



CONSULTING GROUP



A POSTRETIREMENT WELFARE BENEFIT GASB 45 ACTUARIAL VALUATION REVISED

For:

Town of East Longmeadow, MA

As of:

July 1, 2015

Prepared by:
USI Consulting Group



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October 12, 2016

Town of East Longmeadow
60 Center Square
East Longmeadow, MA 01028

RE: July 1, 2015 REVISED Actuarial Valuation of Postretirement Welfare Benefits

We enclose the report **revised** covering the actuarial valuation of the postretirement medical and life insurance plans for the employees of the Town of East Longmeadow, MA as of July 1, 2015. The numbers presented in this report reflect the adoption, by the Town of East Longmeadow, MA, of the Statement of Governmental Accounting Standard No. 45 (GASB 45). This report has been revised to include the breakdown by Fund.

The financial results of the actuarial valuation are summarized in the report. The Executive Summary highlights the results of the valuation, including the calculation of the Annual OPEB Cost (expense) for the fiscal year beginning July 1, 2015, which is based on a 30 year amortization of the UAAL as of July 1, 2015.

Additional information summarizing census information, actuarial assumptions, and the methodology for developing them, as well as a glossary of selected terms used in this study, are also included in the report.

All calculations are made in accordance with our understanding of the provisions of the Statement of Governmental Accounting Standards Board No. 45 (GASB 45). We believe this report provides all of the information your auditor requires. We would appreciate a copy of the footnote to your financial statement related to the postretirement benefits.

Respectfully submitted,

USI Consulting Group

A handwritten signature in blue ink that reads "Robert W. Webb".

Robert W. Webb, FSA, EA, MAAA
Vice President and Actuary

A handwritten signature in blue ink that reads "John Sheaves".

John Sheaves
Senior Actuarial Consultant

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Section I

Executive Summary

The section presents the results of the July 1, 2015 valuation. The first section provides a brief summary of the valuation results. The Executive Summary Detail provides a more detailed development of the expenses and liabilities. Items I through IV show the development of the Annual Required Contribution (ARC). Items V through VIII show the calculation of the Annual OPEB Cost. Item X provides a brief summary of the key assumptions used in developing the plan's costs and liabilities.

EXECUTIVE SUMMARY

Introduction

This report details the development of the Annual OPEB Cost for the Fiscal Year ending June 30, 2016. Estimated June 30, 2016 and June 30, 2017 disclosures are included in Section III.

The liabilities developed in this report are only valid for purposes of meeting employer accounting requirements as required by Statement of Governmental Accounting Standards Number 45 (GASB 45). Liabilities developed for other purposes could be significantly different than those shown in this report.

Summary of Results

The Actuarial Accrued Liability and Normal Cost are calculated as of the valuation date. The Annual OPEB Cost and Expected Benefit Payments are for the year beginning on the valuation date. Additional detail is developed in the exhibits included in this actuarial valuation report.

Fiscal Year Ending June 30, 2016

<i>Beginning of Year Net OPEB Obligation (NOO)</i>	\$29,473,411
<i>Actuarial Accrued Liability (AAL)</i>	\$60,309,864
<i>Actuarial Value of Assets</i>	\$0
<i>Unfunded Actuarial Accrued Liability (UAAL)</i>	\$60,309,864
<i>Annual Required Contribution (30 year amortization)</i>	\$5,709,299
<i>Annual OPEB Cost</i>	\$5,375,611
<i>Expected Benefit Payments</i>	\$1,371,655

Fiscal Year Ending June 30, 2017

<i>Beginning of Year Net OPEB Obligation (NOO)</i>	\$32,377,367
<i>Actuarial Accrued Liability (AAL)</i>	\$63,964,702
<i>Actuarial Value of Assets</i>	\$1,100,000
<i>Unfunded Actuarial Accrued Liability (UAAL)</i>	\$62,864,702
<i>Annual Required Contribution (30 year amortization)</i>	\$5,986,505
<i>Annual OPEB Cost</i>	\$5,606,134
<i>Expected Benefit Payments</i>	\$1,555,622

Economic Assumptions

The employer, with the approval of the auditor, is responsible for selecting the economic assumptions as of the disclosure date. The following table details the selected economic assumptions for the current fiscal year:

<u>Assumption Selection Date</u>	<u>July 1, 2015</u>
<i>Funding Interest Rate*</i>	4.00%
<i>2015 Medical Trend Rates</i>	7.25%
<i>Ultimate Medical Trend Rate</i>	5.00%
<i>Year Ultimate Trend Rates Reached</i>	2020
<i>Annual Payroll Increase</i>	2.50%

* Reflects current funding policy (assumes no funding).

Changes included in current valuation

The plan experienced an actuarial gain due primarily to plan costs increasing less than assumed. The impact of the gain is shown in appendix II.

Effective October 19, 2015, the Town has created a trust to begin funding the OPEB liability. Details can be found in Appendix IV.

Accounting for Postretirement Benefits

This report provides the information needed to prepare the footnote in your financial statements related to your postretirement benefit plans. The unfunded actuarial accrued liability and the ARC are developed in the Executive Summary Detail included in this section. For this Fiscal Year / Valuation Report, Section III presents the disclosure information based on estimated contributions made.

Actuarial Certification

The financial results of the actuarial valuation are summarized in this report. The valuation has been prepared as of July 1, 2015. The detail charts included in this Executive Summary highlight the results of the valuation. Additional information summarizing the census, actuarial assumptions, plan provisions, and a glossary of selected terms used in this study are also included in this report.

The valuation is based on the July 1, 2015 census data and plan information as provided by the employer. We have reviewed both the census and financial data for reasonableness, but have not completed an independent audit of the information.

All costs, liabilities, and other factors under the plan were determined in accordance with generally accepted actuarial principles and procedures. The calculations are consistent and undertaken with our understanding of Statement of Governmental Accounting Standards Number 45 (GAS 45). In our opinion, the actuarial assumptions are reasonable, taking in account the experience of the plan and reasonable expectations and, individually represent our best estimate of the anticipated experience under the plan.

We have no relationship with the employer or the plan that would objectively impair, or appear to impair, our ability to perform the work detailed in this report.

We certify that we are members of the American Academy of Actuaries and meet its Qualification Standards to provide an actuarial opinion in accordance with GASB 45.



