



BARTEL
ASSOCIATES, LLC

**County of Marin
Retiree Healthcare Plan**

June 30, 2022 GASBS 75 Accounting Information
As of Measurement Date June 30, 2021
Based on the July 1, 2021 Actuarial Valuation

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September 21, 2022

Contents

<u>Topic</u>	<u>Page</u>
Applicable Dates	1
Note Disclosures	2
Required Supplementary Information	14
Actuarial Certification	19
Supporting Calculations	20
Journal Entries	31

Applicable Dates

Applicable Dates and Periods

	Fiscal Year Ended June 30, 2022
■ Measurement date	June 30, 2021
■ Measurement period	July 1, 2020 to June 30, 2021
■ Actuarial valuation date	July 1, 2021

Note Disclosures

Plan Information

	Fiscal Year Ended June 30, 2022
■ Plan type	Agent Multiple Employer
■ OPEB trust	Yes
■ Special funding situation	No
■ Nonemployer contributing entities	No

Expected Long-Term Rate of Return

	Target Allocation* CERBT-Strategy 1	Expected Real Rate of Return
■ Asset Class Component		
● Global Equity	59%	4.56%
● Fixed Income	25%	0.78%
● TIPS	5%	(0.08%)
● Commodities	3%	1.22%
● REITs	8%	4.06%
■ Assumed Long-Term Rate of Inflation		2.50%
■ Margin for Adverse Deviation		0.75%
■ Expected Long-Term Net Rate of Return, Rounded		5.50%

The long-term expected real rates of return are presented as geometric means.

* CalPERS approved new CERBT asset allocations in March 2022. This is not expected to impact the expected long-term rate of return assumption for CERBT Strategy 1.



Covered Participants

At June 30, 2021, the measurement date, the following numbers of participants were covered by the benefit terms:

	Number of Covered Participants
■ Inactives currently receiving benefits	1,737
■ Inactives entitled to but not yet receiving benefits	-
■ Active employees	1,996
■ Total	3,733



Note Disclosures

Net OPEB Liability/(Asset)

(Amounts in 000's)

	Fiscal Year Ended	
	6/30/21	6/30/22
	Measurement Date 6/30/20	Measurement Date 6/30/21
■ Total OPEB Liability (TOL)	\$ 325,813	\$ 273,773
■ Fiduciary Net Position (FNP)*	124,514	165,894
■ Net OPEB Liability (NOL)	201,299	107,879
■ Funded status (FNP/TOL)	38.2%	60.6%

* Asset information is from CalPERS' "CERBT Schedule of Changes in Fiduciary Net Position by Employer" (audited asset statement) for the year ended June 30, 2021.



Note Disclosures

Changes in Net OPEB Liability/(Asset)

(Amounts in 000's)

	Total OPEB Liability	Fiduciary Net Position	Net OPEB Liability
■ Balance at 6/30/21 (6/30/20 measurement date)	\$ 325,813	\$ 124,514	\$ 201,299
■ Changes for the year			
● Service Cost	5,192	-	5,192
● Interest	17,844	-	17,844
● Changes of benefit terms	-	-	-
● Actual vs. expected experience	(30,600)	-	(30,600)
● Assumption changes	(31,314)	-	(31,314)
● Contributions - employer*	-	20,162	(20,162)
● Contributions - employee	-	-	-
● Net investment income	-	34,427	(34,427)
● Benefit payments*	(13,162)	(13,162)	-
● Administrative expenses	-	(47)	47
■ Net Changes	(52,040)	41,380	(93,420)
■ Balance at 6/30/22 (6/30/21 measurement date)	\$ 273,773	\$ 165,894	\$ 107,879

* See the measurement period column on page 20 for details.



Note Disclosures

Sensitivity of Net OPEB Liability/(Asset)

(Amounts in 000's)

■ **Changes in the Discount Rate**

	Discount Rate		
	1% Decrease (4.50%)	Current Rate (5.50%)	1% Increase (6.50%)
■ Net OPEB Liability	\$ 144,666	\$ 107,879	\$ 77,517

■ **Changes in the Healthcare Trend Rate**

	Healthcare Trend Rate		
	1% Decrease	Current Trend	1% Increase
■ Net OPEB Liability	\$ 85,943	\$ 107,879	\$ 121,752



Note Disclosures

OPEB Expense/(Income) for Fiscal Year

(Amounts in 000's)

	2021/22
	Measurement Period 2020/21
■ OPEB Expense/(Income)*	\$ (13,804)

* See page 26 for OPEB expense/(income) detail, which is not a required disclosure.



