</u>	<u>57</u>
• Total Count	97	44	141
• Average age	66.9	58.9	64.4
• Average Retirement Age			
➢ Disabled Retirees	55.2	42.8	45.4
➢ Service Retirees	57.6	52.9	56.5
■ Waived			
➢ Count < 65	12	1	13
➢ Count > 65	<u>5</u>	<u>1</u>	<u>6</u>
• Total Count	17	2	19
• Average age	64.2	66.5	64.5
• Average retirement age	57.9	43.6	56.4



December 18, 2020

E-6



DATA SUMMARY

Retired Participant Statistics

June 30, 2018

	Misc.	Safety	Total
■ Currently receiving benefit			
➢ Count < 65	46	33	79
➢ Count > 65	<u>48</u>	<u>9</u>	<u>57</u>
• Total Count	94	42	136
• Average age	66.6	58.7	64.2
• Average Retirement Age			
➢ Disabled Retirees	55.2	41.8	44.6
➢ Service Retirees	57.8	53.1	56.6
■ Waived			
➢ Count < 65	9	1	10
➢ Count > 65	<u>4</u>	<u>1</u>	<u>5</u>
• Total Count	13	2	15
• Average age	64.0	65.5	64.2
• Average retirement age	56.9	43.6	55.1



December 18, 2020

E-7



DATA SUMMARY

Active Medical Plan Coverage

Plan	EE	EE+1	Family	Waived	Total
Anthem Select	1	-	-	-	1
Anthem Traditional	1	-	-	-	1
Blue Shield	13	2	3	-	18
Kaiser	48	23	52	-	123
United Healthcare	9	4	4	-	17
Western Health	2	-	2	-	4
PERS Choice	2	2	3	-	7
PERS Select	-	4	8	-	12
PERSCare	3	-	-	-	3
PORAC	4	2	10	-	16
Waived	-	-	-	32	32
Total	83	37	82	32	234



December 18, 2020

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DATA SUMMARY

Retiree Medical Plan Coverage
Under Age 65

Plan	EE	EE+1	Family	Waived	Total
Blue Shield Access+	3	5	-	-	8
Kaiser	14	28	6	-	48
United Healthcare	2	2	2	0	6
Western Health	0	0	2	0	2
PERS Choice	1	10	2	0	13
PERSCare	5	0	0	0	5
PORAC	0	1	1	0	2
Waived	0	0	0	13	13
Total	25	46	13	13	97



December 18, 2020

E-9



DATA SUMMARY

Retiree Medical Plan Coverage
Over Age 65

Plan	EE	EE+1	Family	Waived	Total
Blue Shield	1	-	-	-	1
Kaiser	7	14	2	-	23
United Healthcare	-	8	-	-	8
PERS Choice	1	9	1	-	11
PERS Select	1	1	-	-	2
PERS Care	8	4	-	-	12
Waived	-	-	-	6	6
Total	18	36	3	6	63



December 18, 2020

E-10



DATA SUMMARY

Actives by Age and Service
Total

Age	City Service							Total
	< 1	1-4	5-9	10-14	15-19	20-24	≥ 25	
< 25	1	4	-	-	-	-	-	5
25-29	1	10	2	-	-	-	-	13
30-34	4	15	3	2	-	-	-	24
35-39	3	14	7	6	-	-	-	30
40-44	7	11	4	8	10	3	-	43
45-49	-	12	5	10	10	7	-	44
50-54	-	6	4	6	12	7	3	38
55-59	3	2	3	2	6	3	4	23
60-64	-	1	-	1	4	2	3	11
≥ 65	1	-	-	-	1	1	-	3
Total	20	75	28	35	43	23	10	234



December 18, 2020

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DATA SUMMARY

Actives by Age and Service
Miscellaneous

Age	City Service							Total
	< 1	1-4	5-9	10-14	15-19	20-24	≥ 25	
< 25	-	2	-	-	-	-	-	2
25-29	1	7	1	-	-	-	-	9
30-34	2	6	1	-	-	-	-	9
35-39	1	7	5	2	-	-	-	15
40-44	5	8	2	3	3	1	-	22
45-49	-	9	3	3	2	2	-	19
50-54	-	6	4	4	9	3	2	28
55-59	3	2	3	2	6	2	4	22
60-64	-	1	-	1	4	2	3	11
≥ 65	1	-	-	-	1	1	-	3
Total	13	48	19	15	25	11	9	140