Robert W. Webb, FSA, EA, MAAA
Vice President and Actuary



Adeniyi Olaiya, ASA, MAAA
Associate Vice President and Actuary

EXECUTIVE SUMMARY DETAIL
GASB 45 LIABILITIES, ANNUAL REQUIRED CONTRIBUTION AND ANNUAL OPEB COST
JULY 1, 2015 RESULTS

	<u>General</u>	<u>ELCAT</u>	<u>DPW</u>	<u>Sewer</u>	<u>Water</u>	<u>Total</u>
I. Present value of Future benefits						
A. Retirees/Disableds	\$25,873,351	\$0	\$428	\$0	\$0	\$25,873,779
B. Active Employees	<u>\$58,429,700</u>	<u>\$133,967</u>	<u>\$3,364,987</u>	<u>\$730,967</u>	<u>\$666,044</u>	<u>\$63,325,665</u>
C. Total	\$84,303,051	\$133,967	\$3,365,415	\$730,967	\$666,044	\$89,199,444
II. Actuarial Accrued Liability						
A. Retirees/Disableds	\$25,873,351	\$0	\$428	\$0	\$0	\$25,873,779
B. Active Employees	<u>\$31,727,052</u>	<u>\$75,325</u>	<u>\$1,892,528</u>	<u>\$359,596</u>	<u>\$381,584</u>	<u>\$34,436,085</u>
C. Total	\$57,600,403	\$75,325	\$1,892,956	\$359,596	\$381,584	\$60,309,864
III. Actuarial Assets	\$0	\$0	\$0	\$0	\$0	\$0
IV. Unfunded Actuarial Accrued Liability (UAAL)	\$57,600,403	\$75,325	\$1,892,956	\$359,596	\$381,584	\$60,309,864
V. Annual Required Contribution (ARC)						
A. Normal Cost	\$2,341,250	\$11,032	\$135,723	\$28,088	\$23,841	\$2,539,934
B. Supplemental Cost	\$2,842,448	\$3,718	\$93,414	\$17,744	\$18,831	\$2,976,155
C. Compound Interest to Year End	<u>\$180,080</u>	<u>\$590</u>	<u>\$9,031</u>	<u>\$1,827</u>	<u>\$1,682</u>	<u>\$193,210</u>
D. Annual Required Contribution [A. + B. + C.]	\$5,363,778	\$15,340	\$238,168	\$47,659	\$44,354	\$5,709,299
VI. Net OPEB Obligation	\$28,149,299	\$36,811	\$925,087	\$175,734	\$186,480	\$29,473,411
VII. Interest on net OPEB Obligation	\$1,125,973	\$1,472	\$37,003	\$7,029	\$7,459	\$1,178,936
VIII. Adjustment to ARC	(\$1,444,669)	(\$1,889)	(\$47,477)	(\$9,019)	(\$9,570)	(\$1,512,624)
IX. Annual OPEB Cost (Expense) [V.D. + VII. + VIII.]	\$5,045,082	\$14,923	\$227,694	\$45,669	\$42,243	\$5,375,611
X. Expected Benefit Payments						
A. Retirees/Disableds	\$1,285,409	\$0	\$0	\$0	\$0	\$1,285,409
B. Active Employees	<u>\$78,026</u>	<u>\$0</u>	<u>\$6,707</u>	<u>\$291</u>	<u>\$1,222</u>	<u>\$86,246</u>
C. Total	\$1,363,435	\$0	\$6,707	\$291	\$1,222	\$1,371,655

EXECUTIVE SUMMARY DETAIL
GASB 45 LIABILITIES, ANNUAL REQUIRED CONTRIBUTION AND ANNUAL OPEB COST
JULY 1, 2016 RESULTS

	<u>General</u>	<u>ELCAT</u>	<u>DPW</u>	<u>Sewer</u>	<u>Water</u>	<u>Total</u>
I. Present value of Future benefits						
A. Retirees/Disableds	\$25,597,421	\$0	\$445	\$0	\$0	\$25,597,866
B. Active Employees	<u>\$63,998,036</u>	<u>\$167,779</u>	<u>\$3,575,370</u>	<u>\$831,403</u>	<u>\$736,441</u>	<u>\$69,309,029</u>
C. Total	\$89,595,457	\$167,779	\$3,575,815	\$831,403	\$736,441	\$94,906,895
II. Actuarial Accrued Liability						
A. Retirees/Disableds	\$25,597,421	\$0	\$445	\$0	\$0	\$25,597,866
B. Active Employees	<u>\$35,351,194</u>	<u>\$89,811</u>	<u>\$2,102,540</u>	<u>\$402,895</u>	<u>\$420,396</u>	<u>\$38,366,836</u>
C. Total	\$60,948,615	\$89,811	\$2,102,985	\$402,895	\$420,396	\$63,964,702
III. Actuarial Assets	\$1,063,654	\$1,391	\$34,955	\$0	\$0	\$1,100,000
IV. Unfunded Actuarial Accrued Liability (UAAL)	\$59,884,961	\$88,420	\$2,068,030	\$402,895	\$420,396	\$62,864,702
V. Annual Required Contribution (ARC)						
A. Normal Cost	\$2,399,781	\$11,308	\$139,116	\$28,790	\$24,437	\$2,603,432
B. Supplemental Cost	\$3,033,402	\$4,380	\$103,772	\$20,122	\$21,063	\$3,182,739
C. Compound Interest to Year End	<u>\$186,738</u>	<u>\$628</u>	<u>\$9,285</u>	<u>\$1,936</u>	<u>\$1,747</u>	<u>\$200,334</u>
D. Annual Required Contribution [A. + B. + C.]	\$5,619,921	\$16,316	\$252,173	\$50,848	\$47,247	\$5,986,505
VI. Net OPEB Obligation	\$30,767,292	\$50,343	\$1,111,119	\$221,112	\$227,501	\$32,377,367
VII. Interest on net OPEB Obligation	\$1,230,692	\$2,014	\$44,445	\$8,844	\$9,100	\$1,295,095
VIII. Adjustment to ARC	(\$1,592,148)	(\$2,605)	(\$57,498)	(\$11,442)	(\$11,773)	(\$1,675,466)
IX. Annual OPEB Cost (Expense) [V.D. + VII. + VIII.]	\$5,258,465	\$15,725	\$239,120	\$48,250	\$44,574	\$5,606,134
X. Expected Benefit Payments						
A. Retirees/Disableds	\$1,322,010	\$0	\$0	\$0	\$0	\$1,322,010
B. Active Employees	<u>\$207,392</u>	<u>\$0</u>	<u>\$21,533</u>	<u>\$1,047</u>	<u>\$3,640</u>	<u>\$233,612</u>
C. Total	\$1,529,402	\$0	\$21,533	\$1,047	\$3,640	\$1,555,622

Section II

Census Information

This section details statistics related to the participants in the postretirement benefit plan.

