



**City of Belvedere  
Retiree Healthcare Plan**

**BARTEL**  
ASSOCIATES, LLC

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**June 30, 2019 GASBS 75  
Accounting Information**  
As of Measurement Date June 30, 2018  
Based on the June 30, 2017 Actuarial Valuation

Marilyn Oliver, Vice President  
Katherine Moore, Associate Actuary  
Nathan Hinojosa, Actuarial Analyst  
**Bartel Associates, LLC**

June 24, 2020

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**Contents**

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<u>Topic</u>	<u>Page</u>
Applicable Dates	1
Note Disclosures	2
Required Supplementary Information	13
Actuarial Certification	15
Supporting Calculations	16

## Applicable Dates

### Applicable Dates and Periods

	<b>Fiscal Year Ended June 30, 2019</b>
■ Measurement date	June 30, 2018
■ Measurement period	July 1, 2017 to June 30, 2018
■ Actuarial valuation date	June 30, 2017

Update procedures were used to roll forward the Total OPEB Liability from the valuation date (June 30, 2017) to the measurement date (June 30, 2018).



## Note Disclosures

### Plan Information

	<b>Fiscal Year Ended June 30, 2019</b>
■ Plan type	Single Employer
■ OPEB trust	No
■ Special funding situation	No
■ Nonemployer contributing entities	No



**Note Disclosures**

**Covered Participants\***

At June 30, 2018, the measurement date, the following numbers of participants were covered by the benefit terms:

	<b>Number of Covered Participants</b>
■ Inactives currently receiving benefits	10
■ Inactives entitled to but not yet receiving benefits	5
■ Active employees	21
■ Total	36

\* As reported by the City.



**Note Disclosures**

**Total OPEB Liability**

(Amounts in 000's)

	<b>Fiscal Year Ended</b>	
	<b>6/30/18</b>	<b>6/30/19</b>
	Measurement Date 6/30/17	Measurement Date 6/30/18
■ Total OPEB Liability (TOL)	\$ 1,229	\$ 1,254



**Note Disclosures**

**Changes in Total OPEB Liability**

(Amounts in 000's)

	<b>Total OPEB Liability</b>
■ Balance at 6/30/18 (6/30/17 measurement date)	\$ 1,229
■ Changes for the year	
● Service Cost	63
● Interest	45
● Changes of benefit terms	-
● Actual vs. expected experience	-
● Assumption changes	(47)
● Benefit payments*	(36)
■ Net Changes	25
■ Balance at 6/30/19 (6/30/18 measurement date)	\$ 1,254

\* See the measurement period column on page 16 for details.



**Note Disclosures**

**Sensitivity of Total OPEB Liability**

(Amounts in 000's)

■ **Changes in the Discount Rate**

	<b>Discount Rate</b>		
	<b>1% Decrease (2.87%)</b>	<b>Current Rate (3.87%)</b>	<b>1% Increase (4.87%)</b>
■ Total OPEB Liability	\$ 1,428	\$ 1,254	\$ 1,112

■ **Changes in the Healthcare Trend Rate**

	<b>Healthcare Trend Rate</b>		
	<b>1% Decrease</b>	<b>Current Trend</b>	<b>1% Increase</b>
■ Total OPEB Liability	\$ 1,091	\$ 1,254	\$ 1,456



**Note Disclosures**

**OPEB Expense for Fiscal Year**

(Amounts in 000's)

	<b>2018/19</b>
	Measurement Period 2017/18
■ OPEB Expense*	\$ 68

\* See page 21 for OPEB expense detail, which is not required disclosure.



**Note Disclosures**

**Deferred Outflows/Inflows Balances at June 30, 2019**

(Amounts in 000's)

	<b>June 30, 2019</b>	
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
■ Differences between expected and actual experience	\$ -	\$ -
■ Changes in assumptions	-	104
■ Employer contributions made subsequent to the measurement date*	44	-
■ Total	44	104

\* See page 16 for details.



