



County of Marin
Retiree Healthcare Plan

BARTEL
ASSOCIATES, LLC

June 30, 2021 GASBS 75 Accounting Information
As of Measurement Date June 30, 2020
Based on the July 1, 2019 Actuarial Valuation

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January 14, 2022

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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	July 1, 2019

Update procedures were used to roll forward the Total OPEB Liability from the valuation date (July 1, 2019) to the measurement date (June 30, 2020).

Note Disclosures

Plan Information

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

Note Disclosures

Expected Long-Term Rate of Return

	Target Allocation* CERBT-Strategy 1	Expected Real Rate of Return
■ Asset Class Component		
● Global Equity	59%	4.82%
● Fixed Income	25%	1.47%
● TIPS	5%	1.29%
● Commodities	3%	0.84%
● REITs	8%	3.76%
■ Assumed Long-Term Rate of Inflation		2.75%
■ Margin for Adverse Deviation		1.25%
■ Expected Long-Term Net Rate of Return, Rounded		5.50%

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

* Policy target effective October 1, 2018.

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	1,619
■ Inactives entitled to but not yet receiving benefits	-
■ Active employees	2,064
■ Total	3,683

* As reported by the County.

Note Disclosures

Net OPEB Liability/(Asset)

(Amounts in 000's)

	Fiscal Year Ended	
	6/30/20	6/30/21
	Measurement Date 6/30/19	Measurement Date 6/30/20
■ Total OPEB Liability (TOL)	\$ 321,591	\$ 325,813
■ Fiduciary Net Position (FNP)*	115,277	124,514
■ Net OPEB Liability (NOL)	206,314	201,299
■ Funded status (FNP/TOL)	35.8%	38.2%

* Asset information is from CalPERS' "CERBT Schedule of Changes in Fiduciary Net Position by Employer" (audited asset statement) for the year ended June 30, 2020.

Note Disclosures

Changes in Net OPEB Liability/(Asset)

(Amounts in 000's)

	Total OPEB Liability	Fiduciary Net Position	Net OPEB Liability
■ Balance at 6/30/20 (6/30/19 measurement date)	\$ 321,591	\$ 115,277	\$ 206,314
■ Changes for the year			
● Service Cost	5,236	-	5,236
● Interest	17,622	-	17,622
● Changes of benefit terms	-	-	-
● Actual vs. expected experience	-	-	-
● Assumption changes	(5,770)	-	(5,770)
● Contributions - employer*	-	17,866	(17,866)
● Contributions - employee	-	-	-
● Net investment income	-	4,294	(4,294)
● Benefit payments*	(12,866)	(12,866)	-
● Administrative expenses	-	(57)	57
■ Net Changes	4,222	9,237	(5,015)
■ Balance at 6/30/21 (6/30/20 measurement date)	\$ 325,813	\$ 124,514	\$ 201,299

* 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	\$ 247,520	\$ 201,299	\$ 163,413

■ **Changes in the Healthcare Trend Rate**

	Healthcare Trend Rate		
	1% Decrease	Current Trend	1% Increase
■ Net OPEB Liability	\$ 181,529	\$ 201,299	\$ 210,064

Note Disclosures

OPEB Expense/(Income) for Fiscal Year

(Amounts in 000's)

	2020/21
	Measurement Period 2019/20
■ OPEB Expense/(Income)*	\$ 2,328

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

Note Disclosures

Deferred Outflows/Inflows Balances at June 30, 2021

(Amounts in 000's)

	June 30, 2021	
	Deferred Outflows of Resources	Deferred Inflows of Resources
■ Differences between expected and actual experience	\$ -	\$ 48,422
■ Changes in assumptions	-	6,113
■ Net difference between projected and actual earnings on plan investments*	-	157
■ Employer contributions made subsequent to the measurement date**	20,162	-
■ Total	20,162	54,692

* 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
■ 2022	\$ (14,171)
■ 2023	(13,479)
■ 2024	(13,113)
■ 2025	(12,969)
■ 2026	(960)
■ Thereafter	-

Note Disclosures

Significant Actuarial Assumptions Used for Total OPEB Liability

Actuarial Assumption	June 30, 2020 Measurement Date
■ Actuarial Valuation Date	■ July 1, 2019
■ 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, 2020 ■ 5.50% at June 30, 2019 ■ Expected County contributions projected to keep sufficient plan assets to pay all benefits from trust
■ General Inflation	■ 2.75% annually
■ Mortality, Retirement, Disability, Termination	■ Marin County Employees' Retirement Association 2014-2017 Experience Study
■ Mortality Improvement	■ Mortality projected fully generational with Scale MP-2018