CENSUS INFORMATION – A.

EMPLOYEE COUNTS

	<i>As of July 1, 2015</i>			<i>As of July 1, 2013</i>		
	<u>Actives</u>	<u>Retirees*</u>	<u>Total</u>	<u>Actives</u>	<u>Retirees*</u>	<u>Total</u>
Male	133	110	243	136	87	223
Female	<u>255</u>	<u>170</u>	<u>425</u>	<u>279</u>	<u>135</u>	<u>414</u>
Total	388	280	668	415	222	637

COUNTS BY AGE AND ELIGIBILITY STATUS

ACTIVE EMPLOYEES :

<u>Age</u>	<u>Currently Eligible to Retire</u>	<u>Not Currently Eligible to Retire</u>	<u>Total</u>
29 and under	0	17	17
30 - 34	0	32	32
35 - 39	0	44	44
40 - 44	2	44	46
45 - 49	13	40	53
50 - 54	17	39	56
55 - 59	54	18	72
60 - 64	45	8	53
65 and over	15	0	15
Total	146	242	388

CURRENT RETIREES:

<u>Age</u>	<u>Retirees*</u>	<u>Spouse</u>	<u>Total</u>
54 and under	4	5	9
55 - 59	15	5	20
60 - 64	39	16	55
65 - 69	59	26	85
70 - 74	53	20	73
75 - 79	36	16	52
80 and over	74	13	87
Total	280	101	381

**There are an additional 112 retirees with Life Insurance only.*

CENSUS INFORMATION – B.

AVERAGE AGE AND SERVICE

	<u>As of July 1, 2015</u>	<u>As of July 1, 2013</u>
ACTIVE EMPLOYEES:		
A. Average Age at Hire		
Males	32.7	33.7
Females	37.8	37.9
Total	36.0	36.6
B. Average Service		
Males	12.9	13.5
Females	13.3	12.1
Total	13.2	12.5
C. Average Current Age		
Males	45.6	47.2
Females	51.1	50.0
Total	49.2	49.1
CURRENT RETIREES		
D. Average Current Age		
Males	73.7	73.4
Females	73.8	73.8
Total	73.7	73.7

Section III

Financial Statement Disclosure

This section provides the required information and notes to the Financial Statements for the fiscal years ending June 30, 2016 and June 30, 2017.

FINANCIAL STATEMENT DISCLOSURE

The GASB standard on accounting for postretirement benefits other than pensions requires the following disclosures in the financial statements with regard to the retiree benefit liability:

1.) A BRIEF DESCRIPTION OF THE RETIREE MEDICAL/DRUG, LIFE and DENTAL INSURANCE PLANS:

a. Plan Types:

Medical

The Town participates in the Scantic Valley Regional Health Trust. Medical and prescription drug benefits are provided to eligible retirees. Retirees have their choice of a variety of plans offered by Blue Cross Blue Shield of Massachusetts, Health New England, Tufts Health Plan.

b. Eligibility:

Police and Fire: Age 45 with 10 years of service, or any age with 20 years of service.

All Others: Age 55 with 10 years of service, or any age with 20 years of service.

c. Benefit/Cost Sharing:

The Town covers 70% of the health premium for all plans except the Blue Care Elect PPO and the Medicare plans, for which they pay 50%.

d. Spouse Benefit:

Yes, the Town provides medical coverage for spouses. Spouses pay the same percentage as retirees.

e. Surviving Spouse Benefit:

Yes, the Town provides medical coverage for surviving spouses. Surviving spouses pay the same percentage of the medical premium as they would if the retiree were still alive.

f. Annual Medical Premiums:

As of July 1, 2015:

Blue Cross Blue Shield

Individual: \$ 7,128.00

Family: \$ 17,676.00

Health New England

Individual: \$ 5,976.00

Family: \$ 14,916.00

Tufts HMO

Individual: \$ 7,164.00

Family: \$ 17,892.00

Blue Care Elect PPO

Individual: \$ 18,828.00

Family: \$ 45,936.00

As of January 1, 2015:

Medicare Plans

Medex III: \$ 4,044.00 per person covered

Managed Blue for Seniors: \$ 3,710.16 per person covered

HNE Mediwrap: \$ 4,536.00 per person covered

Tufts Medicare Supplement: \$ 4,044.00 per person covered

Tufts Preferred HMO: \$ 3,204.00 per person covered

FINANCIAL STATEMENT DISCLOSURE (cont.)

2.) GASB 45 DISCLOSURE REQUIREMENTS – TOTAL

A. Annual OPEB Cost and Net OPEB Obligation	<u>7/1/2015 - 6/30/2016</u>	<u>7/1/2016 - 6/30/2017</u>
1. Annual Required Contribution (ARC)	\$5,709,299	\$5,986,505
2. Interest on net OPEB Obligation	\$1,178,936	\$1,295,095
3. Adjustment to ARC	<u>(\$1,512,624)</u>	<u>(\$1,675,466)</u>
4. Annual OPEB Cost (Expense)	\$5,375,611	\$5,606,134
5. Contribution made - Benefit Payments *	(\$1,371,655)	(\$1,555,622)
6. Contribution made to Trust **	<u>(\$1,100,000)</u>	<u>(\$75,000)</u>
7. Increase in net OPEB Obligation	\$2,903,956	\$3,975,512
8. Net OPEB Obligation - beginning of year	<u>\$29,473,411</u>	<u>\$32,377,367</u>
9. Net OPEB Obligation - end of year	\$32,377,367	\$36,352,879

* Contribution made was assumed to equal Expected Benefit Payments

** Includes \$100,000 transfer and \$1,000,000 contribution on October 19, 2015, and \$75,000 contribution on July 1, 2016.

