Bickmore

April 29, 2015

Mr. Charles D. Francis
Administrative Services Director/Treasurer
City of Sausalito
420 Litho Street
Sausalito, CA 94965

Re: January 1, 2015 Actuarial Report on GASB 45 Retiree Benefit Valuation

Dear Mr. Francis:

We are pleased to enclose our report providing the results of the January 1, 2015 actuarial valuation of other post-employment benefit (OPEB) liabilities for the City of Sausalito (the City). The report's text describes our analysis and assumptions in detail.

The primary purposes of the report are to develop:

- The value of future OPEB expected to be provided by the City, and
- The current OPEB liability and the annual OPEB expense to be reported in the City's financial statements for the fiscal years ending June 30, 2015, 2016 and 2017.

The exhibits included in this report illustrate two different approaches to financing the OPEB liability: (1) pay-as-you-go financing, where the City contributes only the amount needed to pay retiree benefits each year, or (2) prefunding the OPEB liability by contributing 100% of the annual required contribution (ARC) each year. Other approaches are possible and these are discussed briefly in the report.

This valuation was prepared on the assumption that the City will continue to follow the terms of current MOU provisions describing these retiree benefits as well as current PEMHCA resolution(s) on file with CalPERS. We have based our valuation on employee data and plan information provided by the City. We encourage you to review our summary of the benefits described in Table 3A to be comfortable that we have captured these provisions correctly.

We appreciate the opportunity to work on this analysis and acknowledge the efforts of the City's staff, who provided valuable information and assistance to enable us to perform this valuation. Please let us know if we can be of further assistance.

Sincerely,

Catherine L. MacLeod

Catherine L. MacLeod, FSA, EA, MAAA
Director, Health and Benefit Actuarial Services

Enclosure

Bickmore

City of Sausalito

Actuarial Valuation of the Other Post-Employment Benefit Programs As of January 1, 2015

Submitted April 2015

Table of Contents

A. Executive Summary

This report presents the results of the January 1, 2015 actuarial valuation of the City of Sausalito (the City) other post-employment benefit (OPEB) programs. Briefly, benefits include subsidized medical and dental coverage for eligible retirees. The purpose of this valuation is to assess the OPEB liabilities and provide disclosure information as required by Statement No. 45 of the Governmental Accounting Standards Board (GASB 45).

How much the City contributes each year affects the calculation of liabilities. Prefunding is the term used to describe when an agency consistently contributes an amount at least equal to the annual required contribution (ARC) each year. Contributing only the current year's retiree payments is referred to as pay-as-you-go financing. There are other options relating to the funding policy, including shorter amortization periods and partial pre-funding. These other options would require additional calculations not provided in this report, though we would be happy to provide illustrations at the City's request.

Prefunding the plan generally supports use of a higher discount rate and often produces substantially lower liabilities than a pay-as-you-go financing approach. This valuation uses a discount rate of 4.0% for pay-as-you-go calculations and illustrates prefunding results using a 6.5% discount rate. Neither rate is a guarantee of future investment performance, but rather an assumption about the long term rate of return. We have selected these rates for illustrative purposes, though the ultimate decision for these rates lies with the City.

In its financial report for the period ending June 30, 2014, the City reported a net OPEB obligation of $2,675,561. Exhibits presented in this report reflect our understanding that the results of this January 1, 2015 valuation will be applied in determining the annual OPEB expense for the fiscal years ending June 30, 2015, 2016, and 2017.

The City confirmed it has not yet established an irrevocable OPEB trust, though it is considering the possibility of doing so. The dollar amount of the OPEB liability and the annual required contribution depend on the level of OPEB funding. The chart below summarizes and compares results on a pay-as-you-go and prefunding basis for the fiscal year ending June 30, 2015:

Funding Approach	Pay-As-You-Go	Prefunding
Discount Rate	4.00%	6.50%
Present Value of Projected Benefits	$ 7,940,949	$ 4,958,258
Actuarial accrued liability (AAL)	5,730,670	4,014,799
Actuarial value of assets	-	-
Unfunded Actuarial Accrued Liability (UAAL)	5,730,670	4,014,799
Funded Ratio	0.0%	0.0%
Annual required contribution (ARC)	$ 411,198	$ 309,780
Estimated retiree benefit payments	$ 169,275	$ 169,275
Estimated contribution to OPEB trust	-	140,505
Estimated total City contributions	169,275	309,780
Projected net OPEB obligation at fiscal year end	$ 2,921,692	$ 2,705,826

Executive Summary (Continued)

Results are shown separately, and in total, for “enhanced” benefits and for those required by PEMHCA. In addition, calculations were prepared on both pay-as-you-go and prefunding approaches for the fiscal years ending June 30, 2015, 2016 and 2017. Tables providing these results begin on page 11. Breakouts of results by group are provided in Appendices 1 and 2. Additional information to facilitate OPEB reporting in the City’s financial statements is provided in Appendix 3.

The liabilities shown in the report reflect assumptions regarding continued future employment, rates of retirement and survival, and elections by future retirees to retain coverage for themselves and their dependents. We also note that this valuation has been prepared on a closed group basis; no provision is generally made for new employees until the valuation date following their employment.

The results of this valuation reflect changes in some of the assumptions used to project the value of future retiree benefits under this program; a description of assumption changes is provided on page 32. An actuarial valuation is, by its nature, a projection and to the extent that actual experience is not what we assumed, future results will be different. Some possible sources of future differences may include:

- A significant change in the number of covered or eligible plan members;
- A significant increase or decrease in the future medical premium rates or in the subsidy provided by the City toward retiree medical premiums;
- Establishment of an irrevocable OPEB trust with recurring City contributions made thereto;
- A recently adopted change in Actuarial Standards of Practice, to be reflected in the next OPEB valuation, which will require recognition of the “implicit subsidy” liability arising when medical premiums for retired employees are the same as premiums for active employees. Until then, if an agency participates in a large community rated plan like CalPERS, GASB has permitted this implicit subsidy liability to be ignored (see page 4);
- Changes in the OPEB accounting standard (revisions to GASB 45), similar to changes adopted in GASB 68 for defined benefit retirement plan liabilities. Among other changes, reporting of the unfunded OPEB liability will be shifted from a footnote to the balance sheet.

The last two items above may not create any additional liability that did not previously exist, but will change how much liability is required to be valued and reported.

Details of our valuation process and the various disclosures required by GASB 45 are provided on the succeeding pages. The date of the next actuarial valuation should not be later than January 1, 2018. If there are any significant changes in the employee data, benefits provided or the funding policy, please contact us to discuss whether an earlier valuation is appropriate.

Executive Summary (Concluded)

Important Notices

This report is intended to be used only to present the actuarial information relating to other postemployment benefits for the City's financial statements and to provide the annual contribution information with respect to the City's current OPEB funding policy. The results of this report may not be appropriate for other purposes, where other assumptions, methodology and/or actuarial standards of practice may be required or more suitable. We note that various issues in this report may involve legal analysis of applicable law or regulations. The City should consult counsel on these matters; Bickmore does not practice law and does not intend anything in this report to constitute legal advice. In addition, we recommend the City consult with their internal accounting staff or external auditor or accounting firm about the accounting treatment of OPEB liabilities.

B. Requirements of GASB 45

The Governmental Accounting Standards Board (GASB) issued GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. This Statement establishes standards for the measurement, recognition, and display of OPEB expense/expenditures and related liabilities (assets), note disclosures, and, if applicable, required supplementary information (RSI) in the financial reports of state and local governmental employers. We understand that the City implemented GASB 45 for the fiscal year ended June 30, 2009.

For agencies with less than 200 members covered by or eligible for plan benefits, GASB 45 requires that a valuation be prepared no less frequently than every three years. GASB 45 disclosures include the determination of an annual OPEB cost. For the first year, the annual OPEB cost is equal to the annual required contribution (ARC) as determined by the actuary.

- If the City's OPEB contributions had been equal to the ARC each year, the net OPEB obligation would equal $0.
- If the City's actual contribution is less than (greater than) the ARC, then a net OPEB obligation (asset) amount is established. In subsequent years, the annual OPEB expense will reflect adjustments made to the net OPEB obligation, in addition to the ARC (see Tables 1D and 2D).

GASB 45 provides for recognition of payments as contributions if they are made (a) directly to retirees or beneficiaries, (b) to an insurer, e.g., for the payment of premiums, or (c) to an OPEB fund set aside toward the cost of future benefits. Funds set aside for future benefits should be considered contributions to an OPEB plan only if the vehicle established is one that is capable of building assets that are separate from and independent of the control of the employer and legally protected from its creditors. Furthermore, the sole purpose of the assets should be to provide benefits under the plan. These conditions generally require the establishment of a legal trust. Earmarked assets or reserves may be an important step in financing future benefits, but they may not be recognized as an asset for purposes of reporting under GASB 45.

The decision whether or not to prefund, and at what level, is at the discretion of the City, as are the manner and term for paying down the unfunded actuarial accrued liability. Once a funding policy has been established, however, the City's auditor may have an opinion as to the timing and manner of any change to such policy in future years. The level of prefunding also affects the selection of the discount rate used for valuing the liabilities.

C. Sources of OPEB Liabilities

Post-employment benefits other than pensions (OPEB) comprise a part of compensation that employers offer for services received. The most common OPEB are:

- Medical
- Dental
- Prescription Drug
- Vision
- Life Insurance

Other possible post-employment benefits may include outside group legal, long-term care, or disability benefits outside of a pension plan. OPEB does not generally include vacation, sick leave[1] or COBRA benefits, which fall under other GASB accounting statements.

A direct employer payment toward the cost of OPEB is referred to as an "explicit subsidy" and these are included in the determination of OPEB liabilities. In addition, if claims experience of employees and retirees are pooled when determining premiums, the retirees pay a premium based on a pool of members that, on average, are younger and healthier. For certain types of coverage, such as medical, payment of the same premium rate results in an "implicit subsidy" of retiree premiums by active employee premiums since the retiree premiums are lower than they would have been if the retirees were insured separately. Paragraph 13.a. of GASB 45 generally requires an implicit subsidy of retiree premium rates to be valued as an OPEB liability.

Exceptions may exist when the plan is part of a "community-rated" program. Current GASB guidance[2] may allow an agency whose membership is a very small portion (e.g., less than 1%) of the total coverage of a multiple employer plan to reasonably conclude that any change in their group's mix of retirees and active employees would not affect the premium rates for the plan. In those circumstances, while an implicit subsidy may exist, it is not required to be disclosed.

OPEB Obligations of the City

The City provides continuation of medical and dental coverage to eligible retiring employees. For retirees and their dependent(s) who have chosen to retain this coverage:

- The City contributes directly to the cost of retiree medical coverage as well as dental coverage for a limited number of retirees. These benefits are described in Table 4A and liabilities have been included in this valuation.
- Employees are covered by the CalPERS medical program. The experience of public agency employer membership in this program is community-rated ("OPEB Assumption Model", August 2012) and the City's membership in this program is incidental relative to the total number of members covered. As currently permitted by GASB 45[2], this report does not make age-related premium adjustments or compute an implicit rate subsidy for employees covered under this program.

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[1] When a terminating employee's unused sick leave credits are converted to provide or enhance a defined benefit OPEB, e.g., healthcare benefits, such converted sick leave credits should be valued under GASB 45.

[2] A change in Actuarial Standards of Practice was recently adopted and a new GASB Statement for reporting of OPEB liabilities is under development. One important change is the elimination of the exception for disclosing the implicit subsidy liability for community rated plans. This and other changes could significantly impact the OPEB liability to be reported by the City in future years.

D. Valuation Process

The valuation has been based on employee census data initially submitted to us by the City in January 2015 and clarified in various related communications. Summaries of that data are provided in Table 3. While the individual employee records have been reviewed to verify that they are reasonable in various respects, the data has not been audited and we have otherwise relied on the City as to its accuracy. A summary of the benefits provided under the Plan is provided in Table 4 based on information supplied to Bickmore by the City. The valuation described below has been performed in accordance with the actuarial methods and assumptions described in Table 5.

In the specific development of the projected benefit values and liabilities, we first determine an expected premium or benefit stream over the employee's future retirement. These projected benefit streams reflect assumed trends in the cost of those benefits and assumptions as to the expected date(s) when benefits will end. We then apply assumptions regarding the following:

- The probability that each individual employee will or will not continue in service with the City to receive benefits.
- To the extent assumed to retire from the City, the probability of when such retirement will occur for each retiree, based on current age, service and employee type; and
- The likelihood that future retirees will or will not elect retiree coverage (and benefits) for themselves and/or their dependents.

We then calculate a present value of these benefits by discounting the value of each future expected benefit payment, multiplied by the assumed expectation that it will be paid, back to the valuation date using the discount rate. These benefit projections and liabilities have a very long time horizon. The final payments for currently active employees may not be made for 70 years or more.

The resulting present value for each employee is allocated as a level percent of payroll each year over the employee's career using the entry age normal cost method and the amounts for each individual are then summed to get the results for the entire plan. This creates a cost expected to increase each year as payroll increases. Amounts attributed to prior fiscal years form the "actuarial accrued liability" (AAL). The amount of future OPEB cost allocated for active employees in the current year is referred to as the "normal cost". The remaining active cost to be assigned to future years is called the "present value of future normal costs".

In summary:

Actuarial Accrued Liability	Past Years' Costs
plus Normal Cost	Current Year's Cost
plus Present Value of Future Normal Costs	Future Years' Costs
equals Present Value of Projected Benefits	Total Benefit Costs

Where contributions have been made to an irrevocable OPEB trust, the accumulated value of trust assets is applied to offset the AAL. It is our understanding that the City's plans have not yet been funded and no assets have been set aside in an irrevocable trust as of the valuation date. The portion of the AAL not covered by assets is referred to as the unfunded actuarial accrued liability (UAAL).

