



**City of Belvedere
Retiree Healthcare Plan**

BARTEL
ASSOCIATES, LLC

June 30, 2021 GASBS 75 Accounting Information
As of Measurement Date June 30, 2020
Based on the June 30, 2019 Actuarial Valuation

Marilyn Oliver, Vice President
Joseph Herm, Senior Actuarial Analyst
Wai Man Yam, Actuarial Analyst
Bartel Associates, LLC

October 27, 2021

Contents

<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

	Fiscal Year Ended June 30, 2021
■ Measurement date	June 30, 2020
■ Measurement period	July 1, 2019 to June 30, 2020
■ Actuarial valuation date	June 30, 2019

Update procedures were used to roll forward the Total OPEB Liability from the valuation date (June 30, 2019) to the measurement date (June 30, 2020).

Note Disclosures

Plan Information

	Fiscal Year Ended June 30, 2021
■ Plan type	Single Employer
■ OPEB trust	No
■ Special funding situation	No
■ Nonemployer contributing entities	No

Note Disclosures

Covered Participants*

At June 30, 2020, the measurement date, the following numbers of participants were covered by the benefit terms:

	Number of Covered Participants
■ Inactives currently receiving benefits	14
■ Inactives entitled to but not yet receiving benefits	6
■ Active employees	19
■ Total	39

* As reported by the City.

Note Disclosures

Total OPEB Liability/(Asset)

	Fiscal Year Ended	
	6/30/20	6/30/21
	Measurement Date 6/30/19	Measurement Date 6/30/20
■ Total OPEB Liability (TOL)	\$ 1,312,304	\$ 1,609,699

Note Disclosures

Changes in Total OPEB Liability/(Asset)

	Total OPEB Liability
■ Balance at 6/30/20 (6/30/19 measurement date)	\$ 1,312,304
■ Changes for the year	
● Service Cost	46,470
● Interest	46,568
● Changes of benefit terms	-
● Actual vs. expected experience	-
● Assumption changes	260,897
● Benefit payments*	(56,540)
■ Net Changes	297,395
■ Balance at 6/30/21 (6/30/20 measurement date)	\$ 1,609,699

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



Note Disclosures

Sensitivity of Total OPEB Liability/(Asset)

■ **Changes in the Discount Rate**

	Discount Rate		
	1% Decrease (1.21%)	Current Rate (2.21%)	1% Increase (3.21%)
■ Total OPEB Liability	\$ 1,874,377	\$ 1,609,699	\$ 1,401,015

■ **Changes in the Healthcare Trend Rate**

	Healthcare Trend Rate		
	1% Decrease	Current Trend	1% Increase
■ Total OPEB Liability	\$ 1,379,205	\$ 1,609,699	\$ 1,902,206



Note Disclosures

OPEB Expense/(Income) for Fiscal Year

	2020/21
	Measurement Period 2019/20
■ OPEB Expense/(Income)*	\$ 108,004

* See page 21 for OPEB expense/(income) detail, which is not a required disclosure.



Note Disclosures

Deferred Outflows/Inflows Balances at June 30, 2021

	June 30, 2021	
	Deferred Outflows of Resources	Deferred Inflows of Resources
■ Differences between expected and actual experience	\$ -	\$ 32,286
■ Changes in assumptions	231,673	24,000
■ Employer contributions made subsequent to the measurement date*	62,613	-
■ Total	294,286	56,286

* See page 16 for details.



Note Disclosures

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

FYE June 30	Deferred Outflows/(Inflows) of Resources
■ 2022	\$ 33,633
■ 2023	51,633
■ 2024	56,092
■ 2025	34,029
■ 2026	-
■ Thereafter	-

Note Disclosures

Significant Actuarial Assumptions Used for Total OPEB Liability

Actuarial Assumption	June 30, 2020 Measurement Date
■ Actuarial Valuation Date	■ June 30, 2019
■ Contribution Policy	■ No pre-funding
■ Discount Rate	■ 2.21% at June 30, 2020 (Bond Buyer 20-Bond Index) ■ 3.50% at June 30, 2019 (Bond Buyer 20-Bond Index)
■ General Inflation	■ 2.75% annually
■ Mortality, Retirement, Disability, Termination	■ CalPERS 1997-2015 Experience Study
■ Mortality Improvement	■ Mortality projected fully generational with Scale MP-2019