Note Disclosures

Deferred Outflows/Inflows Balances at June 30, 2022

(Amounts in 000's)

	June 30, 2022	
	Deferred Outflows of Resources	Deferred Inflows of Resources
■ Differences between expected and actual experience	\$ -	\$ 61,816
■ Changes in assumptions	-	30,920
■ Net difference between projected and actual earnings on plan investments*	-	21,410
■ Employer contributions made subsequent to the measurement date**	19,839	-
■ Total	19,839	114,146

* Deferred Inflows and Outflows combined for footnote disclosure.

** See page 20 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
■ 2023	\$ (29,306)
■ 2024	(28,940)
■ 2025	(28,796)
■ 2026	(16,785)
■ 2027	(10,319)
■ Thereafter	-



Note Disclosures

Significant Actuarial Assumptions Used for Total OPEB Liability

Actuarial Assumption	June 30, 2021 Measurement Date
■ Actuarial Valuation Date	■ July 1, 2021
■ Contribution Policy	■ County contributes full ADC
■ Discount Rate and Long-Term Expected Rate of Return on Assets	<ul style="list-style-type: none"> ■ 5.50% at June 30, 2021 ■ 5.50% at June 30, 2020 ■ Expected County contributions projected to keep sufficient plan assets to pay all benefits from trust
■ General Inflation	■ 2.50% annually
■ Mortality, Retirement, Disability, Termination	■ Marin County Employees' Retirement Association 2017-2020 Experience Study
■ Mortality Improvement	■ Mortality projected fully generational with Scale MP-2021

Note Disclosures

Significant Actuarial Assumptions Used for Total OPEB Liability

Actuarial Assumption	June 30, 2021 Measurement Date
■ Salary Increases	■ Aggregate - 2.75% annually
■ Medical Trend	<ul style="list-style-type: none"> ■ Non-Medicare - 6.5% for 2023, decreasing to an ultimate rate of 3.75% in 2076 ■ Medicare (Non-Kaiser) - 5.65% for 2023, decreasing to an ultimate rate of 3.75% in 2076 ■ Medicare (Kaiser) - 4.6% for 2023, decreasing to an ultimate rate of 3.75% in 2076
■ Plan 3 Cap Increase	■ 3% annually
■ Participation	■ Varies by Plan and years of service

Note Disclosures

Changes Since June 30, 2020 Measurement Date

	June 30, 2021 Measurement Date
■ Changes of assumptions	<ul style="list-style-type: none"> ■ Decreased medical trend rate for Kaiser Senior Advantage ■ MCERA demographic assumptions updated ■ 25 basis point inflation rate decrease ■ Future retiree and spouse coverage at retirement assumption updated ■ Mortality improvement scale was updated to Scale MP-2021
■ Changes of benefit terms	■ None
■ Events subsequent to June 30, 2021 measurement date and before June 30, 2022	■ CalPERS approved new CERBT asset allocations in March 2022. This is not expected to impact the expected long-term rate of return assumption for CERBT Strategy 1.

Required Supplementary Information

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

(Amounts in 000's)

	2021/22
	Measurement Period 2020/21
■ Changes in Total OPEB Liability	
● Service Cost	\$ 5,192
● Interest	17,844
● Changes of benefit terms	-
● Actual vs. expected experience	(30,600)
● Assumption changes	(31,314)
● Benefit payments	(13,162)
■ Net Changes	(52,040)
■ Total OPEB Liability (beginning of year)	325,813
■ Total OPEB Liability (end of year)	273,773

Required Supplementary Information

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

(Amounts in 000's)

	2021/22
	Measurement Period 2020/21
■ Changes in Plan Fiduciary Net Position	
● Contributions - employer	\$ 20,162
● Contributions - employee	-
● Net investment income	34,427
● Benefit payments	(13,162)
● Administrative expenses	(47)
● Other changes	-
● Net Changes	41,380
■ Plan Fiduciary Net Position (beginning of year)	124,514
■ Plan Fiduciary Net Position (end of year)	165,894



Required Supplementary Information

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

(Amounts in 000's)

	2021/22
	Measurement Date 6/30/21
■ Net OPEB Liability/(Asset)	\$ 107,879
■ Fiduciary Net Position as a percentage of the Total OPEB Liability	60.6%
■ Covered employee payroll*	233,671
■ Net OPEB Liability as a percentage of covered employee payroll	46.2%

* For the 12-month period ended on June 30, 2021 (Measurement Date).
As reported by the County.