E. Basic Valuation Results

The following chart shows the results of the January 1, 2015 valuation of OPEB liabilities based on both pay-as-you-go funding and on prefunding basis.

	Pay-As-You-Go	Prefunding
Valuation date	**1/1/2015**	**1/1/2015**
Discount rate	4.00%	6.50%
Number of Covered Employees		
Actives	69	69
Retirees	39	39
Total Participants	108	108
Actuarial Present Value of Projected Benefits		
Actives	$ 4,904,479	2,631,363
Retirees	3,036,470	2,326,895
Total APVPB	7,940,949	4,958,258
Actuarial Accrued Liability (AAL)		
Actives	2,694,200	1,687,904
Retirees	3,036,470	2,326,895
Total AAL	5,730,670	4,014,799
Actuarial Value of Assets	-	-
Unfunded AAL (UAAL)	5,730,670	4,014,799
Normal Cost	191,578	97,916
Benefit Payments		
Total	169,275	169,275
Funded ratio:	0.0%	0.0%
Covered payroll:	5,688,941	5,688,941
UAAL as % of payroll:	100.7%	70.6%

The difference between the pay-as-you-go and prefunding results as of January 1, 2015 is strictly the result of different discount rates being used, reflecting the different level of City contributions expected for these two approaches for financing the OPEB liability.

Each of the columns above is broken out further between “enhanced” and PEMHCA minimum required benefits beginning on page 11. These same results are subdivided further by employee group in the appendices.

The numbers of active employees and retirees shown above are as of the valuation date and are not necessarily the number expected in the following years. Because this valuation has been prepared on a closed group basis, no potential future employees are included and, based on assumptions outlined in Table 5, we recognize the possibility that active employees may leave employment, some may retire and elect benefits and coverage for some of the retired employees may cease.

F. Funding Policy

The specific calculation of the ARC and annual OPEB expense for an employer depends on how much the employer contributes. Funding levels can generally be categorized as:

1. *Prefunding* - contributing an amount greater than or equal to the ARC each year. Prefunding generally allows the employer to have the liability calculated using a higher discount rate. Prefunding results are illustrated using a 6.5% discount rate in Tables 2A, 2B, 2C and 2D.
2. *Pay-As-You-Go financing* – contributing only the amounts needed to pay current retiree benefits generally requires a lower discount rate, such as the 4.0% rate assumed in this valuation. These results are shown in Tables 1A, 1B, 1C and 1D.
3. *Partial prefunding* – contributing more than the current year's retiree payments but less than 100% of the ARC; requires that liabilities be developed using a discount rate that "blends" the relative portions of benefits that are prefunded and those not.

Determination of the ARC

The Annual Required Contribution (ARC) consists of two basic components, which have been adjusted with interest to the City's fiscal year end:

- The amounts attributed to service performed in the current fiscal year (the normal cost) and
- Amortization of the unfunded actuarial accrued liability (UAAL).

ARCs for each of the fiscal years ending June 30, 2015, June 30, 2016 and June 30, 2017 are developed in Tables 1A, 1B and 1C (pay-as-you-go basis) and Tables 2A, 2B and 2C (prefunding basis).

Decisions Affecting the Amortization Payment

The period and method for amortizing the AAL can significantly affect the ARC. GASB 45:

- Requires a maximum amortization period of 30 years and requires no minimum amortization period (except 10 years for certain actuarial gains). Immediate full funding of the liability is also permitted.
- Allows amortization payments to be determined (a) as a level percentage of payroll, designed to increase over time as payroll increases, or (b) as a level dollar amount much like a conventional mortgage, so that this component of the ARC does not increase over time. Where a plan is closed and has no ongoing payroll base, a level percent of payroll basis is not permitted.
- Allows the amortization period to decrease annually by one year (closed basis) or to be maintained at the same number of years (open basis).

Funding Policy Illustrated in This Report

Based on discussions with the City, the portion of the UAAL for employees and retirees who are expected to receive only the minimum employer contribution (MEC) in retirement is to be amortized over a closed 30-year period beginning July 1, 2014, and the portion of the UAAL for employees and retirees who are expected to receive the enhanced benefit is to be amortized over an open 30-year period. Payments are determined as a level percent of pay.

G. Choice of Actuarial Funding Method and Assumptions

The “ultimate real cost” of an employee benefit plan is the value of all benefits and other expenses of the plan over its lifetime. These expenditures are dependent only on the terms of the plan and the administrative arrangements adopted, and as such are not affected by the actuarial funding method. The actuarial funding method attempts to spread recognition of these expected costs on a level basis over the life of the plan, and as such sets the “incidence of cost”. Methods that produce higher initial annual (prefunding) costs will produce lower annual costs later. Conversely, methods that produce lower initial costs will produce higher annual costs later relative to the other methods. GASB 45 allows the use of any of six actuarial funding methods; a brief description of each is in the glossary.

Factors Impacting the Selection of Funding Method

While the goal of GASB 45 is to match recognition of retiree medical expense with the periods during which the benefit is earned, the funding methods differ because they focus on different financial measures in attempting to level the incidence of cost. Appropriate selection of a funding method contributes to creating intergenerational equity between generations of taxpayers. The impact of potential new employees entering the plan may also affect selection of a funding method, though this is not a factor in this plan.

We believe it is most appropriate for the plan sponsor to adopt a theory of funding and consistently apply the funding method representing that theory. This valuation was prepared using the entry age normal cost method with normal cost determined on a level percent of pay basis. The entry age normal cost method often produces initial contributions between those of the other more common methods and is generally regarded by pension actuaries as the most stable of the funding methods and is one of the most commonly used methods for GASB 45 compliance.

Factors Affecting the Selection of Assumptions

Special considerations apply to the selection of actuarial funding methods and assumptions for the City. The actuarial assumptions used in this report were chosen, for the most part, to be the same as the actuarial assumptions used for the most recent actuarial valuation of the retirement plan covering City employees. Several of these assumptions were updated since the last valuation was prepared. Other assumptions were selected based on demonstrated plan experience and/or our best estimate of expected future experience.

In selecting an appropriate discount rate, GASB states that the discount rate should be based on the expected long-term yield of investments used to finance the benefits. The City approved calculation of liabilities on a pay-as-you-go basis using a 4.0% discount rate, the same rate used in the prior valuation. Since no OPEB trust has yet been established, for illustrative purposes, we have used a 6.5% discount rate in developing results on a funded basis. The actual discount rate, should the City decide to establish an irrevocable OPEB trust, will depend on the particular investments and asset allocation strategy selected.

H. Certification

This report presents the results of our actuarial valuation of the other post employment benefits provided by the City of Sausalito. The purpose of this valuation was to provide the actuarial information required for the City's reporting under Statement 45 of the Governmental Accounting Standards Board. The calculations were focused on determining the plan's funded status as of the valuation date, developing the Annual Required Contribution and projecting the Net OPEB Obligations for the years to which this report is expected to be applied.

We certify that this report has been prepared in accordance with our understanding of GASB 45. To the best of our knowledge, the report is complete and accurate, based upon the data and plan provisions provided to us by the City. We believe the assumptions and method used are reasonable and appropriate for purposes of the financial reporting required by GASB 45. The results may not be appropriate for other purposes.

Each of the undersigned individuals is a Fellow in the Society of Actuaries and Member of the American Academy of Actuaries who satisfies the Academy Qualification Standards for rendering this opinion.

Signed: April 29, 2015

Catherine L. MacLeod

Catherine L. MacLeod, FSA, EA, MAAA

Francis M. Schauer, Jr.

Francis M. Schauer Jr., FSA, FCA, EA, MAAA

Table 1A
Pay-As-You-Go Results for the Fiscal Year Ending June 30, 2015

The table below provides separate results for "enhanced" and PEMHCA minimum benefits determined on a pay-as-you-go basis. Amortization payments for the unfunded actuarial accrued liability (UAAL) are on level percent of pay basis, though using differing periods: for enhanced benefits, an open 30 year period; for PEMHCA minimum benefits, a closed 30 year period beginning July 1, 2014.

	Pay-As-You-Go Basis		
Valuation date	**1/1/2015**		
Subsidy	Enhanced Bft	MEC Only	Total
For fiscal year beginning	7/1/2014	7/1/2014	7/1/2014
For fiscal year ending	6/30/2015	6/30/2015	6/30/2015
Discount rate	4.00%	4.00%	4.00%
Number of Covered Employees			
Actives	36	33	69
Retirees	25	14	39
Total Participants	61	47	108
Actuarial Present Value of Projected Benefits			
Actives	$ 3,984,249	$ 920,230	$ 4,904,479
Retirees	2,474,704	561,766	3,036,470
Total APVPB	6,458,953	1,481,996	7,940,949
Actuarial Accrued Liability (AAL)			
Actives	2,402,384	291,816	2,694,200
Retirees	2,474,704	561,766	3,036,470
Total AAL	4,877,088	853,582	5,730,670
Actuarial Value of Assets	-	-	-
Unfunded AAL (UAAL)	4,877,088	853,582	5,730,670
Normal Cost	132,419	59,159	191,578
Benefit Payments			
Actives (in retirement)	3,332	274	3,606
Retirees	144,272	21,397	165,669
Total	147,604	21,671	169,275
Amortization method	Level % of Pay	Level % of Pay	Level % of Pay
Initial amortization period (in years)	30	30	30/30
Remaining period (in years)	30	30	30/30
Determination of Amortization Payment			
UAAL	$ 4,877,088	$ 853,582	$ 5,730,670
Factor	27.0642	27.0642	-
Payment	180,204	31,539	211,743
Annual Required Contribution (ARC)			
Normal Cost	132,419	59,159	191,578
Amortization of UAAL	180,204	31,539	211,743
Interest to 06/30	6,106	1,771	7,877
Total ARC at fiscal year end	318,729	92,469	411,198

Projected covered payroll	$ 3,000,917	$ 2,688,024	$ 5,688,941
Normal Cost as a percent of payroll	4.4%	2.2%	3.4%

Table 1B
Pay-As-You-Go Results for the Fiscal Year Ending June 30, 2016

The following summarizes the results of our valuation of OPEB liabilities for the City calculated under GASB 45 for the fiscal year ending June 30, 2016. Amortization of the UAAL continues as described on the prior page.

Valuation date	**Pay-As-You-Go Basis 1/1/2015**		
Subsidy	Enhanced Bft	MEC Only	Total
For fiscal year beginning	7/1/2015	7/1/2015	7/1/2015
For fiscal year ending	6/30/2016	6/30/2016	6/30/2016
Discount rate	4.00%	4.00%	4.00%
Number of Covered Employees			
Actives	36	33	69
Retirees	25	14	39
Total Participants	61	47	108
Actuarial Present Value of Projected Benefits			
Actives	$ 4,136,821	$ 956,480	$ 5,093,301
Retirees	2,432,718	563,329	2,996,047
Total APVPB	6,569,539	1,519,809	8,089,348
Actuarial Accrued Liability (AAL)			
Actives	2,629,398	364,455	2,993,853
Retirees	2,432,718	563,329	2,996,047
Total AAL	5,062,116	927,784	5,989,900
Actuarial Value of Assets	-	-	-
Unfunded AAL (UAAL)	5,062,116	927,784	5,989,900
Normal Cost	136,723	61,082	197,804
Benefit Payments			
Actives (in retirement)	10,297	863	11,160
Retirees	142,730	20,836	163,566
Total	153,027	21,699	174,726
Amortization method	Level % of Pay	Level % of Pay	Level % of Pay
Initial amortization period (in years)	30	30	30/30
Remaining period (in years)	30	29	30/29
Determination of Amortization Payment			
UAAL	5,062,116	927,784	5,989,900
Factor	27.0642	26.2536	-
Payment	187,041	35,339	222,380
Annual Required Contribution (ARC)			
Normal Cost	136,723	61,082	197,805
Amortization of UAAL	187,041	35,339	222,380
Interest to 06/30	6,323	1,883	8,206
Total ARC at fiscal year end	330,087	98,304	428,391

Projected covered payroll	3,098,447	2,775,385	5,873,832
Normal Cost as a percent of payroll	4.4%	2.2%	3.4%

Table 1C
Pay-As-You-Go Results for the Fiscal Year Ending June 30, 2017

The following summarizes the results of our valuation of OPEB liabilities for the City calculated under GASB 45 for the fiscal year ending June 30, 2017. Amortization of the UAAL continues as described previously.

Valuation date	Pay-As-You-Go Basis 1/1/2015		
Subsidy	Enhanced Bft	MEC Only	Total
For fiscal year beginning	7/1/2016	7/1/2016	7/1/2016
For fiscal year ending	6/30/2017	6/30/2017	6/30/2017
Discount rate	4.00%	4.00%	4.00%
Number of Covered Employees			
Actives	36	33	69
Retirees	25	14	39
Total Participants	61	47	108
Actuarial Present Value of Projected Benefits			
Actives	$ 4,288,083	$ 993,539	$ 5,281,622
Retirees	2,379,810	564,261	2,944,071
Total APVPB	6,667,893	1,557,800	8,225,693
Actuarial Accrued Liability (AAL)			
Actives	2,862,554	441,358	3,303,912
Retirees	2,379,810	564,261	2,944,071
Total AAL	5,242,364	1,005,619	6,247,983
Actuarial Value of Assets	-	-	-
Unfunded AAL (UAAL)	5,242,364	1,005,619	6,247,983
Normal Cost	141,166	63,067	204,233
Benefit Payments			
Actives (in retirement)	16,097	1,633	17,730
Retirees	148,687	21,525	170,212
Total	164,784	23,158	187,942
Amortization method	Level % of Pay	Level % of Pay	Level % of Pay
Initial amortization period (in years)	30	30	30/30
Remaining period (in years)	30	28	30/28
Determination of Amortization Payment			
UAAL	5,242,364	1,005,619	6,247,983
Factor	27.0642	25.4370	-
Payment	193,701	39,534	233,235
Annual Required Contribution (ARC)			
Normal Cost	141,166	63,067	204,233
Amortization of UAAL	193,701	39,534	233,235
Interest to 06/30	6,540	2,004	8,544
Total ARC at fiscal year end	341,407	104,605	446,012

Projected covered payroll	3,199,146	2,865,585	6,064,731
Normal Cost as a percent of payroll	4.4%	2.2%	3.4%

Table 1D
Expected OPEB Disclosures: Pay-As-You-Go Basis

The following three charts develop the annual OPEB expense and net OPEB obligation.