The annual OPEB Cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal years ending 2016 / 2017 are as follows:

<u>Fiscal Year Ending</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>	<u>Covered Payroll</u>	<u>OPEB Cost % of Pay</u>
6/30/2016	\$5,375,611	25.5%	\$32,377,367	\$22,207,310	24.21%
6/30/2017	\$5,606,134	27.7%	\$36,352,879	\$22,762,493	24.63%

B. Funded Status and Funding Progress

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) (b)</u>	<u>Unfunded AAL (UAAL) (b - a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a Percentage of Covered Payroll (AAL) (b - a) / c)</u>
7/1/2011	\$0	\$44,362,650	\$44,362,650	0.0%	N/A	N/A
7/1/2013	\$0	\$50,129,040	\$50,129,040	0.0%	\$23,530,428	213.0%
7/1/2015	\$0	\$60,309,864	\$60,309,864	0.0%	\$22,207,310	271.6%

C. Methods and Assumptions

- Interest Rate	4.00%
- 2015 Medical Trend Rates	7.25%
- Ultimate Medical Trend Rate	5.00%
- Year Ultimate Trend Rates Reached	2020
- Actuarial Cost Method	Projected Unit Credit
- The remaining amortization period at 06/30/2016	22.08
- Annual Payroll Increase	2.50%

FINANCIAL STATEMENT DISCLOSURE (cont.)

3.) GASB 45 DISCLOSURE REQUIREMENTS – GENERAL FUND

A. Annual OPEB Cost and Net OPEB Obligation	<u>7/1/2015 - 6/30/2016</u>	<u>7/1/2016 - 6/30/2017</u>
1. Annual Required Contribution (ARC)	\$5,363,778	\$5,619,921
2. Interest on net OPEB Obligation	\$1,125,973	\$1,230,692
3. Adjustment to ARC	<u>(\$1,444,669)</u>	<u>(\$1,592,148)</u>
4. Annual OPEB Cost (Expense)	\$5,045,082	\$5,258,465
5. Contribution made - Benefit Payments *	(\$1,363,435)	(\$1,529,402)
6. Contribution made to Trust	<u>(\$1,063,654)</u>	<u>(\$72,522)</u>
7. Increase in net OPEB Obligation	\$2,617,993	\$3,656,541
8. Net OPEB Obligation - beginning of year	<u>\$28,149,299</u>	<u>\$30,767,292</u>
9. Net OPEB Obligation - end of year	\$30,767,292	\$34,423,833

* Contribution made was assumed to equal Expected Benefit Payments

The annual OPEB Cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal years ending 2016 / 2017 are as follows:

<u>Fiscal Year Ending</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>	<u>Covered Payroll</u>	<u>OPEB Cost % of Pay</u>
6/30/2016	\$5,045,082	27.0%	\$30,767,292	\$20,585,105	24.51%
6/30/2017	\$5,258,465	29.1%	\$34,423,833	\$21,099,733	24.92%

B. Funded Status and Funding Progress

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) (b)</u>	<u>Unfunded AAL (UAAL) (b - a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a Percentage of Covered Payroll (AAL) (b - a) / c)</u>
7/1/2015	\$0	\$57,600,403	\$57,600,403	0.0%	\$20,585,105	279.8%

C. Methods and Assumptions

- Interest Rate	4.00%
- 2015 Medical Trend Rates	7.25%
- Ultimate Medical Trend Rate	5.00%
- Year Ultimate Trend Rates Reached	2020
- Actuarial Cost Method	Projected Unit Credit
- The remaining amortization period at 06/30/2016	22.07
- Annual Payroll Increase	2.50%

FINANCIAL STATEMENT DISCLOSURE (cont.)

4.) GASB 45 DISCLOSURE REQUIREMENTS – ELCAT FUND

A. Annual OPEB Cost and Net OPEB Obligation	<u>7/1/2015 - 6/30/2016</u>	<u>7/1/2016 - 6/30/2017</u>
1. Annual Required Contribution (ARC)	\$15,340	\$16,316
2. Interest on net OPEB Obligation	\$1,472	\$2,014
3. Adjustment to ARC	<u>(\$1,889)</u>	<u>(\$2,605)</u>
4. Annual OPEB Cost (Expense)	\$14,923	\$15,725
5. Contribution made - Benefit Payments *	\$0	\$0
6. Contribution made to Trust	<u>(\$1,391)</u>	<u>(\$95)</u>
7. Increase in net OPEB Obligation	\$13,532	\$15,630
8. Net OPEB Obligation - beginning of year	<u>\$36,811</u>	<u>\$50,343</u>
9. Net OPEB Obligation - end of year	\$50,343	\$65,973

* Contribution made was assumed to equal Expected Benefit Payments

The annual OPEB Cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal years ending 2016 / 2017 are as follows:

<u>Fiscal Year Ending</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>	<u>Covered Payroll</u>	<u>OPEB Cost % of Pay</u>
6/30/2016	\$14,923	0.0%	\$50,343	\$61,710	24.18%
6/30/2017	\$15,725	0.0%	\$65,973	\$63,253	24.86%

B. Funded Status and Funding Progress

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) (b)</u>	<u>Unfunded AAL (UAAL) (b - a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a Percentage of Covered Payroll (AAL) ((b - a) / c)</u>
7/1/2015	\$0	\$75,325	\$75,325	0.0%	\$61,710	122.1%

C. Methods and Assumptions

- Interest Rate	4.00%
- 2015 Medical Trend Rates	7.25%
- Ultimate Medical Trend Rate	5.00%
- Year Ultimate Trend Rates Reached	2020
- Actuarial Cost Method	Projected Unit Credit
- The remaining amortization period at 06/30/2016	22.69
- Annual Payroll Increase	2.50%

FINANCIAL STATEMENT DISCLOSURE (cont.)

5.) GASB 45 DISCLOSURE REQUIREMENTS – DPW FUND

A. Annual OPEB Cost and Net OPEB Obligation	<u>7/1/2015 - 6/30/2016</u>	<u>7/1/2016 - 6/30/2017</u>
1. Annual Required Contribution (ARC)	\$238,168	\$252,173
2. Interest on net OPEB Obligation	\$37,003	\$44,445
3. Adjustment to ARC	<u>(\$47,477)</u>	<u>(\$57,498)</u>
4. Annual OPEB Cost (Expense)	\$227,694	\$239,120
5. Contribution made - Benefit Payments *	(\$6,707)	(\$21,533)
6. Contribution made to Trust	<u>(\$34,955)</u>	<u>(\$2,383)</u>
7. Increase in net OPEB Obligation	\$186,032	\$215,204
8. Net OPEB Obligation - beginning of year	<u>\$925,087</u>	<u>\$1,111,119</u>
9. Net OPEB Obligation - end of year	\$1,111,119	\$1,326,323