Note Disclosures

Significant Actuarial Assumptions Used for Total OPEB Liability

Actuarial Assumption	June 30, 2020 Measurement Date
■ Medical Trend	<ul style="list-style-type: none"> ■ Non-Medicare - 7.25% for 2021, decreasing to an ultimate rate of 4% in 2076 ■ Medicare - 6.3% for 2021, decreasing to an ultimate rate of 4% in 2076 ■ Medicare Part B - 4.40% for 2021, 5.1% in 2022, increasing to Medicare trend in 2023
■ Plan 3 Cap Increase	■ 3% annually
■ Participation	■ Varies by Plan and years of service

Note Disclosures

Changes Since June 30, 2019 Measurement Date

June 30, 2020 Measurement Date	
■ Changes of assumptions	■ ACA excise tax repealed
■ Changes of benefit terms	■ None

Required Supplementary Information

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

(Amounts in 000's)

	2020/21
	Measurement Period 2019/20
■ Changes in Total OPEB Liability	
● Service Cost	\$ 5,236
● Interest	17,622
● Changes of benefit terms	-
● Actual vs. expected experience	-
● Assumption changes	(5,770)
● Benefit payments	(12,866)
■ Net Changes	4,222
■ Total OPEB Liability (beginning of year)	321,591
■ Total OPEB Liability (end of year)	325,813

Required Supplementary Information

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

(Amounts in 000's)

	2020/21
	Measurement Period 2019/20
■ Changes in Plan Fiduciary Net Position	
● Contributions - employer	\$ 17,866
● Contributions - employee	-
● Net investment income	4,294
● Benefit payments	(12,866)
● Administrative expenses	(57)
● Other changes	-
● Net Changes	<u>9,237</u>
■ Plan Fiduciary Net Position (beginning of year)	<u>115,277</u>
■ Plan Fiduciary Net Position (end of year)	124,514

Required Supplementary Information

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

(Amounts in 000's)

	2020/21
	Measurement Date 6/30/20
■ Net OPEB Liability/(Asset)	\$ 201,299
■ Fiduciary Net Position as a percentage of the Total OPEB Liability	38.2%
■ Covered employee payroll*	213,283
■ Net OPEB Liability as a percentage of covered employee payroll	94.4%

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

Required Supplementary Information

Schedule of Employer Contributions

(Amounts in 000's)

	Fiscal Year 2020/21
■ Actuarially Determined Contribution (ADC)	\$ 17,723
■ Contributions in relation to the actuarially determined contribution*	20,162
■ Contribution deficiency/(excess)	(2,439)
■ Covered employee payroll**	233,671
■ Contributions as a percentage of covered employee payroll	8.6%

* See page 20 for details.

** For the 12-month period ended on June 30, 2021 (fiscal year end).

As reported by the County.

Required Supplementary Information

**Notes to Schedule of Employer Contribution
Methods and Assumptions for
2020/21 Actuarially Determined Contribution**

■ Valuation Date	■ June 30, 2019
■ 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 23-year period that includes a 3-year phase-in from 2019/20
	■ Other - Over closed 23-year period from 2019/20

Actuarial Certification

This report presents the County of Marin 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 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, 2019 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.

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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January 14, 2022



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Associate Actuary
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January 14, 2022



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Supporting Calculations

Employer Contributions

(Amounts in 000's)

	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	\$ 11,911	\$ 12,135	\$ 11,911
■ Implied subsidy benefit payments	955	1,027	955
■ Total benefit payments	12,866	13,162	12,866
■ Benefit payments reimbursed from trust	-	-	-
■ Benefit payments paid outside of trust	12,866	13,162	12,866
■ Non-trust admin expenses	-	-	-
■ Non-trust admin expenses reimbursed from trust	-	-	-
■ Trust contributions	5,000	7,000	5,000
■ Total employer contributions	17,866	20,162	17,866

Measurement period (7/1/19 to 6/30/20): \$17,866

Fiscal year (7/1/20 to 6/30/21): \$20,162



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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)
7/1/19	21,889.2 years	3,642	6.0 years	6.0 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

(Amounts in 000's)

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	(72,634)	6.0	(12,106)	(12,106)	(12,106)	(12,106)	(12,104)	-	-	-	(48,422)
20/21	-	-	-	-	-	-	-	-	-	-	-
Total			(12,106)	(12,106)	(12,106)	(12,106)	(12,104)	-	-	-	(48,422)