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DATA SUMMARY

Actives by Age and Service
Safety

Age	City Service							Total
	< 1	1-4	5-9	10-14	15-19	20-24	≥ 25	
< 25	1	2	-	-	-	-	-	3
25-29	-	3	1	-	-	-	-	4
30-34	2	9	2	2	-	-	-	15
35-39	2	7	2	4	-	-	-	15
40-44	2	3	2	5	7	2	-	21
45-49	-	3	2	7	8	5	-	25
50-54	-	-	-	2	3	4	1	10
55-59	-	-	-	-	-	1	-	1
60-64	-	-	-	-	-	-	-	-
≥ 65	-	-	-	-	-	-	-	-
Total	7	27	9	20	18	12	1	94



December 18, 2020

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DATA SUMMARY

Retiree Medical Coverage by Age Group
Total

Age	EE	EE+1	Family	Waived	Total
Under 50	-	2	3	-	5
50-54	4	6	-	1	11
55-59	7	15	7	2	31
60-64	14	23	3	10	50
65-69	8	14	1	2	25
70-74	4	15	2	3	24
75-79	2	4	-	-	6
80-84	2	2	-	1	5
85 & Over	2	1	-	-	3
Total < 65	25	46	13	13	97
Total ≥ 65	18	36	3	6	63
Total	43	82	16	19	160
Average Age	65.5	64.8	59.2	64.5	64.4



December 18, 2020

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DATA SUMMARY

Retiree Medical Coverage by Age Group

Miscellaneous

Age	EE	EE+1	Family	Waived	Total
Under 50	-	-	-	-	-
50-54	1	2	-	-	3
55-59	6	6	5	2	19
60-64	10	16	2	10	38
65-69	7	11	1	2	21
70-74	4	12	1	3	20
75-79	2	4	-	-	6
80-84	2	2	-	-	4
85 & Over	2	1	-	-	3
Total < 65	17	24	7	12	60
Total ≥ 65	17	30	2	5	54
Total	34	54	9	17	114
Average Age	67.3	67.5	61.8	64.2	66.5



DATA SUMMARY

Retiree Medical Coverage by Age Group

Safety

Age	EE	EE+1	Family	Waived	Total
Under 50	-	2	3	-	5
50-54	3	4	-	1	8
55-59	1	9	2	-	12
60-64	4	7	1	-	12
65-69	1	3	-	-	4
70-74	-	3	1	-	4
75-79	-	-	-	-	-
80-84	-	-	-	1	1
85 & Over	-	-	-	-	-
Total < 65	8	22	6	1	37
Total ≥ 65	1	6	1	1	9
Total	9	28	7	2	46
Average Age	59.0	59.7	55.8	66.5	59.2



DATA SUMMARY

Medical Plan Participation
Non-Waived Participants

Plan	Active	Retiree		
		Pre-65	Post-65	Total
Anthem Select	0%	0%	0%	0%
Anthem Traditional	0%	0%	0%	0%
Blue Shield	9%	10%	2%	6%
Kaiser	61%	57%	40%	50%
United Healthcare	8%	7%	14%	10%
Western Health	2%	2%	0%	1%
PERS Choice	3%	15%	19%	17%
PERS Select	6%	0%	4%	1%
PERSCare	1%	6%	21%	12%
PORAC	8%	2%	0%	1%
Total	100%	100%	100%	100%



December 18, 2020

E-17



ACTUARIAL METHODS

	June 30, 2018 Valuation	June 30, 2019 Valuation
■ Cost Method	■ Entry Age Normal	■ Same
■ Amortization	■ Level percentage of payroll	■ Same
■ Actuarial Value of Assets	<ul style="list-style-type: none"> ■ Valuation assets projected to June 30, 2019 (using actual June 30, 2018 assets) ■ Asset gains/losses recognized over 5 years ■ Corridor: 80% & 120% of market value 	<ul style="list-style-type: none"> ■ Valuation assets projected to June 30, 2020 (using actual June 30, 2019 assets) ■ Asset gains/losses recognized over 5 years ■ Corridor: 80% & 120% of market value
■ Future New Entrants	■ Closed group – no new participants	■ Same