* Contribution made was assumed to equal Expected Benefit Payments

The annual OPEB Cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal years ending 2016 / 2017 are as follows:

<u>Fiscal Year Ending</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>	<u>Covered Payroll</u>	<u>OPEB Cost % of Pay</u>
6/30/2016	\$227,694	2.9%	\$1,111,119	\$1,019,027	22.34%
6/30/2017	\$239,120	9.0%	\$1,326,323	\$1,044,503	22.89%

B. Funded Status and Funding Progress

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) (b)</u>	<u>Unfunded AAL (UAAL) (b - a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a Percentage of Covered Payroll (AAL) (b - a) / c)</u>
7/1/2015	\$0	\$1,892,956	\$1,892,956	0.0%	\$1,019,027	185.8%

C. Methods and Assumptions

- Interest Rate	4.00%
- 2015 Medical Trend Rates	7.25%
- Ultimate Medical Trend Rate	5.00%
- Year Ultimate Trend Rates Reached	2020
- Actuarial Cost Method	Projected Unit Credit
- The remaining amortization period at 06/30/2016	22.33
- Annual Payroll Increase	2.50%

FINANCIAL STATEMENT DISCLOSURE (cont.)

6.) GASB 45 DISCLOSURE REQUIREMENTS – SEWER FUND

A. Annual OPEB Cost and Net OPEB Obligation	<u>7/1/2015 - 6/30/2016</u>	<u>7/1/2016 - 6/30/2017</u>
1. Annual Required Contribution (ARC)	\$47,659	\$50,848
2. Interest on net OPEB Obligation	\$7,029	\$8,844
3. Adjustment to ARC	<u>(\$9,019)</u>	<u>(\$11,442)</u>
4. Annual OPEB Cost (Expense)	\$45,669	\$48,250
5. Contribution made - Benefit Payments *	(\$291)	(\$1,047)
6. Contribution made to Trust	<u>\$0</u>	<u>\$0</u>
7. Increase in net OPEB Obligation	\$45,378	\$47,203
8. Net OPEB Obligation - beginning of year	<u>\$175,734</u>	<u>\$221,112</u>
9. Net OPEB Obligation - end of year	\$221,112	\$268,315

* Contribution made was assumed to equal Expected Benefit Payments

The annual OPEB Cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal years ending 2016 / 2017 are as follows:

<u>Fiscal Year Ending</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>	<u>Covered Payroll</u>	<u>OPEB Cost % of Pay</u>
6/30/2016	\$45,669	0.6%	\$221,112	\$288,436	15.83%
6/30/2017	\$48,250	2.2%	\$268,315	\$295,647	16.32%

B. Funded Status and Funding Progress

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) (b)</u>	<u>Unfunded AAL (UAAL) (b - a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a Percentage of Covered Payroll (AAL) (b - a) / c)</u>
7/1/2015	\$0	\$359,596	\$359,596	0.0%	\$288,436	124.7%

C. Methods and Assumptions

- Interest Rate	4.00%
- 2015 Medical Trend Rates	7.25%
- Ultimate Medical Trend Rate	5.00%
- Year Ultimate Trend Rates Reached	2020
- Actuarial Cost Method	Projected Unit Credit
- The remaining amortization period at 06/30/2016	22.46
- Annual Payroll Increase	2.50%

FINANCIAL STATEMENT DISCLOSURE (cont.)

7.) GASB 45 DISCLOSURE REQUIREMENTS – WATER FUND

A. Annual OPEB Cost and Net OPEB Obligation	<u>7/1/2015 - 6/30/2016</u>	<u>7/1/2016 - 6/30/2017</u>
1. Annual Required Contribution (ARC)	\$44,354	\$47,247
2. Interest on net OPEB Obligation	\$7,459	\$9,100
3. Adjustment to ARC	<u>(\$9,570)</u>	<u>(\$11,773)</u>
4. Annual OPEB Cost (Expense)	\$42,243	\$44,574
5. Contribution made - Benefit Payments *	(\$1,222)	(\$3,640)
6. Contribution made to Trust	<u>\$0</u>	<u>\$0</u>
7. Increase in net OPEB Obligation	\$41,021	\$40,934
8. Net OPEB Obligation - beginning of year	<u>\$186,480</u>	<u>\$227,501</u>
9. Net OPEB Obligation - end of year	\$227,501	\$268,435

* Contribution made was assumed to equal Expected Benefit Payments

The annual OPEB Cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal years ending 2016 / 2017 are as follows:

<u>Fiscal Year Ending</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>	<u>Covered Payroll</u>	<u>OPEB Cost % of Pay</u>
6/30/2016	\$42,243	2.9%	\$227,501	\$253,032	16.69%
6/30/2017	\$44,574	8.2%	\$268,435	\$259,358	17.19%

B. Funded Status and Funding Progress

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) (b)</u>	<u>Unfunded AAL (UAAL) (b - a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a Percentage of Covered Payroll (AAL) (b - a) / c)</u>
7/1/2015	\$0	\$381,584	\$381,584	0.0%	\$253,032	150.8%

C. Methods and Assumptions

- Interest Rate	4.00%
- 2015 Medical Trend Rates	7.25%
- Ultimate Medical Trend Rate	5.00%
- Year Ultimate Trend Rates Reached	2020
- Actuarial Cost Method	Projected Unit Credit
- The remaining amortization period at 06/30/2016	22.37
- Annual Payroll Increase	2.50%

Section IV

Actuarial Assumptions And Methodology

The following pages detail the assumptions used in the calculations.

ACTUARIAL ASSUMPTIONS AND METHODOLOGY

1. **Funding Interest Rate:** An interest rate of 4.00% was used.

2. **Mortality:** RPH-2014 Total Dataset Fully Generational mortality table with projection scale MP-2015.