For the fiscal year ending June 30, 2015:

Funding Approach	**Pay-As-You-Go**		
	Enhanced Benefit	**MEC Only**	**Combined Total**
Subsidy			
Discount rate	4.00%	4.00%	4.00%
Amortization method	Level % of Pay	Level % of Pay	Level % of Pay
Amortization period	30 year open	30 year closed	30 yrs & 30 yrs
1. Calculation of the Annual OPEB Expense			
a. ARC for current fiscal year	$ 318,729	$ 92,469	$ 411,198
b. Interest on Net OPEB Obligation (Asset)	91,081	15,941	107,022
c. Adjustment to the ARC	(87,500)	(15,314)	(102,814)
d. **Annual OPEB Expense** (a. + b. + c.)	322,310	93,096	415,406
2. Calculation of Expected Contribution			
a. Estimated payments on behalf of retirees	147,604	21,671	169,275
b. Estimated contribution to OPEB trust	-	-	-
c. **Total Expected Employer Contribution**	147,604	21,671	169,275
3. Change in Net OPEB Obligation *(1.d. minus 2.c.)*	174,706	71,425	246,131
Net OPEB Obligation (Asset), beginning of fiscal year	2,277,037	398,524	2,675,561
Net OPEB Obligation (Asset) at fiscal year end	2,451,743	469,949	2,921,692

For the fiscal year ending June 30, 2016:

Funding Approach	**Pay-As-You-Go**		
Plan	**Enhanced Benefit**	**MEC Only**	**Combined** Total
Subsidy			
Discount rate	4.00%	4.00%	4.00%
Amortization method	Level % of Pay	Level % of Pay	Level % of Pay
Amortization period	30 year open	29 year closed	30 yrs & 29 yrs
1. Calculation of the Annual OPEB Expense			
a. ARC for current fiscal year	$ 330,087	$ 98,304	$ 428,391
b. Interest on Net OPEB Obligation (Asset)	98,070	18,798	116,868
c. Adjustment to the ARC	(94,213)	(18,616)	(112,829)
d. **Annual OPEB Expense** (a. + b. + c.)	333,944	98,486	432,430
2. Calculation of Expected Contribution			
a. Estimated payments on behalf of retirees	153,027	21,699	174,726
b. Estimated contribution to OPEB trust	-	-	-
c. **Total Expected Employer Contribution**	153,027	21,699	174,726
3. Change in Net OPEB Obligation *(1.d. minus 2.c.)*	180,917	76,787	257,704
Net OPEB Obligation (Asset), beginning of fiscal year	2,451,743	469,949	2,921,692
Net OPEB Obligation (Asset) at fiscal year end	2,632,660	546,736	3,179,396

Table 1D – Expected OPEB Disclosures: Pay-As-You-Go Basis (Concluded)

For the fiscal year ending June 30, 2017:

Funding Approach	**Pay-As-You-Go**		
Plan	**Enhanced Benefit**	**MEC Only**	**Combined**
Subsidy			Total
Discount rate	4.00%	4.00%	4.00%
Amortization method	Level % of Pay	Level % of Pay	
Amortization period	30 year open	28 year closed	
1. Calculation of the Annual OPEB Expense			
a. ARC for current fiscal year	$ 341,407	$ 104,605	$ 446,012
b. Interest on Net OPEB Obligation (Asset)	105,306	21,869	127,175
c. Adjustment to the ARC	(101,166)	(22,353)	(123,519)
d. **Annual OPEB Expense** (a. + b. + c.)	345,547	104,121	449,668
2. Calculation of Expected Contribution			
a. Estimated payments on behalf of retirees	164,784	23,158	187,942
b. Estimated contribution to OPEB trust	-	-	-
c. **Total Expected Employer Contribution**	164,784	23,158	187,942
3. Change in Net OPEB Obligation *(1.d. minus 2.c.)*	180,763	80,963	261,726
Net OPEB Obligation (Asset), beginning of fiscal year	2,632,660	546,736	3,179,396
Net OPEB Obligation (Asset) at fiscal year end	2,813,423	627,699	3,441,122

Table 2A
Prefunding Results for the Fiscal Year Ending June 30, 2015

The table below provides separate results for "enhanced" and PEMHCA minimum benefits determined on a prefunding basis. Amortization of the unfunded actuarial accrued liability (UAAL) is on level percent of pay basis. However, for enhanced benefits, an open 30 year period is used; for PEMHCA minimum benefits, a closed 30 year period was set beginning July 1, 2014.

	Prefunding Basis		
Valuation date	**1/1/2015**		
Subsidy	Enhanced Bft	MEC Only	Total
For fiscal year beginning	7/1/2014	7/1/2014	7/1/2014
For fiscal year ending	6/30/2015	6/30/2015	6/30/2015
Expected long term rate of return on assets	6.50%	6.50%	6.50%
Discount rate	6.50%	6.50%	6.50%
Number of Covered Employees			
Actives	36	33	69
Retirees	25	14	39
Total Participants	61	47	108
Actuarial Present Value of Projected Benefits			
Actives	$ 2,189,429	$ 441,934	$ 2,631,363
Retirees	1,925,625	401,270	2,326,895
Total APVPB	4,115,054	843,204	4,958,258
Actuarial Accrued Liability (AAL)			
Actives	1,523,909	163,995	1,687,904
Retirees	1,925,625	401,270	2,326,895
Total AAL	3,449,534	565,265	4,014,799
Actuarial Value of Assets	-	-	-
Unfunded AAL (UAAL)	3,449,534	565,265	4,014,799
Normal Cost	66,330	31,586	97,916
Benefit Payments			
Actives (in retirement)	3,332	274	3,606
Retirees	144,272	21,397	165,669
Total	147,604	21,671	169,275
Amortization method	Level % of Pay	Level % of Pay	Level % of Pay
Initial amortization period (in years)	30	30	30/30
Remaining period (in years)	30	30	30/30
Determination of Amortization Payment			
UAAL	$ 3,449,534	$ 565,265	$ 4,014,799
Factor	19.8368	19.8368	-
Payment	173,895	28,496	202,391
Annual Required Contribution (ARC)			
Normal Cost	66,330	31,586	97,916
Amortization of UAAL	173,895	28,496	202,391
Interest to 06/30	7,578	1,895	9,473
Total ARC at fiscal year end	247,803	61,977	309,780

Projected covered payroll	$ 3,000,917	$ 2,688,024	$ 5,688,941
Normal Cost as a percent of payroll	2.2%	1.2%	1.7%

Table 2B
Prefunding Results for the Fiscal Year Ending June 30, 2016

The following summarizes the results of our valuation of OPEB liabilities for the City calculated under GASB 45 for the fiscal year ending June 30, 2016. Amortization of the UAAL continues as described on the prior page.

	Prefunding Basis		
Valuation date	**1/1/2015**		
Subsidy	Enhanced Bft	MEC Only	Total
For fiscal year beginning	7/1/2015	7/1/2015	7/1/2015
For fiscal year ending	6/30/2016	6/30/2016	6/30/2016
Expected long term rate of return on assets	6.50%	6.50%	6.50%
Discount rate	6.50%	6.50%	6.50%
Number of Covered Employees			
Actives	36	33	69
Retirees	25	14	39
Total Participants	61	47	108
Actuarial Present Value of Projected Benefits			
Actives	$ 2,324,862	$ 470,094	$ 2,794,956
Retirees	1,908,108	406,192	2,314,300
Total APVPB	4,232,970	876,286	5,109,256
Actuarial Accrued Liability (AAL)			
Actives	1,686,725	207,728	1,894,453
Retirees	1,908,108	406,192	2,314,300
Total AAL	3,594,833	613,920	4,208,753
Actuarial Value of Assets	103,449	41,613	145,062
Unfunded AAL (UAAL)	3,491,384	572,307	4,063,691
Normal Cost	68,485	32,613	101,098
Benefit Payments			
Actives (in retirement)	10,297	863	11,160
Retirees	142,730	20,836	163,566
Total	153,027	21,699	174,726
Amortization method	Level % of Pay	Level % of Pay	Level % of Pay
Initial amortization period (in years)	30	30	30/30
Remaining period (in years)	30	29	30/29
Determination of Amortization Payment			
UAAL	$ 3,491,384	$ 572,307	$ 4,063,691
Factor	19.8368	19.4297	-
Payment	176,005	29,455	205,460
Annual Required Contribution (ARC)			
Normal Cost	68,485	32,613	101,098
Amortization of UAAL	176,005	29,455	205,460
Interest to 06/30	7,712	1,958	9,670
Total ARC at fiscal year end	252,202	64,026	316,228

Projected covered payroll	$ 3,098,447	$ 2,775,385	$ 5,873,832
Normal Cost as a percent of payroll	2.2%	1.2%	1.7%

Table 2C
Prefunding Results for the Fiscal Year Ending June 30, 2017

The following summarizes the results of our valuation of OPEB liabilities for the City calculated under GASB 45 for the fiscal year ending June 30, 2017. Amortization of the UAAL continues as described on the prior page.

	Prefunding Basis		
Valuation date	**1/1/2015**		
Subsidy	Enhanced Bft	MEC Only	Total
For fiscal year beginning	7/1/2016	7/1/2016	7/1/2016
For fiscal year ending	6/30/2017	6/30/2017	6/30/2017
Expected long term rate of return on assets	6.50%	6.50%	6.50%
Discount rate	6.50%	6.50%	6.50%
Number of Covered Employees			
Actives	36	33	69
Retirees	25	14	39
Total Participants	61	47	108
Actuarial Present Value of Projected Benefits			
Actives	$ 2,461,595	$ 499,435	$ 2,961,030
Retirees	1,880,099	410,732	2,290,831
Total APVPB	4,341,694	910,167	5,251,861
Actuarial Accrued Liability (AAL)			
Actives	1,854,916	254,748	2,109,664
Retirees	1,880,099	410,732	2,290,831
Total AAL	3,735,015	665,480	4,400,495
Actuarial Value of Assets	212,565	88,018	300,583
Unfunded AAL (UAAL)	3,522,450	577,462	4,099,912
Normal Cost	70,711	33,673	104,384
Benefit Payments			
Actives (in retirement)	16,097	1,633	17,730
Retirees	148,687	21,525	170,212
Total	164,784	23,158	187,941
Amortization method	Level % of Pay	Level % of Pay	Level % of Pay
Initial amortization period (in years)	30	30	30/30
Remaining period (in years)	30	28	30/28
Determination of Amortization Payment			
UAAL	$ 3,522,450	$ 577,462	$ 4,099,912
Factor	19.8368	19.0098	19.7160
Payment	177,571	30,377	207,948
Annual Required Contribution (ARC)			
Normal Cost	70,711	33,673	104,384
Amortization of UAAL	177,571	30,377	207,948
Interest to 06/30	7,832	2,020	9,852
Total ARC at fiscal year end	256,114	66,070	322,184

Projected covered payroll	$ 3,199,146	$ 2,865,585	$ 6,064,731
Normal Cost as a percent of payroll	2.2%	1.2%	1.7%

Table 2D
Expected OPEB Disclosures: Prefunding Basis

The following three charts develop the annual OPEB expense and net OPEB obligation.