**Note Disclosures**

**Recognition of Deferred Outflows and Inflows of Resources  
in Future OPEB Expense**

(Amounts in 000's)

FYE June 30	Deferred Outflows/(Inflows) of Resources
■ 2020	\$ (40)
■ 2021	(40)
■ 2022	(21)
■ 2023	(3)
■ 2024	-
■ Thereafter	-



**Note Disclosures**

**Significant Actuarial Assumptions Used for Total OPEB Liability**

Actuarial Assumption	June 30, 2018 Measurement Date
■ Actuarial Valuation Date	■ June 30, 2017
■ Contribution Policy	■ No pre-funding
■ Discount Rate	■ 3.87% at June 30, 2018 (Bond Buyer 20-Bond Index) ■ 3.58% at June 30, 2017 (Bond Buyer 20-Bond Index)
■ General Inflation	■ 2.75% annually
■ Mortality, Retirement, Disability, Termination	■ CalPERS 1997-2015 Experience Study
■ Mortality Improvement	■ Post-retirement mortality projected fully generational with Scale MP-17



**Note Disclosures**

**Significant Actuarial Assumptions Used for Total OPEB Liability**

Actuarial Assumption	June 30, 2018 Measurement Date
■ Salary Increases	<ul style="list-style-type: none"> <li>■ Aggregate - 3% annually</li> <li>■ Merit - CalPERS 1997-2015 Experience Study</li> </ul>
■ Medical Trend	<ul style="list-style-type: none"> <li>■ Non-Medicare - 7.5% for 2019, decreasing to an ultimate rate of 4.0% in 2076</li> <li>■ Medicare - 6.5% for 2019, decreasing to an ultimate rate of 4.0% in 2076</li> </ul>
■ PEMHCA Minimum Increase	■ 4.25% annually
■ Healthcare Participation at Retirement	<ul style="list-style-type: none"> <li>■ Currently covered - 60%</li> <li>■ Currently waived - 0%</li> </ul>
■ Medical Plan at Retirement	■ Same as current election



**Note Disclosures**

**Changes Since June 30, 2017 Measurement Date**

Actuarial Assumption	June 30, 2018 Measurement Date
■ Changes of assumptions	■ Discount rate was updated based on municipal bond rate as of the measurement date
■ Changes of benefit terms	■ None



**Required Supplementary Information**

**Schedule of Changes in Total OPEB Liability and Related Ratios**

(Amounts in 000's)

	<b>2018/19</b>
	Measurement Period 2017/18
■ Changes in Total OPEB Liability	
● Service Cost	\$ 63
● Interest	45
● Changes of benefit terms	-
● Actual vs. expected experience	-
● Assumption changes	(47)
● Benefit payments	(36)
■ Net Changes	25
■ Total OPEB Liability (beginning of year)	1,229
■ Total OPEB Liability (end of year)	1,254



**Required Supplementary Information**

**Schedule of Changes in Total OPEB Liability and Related Ratios**

(Amounts in 000's)

	<b>2018/19</b>
■ Total OPEB Liability	\$ 1,254
■ Covered employee payroll*	2,209
■ Total OPEB Liability as a percentage of covered employee payroll	56.8%

\* For the 12-month period ended on June 30, 2018 (Measurement Date).  
As reported by the City.





## Actuarial Certification

This report presents City of Belvedere Retiree Healthcare Plan 2018/19 disclosure under Governmental Accounting Standards Board Statement No. 75 (GASBS 75).

The report provides information intended for reporting under GASBS 75, but may not be appropriate for other purposes. Information provided in this report may be useful to the City for the Plan's financial management. The total OPEB liability has been calculated from the June 30, 2017 actuarial valuation. Future valuations may differ significantly if the Plan's experience differs from our assumptions or if there are changes in Plan design, actuarial methods, or actuarial assumptions. The project scope did not include an analysis of this potential variation.

The June 30, 2017 valuation is based on Plan provisions and participant data provided by the City, which we relied on and did not audit. We reviewed the census data for reasonableness. Additional information on participants included in the valuation and actuarial assumptions can be found in the June 30, 2018 GASBS 75 report. As the actuary, Bartel Associates has recommended the assumptions used in this report, and we believe they are reasonable.

To the best of our knowledge, this report is complete and accurate and has been conducted using generally accepted actuarial principles and practices. Additionally, in our opinion, actuarial methods and assumptions comply with GASBS 75. As members of the American Academy of Actuaries meeting the Academy Qualification Standards, we certify the actuarial results and opinions herein.