3. **Retirement Rates:**

<u>Age</u>	<u>Group 1 Male</u>	<u>Female</u>	<u>Group 4 Unisex</u>
45-49	0%	0%	1.0%
50-51	1.0%	1.5%	2.0%
52	1.0%	2.0%	2.0%
53	1.0%	2.5%	5.0%
54	2.0%	2.5%	7.5%
55	2.0%	5.5%	15.0%
56-57	2.5%	6.5%	10.0%
58	5.0%	6.5%	10.0%
59	6.5%	6.5%	15.0%
60	12.0%	5.0%	20.0%
61	20.0%	13.0%	20.0%
62	30.0%	15.0%	25.0%
63	25.0%	12.5%	25.0%
64	22.0%	18.0%	30.0%
65	40.0%	15.0%	100.0%
66-67	25.0%	20.0%	100.0%
68	30.0%	25.0%	100.0%
69	30.0%	20.0%	100.0%
70+	100.0%	100.0%	100.0%

Teachers

<u>Age</u>	<u><20</u>	<u>20-29</u>	<u>30+</u>
50	0.0% / 0.0%	1.0% / 1.5%	2.0% / 2.0%
55	3.0% / 2.0%	3.0% / 3.0%	6.0% / 6.0%
60	15.0% / 20.0%	20.0% / 16.0%	50.0% / 35.0%
62	20.0% / 25.0%	30.0% / 30.0%	40.0% / 35.0%
65	40.0% / 30.0%	40.0% / 30.0%	50.0% / 35.0%
70	100.0% / 100.0%	100.0% / 100.0%	100.0% / 100.0%

ACTUARIAL ASSUMPTIONS AND METHODOLOGY (cont.)

4.	<u>Disability Rates:</u>	<u>Group 1 and 2</u>		<u>Group 4</u>	<u>Teachers</u>
		<u>Age</u>	<u>Rate</u>	<u>Rate</u>	<u>Rate</u>
		20	0.01%	0.10%	0.00%
		25	0.02%	0.20%	0.01%
		30	0.03%	0.30%	0.01%
		35	0.06%	0.30%	0.01%
		40	0.10%	0.30%	0.01%
		45	0.15%	1.00%	0.03%
		50	0.19%	1.25%	0.05%
		55	0.24%	1.20%	0.08%
	60	0.28%	0.85%	0.10%	

5. **Termination Rates:**

	<u>Service</u>	<u>Group 1 & 2</u>	<u>Group 4</u>
	0	15.0%	1.50%
	1	12.0%	1.5%
	2	10.0%	1.5%
	3	9.0%	1.5%
	4	8.0%	1.5%
	5	7.6%	1.5%
	6	7.5%	1.5%
	7	6.7%	1.5%
	8	6.3%	1.5%
	9	5.9%	1.5%
	10	5.4%	1.5%
	11	5.0%	0.0%
	12	4.6%	0.0%
	13	4.1%	0.0%
	14	3.7%	0.0%
	15	3.3%	0.0%
	16-20	2.0%	0.0%
	21-29	1.0%	0.0%
	30+	0.0%	0.0%

Teachers (Male / Female)

		<u>Years of Service</u>		
<u>Age</u>	<u>0</u>	<u>5</u>	<u>10+</u>	
20	12.0% / 10.0%	4.5% / 9.0%	1.0% / 5.0%	
30	11.4% / 12.0%	4.5% / 9.0%	1.0% / 5.0%	
40	9.7% / 11.0%	5.4% / 6.5%	1.7% / 2.9%	
50	10.0% / 8.2%	4.8% / 4.2%	2.2% / 2.1%	

ACTUARIAL ASSUMPTIONS AND METHODOLOGY (cont.)

6. **Health Care Trend Rates:** It was assumed that health care costs would increase in accordance with the trend rates in the following table:

<u>Year</u>	<u>Medical Rates</u>
2015	7.25%
2016	6.75%
2017	6.25%
2018	5.75%
2019	5.25%
2020+	5.00%

7. **Participation Rate:** It was assumed that 100% of the current active employees covered under the active plan on the day before retirement would enroll in the retiree medical plan upon retirement.
8. **Medicare Election:** It was assumed that 85% of the current active employees and current retirees under age 65 will be eligible for Medicare and will elect a Medicare Plan.
9. **Percent Married:** It was assumed that 65% of the male and female employees who elect retiree health care coverage for themselves would also elect coverage for their spouse upon retirement. It was assumed that male spouses are three years older than their wives and female spouses are three years younger than the retiree. For current retirees, actual census information was used.
10. **Actuarial Value of Assets:** Market value of assets were used.
11. **Administrative Expenses:** Included in premiums used.
12. **Participant Salary Increases:** 3.00% annually
13. **Payroll Growth Rate:** 2.50% annually

ACTUARIAL ASSUMPTIONS AND METHODOLOGY (cont.)

14. **Per Capita Claims Cost:** Per Capita Claim Costs were developed by applying morbidity aging factors to the average premium rates reflecting the demographic characteristics of the insured group. Below are the annual per capita claim costs used:

<u>Age</u>	<u>Male</u>	<u>Female</u>
45	4,420.94	5,550.03
50	5,307.52	6,122.53
55	6,444.56	6,687.08
60	7,772.43	7,450.40
64	8,678.89	8,126.27
65	3,778.17	3,537.15
70	4,171.94	3,908.86
75	4,606.45	4,316.21
80	4,842.37	4,533.46

15. **High Cost Plan Excise Tax:**

Effective in 2020. The law apply a 40% tax to the cost of plan benefits in excess of statutory thresholds, which are \$10,200 for single coverage and \$27,500 for family coverage for Medicare eligible retirees. An additional \$1,650 and \$3,450 are added for single and family coverage respectively, for retirees who are between ages 55 and 65. We assume the thresholds will start to increase in 2018 at the rate of 3.28%. The plan costs for pre 65 and post 65 benefits are based on the plans' premium costs adjusted for aging and trended at the health care trend rates shown above.

ACTUARIAL ASSUMPTIONS AND METHODOLOGY (cont.)

ACTUARIAL COST METHOD

An Actuarial Cost Method develops an orderly allocation of the actuarial present value of benefits payments over the working lifetime of the participants in the plan. The actuarial present value of benefits allocated to a particular fiscal year is called the Normal Cost. The actuarial present value of benefits allocated to all periods prior to a valuation date is called the Actuarial Accrued Liability. The Unfunded Actuarial Accrued Liability is amortized over future years in accordance with the employer's established accounting policy.

Projected Unit Credit Actuarial Cost Method: The projected benefits of each individual included in the actuarial valuation are allocated by a consistent formula to valuation years. The actuarial present value of benefits allocated to a valuation year is called the Normal Cost. The Actuarial Percent Value of benefits allocated to all periods prior to a valuation year is called the Actuarial Accrued Liability. Projected benefits are calculated by projecting the current per capita claims cost into the future based on the applicable health care trend rates. The projected benefits are allocated to valuation years by a straight pro-ratio based on expected years of employment. The Unfunded Actuarial Accrued Liability is amortized over future years in accordance with the employer's established accounting policy.