For the fiscal year ending June 30, 2015:

Funding Approach	**Prefunding**		
Subsidy	**Enhanced Benefit**	**MEC Only**	**Combined Total**
Discount rate	6.50%	6.50%	6.50%
Amortization method	Level % of Pay	Level % of Pay	Level % of Pay
Amortization period	30 year open	30 year closed	30 yrs & 30 yrs
1. Calculation of the Annual OPEB Expense			
a. ARC for current fiscal year	$ 247,803	$ 61,977	$ 309,780
b. Interest on Net OPEB Obligation (Asset)	148,007	25,904	173,911
c. Adjustment to the ARC	(122,250)	(21,396)	(143,646)
d. **Annual OPEB Expense** (a. + b. + c.)	273,560	66,485	340,045
2. Calculation of Expected Contribution			
a. Estimated payments on behalf of retirees	147,604	21,671	169,275
b. Estimated contribution to OPEB trust	100,199	40,306	140,505
c. **Total Expected Employer Contribution**	247,803	61,977	309,780
3. Change in Net OPEB Obligation *(1.d. minus 2.c.)*	25,757	4,508	30,265
Net OPEB Obligation (Asset), beginning of fiscal year	2,277,037	398,524	2,675,561
Net OPEB Obligation (Asset) at fiscal year end	2,302,794	403,032	2,705,826

For the fiscal year ending June 30, 2016:

Funding Approach	**Prefunding**		
Plan Subsidy	**Enhanced Benefit**	**MEC Only**	**Combined** Total
Discount rate	6.50%	6.50%	6.50%
Amortization method	Level % of Pay	Level % of Pay	Level % of Pay
Amortization period	30 year open	29 year closed	30 yrs & 29 yrs
1. Calculation of the Annual OPEB Expense			
a. ARC for current fiscal year	$ 252,202	$ 64,026	$ 316,228
b. Interest on Net OPEB Obligation (Asset)	149,682	26,197	175,879
c. Adjustment to the ARC	(123,633)	(22,091)	(145,724)
d. **Annual OPEB Expense** (a. + b. + c.)	278,251	68,132	346,383
2. Calculation of Expected Contribution			
a. Estimated payments on behalf of retirees	153,027	21,699	174,726
b. Estimated contribution to OPEB trust	99,175	42,327	141,502
c. **Total Expected Employer Contribution**	252,202	64,026	316,228
3. Change in Net OPEB Obligation *(1.d. minus 2.c.)*	26,049	4,106	30,155
Net OPEB Obligation (Asset), beginning of fiscal year	2,302,794	403,032	2,705,826
Net OPEB Obligation (Asset) at fiscal year end	2,328,843	407,138	2,735,981

Table 2D – Expected OPEB Disclosures: Prefunding Basis (Concluded)

For the fiscal year ending June 30, 2017:

Funding Approach	**Prefunding**		
Plan	**Enhanced Benefit**	**MEC Only**	**Combined**
Subsidy			Total
Discount rate	6.50%	6.50%	6.50%
Amortization method	Level % of Pay	Level % of Pay	
Amortization period	30 year open	28 year closed	
1. Calculation of the Annual OPEB Expense			
a. ARC for current fiscal year	$ 256,114	$ 66,070	$ 322,184
b. Interest on Net OPEB Obligation (Asset)	151,375	26,464	177,839
c. Adjustment to the ARC	(125,031)	(22,809)	(147,840)
d. **Annual OPEB Expense** (a. + b. + c.)	282,458	69,725	352,183
2. Calculation of Expected Contribution			
a. Estimated payments on behalf of retirees	164,784	23,158	187,942
b. Estimated contribution to OPEB trust	91,330	42,912	134,242
c. **Total Expected Employer Contribution**	256,114	66,070	322,184
3. Change in Net OPEB Obligation *(1.d. minus 2.c.)*	26,344	3,655	29,999
Net OPEB Obligation (Asset), beginning of fiscal year	2,328,843	407,138	2,735,981
Net OPEB Obligation (Asset) at fiscal year end	2,355,187	410,793	2,765,980

Table 3
Summary of Employee Data

The City reported 69 active employees; of these, 56 are currently participating in the medical program while 9 employees were waiving coverage as of the valuation date. These counts include 4 remaining active fire employees who were transferred from the City to the South Marin Fire Protection District in 2012; however, the District remains responsible for their OPEB, should they choose to retire from SMFPD. Age and service information for the reported individuals is provided below:

Distribution of Benefits-Eligible Active Employees								
Current Age	Years of Service						Total	Percent
	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 & Up		
Under 25	2						2	3%
25 to 29	2	3	1				6	9%
30 to 34	2	2	7				11	16%
35 to 39		1	1	3	1		6	9%
40 to 44		1	2		4	1	8	12%
45 to 49	1	4	3	3	1	2	14	20%
50 to 54		3	5	2		2	12	17%
55 to 59			4	3			7	10%
60 to 64			1			2	3	4%
65 to 69							0	0%
70 & Up							0	0%
Total	7	14	24	11	6	7	**69**	**100%**
Percent	10%	20%	35%	16%	9%	10%	**100%**	

	July 2011 Valuation	January 2015 Valuation
Annual Covered Payroll	Not provided	$5,688,941
Average Attained Age for Actives		43.9
Average Years of Service		9.0

There are also 39 retirees or their beneficiaries receiving benefits. The following chart summarizes the ages of current retirees in the City plan.

Retirees by Age		
Current Age	Number	Percent
Below 50	1	3%
50 to 54	1	3%
55 to 59	5	13%
60 to 64	10	26%
65 to 69	8	21%
70 to 74	4	10%
75 to 79	5	13%
80 & up	5	13%
Total	**39**	**100%**
Average Attained Age for Retirees:		68.1

Table 3- Summary of Employee Data (Concluded)

The numbers of active and retired employees are shown below for each of 4 employee groups:

Participants by Group			
Group	**Actives**	**Retired**	**Total**
Firefighters Association	4	6	10
Police	20	9	29
SEIU	26	6	32
Unrepresented	19	18	37
Total	69	39	108

The OPEB provided by the City varies based on date hired, date retired and/or whether or not an employee has voluntarily elected to switch to a different benefit program. The chart below shows the current numbers of active and retired employees at their maximum potential OPEB level.

Counts for Various Benefit Levels				
	Active	Retired	Active - SMFPD	Total
MEC Only	33	14	0	47
FULL - premium cap	0	8	0	8
FULL - Kaiser cap	32	15	4	51
Other	0	2	0	2
Total	65	39	4	108

Table 4A
Summary of Retiree Benefit Provisions

OPEB provided: The only OPEB reported by the City are medical and dental coverage.

Access to coverage: Medical coverage is currently provided through CalPERS as permitted under the Public Employees' Medical and Hospital Care Act (PEMHCA).

- This coverage requires the employee to satisfy the requirements for retirement under CalPERS, which requires attainment of age 50 (age 52, if a new miscellaneous member on or after January 1, 2013) with 5 years of State or public agency service or approved disability retirement.
- If an eligible employee is not already enrolled in the medical plan, he or she may enroll within 60 days of retirement or during any future open enrollment period.
- Coverage may be continued at the retiree's option for his or her lifetime. A surviving spouse and other eligible dependents may also continue coverage.
- The employee must commence his or her retirement warrant within 120 days of terminating employment with the City to be eligible to continue medical coverage through the City and be entitled to the employer subsidy described below.

Benefits provided: As a PEMHCA employer, the City is obligated to contribute toward the cost of retiree medical coverage for the retiree's lifetime. The City's governing PEMHCA resolution defines the City's contribution for active and retiree medical plan premiums to be the CalPERS Minimum Employer Contribution (MEC). The MEC is $122 per month in 2015.

- Future retirees who had 3 or more years of City service as of July 1, 2012 may be eligible for an enhanced retiree medical benefit if the employee satisfies additional eligibility requirements at the time of retirement. Both PEMHCA and enhanced medical benefits and their eligibility requirements are summarized on the following page.
- All employees with less than 3 years of service as of July 1, 2012, retirees who do not meet the minimum service requirement for the enhanced retiree medical benefit, and employees who irrevocably waived their enhanced medical benefit will only be eligible for the MEC in retirement.

Some current retirees and one active employee are eligible for subsidized dental coverage for the retiree only. The single coverage dental premiums for 2015 are $47.65 per month for Confidential employees and $58.64 per month for Management employees.

Current premium rates: The 2015 CalPERS monthly medical plan rates in the Bay Area rate group are shown in the table below. Other out-of area rates may also have been used, but are not listed here. The CalPERS administration fee is assumed to be separately expensed each year and has not been projected as an OPEB liability in this valuation.

Bay Area 2015 Health Plan Rates						
	Actives and Pre-Med Retirees			**Medicare Eligible**		
Plan	**Ee Only**	**Ee & 1**	**Ee & 2+**	**Ee Only**	**Ee & 1**	**Ee & 2+**
Anthem HMO Select HMO	$ 662.41	$1,324.82	$1,722.27	$ 445.38	$ 890.76	$1,288.21
Blue Shield Access+ HMO	928.87	1,857.74	2,415.06	352.63	705.26	1,262.58
Blue Shield NetValue HMO	870.60	1,741.20	2,263.56	352.63	705.26	1,227.62
Kaiser HMO	714.45	1,428.90	1,857.57	295.51	591.02	1,019.69
PERS Choice PPO	700.84	1,401.68	1,822.18	339.47	678.94	1,099.44
PERSCare PPO	775.08	1,550.16	2,015.21	368.76	737.52	1,202.57

Table 4A
Summary of Retiree Benefits
(Concluded)

<table>
<tr><th colspan="8">City of Sausalito - Summary of Retiree Medical Eligiblity and Benefits</th></tr>
<tr><th>Date of Retirement</th><th>Group</th><th>Minimum Age Requirement</th><th>Minimum Service Requirement</th><th>Other Eligibility Requirements</th><th>City-Paid Benefit: For the Retiree</th><th>City-Paid Benefit: Surviving Spouse</th><th>Term of Benefit</th></tr>
<tr><td>Any</td><td>All</td><td>50;
52 for Misc PEPRA Employees</td><td>5 years PERS service</td><td>No minimum age for approved disability</td><td>CalPERS required
Minimum Employer Contribution (MEC)
$122 per month in 2015</td><td>CalPERS MEC,
if eligible for PERS survivor pension</td><td>Lifetime</td></tr>
<tr><td colspan="8">Enhanced Benefit (<u>including</u> the CalPERS required MEC):</td></tr>
<tr><td rowspan="2">Prior to 7/1/2007</td><td>Police/Fire[2]</td><td>50</td><td rowspan="2">20 years of City service</td><td rowspan="2">None[1]</td><td rowspan="2">100% Employee Only premium of the PEMHCA medical plan of their choice[5]</td><td rowspan="4">CalPERS MEC,
if eligible for PERS survivor pension</td><td rowspan="4">Lifetime</td></tr>
<tr><td>SEIU/Unrepresented</td><td>55</td></tr>
<tr><td rowspan="2">On or after 7/1/2007</td><td>Police/Fire[2]</td><td>50</td><td rowspan="2">20 years of City service</td><td rowspan="2">3 or more years of City service by 7/1/2012 and not opted out[1,3,4]</td><td rowspan="2">100% Employee Only premium up to the Kaiser Bay Area Basic or Supplemental premium rate[5]</td></tr>
<tr><td>SEIU/Unrepresented</td><td>55</td></tr>
</table>

[1] It is our understanding that disabled retirees must also meet these minimum age and service requirements to receive the enhanced retiree benefits.

[2] There are 4 Fire employees now employed by the South Marin Fire Protection District, and 6 Fire retirees, who remain the responsibility of the City of Sausalito. They are allowed reimbursement for medical coverage outside of PEMHCA under medical plans not sponsored by the City of Sausalito.

[3] Anyone with less than 3 years of City service as of July 1, 2012 will only be eligible for the CalPERS minimum in retirement. They also receive City-paid contributions into a Section 457 plan while they are active. Though these contributions may be used in retirement, they are not valued under GASB 45. Employees hired after July 1, 2012 do not receive any City-paid Section 457 Plan contributions.

[4] There are 10 currently active employees potentially eligible for the enhanced defined benefit OPEB in retirement (assuming they reached age 50 and 20 years of service with the City), but who voluntarily and irrevocably waived the enhanced defined benefit OPEB and opted for the additional City-paid 457 plan contributions while they are active.

[5] For those eligible for the enhanced benefit, there is also a "health in lieu" option which provides the retiree with a cash benefit that is the lesser of the lowest cost option available under the City plan available to retirees for Employee Only coverage and $175.00.

Table 4B
General CalPERS Annuitant Eligibility Provisions

The content of this section has been drawn from Section C, Summary of Plan Provisions, of the State of California OPEB Valuation as of June 30, 2013, issued March 2014, to the State Controller from Gabriel Roeder & Smith. It is provided here as a brief summary of general annuitant and survivor coverage.

Health Care Coverage

Retired Employees

A member is eligible to enroll in a CalPERS health plan if he or she retires within 120 days of separation from employment and receives a monthly retirement allowance. If the member meets this requirement, he or she may continue his or her enrollment at retirement, enroll within 60 days of retirement, or enroll during any Open Enrollment period. If a member is currently enrolled in a CalPERS health plan and wants to continue enrollment into retirement, the employee will notify CalPERS and the member's coverage will continue into retirement.

Eligibility Exceptions*:* Certain family members are not eligible for CalPERS health benefits:

- Children age 26 or older
- Children's spouses
- Former spouses
- Disabled children over age 26 who were never enrolled or were deleted from coverage
- Grandparents
- Parents
- Children of former spouses
- Other relatives

Coordination with Medicare

CalPERS retired members who qualify for premium-free Part A, either on their own or through a spouse (current, former, or deceased), must sign up for Part B as soon as they qualify for Part A. A member must then enroll in a CalPERS sponsored Medicare plan. The CalPERS-sponsored Medicare plan will pay for costs not paid by Medicare, by coordinating benefits.

Survivors of an Annuitant

If a CalPERS annuitant satisfied the requirement to retire within 120 days of separation, the survivor may be eligible to enroll within 60 days of the annuitant's death or during any future Open Enrollment period. Note: A survivor cannot add any new dependents; only dependents that were enrolled or eligible to enroll at the time of the member's death qualify for benefits.

Surviving registered domestic partners who are receiving a monthly annuity as a surviving beneficiary of a deceased employee or annuitant on or after January 1, 2002, are eligible to continue coverage if currently enrolled, enroll within 60 days of the domestic partner's death, or enroll during any future Open Enrollment period.

Surviving enrolled family members who do not qualify to continue their current coverage are eligible for continuation coverage under COBRA.