Required Supplementary Information

Schedule of Employer Contributions

(Amounts in 000's)

	Fiscal Year 2021/22
■ Actuarially Determined Contribution (ADC)	\$ 13,987
■ Contributions in relation to the actuarially determined contribution*	19,839
■ Contribution deficiency/(excess)	(5,852)
■ Covered employee payroll**	238,547
■ Contributions as a percentage of covered employee payroll	8.3%

* See page 20 for details.

** For the 12-month period ended on June 30, 2022 (fiscal year end).

As reported by the County.



Required Supplementary Information

**Notes to Schedule of Employer Contribution
Methods and Assumptions for
2021/22 Actuarially Determined Contribution**

■ Valuation Date	■ June 30, 2021
■ Actuarial Cost Method	■ Entry Age Normal, Level % of pay
■ Amortization Method	■ Level % of pay
■ Asset Valuation Method	■ Market value of assets
■ Amortization Period	■ Investment gain/loss since prior valuation - Over closed 15-year period that includes a 3-year phase-in from 2021/22
	■ Other - Over closed 15-year period from 2021/22



Actuarial Certification

This report presents the County of Marin Retiree Healthcare Plan 2021/22 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 County for the Plan's financial management.

This report is based on information provided by the County which we relied on and did not audit. Additional information on the actuarial valuation can be found in the July 1, 2021 actuarial valuation report.

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.

The Journal Entries in this report are provided for the County's convenience and are not an actuarial communication. Therefore, this actuarial certification does not apply to the Journal Entries.

To the best of our 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 our opinion, actuarial methods and assumptions comply with GASBS 75. As the actuary, we have recommended the assumptions used in this report, and we believe they are reasonable. As members of the American Academy of Actuaries meeting the Academy Qualification Standards, we certify the actuarial results and opinions herein.

Respectfully submitted,



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Bartel Associates, LLC
September 21, 2022



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Bartel Associates, LLC
September 21, 2022



September 21, 2022

19
GASBS 75

County of Marin

Supporting Calculations

Employer Contributions

(Amounts in 000's)

	Measurement Period	Measurement Date to FYE	Prior Measurement Date to Prior FYE
	7/1/20 to 6/30/21	7/1/21 to 6/30/22	Same as Measurement Period
■ Cash benefit payments	\$ 12,135	\$ 14,555	\$ 12,135
■ Implied subsidy benefit payments	1,027	984	1,027
■ Total benefit payments	13,162	15,539	13,162
■ Benefit payments reimbursed from trust	-	-	-
■ Benefit payments paid outside of trust	13,162	15,539	13,162
■ Non-trust admin expenses	-	-	-
■ Non-trust admin expenses reimbursed from trust	-	-	-
■ Trust contributions	7,000	4,300	7,000
■ Total employer contributions	20,162	19,839	20,162

Measurement period (7/1/20 to 6/30/21): \$20,162

Fiscal year (7/1/21 to 6/30/22): \$19,839



September 21, 2022

20
GASBS 75

County of Marin

Supporting Calculations

Average of the Expected Remaining Service Lives

July 1, 2020 (beginning of the measurement period) was not a valuation date and no census data was available to the actuary as of that date. Therefore, the average of the expected remaining service lives was estimated as follows:

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 7/1/20 (not less than 1 yr)
7/1/21	21,508.5 years	3,637	5.9 years	6.0 years
7/1/19	21,889.2 years	3,642	6.0 years	

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



September 21, 2022

21
GASBS 75

County of Marin

Supporting Calculations

Recognition of Deferred Outflows/Inflows at June 30, 2022

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, 2022	
			21/22	22/23	23/24	24/25	25/26	26/27	27/28+	Outflows	(Inflows)
17/18	-	-	-	-	-	-	-	-	-	-	-
18/19	-	-	-	-	-	-	-	-	-	-	-
19/20	(72,634)	6.0	(12,106)	(12,106)	(12,106)	(12,104)	-	-	-	-	(36,316)
20/21	-	-	-	-	-	-	-	-	-	-	-
21/22	(30,600)	6.0	(5,100)	(5,100)	(5,100)	(5,100)	(5,100)	(5,100)	-	-	(25,500)
Total			(17,206)	(17,206)	(17,206)	(17,204)	(5,100)	(5,100)	-	-	(61,816)



September 21, 2022

22
GASBS 75

County of Marin

Supporting Calculations

Recognition of Deferred Outflows/Inflows at June 30, 2022

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, 2022	
			21/22	22/23	23/24	24/25	25/26	26/27	27/28+	Outflows	(Inflows)
17/18	-	-	-	-	-	-	-	-	-	-	-
18/19	-	-	-	-	-	-	-	-	-	-	-
19/20	(1,957)	6.0	(326)	(326)	(326)	(327)	-	-	-	-	(979)
20/21	(5,770)	6.0	(962)	(962)	(962)	(962)	(960)	-	-	-	(3,846)
21/22	(31,314)	6.0	(5,219)	(5,219)	(5,219)	(5,219)	(5,219)	(5,219)	-	-	(26,095)
Total			(6,507)	(6,507)	(6,507)	(6,508)	(6,179)	(5,219)	-	-	(30,920)