The amortization of the unfunded actuarial accrued liability may be determined in level dollar amounts or as a level percentage of projected payroll of active plan members. The total unfunded actuarial accrued liability may be amortized as one amount, or components of the total may be separately amortized. The equivalent single amortization period for all components combined may not exceed the maximum acceptable period of 30 years.

ADDITIONAL COMMENTS

The values in this GASB 45 valuation represent a closed group and do not reflect new entrants after the census collection date.

Section V
Appendices

APPENDIX - I.

ACTIVE EMPLOYEE BY AGE AND SERVICE

AS OF JULY 1, 2015

<u>Age</u>	<u>Service</u>									<u>Total</u>
	<u>0 - 4</u>	<u>5 - 9</u>	<u>10 - 14</u>	<u>15 - 19</u>	<u>20 - 24</u>	<u>25 - 29</u>	<u>30 - 34</u>	<u>35 - 39</u>	<u>40+</u>	
0 - 19	0	0	0	0	0	0	0	0	0	0
20 - 24	1	0	0	0	0	0	0	0	0	1
25 - 29	13	3	0	0	0	0	0	0	0	16
30 - 34	19	9	4	0	0	0	0	0	0	32
35 - 39	17	10	15	2	0	0	0	0	0	44
40 - 44	4	17	13	10	2	0	0	0	0	46
45 - 49	10	12	15	6	7	3	0	0	0	53
50 - 54	4	12	12	12	10	5	1	0	0	56
55 - 59	5	13	14	16	9	6	4	5	0	72
60 - 64	4	4	14	11	10	7	0	1	2	53
65 - 69	0	0	1	5	0	3	1	0	0	10
70 - 74	0	0	1	1	0	0	2	0	0	4
75 - 79	0	0	0	1	0	0	0	0	0	1
80 - 84	0	0	0	0	0	0	0	0	0	0
85 and Over	0	0	0	0	0	0	0	0	0	0
Total	77	80	89	64	38	24	8	6	2	388

APPENDIX – II

RECONCILIATION OF ACTUARIAL ACCRUED LIABILITY

a.	7/1/2013 Actuarial Accrued Liability	\$50,129,040
b.	2013 Normal Cost	\$2,572,485
c.	Interest Rate	4.00%
d.	Interest on (b. + c.)	\$2,108,061
e.	2013 Expected Benefit Payments	(\$1,050,735)
f.	Interest on f.	<u>(\$20,809)</u>
g.	7/1/2014 Expected Actuarial Accrued Liability (a. + b. + d. + e. + f.)	\$53,738,042
h.	2014 Normal Cost	\$2,636,797
i.	Interest Rate	4.00%
j.	Interest on (g. + h.)	\$2,254,994
k.	2014 Expected Benefit Payments	(\$1,226,751)
l.	Interest on l.	<u>(\$24,294)</u>
m.	7/1/2015 Expected Actuarial Accrued Liability (g. + h. + j. + k. + l.)	\$57,378,788
n.	Change in Actuarial Accrued Liability due to	
i.	Demographic and plan cost changes	(\$1,989,298)
ii.	Change in Actuarial Assumptions	\$4,920,374
iii.	Plan Change	<u>\$0</u>
iv.	Total	\$2,931,076
o.	7/1/2015 Actuarial Accrued Liability (m. + n. iv.)	\$60,309,864

APPENDIX – III

DEVELOPMENT OF NORMAL COST AND AMORTIZATION AMOUNT

A. Prior Bases

1. Amortization Base Balance as of 7/1/2013	\$50,129,040
2. 2013 Amortization Payment	(\$2,397,727)
3. Interest	4.00%
4. Interest on (1) + (2)	<u>\$1,909,253</u>
5. Amortization Base Balance as of 7/1/2014 (1) + (2) + (4)	\$49,640,566
6. 2014 Amortization Payment	(\$2,624,946)
7. Interest	4.00%
8. Interest on (5) + (6)	<u>\$1,880,625</u>
9. Amortization Base Balance as of 7/1/2015 (5) + (6) + (8)	\$48,896,245
10. Remaining Amortization Period	22.70
11. Valuation Interest rate	4.00%
12. Assumed payroll growth	2.50%
13. 2015 Adjusted Amortization Amount	\$2,510,181

B. New Amortization Base

1. Demographic and plan cost changes	(\$1,989,298)
2. Change in Actuarial Assumptions	\$4,920,374
3. Plan Change	\$0
4. Loss due to Funding timing	<u>\$8,482,543</u>
5. Total (1) + (2) + (3) + (4)	\$11,413,619
6. Remaining Amortization Period	30
7. Valuation Interest rate	4.00%
8. Assumed payroll growth	2.50%
9. Amortization Amount	\$465,974

C. Combined Bases

1. Amortization Base Balance as of 7/1/2015 (A.9. + B.5.)	\$60,309,864
2. 2015 Preliminary Total Amortization Amount (A.13. + B.9.)	\$2,976,155
3. 2015 Minimum Total Amortization Amount (30 year)	\$2,462,217
4. 2015 Total Amortization Amount (greater of 2. and 3.)	\$2,976,155

APPENDIX – IV

RECONCILIATION OF ACTUARIAL VALUE OF ASSETS

a. 7/1/2015 Actuarial Assets	\$0
b. Contributions	\$1,100,000
c. Expected Investment Return	\$0
d. Benefit Payments	\$0
e. Expenses	\$0
f. 6/30/2016 Actuarial Assets (a. + b. + c. + d. + e.)	\$1,100,000
g. Contributions	\$75,000
h. Expected Investment Return	\$0
i. Investment Gain / (Loss)	\$0
j. Expected Benefit Payments	\$0
k. Expenses	\$0
l. 6/30/2017 Actuarial Assets (f. + g. + h. + i. + j. + k.)	\$1,175,000