Table 5
Actuarial Methods and Assumptions

Valuation Date	January 1, 2015
Funding Method	Entry Age Normal Cost, level percent of pay[3]
Asset Valuation Method	Market value of assets ($0; no OPEB trust has been established)
Long Term Return on Assets	6.5%
Discount Rates	4.0% for pay-as-you-go financing; 6.5% for prefunding
Participants Valued	Only current active employees and retired participants and covered dependents are valued. No future entrants are considered in this valuation.
Salary Increase	3.25% per year, used only to allocate the cost of benefits between service years
Assumed Increase for Amortization Payments	3.25% per year where determined on a percent of pay basis
General Inflation Rate	3.0% per year

The demographic actuarial assumptions used in this valuation are based on the (demographic) experience study of the California Public Employees Retirement System using data from 1997 to 2007. Rates for selected age and service are shown below and on the following pages.

Mortality Before Retirement

Mortality rates in each of the tables below were projected by applying Scale AA on a fully generational basis.

CalPERS Public Agency Miscellaneous Non-Industrial Deaths only		
Age	Male	Female
15	0.00045	0.00006
20	0.00047	0.00016
30	0.00053	0.00036
40	0.00087	0.00065
50	0.00176	0.00126
60	0.00395	0.00266
70	0.00914	0.00649
80	0.01527	0.01108

CalPERS Public Agency Police & Fire Combined Industrial & Non-Industrial Deaths		
Age	Male	Female
15	0.00045	0.00006
20	0.00050	0.00019
30	0.00063	0.00046
40	0.00100	0.00078
50	0.00191	0.00141
60	0.00412	0.00283
70	0.00933	0.00668
80	0.01548	0.01129

[3] The level percent of pay aspect of the funding method refers to how the normal cost is determined. Use of level percent of pay cost allocations in the funding method is separate from and has no effect on a decision regarding use of a level percent of pay or level dollar basis for determining amortization payments.

Table 5 - Actuarial Methods and Assumptions (Continued)

Mortality After Retirement

Mortality rates in each of the tables below were projected by applying Scale AA on a fully generational basis.

Healthy Lives

CalPERS Public Agency Miscellaneous, Police & Fire Post Retirement Mortality		
Age	Male	Female
40	0.00093	0.00062
50	0.00239	0.00125
60	0.00720	0.00431
70	0.01675	0.01244
80	0.05270	0.03749
90	0.16747	0.12404
100	0.34551	0.31876
110	1.00000	1.00000

Disabled Lives

CalPERS Public Agency Disabled Miscellaneous Post Retirement Mortality		
Age	Male	Female
20	0.00664	0.00478
30	0.00790	0.00512
40	0.01666	0.00674
50	0.01632	0.01245
60	0.02293	0.01628
70	0.03870	0.03019
80	0.08388	0.05555
90	0.21554	0.14949

Disabled Lives (continued)

CalPERS Public Agency Disabled Fire Post Retirement Mortality		
Age	Male	Female
20	0.00313	0.00238
30	0.00205	0.00175
40	0.00217	0.00207
50	0.00518	0.00412
60	0.00808	0.00815
70	0.02269	0.01743
80	0.06956	0.04549
90	0.16676	0.13799

CalPERS Public Agency Disabled Police Post Retirement Mortality		
Age	Male	Female
20	0.00230	0.00181
30	0.00227	0.00188
40	0.00272	0.00224
50	0.00503	0.00401
60	0.00845	0.00835
70	0.02304	0.01771
80	0.06984	0.04569
90	0.16774	0.13822

Termination Rates

For miscellaneous employees: sum of CalPERS Terminated Refund & Terminated Vested rates– Illustrative rates

Attained	Years of Service					
Age	0	3	5	10	15	20
15	0.1812	0.0000	0.0000	0.0000	0.0000	0.0000
20	0.1742	0.1193	0.0946	0.0000	0.0000	0.0000
25	0.1674	0.1125	0.0868	0.0749	0.0000	0.0000
30	0.1606	0.1055	0.0790	0.0668	0.0581	0.0000
35	0.1537	0.0987	0.0711	0.0587	0.0503	0.0450
40	0.1468	0.0919	0.0632	0.0507	0.0424	0.0370
45	0.1400	0.0849	0.0554	0.0427	0.0347	0.0290

Table 5 - Actuarial Methods and Assumptions (Continued)

Termination Rates (continued)

For police safety: sum of CalPERS Terminated Refund and Terminated Vested rates for police officers – Illustrative rates

Attained Age	Years of Service					
	0	3	5	10	15	20
15	0.1013	0.0000	0.0000	0.0000	0.0000	0.0000
20	0.1013	0.0258	0.0249	0.0000	0.0000	0.0000
25	0.1013	0.0258	0.0249	0.0179	0.0000	0.0000
30	0.1013	0.0258	0.0249	0.0179	0.0109	0.0000
35	0.1013	0.0258	0.0249	0.0179	0.0109	0.0082
40	0.1013	0.0258	0.0249	0.0179	0.0109	0.0082
45	0.1013	0.0258	0.0249	0.0179	0.0109	0.0082

For fire safety: sum of CalPERS Terminated Refund and Terminated Vested rates for firefighters – Illustrative rates

Attained Age	Years of Service					
	0	3	5	10	15	20
15	0.0947	0.0000	0.0000	0.0000	0.0000	0.0000
20	0.0947	0.0323	0.0257	0.0000	0.0000	0.0000
25	0.0947	0.0323	0.0257	0.0090	0.0000	0.0000
30	0.0947	0.0323	0.0257	0.0090	0.0079	0.0000
35	0.0947	0.0323	0.0257	0.0090	0.0079	0.0069
40	0.0947	0.0323	0.0257	0.0090	0.0079	0.0069
45	0.0947	0.0323	0.0257	0.0090	0.0079	0.0069

Service Retirement Rates

For miscellaneous employees hired before 1/1/2012: CalPERS Public Agency 2.5% @ 55 – Illustrative rates

Attained Age	Years of Service					
	5	10	15	20	25	30
50	0.0261	0.0333	0.0404	0.0475	0.0546	0.0618
55	0.0880	0.1120	0.1360	0.1600	0.1840	0.2080
60	0.0880	0.1120	0.1360	0.1600	0.1840	0.2080
65	0.1430	0.1820	0.2210	0.2600	0.2990	0.3380
70	0.1254	0.1596	0.1938	0.2280	0.2622	0.2964
75 & over	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000

Table 5 - Actuarial Methods and Assumptions (Continued)

Service Retirement Rates - continued

For miscellaneous employees hired on or after 1/1/2012, or after 1/1/2013 with prior CalPERS service: CalPERS Public Agency 2% @ 55 – Illustrative rates

Attained Age	Years of Service					
	5	10	15	20	25	30
50	0.0150	0.0200	0.0240	0.0290	0.0330	0.0390
55	0.0500	0.0640	0.0780	0.0940	0.1070	0.1270
60	0.0720	0.0920	0.1120	0.1340	0.1530	0.1820
65	0.1740	0.2210	0.2690	0.3230	0.3690	0.4390
70	0.1380	0.1760	0.2140	0.2570	0.2930	0.3490
75 & over	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000

For miscellaneous employees joining CalPERS on or after 1/1/2013: CalPERS Public Agency 2% @ 62 – Illustrative rates

Attained Age	Years of Service					
	5	10	15	20	25	30
50	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
52	0.0103	0.0132	0.0160	0.0188	0.0216	0.0244
55	0.0440	0.0560	0.0680	0.0800	0.0920	0.1040
60	0.0616	0.0784	0.0952	0.1120	0.1288	0.1456
65	0.1287	0.1638	0.1989	0.2340	0.2691	0.3042
70	0.1254	0.1596	0.1938	0.2280	0.2622	0.2964
75 & over	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000

For police employees hired before 1/1/2012: CalPERS Public Agency 3% @ 55 – Illustrative rates

Attained Age	Years of Service					
	5	10	15	20	25	30
50	0.0190	0.0190	0.0190	0.0190	0.0400	0.0600
52	0.0240	0.0240	0.0240	0.0240	0.0510	0.0770
55	0.1160	0.1160	0.1160	0.1160	0.2400	0.3630
57	0.0580	0.0580	0.0580	0.0580	0.1200	0.1810
60	0.1410	0.1410	0.1410	0.1410	0.2895	0.4380
62	0.1175	0.1175	0.1175	0.1175	0.2413	0.3650
65 & over	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000

Table 5 - Actuarial Methods and Assumptions (Continued)

Service Retirement Rates

For police employees hired on or after 1/1/2012, or after 1/1/2013 with prior CalPERS service: Police 2% @ 50 – Illustrative rates

Attained Age	Years of Service					
	5	10	15	20	25	30
50	0.0138	0.0138	0.0138	0.0138	0.0253	0.0451
52	0.0262	0.0262	0.0262	0.0262	0.0480	0.0855
55	0.0899	0.0899	0.0899	0.0899	0.1645	0.2932
57	0.0711	0.0711	0.0711	0.0711	0.1300	0.2318
60	0.1396	0.1396	0.1396	0.1396	0.1719	0.2506
62	0.1396	0.1396	0.1396	0.1396	0.1719	0.2506
65 & over	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000

For police employees joining CalPERS on or after 1/1/2013: CalPERS Public Agency 2.7% @ 57 – Illustrative rates

Attained Age	Years of Service					
	5	10	15	20	25	30
50	0.0138	0.0138	0.0138	0.0138	0.0253	0.0451
55	0.0854	0.0854	0.0854	0.0854	0.1563	0.2785
60	0.1396	0.1396	0.1396	0.1396	0.1719	0.2506
65	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
70	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
75 & over	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000

For fire employees hired before 1/1/2012: CalPERS Public Agency 3% @ 55 – Illustrative rates

Attained Age	Years of Service					
	5	10	15	20	25	30
50	0.0120	0.0120	0.0120	0.0180	0.0280	0.0330
52	0.0180	0.0180	0.0180	0.0270	0.0420	0.0500
55	0.0920	0.0920	0.0920	0.1340	0.2110	0.2460
57	0.1000	0.1000	0.1000	0.1460	0.2300	0.2680
60	0.1170	0.1170	0.1170	0.1695	0.2670	0.3120
62	0.0975	0.0975	0.0975	0.1413	0.2225	0.2600
65 & over	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000

Disability Retirement Rates

Illustrative rates:

CalPERS Public Agency Fire Combined Disability	
Age	Unisex
20	0.00034
25	0.00130
30	0.00262
35	0.00382
40	0.00502
45	0.00632
50	0.00794
55	0.07305
60	0.07351

CalPERS Public Agency Police Combined Disability	
Age	Unisex
20	0.00079
25	0.00332
30	0.00664
35	0.00996
40	0.01327
45	0.01659
50	0.01999
55	0.06803
60	0.06869

Table 5 - Actuarial Methods and Assumptions (Continued)

Healthcare Trend

Medical plan premiums and "cash in lieu" benefits are assumed to increase once each year. The increases over the prior year's levels are assumed to be effective on the dates shown below:

Effective January 1	Premium Increase	Effective January 1	Premium Increase
2016	8.00%	2022	5.00%
2017	7.50%	2023	4.50%
2018	7.00%	2024	4.50%
2019	6.50%	2025	4.64%
2020	6.00%	2026	4.64%
2021	5.50%	& later	

The required PEMHCA minimum employer contribution (MEC) and dental premiums are assumed to increase annually by 4.5%.

Participation Rate

Active employees: We assumed the following participation rates for active employees in retirement:

Eligible for	MEC only	Enhanced Benefits
Currently Covered	70%	100%
Currently Waiving	50%	100%

- Currently covered active employees are assumed to retain coverage in their current medical plan in retirement.
- Currently waiving active employees who are assumed to elect medical coverage at or prior to retirement are assumed to enroll in the Kaiser Bay Area medical plan in retirement.

Retired participants: Existing medical plan elections are assumed to be maintained until the retiree's death.

Spouse Coverage

Active employees: 85% of future retirees are assumed to be married when they retire and 70% of future married retirees are assumed to elect coverage for their spouse in retirement. Surviving spouses are assumed to retain coverage until their death. Husbands are assumed to be 3 years older than their wives.

Table 5 - Actuarial Methods and Assumptions (Concluded)

Spouse coverage (continued)	*Retired participants*: Existing elections for spouse coverage are assumed to be maintained until the spouse's death. Actual spouse ages are used, where known; if not, husbands are assumed to be 3 years older than their wives.
Medicare Eligibility	Absent contrary data, all individuals are assumed to be eligible for Medicare Parts A and B at age 65.

Changes Since the Prior Valuation:

Discount rates	*Pay-As-You-Go rate:* decreased from 5.0% to 4.0% *Prefunding rate*: not previously illustrated.
Healthcare Trend	Medical plan premiums are assumed to increase at slightly higher rates initially and lower rates ultimately than were assumed in the prior valuation The PEMHCA MEC and dental premiums are assumed to increase at a constant rate of 4.5% per year, rather than 5.0% per year.
Participation Rate	The percentage of active employees expected to qualify only for the required PEMHCA minimum employer contribution was reduced from 100% to 70%, if currently participating, and to 50%, if currently waiving coverage as an active employee.
Spouse Coverage	The percent of active employees assumed to be married at the time of retirement was changed to 85%, of whom 70% are assumed to elect coverage for their spouse; the prior valuation assumed. In the prior valuation, 70% of fire employees and 80% of all others were assumed to enroll a spouse in retirement.

Table 6
Projected Benefit Payments

The charts below and on the following page show estimates of other post-employment benefits to be paid in future fiscal years on behalf of current retirees and current employees expected to retire from the City. The expected annual benefits have been projected on the basis of the actuarial assumptions outlined in Table 5. No benefits expected to be paid on behalf of current active employees prior to retirement are considered in this projection and no benefits for potential future employees have been included.

These projected benefits are shown separately, and in total, for "enhanced" and PEMHCA MEC benefits. The first 15 years are shown below and remaining years are shown on the following page.