Note Disclosures

Significant Actuarial Assumptions Used for Total OPEB Liability

Actuarial Assumption	June 30, 2020 Measurement Date
■ Salary Increases	<ul style="list-style-type: none"> ■ Aggregate - 3% annually ■ Merit - CalPERS 1997-2015 Experience Study
■ Medical Trend	<ul style="list-style-type: none"> ■ Non-Medicare - 7.25% for 2021, decreasing to an ultimate rate of 4% in 2076 ■ Medicare - 6.30% for 2021, decreasing to an ultimate rate of 4% in 2076
■ PEMHCA Minimum Increase	■ 4.25% annually
■ Healthcare Participation at Retirement	<ul style="list-style-type: none"> ■ Currently covered – 60% ■ Currently waived – 30%

Note Disclosures

Changes Since June 30, 2019 Measurement Date

	June 30, 2020 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/(Asset) and Related Ratios

	2020/21
	Measurement Period 2019/20
■ Changes in Total OPEB Liability	
● Service Cost	\$ 46,470
● Interest	46,568
● Changes of benefit terms	-
● Actual vs. expected experience	-
● Assumption changes	260,897
● Benefit payments	<u>(56,540)</u>
■ Net Changes	297,395
■ Total OPEB Liability (beginning of year)	<u>1,312,304</u>
■ Total OPEB Liability (end of year)	1,609,699

Required Supplementary Information

Schedule of Changes in Total OPEB Liability/(Asset) and Related Ratios

	2020/21
	Measurement Date 6/30/20
■ Total OPEB Liability/(Asset)	\$ 1,609,699
■ Covered employee payroll*	2,498,209
■ Total OPEB Liability as a percentage of covered employee payroll	64.4%

* For the 12-month period ended on June 30, 2020 (Measurement Date).
As reported by the City.

Actuarial Certification

This report presents the City of Belvedere Retiree Healthcare Plan 2020/21 disclosure under Governmental Accounting Standards Board Statement No. 75 (GASBS 75). This report may not be appropriate for other purposes, although it may be useful to the City for the Plan's financial management.

This report is based on information provided by the City which we relied on and did not audit. Further information regarding the full valuation that the report is based on may be found in the Appendix of the June 30, 2019 GASB 75 report. The June 30, 2019 full valuation is based on plan provisions and participant data provided by the City, all of which we relied on and did not audit. We reviewed the census data for reasonableness.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as: plan experience differing from that anticipated by the assumptions; changes in assumptions; changes expected as part of the natural progression of the plan; and changes in plan provisions or applicable law. Actuarial models necessarily rely on the use of estimates and are sensitive to changes. Small variations in estimates may lead to significant changes in actuarial measurements. Due to the limited scope of this assignment, we did not perform an analysis of the potential range of such measurements.

To the best of my knowledge, this report is complete and accurate and has been conducted using generally accepted actuarial principles and practices and complies with applicable Actuarial Standards of Practice. Additionally, in my opinion, actuarial methods and assumptions comply with GASBS 75. As the actuary, I have recommended the assumptions used in this report, and I believe they are reasonable. As a member of the American Academy of Actuaries meeting the Academy Qualification Standards, I certify the actuarial results and opinions herein.

Respectfully submitted,



Marilyn Oliver, FSA, FCA, MAAA
 Vice President
 Bartel Associates, LLC
 October 27, 2021



October 27, 2021

15
 GASBS 75

City of Belvedere

Supporting Calculations

Employer Contributions

	Measurement Period	Measurement Date to FYE	Prior Measurement Date to Prior FYE
	7/1/19 to 6/30/20	7/1/20 to 6/30/21	Same as Measurement Period
■ Cash benefit payments	\$ 38,962	\$ 37,913	\$ 38,962
■ Implied subsidy benefit payments	17,578	24,391	17,578
■ Total benefit payments	56,540	62,304	56,540
■ Administrative expenses	333	309	333
■ Total employer contributions	56,873	62,613	56,873

Measurement period (7/1/19 to 6/30/20): \$56,873

Fiscal year (7/1/20 to 6/30/21): \$62,613



October 27, 2021

16
 GASBS 75

City of Belvedere

Supporting Calculations

Average of the Expected Remaining Service Lives

As of July 1, 2019 (beginning of the measurement period):

Valuation Date	Total expected remaining service lives*	Covered participants*	Average of the expected remaining service lives as of valuation date	Average of the expected remaining service lives as of 7/1/19 (not less than 1 yr)
6/30/19	155.9 years	34	4.6 years	4.6 years

* Participants with no liability excluded for the purpose of calculating the average.