APPENDIX – V

PROJECTED BENEFIT PAYMENTS

<u>Year</u>	<u>Amount</u>	<u>Accumulated</u>	<u>Year</u>	<u>Amount</u>	<u>Accumulated</u>	<u>Year</u>	<u>Amount</u>	<u>Accumulated</u>
2015	\$ 1,371,655	\$ 1,371,655	2048	\$ 6,027,917	\$ 137,350,572	2081	\$ 1,795,736	\$ 281,646,717
2016	\$ 1,555,622	\$ 2,927,277	2049	\$ 6,049,983	\$ 143,400,555	2082	\$ 1,612,182	\$ 283,258,899
2017	\$ 1,694,269	\$ 4,621,546	2050	\$ 6,011,891	\$ 149,412,446	2083	\$ 1,436,336	\$ 284,695,235
2018	\$ 1,866,733	\$ 6,488,279	2051	\$ 5,966,383	\$ 155,378,829	2084	\$ 1,269,559	\$ 285,964,794
2019	\$ 2,030,239	\$ 8,518,518	2052	\$ 5,898,293	\$ 161,277,122	2085	\$ 1,112,867	\$ 287,077,661
2020	\$ 2,155,826	\$ 10,674,344	2053	\$ 5,847,290	\$ 167,124,412	2086	\$ 966,994	\$ 288,044,655
2021	\$ 2,318,441	\$ 12,992,785	2054	\$ 5,751,933	\$ 172,876,345	2087	\$ 832,401	\$ 288,877,056
2022	\$ 2,493,007	\$ 15,485,792	2055	\$ 5,657,837	\$ 178,534,182	2088	\$ 709,404	\$ 289,586,460
2023	\$ 2,657,554	\$ 18,143,346	2056	\$ 5,584,286	\$ 184,118,468	2089	\$ 598,170	\$ 290,184,630
2024	\$ 2,817,970	\$ 20,961,316	2057	\$ 5,493,695	\$ 189,612,163	2090	\$ 498,755	\$ 290,683,385
2025	\$ 3,011,095	\$ 23,972,411	2058	\$ 5,420,856	\$ 195,033,019	2091	\$ 410,857	\$ 291,094,242
2026	\$ 3,165,202	\$ 27,137,613	2059	\$ 5,331,828	\$ 200,364,847	2092	\$ 334,084	\$ 291,428,326
2027	\$ 3,326,128	\$ 30,463,741	2060	\$ 5,242,318	\$ 205,607,165	2093	\$ 267,920	\$ 291,696,246
2028	\$ 3,536,020	\$ 33,999,761	2061	\$ 5,143,860	\$ 210,751,025	2094	\$ 211,736	\$ 291,907,982
2029	\$ 3,713,800	\$ 37,713,561	2062	\$ 5,030,538	\$ 215,781,563	2095	\$ 164,789	\$ 292,072,771
2030	\$ 3,859,570	\$ 41,573,131	2063	\$ 4,914,813	\$ 220,696,376	2096	\$ 126,142	\$ 292,198,913
2031	\$ 4,016,762	\$ 45,589,893	2064	\$ 4,792,201	\$ 225,488,577	2097	\$ 94,891	\$ 292,293,804
2032	\$ 4,225,200	\$ 49,815,093	2065	\$ 4,660,862	\$ 230,149,439	2098	\$ 70,120	\$ 292,363,924
2033	\$ 4,379,173	\$ 54,194,266	2066	\$ 4,521,335	\$ 234,670,774	2099	\$ 50,883	\$ 292,414,807
2034	\$ 4,580,995	\$ 58,775,261	2067	\$ 4,374,706	\$ 239,045,480	2100	\$ 36,243	\$ 292,451,050
2035	\$ 4,772,479	\$ 63,547,740	2068	\$ 4,220,582	\$ 243,266,062	2101	\$ 25,305	\$ 292,476,355
2036	\$ 4,966,216	\$ 68,513,956	2069	\$ 4,059,754	\$ 247,325,816	2102	\$ 17,300	\$ 292,493,655
2037	\$ 5,151,541	\$ 73,665,497	2070	\$ 3,892,037	\$ 251,217,853	2103	\$ 11,607	\$ 292,505,262
2038	\$ 5,352,083	\$ 79,017,580	2071	\$ 3,718,401	\$ 254,936,254	2104	\$ 7,635	\$ 292,512,897
2039	\$ 5,480,227	\$ 84,497,807	2072	\$ 3,538,327	\$ 258,474,581	2105	\$ 4,933	\$ 292,517,830
2040	\$ 5,569,009	\$ 90,066,816	2073	\$ 3,352,977	\$ 261,827,558	2106	\$ 3,130	\$ 292,520,960
2041	\$ 5,720,264	\$ 95,787,080	2074	\$ 3,162,691	\$ 264,990,249	2107	\$ 1,955	\$ 292,522,915
2042	\$ 5,798,595	\$ 101,585,675	2075	\$ 2,968,537	\$ 267,958,786	2108	\$ 1,191	\$ 292,524,106
2043	\$ 5,834,826	\$ 107,420,501	2076	\$ 2,772,939	\$ 270,731,725	2109	\$ 701	\$ 292,524,807
2044	\$ 5,911,352	\$ 113,331,853	2077	\$ 2,575,574	\$ 273,307,299	2110	\$ 392	\$ 292,525,199
2045	\$ 5,990,361	\$ 119,322,214	2078	\$ 2,377,584	\$ 275,684,883	2111	\$ 208	\$ 292,525,407
2046	\$ 5,996,301	\$ 125,318,515	2079	\$ 2,180,344	\$ 277,865,227	2112	\$ 110	\$ 292,525,517
2047	\$ 6,004,140	\$ 131,322,655	2080	\$ 1,985,754	\$ 279,850,981	2113	\$ 53	\$ 292,525,570

APPENDIX – VI
GLOSSARY

Actuarial Accrued Liability. The portion of the present value of benefits which is not provided for by future Normal Costs.

Actuarial Present Value of Total Projected Benefits. The present value, as of the valuation date, of future benefit payments expected to be paid to employees, retirees, and covered dependents.

Annual OPEB Cost. The accrual basis measure of the periodic cost of an employer's participation in a defined benefit OPEB Plan.

Annual Required Contributions of the Employer (ARC). The employer's periodic required contributions to a defined benefit OPEB plan, calculated in accordance with the parameters defined in GAS 45.

Investment Return Assumption (Discount Rate). The rate used to adjust a series of future benefit payments to reflect the time value of money.

Healthcare Cost Trend Rate. 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 and technological developments.

Net OPEB Obligation. The cumulative difference since the effective date of GAS 45 between the annual OPEB cost and the employer's contributions to the plan.

Normal Cost. The portion of the Actuarial Present Value of plan benefits which is allocated to a valuation year by the Actuarial Cost Method.

OPEB. Postemployment benefits other than pension benefits.

Pay-As-You-Go. The amount of the benefits paid out to plan participants during the year.

Per Capita Claims Cost. The current average annual cost of providing postretirement health care benefits to one person.