Projected Annual Benefit Payments										
		Enhanced Benefit			MEC only			Total All Benefits		
Year	Fiscal Year Ending June 30	Current Retirees	Future Retirees	Total	Current Retirees	Future Retirees	Total	Total Current Retirees	Total Future Retirees	Total
1	2015	$ 144,272	$ 3,332	**$ 147,604**	$ 21,397	$ 274	**$ 21,671**	$ 165,669	$ 3,606	**$ 169,275**
2	2016	142,730	10,297	**153,027**	20,836	863	**21,699**	163,566	11,160	**174,726**
3	2017	148,687	16,097	**164,783**	21,525	1,633	**23,158**	170,212	17,730	**187,941**
4	2018	150,995	21,188	**172,182**	22,233	2,585	**24,818**	173,228	23,773	**197,000**
5	2019	152,165	25,013	**177,178**	22,967	3,662	**26,629**	175,132	28,675	**203,807**
6	2020	146,203	30,108	**176,311**	23,733	5,102	**28,835**	169,936	35,210	**205,146**
7	2021	138,702	39,952	**178,654**	24,532	6,759	**31,291**	163,234	46,711	**209,945**
8	2022	139,031	51,904	**190,935**	25,366	8,420	**33,786**	164,397	60,324	**224,721**
9	2023	141,694	65,157	**206,851**	26,235	10,219	**36,454**	167,929	75,376	**243,305**
10	2024	143,655	79,849	**223,504**	27,130	12,172	**39,302**	170,785	92,021	**262,806**
11	2025	145,288	95,243	**240,531**	28,036	14,269	**42,305**	173,324	109,512	**282,836**
12	2026	142,334	112,845	**255,179**	28,937	16,403	**45,340**	171,271	129,248	**300,519**
13	2027	138,741	130,175	**268,916**	29,813	18,583	**48,396**	168,554	148,758	**317,312**
14	2028	138,696	149,703	**288,399**	30,645	20,917	**51,562**	169,341	170,620	**339,961**
15	2029	138,083	171,834	**309,917**	31,414	23,384	**54,798**	169,497	195,218	**364,715**

Table 6 - Projected Benefit Payments (Concluded)

This chart continues the projection of future benefit payments by fiscal year, from the fiscal year ending June 30, 2030 until the year the final benefit payment is expected to be made to the last employee expected to retire from the City.

Projected Annual Benefit Payments										
		Enhanced Benefit			MEC only			Total All Benefits		
Year	Fiscal Year Ending June 30	Current Retirees	Future Retirees	Total	Current Retirees	Future Retirees	Total	Total Current Retirees	Total Future Retirees	Total
16	2030	136,869	189,421	**326,290**	32,100	25,881	**57,981**	168,969	215,302	**384,271**
17	2031	135,054	207,978	**343,032**	32,688	28,433	**61,121**	167,742	236,411	**404,153**
18	2032	132,663	230,046	**362,709**	33,162	31,070	**64,232**	165,825	261,116	**426,941**
19	2033	129,707	240,171	**369,878**	33,506	33,813	**67,319**	163,213	273,984	**437,197**
20	2034	126,191	246,545	**372,736**	33,706	36,660	**70,366**	159,897	283,205	**443,102**
	.....									
25	2039	101,032	308,772	**409,804**	32,560	53,105	**85,665**	133,592	361,877	**495,469**
	.....									
30	2044	67,675	339,341	**407,016**	27,828	71,252	**99,080**	95,503	410,593	**506,096**
	.....									
35	2049	34,498	334,851	**369,349**	20,422	86,381	**106,803**	54,920	421,232	**476,152**
	.....									
40	2054	11,582	304,695	**316,277**	12,729	95,759	**108,488**	24,311	400,454	**424,765**
	.....									
45	2059	2,096	283,607	**285,703**	6,550	98,067	**104,617**	8,646	381,674	**390,320**
	.....									
50	2064	158	233,732	**233,890**	2,625	94,056	**96,681**	2,783	327,788	**330,571**
	.....									
55	2069	2	165,693	**165,695**	643	85,084	**85,727**	645	250,777	**251,422**
	.....									
60	2074	-	96,697	**96,697**	48	70,102	**70,150**	48	166,799	**166,847**
	.....									
65	2079	-	42,249	**42,249**	-	47,671	**47,671**	-	89,920	**89,920**
	.....									
70	2084	-	11,409	**11,409**	-	23,417	**23,417**	-	34,826	**34,826**
	.....									
75	2089	-	1,191	**1,191**	-	7,166	**7,166**	-	8,357	**8,357**
	.....									
80	2094	-	9	**9**	-	1,071	**1,071**	-	1,080	**1,080**
	.....									
85	2099	-	-	**-**	-	50	**50**	-	50	**50**

Appendix 1A: Breakout of Pay-As-You-Go Valuation Results by Group

The charts below and on the following page break out the valuation results for 4 employee groups for the fiscal year ending June 30, **2015**. Amortization of the unfunded actuarial accrued liability is on the same basis as described in Section F and in Table 1B.

	Firefighters Association			Police Officers		
Approach	Pay-As-You-Go			Pay-As-You-Go		
Subsidy	Enhanced Bft	MEC Only	Total	Enhanced Bft	MEC Only	Total
Interest Rate	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Amortization method	Level % of Pay	Level % of Pay	Level % of Pay	Level % of Pay	Level % of Pay	Level % of Pay
Remaining amortization period (in years)	30	30	30/30	30	30	30/30
Number of Covered Employees						
Actives	4	-	4	12	8	20
Retirees	5	1	6	4	5	9
Total Participants	9	1	10	16	13	29
Actuarial Present Value of Projected Benefits						
Actives	$ 747,210	$ 24,025	$ 771,235	$ 1,801,717	$ 283,291	$ 2,085,008
Retirees	519,718	42,167	561,885	445,371	220,246	665,617
Total APVPB	1,266,928	66,192	1,333,120	2,247,088	503,537	2,750,625
Actuarial Accrued Liability						
Actives	609,217	19,175	628,392	837,859	62,139	899,998
Retirees	519,718	42,167	561,885	445,371	220,246	665,617
Total AAL	1,128,935	61,342	1,190,277	1,283,230	282,385	1,565,615
Actuarial Value of Assets	-	-	-	-	-	-
Unfunded Actuarial Accrued Liability	1,128,935	61,342	1,190,277	1,283,230	282,385	1,565,615
Amortization Factor	27.0642	27.0642	27.0642	27.0642	27.0642	27.0642
Annual Required Contribution (ARC)						
Normal Cost	16,278	575	16,853	66,138	17,023	83,161
Amortization of UAAL	41,713	2,267	43,980	47,414	10,434	57,848
Interest to end of year	1,132	56	1,188	2,218	536	2,754
ARC for Fiscal Year End	59,123	2,898	62,021	115,770	27,993	143,763
Calculation of Expected Contribution						
a. Estimated payments on behalf of retirees	27,474	4,023	31,497	32,738	4,782	37,520
b. Estimated contribution to OPEB trust	-	-	-	-	-	-
c. **Total Expected Employer Contribution**	27,474	4,023	31,497	32,738	4,782	37,520

Appendix 1A: Breakout of Pay-As-You-Go Valuation Results by Group

Fiscal year ending June 30, 2015 (concluded)

	SEIU Local 1021			Unrepresented		
Approach	Pay-As-You-Go			Pay-As-You-Go		
Subsidy	Enhanced Bft	MEC Only	Total	Enhanced Bft	MEC Only	Total
Interest Rate	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Amortization method	Level % of Pay	Level % of Pay	Level % of Pay	Level % of Pay	Level % of Pay	Level % of Pay
Remaining amortization period (in years)	30	30	30/30	30	30	30/30
Number of Covered Employees						
Actives	13	13	26	7	12	19
Retirees	4	2	6	12	6	18
Total Participants	17	15	32	19	18	37
Actuarial Present Value of Projected Benefits						
Actives	$ 858,532	$ 285,129	$ 1,143,661	$ 576,791	$ 327,784	$ 904,575
Retirees	279,979	27,108	307,087	1,229,635	272,246	1,501,881
Total APVPB	1,138,511	312,237	1,450,748	1,806,426	600,030	2,406,456
Actuarial Accrued Liability						
Actives	547,975	100,200	648,175	407,334	110,301	517,635
Retirees	279,979	27,108	307,087	1,229,635	272,246	1,501,881
Total AAL	827,954	127,308	955,262	1,636,969	382,547	2,019,516
Actuarial Value of Assets	-	-	-	-	-	-
Unfunded Actuarial Accrued Liability	827,954	127,308	955,262	1,636,969	382,547	2,019,516
Amortization Factor	27.0642	27.0642	27.0642	27.0642	27.0642	27.0642
Annual Required Contribution (ARC)						
Normal Cost	32,248	16,017	48,265	17,754	25,545	43,299
Amortization of UAAL	30,592	4,704	35,296	60,484	14,135	74,619
Interest to end of year	1,227	405	1,632	1,528	775	2,303
ARC for Fiscal Year End	64,067	21,126	85,193	79,766	40,455	120,221
Calculation of Expected Contribution						
a. Estimated payments on behalf of retirees	15,392	2,230	17,622	72,000	10,636	82,636
b. Estimated contribution to OPEB trust	-	-	-	-	-	-
c. **Total Expected Employer Contribution**	15,392	2,230	17,622	72,000	10,636	82,636

Appendix 1B – Breakout of Pay-As-You-Go Valuation Results by Group (Continued)

The charts below and on the following page break out the valuation results for 4 employee groups for the fiscal year ending June 30, **2016**. Amortization of the unfunded actuarial accrued liability is on the same basis as described in Section F and in Table 1B.

	Firefighters Association			Police Officers		
	Pay-As-You-Go			Pay-As-You-Go		
Approach						
Subsidy	Enhanced Bft	MEC Only	Total	Enhanced Bft	MEC Only	Total
Interest Rate	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Amortization method	Level % of Pay	Level % of Pay	Level % of Pay	Level % of Pay	Level % of Pay	Level % of Pay
Remaining amortization period (in years)	30	29	30/29	30	30	30/29
Number of Covered Employees						
Actives	4	-	4	12	8	20
Retirees	5	1	6	4	5	9
Total Participants	9	1	10	16	13	29
Actuarial Present Value of Projected Benefits						
Actives	$ 775,145	$ 24,986	$ 800,131	$ 1,873,647	294,530	2,168,177
Retirees	510,500	42,360	552,860	438,667	221,589	660,256
Total APVPB	1,285,645	67,346	1,352,991	2,312,314	516,119	2,828,433
Actuarial Accrued Liability						
Actives	648,561	20,540	669,101	940,021	82,235	1,022,256
Retirees	510,500	42,360	552,860	438,667	221,589	660,256
Total AAL	1,159,061	62,900	1,221,961	1,378,688	303,824	1,682,512
Actuarial Value of Assets	-	-	-	-	-	-
Unfunded Actuarial Accrued Liability	1,159,061	62,900	1,221,961	1,378,688	303,824	1,682,512
Amortization Factor	27.0642	26.2536	-	27.0642	26.2536	-
Annual Required Contribution (ARC)						
Normal Cost	16,807	594	17,401	68,288	17,576	85,864
Amortization of UAAL	42,826	2,396	45,222	50,941	11,573	62,514
Interest to end of year	1,165	58	1,223	2,329	569	2,898
ARC for Fiscal Year End	60,798	3,048	63,846	121,558	29,718	151,276
Calculation of Expected Contribution						
a. Estimated payments on behalf of retirees	33,308	1,501	34,809	25,155	7,612	32,767
b. Estimated contribution to OPEB trust	-	-	-	-	-	-
c. **Total Expected Employer Contribution**	33,308	1,501	34,809	25,155	7,612	32,767

Appendix 1B – Breakout of Pay-As-You-Go Valuation Results by Group

Fiscal year ending June 30, 2016 (concluded)

	SEIU Local 1021			Unrepresented		
Approach	Pay-As-You-Go			Pay-As-You-Go		
Subsidy	Enhanced Bft	MEC Only	Total	Enhanced Bft	MEC Only	Total
Interest Rate	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Amortization method	Level % of Pay	Level % of Pay	Level % of Pay	Level % of Pay	Level % of Pay	Level % of Pay
Remaining amortization period (in years)	30	29	30/29	30	29	30/29
Number of Covered Employees						
Actives	13	13	26	7	12	19
Retirees	4	2	6	12	6	18
Total Participants	17	15	32	19	18	37
Actuarial Present Value of Projected Benefits						
Actives	$ 890,271	296,534	1,186,805	$ 597,759	340,429	938,188
Retirees	278,184	25,206	303,390	1,205,366	274,175	1,479,541
Total APVPB	1,168,455	321,740	1,490,195	1,803,125	614,604	2,417,729
Actuarial Accrued Liability						
Actives	600,829	120,866	721,695	439,987	140,814	580,801
Retirees	278,184	25,206	303,390	1,205,366	274,175	1,479,541
Total AAL	879,013	146,072	1,025,085	1,645,353	414,989	2,060,342
Actuarial Value of Assets	-	-	-	-	-	-
Unfunded Actuarial Accrued Liability	879,013	146,072	1,025,085	1,645,353	414,989	2,060,342
Amortization Factor	27.0642	26.2536	-	27.0642	26.2536	-
Annual Required Contribution (ARC)						
Normal Cost	33,296	16,538	49,834	18,331	26,375	44,706
Amortization of UAAL	32,479	5,564	38,043	60,794	15,807	76,601
Interest to end of year	1,285	432	1,717	1,544	824	2,368
ARC for Fiscal Year End	67,060	22,534	89,594	80,669	43,006	123,675
Calculation of Expected Contribution						
a. Estimated payments on behalf of retirees	16,873	2,852	19,725	77,691	9,734	87,425
b. Estimated contribution to OPEB trust	-	-	-	-	-	-
c. **Total Expected Employer Contribution**	16,873	2,852	19,725	77,691	9,734	87,425

Appendix 1C – Breakout of Pay-As-You-Go Valuation Results by Group (Concluded)

The charts below and on the following page break out the valuation results for 4 employee groups for the fiscal year ending June 30, **2017**. Amortization of the unfunded actuarial accrued liability is on the same basis as described in Section F and in Table 1B.