September 21, 2022

23
GASBS 75

County of Marin

Supporting Calculations

Recognition of Deferred Outflows/Inflows at June 30, 2022

Projected Versus Actual Earnings on Investments

(Amounts in 000's)

Fiscal Year	Initial Amt	Initial Recog Period	Amount Recognized in OPEB Expense for FY							Deferred Balances June 30, 2022	
			21/22	22/23	23/24	24/25	25/26	26/27	27/28+	Outflows	(Inflows)
17/18	(3,447)	5.0	(691)	-	-	-	-	-	-	-	-
18/19	(1,829)	5.0	(366)	(365)	-	-	-	-	-	-	(365)
19/20	(724)	5.0	(145)	(145)	(144)	-	-	-	-	-	(289)
20/21	2,124	5.0	425	425	425	424	-	-	-	1,274	-
21/22	(27,538)	5.0	(5,508)	(5,508)	(5,508)	(5,508)	(5,506)	-	-	-	(22,030)
Total			(6,285)	(5,593)	(5,227)	(5,084)	(5,506)	-	-	1,274	(22,684)
Net Deferred Outflows/(Inflows)										-	(21,410)

Calculation of initial amount for 2021/22 (2020/21 measurement period):

Projected earnings on investments of \$6,889 (page 27), less

Actual earnings on investments of \$34,427 (net investment income, page 15)



September 21, 2022

24
GASBS 75

County of Marin

Supporting Calculations

Recognition of Deferred Outflows/Inflows in Future OPEB Expense

(Amounts in 000's)

	22/23	23/24	24/25	25/26	26/27	Thereafter 27/28+
■ Differences between Expected and Actual Experience	(17,206)	(17,206)	(17,204)	(5,100)	(5,100)	-
■ Changes of Assumptions	(6,507)	(6,507)	(6,508)	(6,179)	(5,219)	-
■ Projected Versus Actual Earnings on Investments	(5,593)	(5,227)	(5,084)	(5,506)	-	-
■ Total	(29,306)	(28,940)	(28,796)	(16,785)	(10,319)	-



Supporting Calculations

Components of GASBS 75 OPEB Expense

(Amounts in 000's)

	2021/22
	Measurement Period 2020/21
■ Service Cost	\$ 5,192
■ Interest on Total OPEB Liability	17,844
■ Projected earnings on investments	(6,889)
■ Employee contributions	-
■ Administrative expense	47
■ Changes of benefit terms	-
■ Recognition of deferred outflows/(inflows)	
● Experience	(17,206)
● Assumptions	(6,507)
● Asset returns	(6,285)
■ OPEB Expense/(Income)	(13,804)



Supporting Calculations

Components of GASBS 75 OPEB Expense*
Calculation of Projected Earnings on Investments
2020/21 Measurement Period
 (Amounts in 000's)

	Dollar Amount	Expected Return	Portion of Year	Projected Earnings
■ Fiduciary Net Position (beginning of year)	\$ 124,514	5.50%	100%	\$ 6,848
■ Employer contributions	7,000	5.50%	11%	42
■ Employee contributions	-	5.50%	0%	-
■ Disbursements	-	5.50%	0%	-
■ Administrative expenses	(47)	5.50%	50%	(1)
■ Projected earnings				<u>6,889</u>

* The items on this page reflect trust activity only.

Supporting Calculations

Components of GASBS 75 OPEB Expense
Calculation of Interest on Total OPEB Liability
2020/21 Measurement Period
 (Amounts in 000's)

	Dollar Amount	Discount Rate	Portion of Year	Interest
■ Total OPEB Liability	\$ 325,813	5.50%	100%	\$ 17,920
■ Service Cost	5,192	5.50%	100%	286
■ Changes of benefit terms	-	5.50%	0%	-
■ Experience*	(30,600)	5.50%	0%	-
■ Assumption changes*	(31,314)	5.50%	0%	-
■ Benefit payments	(13,162)	5.50%	50%	(362)
■ Total interest				<u>17,844</u>

* 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	
	6/30/21	6/30/22
	Measurement Date 6/30/20	Measurement Date 6/30/21
■ Total OPEB Liability	\$ 325,813	\$ 273,773
■ Fiduciary Net Position	124,514	165,894
■ Net OPEB Liability/(Asset)	201,299	107,879
■ Deferred inflows of resources	54,692	114,146
■ Deferred (outflows) of resources	-	-
■ Balance Sheet	255,991	222,025

Check:

■ Balance Sheet 6/30/21	\$ 255,991
● OPEB Expense/(Income)	(13,804)
● Employer Contributions*	(20,162)
■ Balance Sheet 6/30/22	222,025

* See the measurement period column on page 20 for details.