December 18, 2020

E-18



ACTUARIAL METHODS

	June 30, 2018 Valuation	June 30, 2019 Valuation
■ Unfunded Liability Amortization	<ul style="list-style-type: none"> ■ Initial UAAL – 19-year fixed (closed) period (13 years remaining at 6/30/20) ■ Maximum 30-year combined period 	<ul style="list-style-type: none"> ■ Initial UAAL – 19-year fixed (closed) period (12 years remaining at 6/30/21) ■ Maximum 30-year combined period
■ ACA Excise Tax	■ Estimated by 2% load on cash subsidy	■ ACA Excise Tax removed



ACTUARIAL ASSUMPTIONS

	June 30, 2018 Valuation	June 30, 2019 Valuation																																				
■ Service Retirement	<ul style="list-style-type: none"> ■ CalPERS 1997-2015 Experience Study <table border="0" style="margin-left: 20px;"> <tr> <td></td> <td align="center">Misc.</td> <td align="center">Safety</td> </tr> <tr> <td>Benefit</td> <td align="center">2%@55</td> <td align="center">3%@50</td> </tr> <tr> <td>ERA</td> <td align="center">61.2</td> <td align="center">54.4 (Fire) 54.0 (Police)</td> </tr> </table> <table border="0" style="margin-left: 20px;"> <tr> <td>PEPRA</td> <td align="center">Misc.</td> <td align="center">Safety</td> </tr> <tr> <td>Benefit</td> <td align="center">2%@62</td> <td align="center">2.7%@57</td> </tr> <tr> <td>ERA</td> <td align="center">63.1</td> <td align="center">56.6 (Fire) 55.9 (Police)</td> </tr> </table> 		Misc.	Safety	Benefit	2%@55	3%@50	ERA	61.2	54.4 (Fire) 54.0 (Police)	PEPRA	Misc.	Safety	Benefit	2%@62	2.7%@57	ERA	63.1	56.6 (Fire) 55.9 (Police)	<ul style="list-style-type: none"> ■ CalPERS 1997-2015 Experience Study <table border="0" style="margin-left: 20px;"> <tr> <td></td> <td align="center">Misc.</td> <td align="center">Safety</td> </tr> <tr> <td>Benefit</td> <td align="center">2%@55</td> <td align="center">3%@50</td> </tr> <tr> <td>ERA</td> <td align="center">59.6</td> <td align="center">54.5 (Fire) 54.5 (Police)</td> </tr> </table> <table border="0" style="margin-left: 20px;"> <tr> <td>PEPRA</td> <td align="center">Misc.</td> <td align="center">Safety</td> </tr> <tr> <td>Benefit</td> <td align="center">2%@62</td> <td align="center">2.7%@57</td> </tr> <tr> <td>ERA</td> <td align="center">62.2</td> <td align="center">56.8 (Fire) 56.5 (Police)</td> </tr> </table> 		Misc.	Safety	Benefit	2%@55	3%@50	ERA	59.6	54.5 (Fire) 54.5 (Police)	PEPRA	Misc.	Safety	Benefit	2%@62	2.7%@57	ERA	62.2	56.8 (Fire) 56.5 (Police)
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Benefit	2%@62	2.7%@57																																				
ERA	62.2	56.8 (Fire) 56.5 (Police)																																				
■ Payroll Increases	<ul style="list-style-type: none"> ■ Aggregate Increases: 3.00% ■ Merit Increases: CalPERS 1997-2015 Experience Study 	■ Same																																				