	Firefighters Association			Police Officers		
Approach	Pay-As-You-Go			Pay-As-You-Go		
Subsidy	Enhanced Bft	MEC Only	Total	Enhanced Bft	MEC Only	Total
Interest Rate	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Amortization method	Level % of Pay	Level % of Pay	Level % of Pay	Level % of Pay	Level % of Pay	Level % of Pay
Remaining amortization period (in years)	30	28	30/28	30	28	30/28
Number of Covered Employees						
Actives	4	-	4	12	8	20
Retirees	5	1	6	4	5	9
Total Participants	9	1	10	16	13	29
Actuarial Present Value of Projected Benefits						
Actives	$ 802,107	25,985	828,092	$ 1,948,303	306,081	2,254,384
Retirees	498,970	42,487	541,457	429,841	222,712	652,553
Total APVPB	1,301,077	68,472	1,369,549	2,378,144	528,793	2,906,937
Actuarial Accrued Liability						
Actives	687,939	21,979	709,918	1,048,352	103,573	1,151,925
Retirees	498,970	42,487	541,457	429,841	222,712	652,553
Total AAL	1,186,909	64,466	1,251,375	1,478,193	326,285	1,804,478
Actuarial Value of Assets	-	-	-	-	-	-
Unfunded Actuarial Accrued Liability	1,186,909	64,466	1,251,375	1,478,193	326,285	1,804,478
Amortization Factor	27.0642	25.4370	-	27.0642	25.4370	-
Annual Required Contribution (ARC)						
Normal Cost	17,354	613	17,967	70,506	18,147	88,653
Amortization of UAAL	43,855	2,534	46,389	54,618	12,827	67,445
Interest to end of year	1,195	61	1,256	2,444	605	3,049
ARC for Fiscal Year End	62,404	3,208	65,612	127,568	31,579	159,147
Calculation of Expected Contribution						
a. Estimated payments on behalf of retirees	37,515	1,575	39,090	27,027	8,045	35,072
b. Estimated contribution to OPEB trust	-	-	-	-	-	-
c. **Total Expected Employer Contribution**	37,515	1,575	39,090	27,027	8,045	35,072

Appendix 1C – Breakout of Pay-As-You-Go Valuation Results by Group

Fiscal year ending June 30, 2017 (concluded)

	SEIU Local 1021			Unrepresented		
	Pay-As-You-Go			Pay-As-You-Go		
Approach						
Subsidy	Enhanced Bft	MEC Only	Total	Enhanced Bft	MEC Only	Total
Interest Rate	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Amortization method	Level % of Pay	Level % of Pay	Level % of Pay	Level % of Pay	Level % of Pay	Level % of Pay
Remaining amortization period (in years)	30	28	30/28	30	28	30/28
Number of Covered Employees						
Actives	13	13	26	7	12	19
Retirees	4	2	6	12	6	18
Total Participants	17	15	32	19	18	37
Actuarial Present Value of Projected Benefits						
Actives	$ 920,901	308,392	1,229,293	$ 616,773	353,080	969,853
Retirees	275,467	23,386	298,853	1,175,531	275,677	1,451,208
Total APVPB	1,196,368	331,778	1,528,146	1,792,304	628,757	2,421,061
Actuarial Accrued Liability						
Actives	654,508	142,897	797,405	471,754	172,910	644,664
Retirees	275,467	23,386	298,853	1,175,531	275,677	1,451,208
Total AAL	929,975	166,283	1,096,258	1,647,285	448,587	2,095,872
Actuarial Value of Assets	-	-	-	-	-	-
Unfunded Actuarial Accrued Liability	929,975	166,283	1,096,258	1,647,285	448,587	2,095,872
Amortization Factor	27.0642	25.4370	-	27.0642	25.4370	-
Annual Required Contribution (ARC)						
Normal Cost	34,379	17,075	51,454	18,927	27,232	46,159
Amortization of UAAL	34,362	6,537	40,899	60,867	17,635	78,502
Interest to end of year	1,343	461	1,804	1,559	876	2,435
ARC for Fiscal Year End	70,084	24,073	94,157	81,353	45,743	127,096
Calculation of Expected Contribution						
a. Estimated payments on behalf of retirees	18,601	2,714	21,315	81,641	10,824	92,465
b. Estimated contribution to OPEB trust	-	-	-	-	-	-
c. **Total Expected Employer Contribution**	18,601	2,714	21,315	81,641	10,824	92,465

Appendix 2A: Breakout of Prefunding Valuation Results by Group

The charts below and on the following page break out the valuation results for 4 employee groups for the fiscal year ending June 30, **2015**. Amortization of the unfunded actuarial accrued liability is on the same basis as described in Section F and in Table 2B.

	Firefighters Association			Police Officers		
Approach	Prefunding			Prefunding		
Subsidy	Enhanced Bft	MEC Only	Total	Enhanced Bft	MEC Only	Total
Interest Rate	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%
Amortization method	Level % of Pay	Level % of Pay	Level % of Pay	Level % of Pay	Level % of Pay	Level % of Pay
Remaining amortization period (in years)	30	30	30/30	30	30	30/30
Number of Covered Employees						
Actives	4	-	4	12	8	20
Retirees	5	1	6	4	5	9
Total Participants	9	1	10	16	13	29
Actuarial Present Value of Projected Benefits						
Actives	$ 465,686	$ 9,656	475,342	$ 893,126	124,694	1,017,820
Retirees	408,678	29,958	438,636	338,345	153,146	491,491
Total APVPB	874,364	39,614	913,978	1,231,471	277,840	1,509,311
Actuarial Accrued Liability						
Actives	408,846	8,349	417,195	498,343	33,071	531,414
Retirees	408,678	29,958	438,636	338,345	153,146	491,491
Total AAL	817,524	38,307	855,831	836,688	186,217	1,022,905
Actuarial Value of Assets	-	-	-	-	-	-
Unfunded Actuarial Accrued Liability	817,524	38,307	855,831	836,688	186,217	1,022,905
Amortization Factor	19.8368	19.8368	19.8368	19.8368	19.8368	19.8368
Annual Required Contribution (ARC)						
Normal Cost	7,523	172	7,695	32,667	8,802	41,469
Amortization of UAAL	41,213	1,931	43,144	42,179	9,387	51,566
Interest to end of year	1,538	66	1,604	2,361	574	2,935
ARC for Fiscal Year End	50,274	2,169	52,443	77,207	18,763	95,970
Calculation of Expected Contribution						
a. Estimated payments on behalf of retirees	27,474	4,023	31,497	32,738	4,782	37,520
b. Estimated contribution to OPEB trust	22,800	(1,854)	20,946	44,469	13,981	58,450
c. **Total Expected Employer Contribution**	50,274	2,169	52,443	77,207	18,763	95,970

Appendix 2A: Breakout of Prefunding Valuation Results by Group

Fiscal year ending June 30, 2015 (concluded)

	SEIU Local 1021			Unrepresented		
Approach	Prefunding			Prefunding		
Subsidy	Enhanced Bft	MEC Only	Total	Enhanced Bft	MEC Only	Total
Interest Rate	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%
Amortization method	Level % of Pay	Level % of Pay	Level % of Pay	Level % of Pay	Level % of Pay	Level % of Pay
Remaining amortization period (in years)	30	30	30/30	30	30	30/30
Number of Covered Employees						
Actives	13	13	26	7	12	19
Retirees	4	2	6	12	6	18
Total Participants	17	15	32	19	18	37
Actuarial Present Value of Projected Benefits						
Actives	$ 485,850	123,040	608,890	$ 344,767	184,544	529,311
Retirees	216,563	23,175	239,738	962,040	194,990	1,157,030
Total APVPB	702,413	146,215	848,628	1,306,807	379,534	1,686,341
Actuarial Accrued Liability						
Actives	346,767	52,021	398,788	269,952	70,555	340,507
Retirees	216,563	23,175	239,738	962,040	194,990	1,157,030
Total AAL	563,330	75,196	638,526	1,231,992	265,545	1,497,537
Actuarial Value of Assets	-	-	-	-	-	-
Unfunded Actuarial Accrued Liability	563,330	75,196	638,526	1,231,992	265,545	1,497,537
Amortization Factor	19.8368	19.8368	19.8368	19.8368	19.8368	19.8368
Annual Required Contribution (ARC)						
Normal Cost	17,169	7,396	24,565	8,971	15,216	24,187
Amortization of UAAL	28,398	3,791	32,189	62,106	13,386	75,492
Interest to end of year	1,437	353	1,790	2,241	903	3,144
ARC for Fiscal Year End	47,004	11,540	58,544	73,318	29,505	102,823
Calculation of Expected Contribution						
a. Estimated payments on behalf of retirees	15,392	2,230	17,622	72,000	10,636	82,636
b. Estimated contribution to OPEB trust	31,612	9,310	40,922	1,318	18,869	20,187
c. **Total Expected Employer Contribution**	47,004	11,540	58,544	73,318	29,505	102,823

Appendix 2B – Breakout of Prefunding Valuation Results by Group (Continued)

The charts below and on the following page break out the valuation results for 4 employee groups for the fiscal year ending June 30, **2016**. Amortization of the unfunded actuarial accrued liability is on the same basis as described in Section F and in Table 2B.

	Firefighters Association			Police Officers		
Approach	Prefunding			Prefunding		
Subsidy	Enhanced Bft	MEC Only	Total	Enhanced Bft	MEC Only	Total
Interest Rate	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%
Amortization method	Level % of Pay	Level % of Pay	Level % of Pay	Level % of Pay	Level % of Pay	Level % of Pay
Remaining amortization period (in years)	30	29	30/29	30	29	30/29
Number of Covered Employees						
Actives	4	-	4	12	8	20
Retirees	5	1	6	4	5	9
Total Participants	9	1	10	16	13	29
Actuarial Present Value of Projected Benefits						
Actives	$ 493,978	10,284	504,262	$ 951,040	132,705	1,083,745
Retirees	404,871	30,394	435,265	335,522	155,543	491,065
Total APVPB	898,849	40,678	939,527	1,286,562	288,248	1,574,810
Actuarial Accrued Liability						
Actives	441,456	9,075	450,531	565,386	44,501	609,887
Retirees	404,871	30,394	435,265	335,522	155,543	491,065
Total AAL	846,327	39,469	885,796	900,908	200,044	1,100,952
Actuarial Value of Assets	23,539	(1,914)	21,625	45,911	14,434	60,345
Unfunded Actuarial Accrued Liability	822,788	41,383	864,171	854,997	185,610	1,040,607
Amortization Factor	19.8368	19.4297	-	19.8368	19.4297	-
Annual Required Contribution (ARC)						
Normal Cost	7,767	178	7,945	33,729	9,088	42,817
Amortization of UAAL	41,478	2,130	43,608	43,102	9,553	52,655
Interest to end of year	1,553	73	1,626	2,424	588	3,012
ARC for Fiscal Year End	50,798	2,381	53,179	79,255	19,229	98,484
Calculation of Expected Contribution						
a. Estimated payments on behalf of retirees	33,308	1,501	34,809	25,155	7,612	32,767
b. Estimated contribution to OPEB trust	17,490	880	18,370	54,100	11,617	65,717
c. **Total Expected Employer Contribution**	50,798	2,381	53,179	79,255	19,229	98,484

Appendix 2B – Breakout of Prefunding Valuation Results by Group

Fiscal year ending June 30, 2016 (concluded)

	SEIU Local 1021			Unrepresented		
Approach	Prefunding			Prefunding		
Subsidy	Enhanced Bft	MEC Only	Total	Enhanced Bft	MEC Only	Total
Interest Rate	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%
Amortization method	Level % of Pay	Level % of Pay	Level % of Pay	Level % of Pay	Level % of Pay	Level % of Pay
Remaining amortization period (in years)	30	29	30/29	30	29	30/29
Number of Covered Employees						
Actives	13	13	26	7	12	19
Retirees	4	2	6	12	6	18
Total Participants	17	15	32	19	18	37
Actuarial Present Value of Projected Benefits						
Actives	$ 514,796	131,038	645,834	$ 365,048	196,067	561,115
Retirees	217,488	21,658	239,146	950,229	198,595	1,148,824
Total APVPB	732,284	152,696	884,980	1,315,277	394,662	1,709,939
Actuarial Accrued Liability						
Actives	384,958	63,279	448,237	294,924	90,874	385,798
Retirees	217,488	21,658	239,146	950,229	198,595	1,148,824
Total AAL	602,446	84,937	687,383	1,245,153	289,469	1,534,622
Actuarial Value of Assets	32,637	9,612	42,249	1,361	19,482	20,843
Unfunded Actuarial Accrued Liability	569,809	75,325	645,134	1,243,792	269,987	1,513,779
Amortization Factor	19.8368	19.4297	-	19.8368	19.4297	-
Annual Required Contribution (ARC)						
Normal Cost	17,727	7,636	25,363	9,262	15,711	24,973
Amortization of UAAL	28,725	3,877	32,602	62,699	13,896	76,595
Interest to end of year	1,465	363	1,828	2,271	933	3,204
ARC for Fiscal Year End	47,917	11,876	59,793	74,232	30,540	104,772
Calculation of Expected Contribution						
a. Estimated payments on behalf of retirees	16,873	2,852	19,725	77,691	9,734	87,425
b. Estimated contribution to OPEB trust	31,044	9,024	40,068	(3,459)	20,806	17,347
c. **Total Expected Employer Contribution**	47,917	11,876	59,793	74,232	30,540	104,772

Appendix 2C – Breakout of Prefunding Valuation Results by Group (Concluded)

The charts below and on the following page break out the valuation results for 4 employee groups for the fiscal year ending June 30, **2017**. Amortization of the unfunded actuarial accrued liability is on the same basis as described in Section F and in Table 2B.