Respectfully submitted,



Marilyn Oliver, FSA, FCA, MAAA  
Vice President  
Bartel Associates, LLC  
June 24, 2020



Katherine Moore, ASA, MAAA  
Associate Actuary  
Bartel Associates, LLC  
June 24, 2020



June 24, 2020

15

City of Belvedere

## Supporting Calculations

### Employer Contributions

(Amounts in 000's)

	Measurement Period	Measurement Date to FYE
	7/1/17 to 6/30/18	7/1/18 to 6/30/19
■ Cash benefit payments	\$ 31	\$ 34
■ Implied subsidy benefit payments	5	10
■ Total benefit payments	36	44
■ Administrative expenses	-	-
■ Total employer contributions	36	44

Measurement period (7/1/17 to 6/30/18): \$36

Fiscal year (7/1/18 to 6/30/19): \$44



June 24, 2020

16

City of Belvedere

**Supporting Calculations**

**Average of the Expected Remaining Service Lives**

As of July 1, 2017 (beginning of the measurement period):

	<b>2018/19</b>
	Measurement Period 2017/18
■ Total expected remaining service lives	146 years
■ Covered participants	34
■ Average of the expected remaining service lives (not less than 1 year)	4.3 years



**Supporting Calculations**

**Recognition of Deferred Outflows/Inflows at June 30, 2019**

**Differences between Expected and Actual Experience**

(Amounts in 000's)

Fiscal Year	Initial Amt	Initial Recog Period	Amount Recognized in OPEB Expense for FY							Deferred Balances June 30, 2019	
			18/19	19/20	20/21	21/22	22/23	23/24	24/25+	Outflows	(Inflows)
17/18	-	-	-	-	-	-	-	-	-	-	-
18/19	-	-	-	-	-	-	-	-	-	-	-
Total			-	-	-	-	-	-	-	-	-



**Supporting Calculations**

**Recognition of Deferred Outflows/Inflows at June 30, 2019**

**Changes of Assumptions**

(Amounts in 000's)

Fiscal Year	Initial Amt	Initial Recog Period	Amount Recognized in OPEB Expense for FY							Deferred Balances June 30, 2019	
			18/19	19/20	20/21	21/22	22/23	23/24	24/25+	Outflows	(Inflows)
17/18	(126)	4.3	(29)	(29)	(29)	(10)	-	-	-	-	(68)
18/19	(47)	4.3	(11)	(11)	(11)	(11)	(3)	-	-	-	(36)
<b>Total</b>			(40)	(40)	(40)	(21)	(3)	-	-	-	(104)



**Supporting Calculations**

**Recognition of Deferred Outflows/Inflows in Future OPEB Expense**

(Amounts in 000's)

	19/20	20/21	21/22	22/23	23/24	Thereafter 24/25+
■ Differences between Expected and Actual Experience	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
■ Changes of Assumptions	(40)	(40)	(21)	(3)	-	-
■ Total	(40)	(40)	(21)	(3)	-	-



**Supporting Calculations**

**Components of GASBS 75 OPEB Expense**

(Amounts in 000's)

	<b>2018/19</b>
	<b>Measurement Period 2017/18</b>
■ Service Cost	\$ 63
■ Interest on Total OPEB Liability	45
■ Administrative expense	-
■ Changes of benefit terms	-
■ Recognition of deferred outflows/(inflows)	
● Experience	-
● Assumptions	(40)
■ OPEB Expense	68



**Supporting Calculations**

**Components of GASBS 75 OPEB Expense**  
**Calculation of Interest on Total OPEB Liability**

(Amounts in 000's)

	<b>Dollar Amount</b>	<b>Discount Rate</b>	<b>Portion of Year</b>	<b>Interest</b>
■ Total OPEB Liability	\$ 1,229	3.58%	100%	\$ 44
■ Service Cost	63	3.58%	100%	2
■ Changes of benefit terms	-	3.58%	0%	-
■ Experience	-	3.58%	0%	-
■ Assumption changes*	(47)	3.58%	0%	-
■ Benefit payments	(36)	3.58%	50%	(1)
■ Total interest				45

\* Liability determined as of the end of the measurement period, so no interest charge is applicable.



**Supporting Calculations**

**GASBS 75 Balance Equation**

(Amounts in 000's)

	Fiscal Year Ended	
	6/30/18	6/30/19
	Measurement Date 6/30/17	Measurement Date 6/30/18
■ Total OPEB Liability	\$ 1,229	\$ 1,254
■ Fiduciary Net Position	-	-
■ Net OPEB Liability	1,229	1,254
■ Deferred inflows of resources	97	104
■ Deferred (outflows) of resources	-	-
■ Balance Sheet	1,326	1,358

Check:

■ Balance Sheet 6/30/18	\$ 1,326
● OPEB Expense	68
● Employer Contributions*	(36)
■ Balance Sheet 6/30/19	1,358

\* See the measurement period column on page 16 for details

**Supporting Calculations**

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