Supporting Calculations

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Journal Entries

Employer Contributions

(Amounts in 000's)

The entries below assume cash benefit payments, Trust contributions, and administrative expenses have been charged to OPEB Expense when paid, and that no accounting entries have been made for the current year implied subsidy payment, which is recorded as a reduction to active employee health care costs. See page 20 for details.

Following records the impact of employer contributions as deferred outflows of resources and as a reduction to Net OPEB Liability.

	Debit	(Credit)
■ Net OPEB Liability - (for contributions paid 7/1/20 to 6/30/21)	\$ 20,162	\$ -
■ Deferred Outflow - 7/1/20 to 6/30/21 contributions	-	(20,162)
■ Deferred Outflow - 7/1/21 to 6/30/22 contributions	19,839	-
■ Active employee health care costs - (implied subsidy payments 7/1/21 to 6/30/22)	-	(984)
■ OPEB Expense - (for contributions paid 7/1/21 to 6/30/22)	-	(18,855)
<i>Check</i>	<i>40,001</i>	<i>(40,001)</i>



Journal Entries

Summary Journal Entries - OPEB Expense

(Amounts in 000's)

Following records the impact of current year OPEB expense

	Debit	(Credit)
■ Deferred Outflows*	\$ -	\$ -
■ Deferred Inflows**	-	(59,454)
■ OPEB Expense/Credit	-	(13,804)
■ Net OPEB Liability	73,258	-

Check *73,258* *(73,258)*

* See page 34 ('Subtotal' row) for details.

** See page 35 for details.



Journal Entries

Ending Balances at June 30, 2022

(Amounts in 000's)

	Debit	(Credit)
■ Deferral: Differences between expected and actual experience	\$ -	\$ (61,816)
■ Deferral: Changes of assumptions	-	(30,920)
■ Deferral: Net differences between projected and actual earnings on plan investments	-	(21,410)
■ Total deferred outflow/inflow	-	(114,146)
■ Net OPEB Liability (NOL)	-	(107,879)
■ Contributions after the Measurement Date	19,839	-
■ Net Impact	202,186	-

Check: 222,025 (222,025)

■ Total OPEB expense/(income) for FYE 2022	-	(13,804)
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Journal Entries

Reconciliation of Deferred Outflows

Detail for page 32

(Amounts in 000's)

Deferred Outflows	Opening Balance - Debit	Journal Entry - Debit	Journal Entry - (Credit)	Ending Balance - Debit
■ Differences between actual and expected experience	\$ -	\$ -	\$ -	\$ -
■ Change in assumptions	-	-	-	-
■ Differences between projected and actual earnings on plan investments	-	-	-	-
■ Subtotal - actuarial deferrals	-	-	-	-
■ Contributions after the Measurement Date	20,162	19,839	(20,162)	19,839
■ Total Deferred Outflows	20,162	19,839	(20,162)	19,839



Journal Entries

Reconciliation of Deferred Inflows

Detail for page 32
(Amounts in 000's)

Deferred Inflows	Opening Balance - (Credit)	Journal Entry- (Credit)	Journal Entry - Debit	Ending Balance - (Credit)
■ Differences between actual and expected experience	\$ (48,422)	\$ (13,394)	\$ -	\$ (61,816)
■ Change in assumptions	(6,113)	(24,807)	-	(30,920)
■ Differences between projected and actual earnings on plan investments	(157)	(21,253)	-	(21,410)
■ Total Deferred (Inflows)	(54,692)	(59,454)	-	(114,146)



Journal Entries

Reconciliation of Deferred Outflows/(Inflows)

Summary of Balances
(Amounts in 000's)

	Fiscal Year Ended	
	6/30/21	6/30/22
	Measurement Date 6/30/20	Measurement Date 6/30/21
■ Total OPEB (Liability)	\$ (325,813)	\$ (273,773)
■ Fiduciary Net Position	124,514	165,894
■ Net OPEB (Liability)/Asset	(201,299)	(107,879)
■ Deferred (inflows) of resources	(54,692)	(114,146)
■ Deferred outflows of resources	20,162	19,839
■ Balance Sheet Impact	(235,829)	(202,186)

Deferred Outflows include contributions after the measurement date.