Supporting Calculations

Recognition of Deferred Outflows/Inflows at June 30, 2021

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, 2021	
			20/21	21/22	22/23	23/24	24/25	25/26	26/27+	Outflows	(Inflows)
17/18	-	-	-	-	-	-	-	-	-	-	-
18/19	-	-	-	-	-	-	-	-	-	-	-
19/20	(1,957)	6.0	(326)	(326)	(326)	(326)	(327)	-	-	-	(1,305)
20/21	(5,770)	6.0	(962)	(962)	(962)	(962)	(962)	(960)	-	-	(4,808)
Total			(1,288)	(1,288)	(1,288)	(1,288)	(1,289)	(960)	-	-	(6,113)

Supporting Calculations

Recognition of Deferred Outflows/Inflows at June 30, 2021

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, 2021	
			20/21	21/22	22/23	23/24	24/25	25/26	26/27+	Outflows	(Inflows)
17/18	(3,447)	5.0	(689)	(691)	-	-	-	-	-	-	(691)
18/19	(1,829)	5.0	(366)	(366)	(365)	-	-	-	-	-	(731)
19/20	(724)	5.0	(145)	(145)	(145)	(144)	-	-	-	-	(434)
20/21	2,124	5.0	425	425	425	425	424	-	-	1,699	-
Total			(775)	(777)	(85)	281	424	-	-	1,699	(1,856)
Net Deferred Outflows/(Inflows)										-	(157)

Calculation of initial amount for 2020/21 (2019/20 measurement period):

Projected earnings on investments of \$6,418 (page 27), less

Actual earnings on investments of \$4,294 (net investment income, page 15)

Supporting Calculations

Recognition of Deferred Outflows/Inflows in Future OPEB Expense

(Amounts in 000's)

	21/22	22/23	23/24	24/25	25/26	Thereafter 26/27+
■ Differences between Expected and Actual Experience	(12,106)	(12,106)	(12,106)	(12,104)	-	-
■ Changes of Assumptions	(1,288)	(1,288)	(1,288)	(1,289)	(960)	-
■ Projected Versus Actual Earnings on Investments	(777)	(85)	281	424	-	-
■ Total	(14,171)	(13,479)	(13,113)	(12,969)	(960)	-

Supporting Calculations

Components of GASBS 75 OPEB Expense

(Amounts in 000's)

	2020/21
	Measurement Period 2019/20
■ Service Cost	\$ 5,236
■ Interest on Total OPEB Liability	17,622
■ Projected earnings on investments	(6,418)
■ Employee contributions	-
■ Administrative expense	57
■ Changes of benefit terms	-
■ Recognition of deferred outflows/(inflows)	
● Experience	(12,106)
● Assumptions	(1,288)
● Asset returns	(775)
■ OPEB Expense/(Income)	2,328

Supporting Calculations

Components of GASBS 75 OPEB Expense*
Calculation of Projected Earnings on Investments
2019/20 Measurement Period
 (Amounts in 000's)

	Dollar Amount	Expected Return	Portion of Year	Projected Earnings
■ Fiduciary Net Position (beginning of year)	\$ 115,277	5.50%	100%	\$ 6,340
■ Employer contributions	5,000	5.50%	29%	80
■ Employee contributions	-	5.50%	0%	-
■ Disbursements	-	5.50%	0%	-
■ Administrative expenses	(57)	5.50%	50%	(2)
■ Projected earnings				<u>6,418</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
2019/20 Measurement Period
 (Amounts in 000's)

	Dollar Amount	Discount Rate	Portion of Year	Interest
■ Total OPEB Liability	\$ 321,591	5.50%	100%	\$ 17,688
■ Service Cost	5,236	5.50%	100%	288
■ Changes of benefit terms	-	5.50%	0%	-
■ Experience	-	5.50%	0%	-
■ Assumption changes*	(5,770)	5.50%	0%	-
■ Benefit payments	(12,866)	5.50%	50%	(354)
■ Total interest				<u>17,622</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	
	6/30/20	6/30/21
	Measurement Date 6/30/19	Measurement Date 6/30/20
■ Total OPEB Liability/(Asset)	\$ 321,591	\$ 325,813
■ Fiduciary Net Position	115,277	124,514
■ Net OPEB Liability/(Asset)	206,314	201,299
■ Deferred inflows of resources	65,215	54,692
■ Deferred (outflows) of resources	-	-
■ Balance Sheet	271,529	255,991

Check:

■ Balance Sheet 6/30/20	\$ 271,529
● OPEB Expense/(Income)	2,328
● Employer Contributions*	(17,866)
■ Balance Sheet 6/30/21	255,991

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

Supporting Calculations

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