Supporting Calculations

Recognition of Deferred Outflows/Inflows at June 30, 2021 Differences between Expected and Actual Experience

Fiscal Year	Initial Amt	Initial Recog Period	Amount Recognized in OPEB Expense for FY							Deferred Balances June 30, 2021	
			20/21	21/22	22/23	23/24	24/25	25/26	26/27+	Outflows	(Inflows)
17/18	-	-	-	-	-	-	-	-	-	-	-
18/19	-	-	-	-	-	-	-	-	-	-	-
19/20	(60,362)	4.3	(14,038)	(14,038)	(14,038)	(4,210)	-	-	-	-	(32,286)
20/21	-	-	-	-	-	-	-	-	-	-	-
Total			(14,038)	(14,038)	(14,038)	(4,210)	-	-	-	-	(32,286)

Supporting Calculations

Recognition of Deferred Outflows/Inflows at June 30, 2021 Changes of Assumptions

Fiscal Year	Initial Amt	Initial Recog Period	Amount Recognized in OPEB Expense for FY							Deferred Balances June 30, 2021	
			20/21	21/22	22/23	23/24	24/25	25/26	26/27+	Outflows	(Inflows)
17/18	(126,000)	4.3	(29,000)	(10,000)	-	-	-	-	-	-	(10,000)
18/19	(47,000)	4.3	(11,000)	(11,000)	(3,000)	-	-	-	-	-	(14,000)
19/20	51,401	4.3	11,954	11,954	11,954	3,585	-	-	-	27,493	-
20/21	260,897	4.6	56,717	56,717	56,717	56,717	34,029	-	-	204,180	-
Total			28,671	47,671	65,671	60,302	34,029	-	-	231,673	(24,000)



October 27, 2021

19
GASBS 75

City of Belvedere

Supporting Calculations

Recognition of Deferred Outflows/Inflows in Future OPEB Expense

	21/22	22/23	23/24	24/25	25/26	Thereafter 26/27+
■ Differences between Expected and Actual Experience	(14,038)	(14,038)	(4,210)	-	-	-
■ Changes of Assumptions	47,671	65,671	60,302	34,029	-	-
■ Total	33,633	51,633	56,092	34,029	-	-



October 27, 2021

20
GASBS 75

City of Belvedere

Supporting Calculations

Components of GASBS 75 OPEB Expense

	2020/21
	Measurement Period 2019/20
■ Service Cost	\$ 46,470
■ Interest on Total OPEB Liability	46,568
■ Administrative expense	333
■ Changes of benefit terms	-
■ Recognition of deferred outflows/(inflows)	
● Experience	(14,038)
● Assumptions	28,671
■ OPEB Expense/(Income)	108,004

Supporting Calculations

Components of GASBS 75 OPEB Expense
Calculation of Interest on Total OPEB Liability
2019/20 Measurement Period

	Dollar Amount	Discount Rate	Portion of Year	Interest
■ Total OPEB Liability	\$ 1,312,304	3.50%	100%	\$ 45,931
■ Service Cost	46,470	3.50%	100%	1,626
■ Changes of benefit terms	-	3.50%	0%	-
■ Experience	-	3.50%	0%	-
■ Assumption changes*	260,897	3.50%	0%	-
■ Benefit payments	(56,540)	3.50%	50%	(989)
■ Total interest				46,568

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

Supporting Calculations

GASBS 75 Balance Equation

	Fiscal Year Ended	
	6/30/20	6/30/21
	Measurement Date 6/30/19	Measurement Date 6/30/20
■ Total OPEB Liability/(Asset)	\$ 1,312,304	\$ 1,609,699
■ Fiduciary Net Position	-	-
■ Net OPEB Liability/(Asset)	1,312,304	1,609,699
■ Deferred inflows of resources	110,324	56,286
■ Deferred (outflows) of resources	(39,447)	(231,673)
■ Balance Sheet	1,383,181	1,434,312

Check:

■ Balance Sheet 6/30/20	\$ 1,383,181
● OPEB Expense/(Income)	108,004
● Employer Contributions*	(56,873)
■ Balance Sheet 6/30/21	1,434,312

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

Supporting Calculations

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