ACTUARIAL ASSUMPTIONS

	June 30, 2018 Valuation	June 30, 2019 Valuation
<ul style="list-style-type: none"> ■ Participation at Retirement 	<ul style="list-style-type: none"> ■ Actives and Retirees currently covered: 100% ■ Actives currently waived: 80% ■ Retirees currently waived: 10% elect at 65 ■ Unrepresented & Hourly: 60% 	<ul style="list-style-type: none"> ■ Same
<ul style="list-style-type: none"> ■ Marital Status at Retirement 	<ul style="list-style-type: none"> ■ Currently Covered: same as current election ■ Currently Waived: 80% married 	<ul style="list-style-type: none"> ■ Same
<ul style="list-style-type: none"> ■ Medicare Eligible Rate 	<ul style="list-style-type: none"> ■ 100% ■ Everyone eligible for Medicare will elect Part B coverage 	<ul style="list-style-type: none"> ■ Same



ACTUARIAL ASSUMPTIONS

	June 30, 2018 Valuation	June 30, 2019 Valuation
<ul style="list-style-type: none"> ■ Spouse Age 	<ul style="list-style-type: none"> ■ Actives: Males 3 years older than females ■ Retirees: Males 3 years older than females if spouse birth date not provided 	<ul style="list-style-type: none"> ■ Same
<ul style="list-style-type: none"> ■ Dependents at Retirement 	<ul style="list-style-type: none"> ■ Actives: <ul style="list-style-type: none"> • Misc: 10% • Safety: 20% ■ Retirees: same as current coverage until age 65 	<ul style="list-style-type: none"> ■ Same
<ul style="list-style-type: none"> ■ Surviving Spouse Participation 	<ul style="list-style-type: none"> ■ 100% 	<ul style="list-style-type: none"> ■ Same



DEFINITIONS

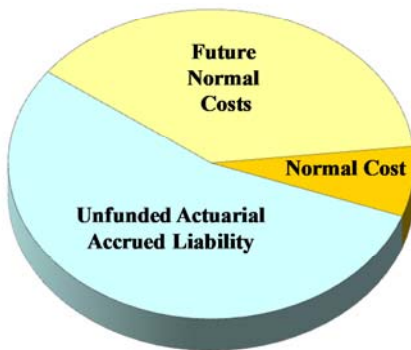
<ul style="list-style-type: none"> ■ OPEB Actuarial Valuation 	<ul style="list-style-type: none"> ■ Project future employer-provided benefit cash flows for current active employees and current retirees ■ Discount projected cash flow to valuation date using discount rate (assumed return on assets used to pay benefits) and other actuarial assumptions to determine present value of projected future benefits (PVB) ■ Allocate PVB to past, current, and future periods using the actuarial cost method ■ Actuarial cost method used for this valuation is the Entry Age Normal Cost method which determines Normal Cost as a level percentage of payroll (same method used by CalPERS) ■ Normal Cost is amount allocated to current fiscal year ■ Actuarial Accrued Liability (AAL) is amount allocated to prior service with employer ■ Unfunded AAL (UAAL) is AAL less plan assets pre-funded in a segregated and restricted trust
<ul style="list-style-type: none"> ■ PayGo Cost 	<ul style="list-style-type: none"> ■ Cash subsidy is the pay-as-you-go employer benefit payments for retirees ■ Implied subsidy is the difference between the actual cost of retiree benefits and retiree premiums subsidized by active employee premiums



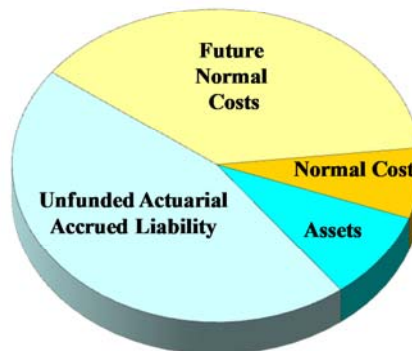
DEFINITIONS

Present Value of Benefits

**Present Value of Benefits
(Without Plan Assets)**



**Present Value of Benefits
(With Plan Assets)**



DEFINITIONS

■ Terminology
Used in
Report

- AAL - Actuarial Accrued Liability
- ADC - Actuarially Determined Contribution
- AVA - Actuarial Value of Assets
- GASBS 75 - Governmental Accounting Standards Board Statement No. 75
- MVA - Market Value of Assets
- NC - Normal Cost
- OPEB - Other (than pensions) Post Employment Benefits
- PVB - Present Value of Projected Benefits
- UAAL - Unfunded Actuarial Accrued Liability