	Firefighters Association			Police Officers		
Approach	Prefunding			Prefunding		
Subsidy	Enhanced Bft	MEC Only	Total	Enhanced Bft	MEC Only	Total
Interest Rate	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%
Amortization method	Level % of Pay	Level % of Pay	Level % of Pay	Level % of Pay	Level % of Pay	Level % of Pay
Remaining amortization period (in years)	30	28	30/28	30	28	30/28
Number of Covered Employees						
Actives	4	-	4	12	8	20
Retirees	5	1	6	4	5	9
Total Participants	9	1	10	16	13	29
Actuarial Present Value of Projected Benefits						
Actives	$ 521,994	10,952	532,946	$ 1,012,565	141,098	1,153,663
Retirees	398,851	30,783	429,634	330,638	157,819	488,457
Total APVPB	920,845	41,735	962,580	1,343,203	298,917	1,642,120
Actuarial Accrued Liability						
Actives	474,330	9,854	484,184	637,764	56,840	694,604
Retirees	398,851	30,783	429,634	330,638	157,819	488,457
Total AAL	873,181	40,637	913,818	968,402	214,659	1,183,061
Actuarial Value of Assets	43,126	(1,130)	41,996	104,751	27,366	132,117
Unfunded Actuarial Accrued Liability	830,055	41,767	871,822	863,651	187,293	1,050,944
Amortization Factor	19.8368	19.0098	-	19.8368	19.0098	-
Annual Required Contribution (ARC)						
Normal Cost	8,020	184	8,204	34,825	9,383	44,208
Amortization of UAAL	41,844	2,197	44,041	43,538	9,852	53,390
Interest to end of year	1,573	75	1,648	2,472	607	3,079
ARC for Fiscal Year End	51,437	2,456	53,893	80,835	19,842	100,677
Calculation of Expected Contribution						
a. Estimated payments on behalf of retirees	37,515	1,575	39,090	27,027	8,045	35,072
b. Estimated contribution to OPEB trust	13,922	881	14,803	53,808	11,797	65,605
c. **Total Expected Employer Contribution**	51,437	2,456	53,893	80,835	19,842	100,677

Appendix 2C – Breakout of Prefunding Valuation Results by Group (Concluded)

Fiscal year ending June 30, 2017 (concluded)

	SEIU Local 1021			Unrepresented		
Approach	Prefunding			Prefunding		
Subsidy	Enhanced Bft	MEC Only	Total	Enhanced Bft	MEC Only	Total
Interest Rate	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%
Amortization method	Level % of Pay	Level % of Pay	Level % of Pay	Level % of Pay	Level % of Pay	Level % of Pay
Remaining amortization period (in years)	30	28	30/28	30	28	30/28
Number of Covered Employees						
Actives	13	13	26	7	12	19
Retirees	4	2	6	12	6	18
Total Participants	17	15	32	19	18	37
Actuarial Present Value of Projected Benefits						
Actives	$ 543,216	139,552	682,768	$ 383,820	207,833	591,653
Retirees	217,611	20,204	237,815	933,001	201,924	1,134,925
Total APVPB	760,827	159,756	920,583	1,316,821	409,757	1,726,578
Actuarial Accrued Liability						
Actives	423,818	75,521	499,339	319,002	112,535	431,537
Retirees	217,611	20,204	237,815	933,001	201,924	1,134,925
Total AAL	641,429	95,725	737,154	1,252,003	314,459	1,566,462
Actuarial Value of Assets	66,809	19,553	86,363	(2,122)	42,229	40,107
Unfunded Actuarial Accrued Liability	574,620	76,172	650,791	1,254,125	272,230	1,526,355
Amortization Factor	19.8368	19.0098	-	19.8368	19.0098	-
Annual Required Contribution (ARC)						
Normal Cost	18,303	7,884	26,187	9,563	16,222	25,785
Amortization of UAAL	28,967	4,007	32,974	63,223	14,320	77,543
Interest to end of year	1,491	375	1,866	2,295	964	3,259
ARC for Fiscal Year End	48,761	12,266	61,027	75,081	31,506	106,587
Calculation of Expected Contribution						
a. Estimated payments on behalf of retirees	18,601	2,714	21,315	81,641	10,824	92,465
b. Estimated contribution to OPEB trust	30,160	9,552	39,712	(6,560)	20,682	14,122
c. **Total Expected Employer Contribution**	48,761	12,266	61,027	75,081	31,506	106,587

Appendix 3
General OPEB Disclosure and Required Supplementary Information

The Information necessary to complete the OPEB footnote in the City's financial reports is summarized below, or we note the location of the information contained elsewhere in this report:

Summary of Plan Provisions:	See Table 3A
OPEB Funding Policy:	See Section F; details are provided also at the top of the exhibit in Table 1B
Annual OPEB Cost and Net OPEB Obligation:	See Table 1C
Actuarial Methods and Assumptions:	See Table 4.
Funding Status and Funding Progress:	See Section E – Basic Valuation Results

In years where the City is financing on pay-as-you-go basis:

Schedule of Funding Progress - *Pay As You Go*

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (b)	Unfunded Actuarial Accrued Liability (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
1/1/2008	$ -	$ 5,926,348	$ 5,926,348	0%	Not Provided	Not Provided
7/1/2012	$ -	$ 6,627,101	$ 6,627,101	0%	Not Provided	Not Provided
1/1/2015	$ -	$ 5,730,670	$ 5,730,670	0%	$ 5,688,941	100.73%

In years where the City is prefunding at least 100% of the ARC each year:

Schedule of Funding Progress - *Prefunding*

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (b)	Unfunded Actuarial Accrued Liability (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
1/1/2008	$ -	$ 5,926,348	$ 5,926,348	0%	Not Provided	Not Provided
7/1/2012	$ -	$ 6,627,101	$ 6,627,101	0%	Not Provided	Not Provided
1/1/2015	$ -	$ 4,014,799	$ 4,014,799	0%	$ 5,688,941	70.57%

Appendix 3 - General OPEB Disclosure and Required Supplementary Information (Concluded)

Required Supplementary Information: Three Year History of Amounts Funded
See charts below

Results for fiscal years ending June 30, 2015 and later, if pay-as-you-go financing continues:

OPEB Cost Contributed - *Pay As You Go*

Fiscal Year Ended	Annual OPEB Cost	Employer OPEB Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation (Asset)
6/30/2013	$ 513,953	$ 159,056	31%	$ 2,312,692
6/30/2014	$ 533,373	$ 170,504	32%	$ 2,675,561
6/30/2015	*$ 415,406*	*$ 169,275*	*41%*	*$ 2,921,692*
6/30/2016	*$ 432,430*	*$ 174,726*	*40%*	*$ 3,179,396*
6/30/2017	*$ 449,668*	*$ 187,942*	*42%*	*$ 3,441,122*

Results for fiscal years ending June 30, 2015 and later, if commencing a prefunding policy:

OPEB Cost Contributed - *Prefunding*

Fiscal Year Ended	Annual OPEB Cost	Employer OPEB Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation (Asset)
6/30/2013	$ 513,953	$ 159,056	31%	$ 2,312,692
6/30/2014	$ 533,373	$ 170,504	32%	$ 2,675,561
6/30/2015	*$ 340,045*	*$ 309,780*	*91%*	*$ 2,705,826*
6/30/2016	*$ 346,383*	*$ 316,228*	*91%*	*$ 2,735,981*
6/30/2017	*$ 352,183*	*$ 322,184*	*91%*	*$ 2,765,980*

Italicized values above are estimates which may change if contributions are other than projected.

Glossary

Actuarial Accrued Liability (AAL) – Total dollars required to fund all plan benefits attributable to service rendered as of the valuation date for current plan members and vested prior plan members; see "Actuarial Present Value"

Actuarial Funding Method – A procedure which calculates the actuarial present value of plan benefits and expenses, and allocates these expenses to time periods, typically as a normal cost and an actuarial accrued liability

Actuarial Present Value (APV) – The amount presently required to fund a payment or series of payments in the future, it is determined by discounting the future payments by an appropriate interest rate and the probability of nonpayment.

Aggregate – An actuarial funding method under which the excess of the actuarial present value of projected benefits over the actuarial accrued liability is levelly spread over the earnings or service of the group forward from the valuation date to the assumed exit date, based not on individual characteristics but rather on the characteristics of the group as a whole

Annual Required Contribution (ARC) – The amount the employer would contribute to a defined benefit OPEB plan for a given year, it is the sum of the normal cost and some amortization (typically 30 years) of the unfunded actuarial accrued liability

Annual OPEB Expense – The OPEB expense reported in the Agency's financial statement, which is comprised of three elements: the ARC, interest on the net OPEB obligation at the beginning of the year and an ARC adjustment.

Attained Age Normal Cost (AANC) – An actuarial funding method where, for each plan member, the excess of the actuarial present value of benefits over the actuarial accrued liability (determined under the unit credit method) is levelly spread over the individual's projected earnings or service forward from the valuation date to the assumed exit date

CalPERS – Many state governments maintain a public employee retirement system; CalPERS is the California program, covering all eligible state government employees as well as other employees of other governments within California who have elected to join the system

Defined Benefit (DB) – A pension or OPEB plan which defines the monthly income or other benefit which the plan member receives at or after separation from employment

Defined Contribution (DC) – A pension or OPEB plan which establishes an individual account for each member and specifies how contributions to each active member's account are determined and the terms of distribution of the account after separation from employment

Entry Age Normal Cost (EANC) – An actuarial funding method where, for each individual, the actuarial present value of benefits is levelly spread over the individual's projected earnings or service from entry age to assumed exit age

Glossary
(Continued)

Frozen Attained Age Normal Cost (FAANC) – An actuarial funding method under which the excess of the actuarial present value of projected benefits over the actuarial accrued liability (determined under the unit credit method) is levelly spread over the earnings or service of the group forward from the valuation date to the assumed exit date, based not on individual characteristics but rather on the characteristics of the group as a whole

Frozen Entry Age Normal Cost (FEANC) – An actuarial funding method under which the excess of the actuarial present value of projected benefits over the actuarial accrued liability (determined under the entry age normal cost method) is levelly spread over the earnings or service of the group forward from the valuation date to the assumed exit date, based not on individual characteristics but rather on the characteristics of the group as a whole

Financial Accounting Standards Board (FASB) – A private, not-for-profit organization designated by the Securities and Exchange Commission (SEC) to develop generally accepted accounting principles (GAAP) for U.S. public corporations

Government Accounting Standards Board (GASB) – A private, not-for-profit organization which develops generally accepted accounting principles (GAAP) for U.S. state and local governments; like FASB, it is part of the Financial Accounting Foundation (FAF), which funds each organization and selects the members of each board

Net OPEB Obligation (Asset) - The net OPEB obligation (NOO) represents the accumulated shortfall of OPEB funding since GASB 45 was implemented. If cumulative contributions have exceeded the sum of the prior years' annual OPEB expenses, then a net OPEB asset results.

Non-Industrial Disability (NID) – Unless specifically contracted by the individual Agency, PAM employees are assumed to be subject to only non-industrial disabilities.

Normal Cost – Total dollar value of benefits expected to be earned by plan members in the current year, as assigned by the chosen funding method; also called current service cost

Other Post-Employment Benefits (OPEB) – Post-employment benefits other than pension benefits, most commonly healthcare benefits but also including life insurance if provided separately from a pension plan

Pay-As-You-Go (PAYGO) – Contributions to the plan are made at about the same time and in about the same amount as benefit payments and expenses coming due

PEMHCA – The Public Employees' Medical and Hospital Care Act, established by the California legislature in 1961, provides community-rated medical benefits to participating public employers. Among its extensive regulations are the requirements that medical insurance contributions for retired annuitants and paid for by a contracting Agency be equal to the medical insurance contributions paid for its active employees, and that a contracting Agency file a resolution, adopted by its governing body, with the CalPERS Board establishing any new contribution.

Glossary
(Concluded)

Projected Unit Credit (PUC) – An actuarial funding method where, for each individual, the projected plan benefit is allocated by a consistent formula from entry date to assumed exit date

Public Agency Miscellaneous (PAM) – Actuarial assumptions used by CalPERS for most non-safety public employees.

Select and Ultimate – Actuarial assumptions which contemplate rates which differ by year initially (the select period) and then stabilize at a constant long-term rate (the ultimate rate)

Trend – The healthcare cost trend rate, defined as the rate of change in per capita health claims costs over time as a result of factors such as medical inflation, utilization of healthcare services, plan design and technological developments

Unfunded Actuarial Accrued Liability (UAAL) – The excess of the actuarial accrued liability over the actuarial value of plan assets

Unit Credit (UC) -- An actuarial funding method where, for each individual, the unprojected plan benefit is allocated by a consistent formula from entry date to assumed exit date

Vesting – As defined by the plan, requirements which when met make a plan benefit nonforfeitable on separation of service before retirement eligibility