

Lauterbach & Amen, LLP
668 N. River Road
Naperville, IL 60563

Actuarial Valuation
as of January 1, 2023



CHAMBERS COUNTY, TEXAS
POSTRETIREMENT HEALTH
PLAN

GASB 74/75 Financial Statement Reporting

LAUTERBACH & AMEN, LLP

Actuarial GASB Disclosures Statements 74 and 75



Lauterbach & Amen, LLP

CERTIFIED PUBLIC ACCOUNTANTS

CHAMBERS COUNTY, TEXAS POSTRETIREMENT HEALTH PLAN

Fiscal Year Ending: December 31, 2022

Actuarial Valuation Date: January 1, 2023

Measurement Date: December 31, 2022

Submitted by:

Lauterbach & Amen, LLP
630.393.1483 Phone
www.lauterbachamen.com

Contact:

Todd A. Schroeder
June 15, 2023

LAUTERBACH & AMEN, LLP



TABLE OF CONTENTS

ACTUARIAL CERTIFICATION	5
MANAGEMENT SUMMARY	6
Comments and Analysis	7
Comments and Analysis – Continued.....	8
POSTRETIREMENT PLAN NET POSITION	9
Statement of OPEB Plan Net Position	10
Statement of Changes in OPEB Trust and OPEB Plan Net Position	11
Statement of OPEB Plan Benefit Payments and Contributions	12
ACTUARIAL OPEB LIABILITY INFORMATION	13
Statement of Total OPEB Liability.....	14
Expected Benefit Payments	15
Statement of Changes in Total OPEB Liability	16
Statement of Changes in Net OPEB Liability.....	17
Deferred Outflows and Inflows of Resources.....	18
Deferred Outflows and Inflows of Resources - Details	19
OPEB Expense Development	20
ACTUARIAL ASSUMPTION INFORMATION.....	21
Statement of Significant Actuarial Assumptions	22
Statement of Significant Actuarial Assumptions – Continued.....	23
Statement of Significant Actuarial Assumptions – Continued.....	24
Assumption Changes	25
Expected Return on OPEB Plan Assets	25
Municipal Bond Rate	26
Discount Rate	26
Inflation Rate	26
Development of Starting Claims Costs.....	27
Assessment and Use of Actuarial Models.....	28
Sensitivity of the Discount Rate	29
Sensitivity of the Healthcare Cost Trend Rates	29
PARTICIPANT DATA	30
Participant Demographic Data.....	31
Expected Future Working Lifetime	31



TABLE OF CONTENTS

FUNDING POLICY	32
Components of the Actuarially Determined Contribution	33
Formal Funding Policy	33
Informal Funding Policy	33
Informal Funding Policy - Continued	34
Informal Funding Policy – Continued	35
Funding Policy – Other Considerations	35
SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION	36
Schedule of Changes in the Net OPEB Liability	37
Schedule of Total OPEB Liability and Related Ratios	38
Schedule of Contributions	39
Notes to Schedule of Contributions	39
GASB METHODS AND PROCEDURES	40
GASB Methods and Procedures	41
GASB Methods and Procedures – Continued	42
SUPPLEMENTARY TABLES	43
GASB Projections – Summary and Procedure	44
GASB Projections – Limitations	45
Projection of Contributions – Years 1 to 30	46
Projection of Contributions – Years 31 to 60	47
Projection of Contributions – Years 61 to 80	48
Notes to Projection of Contributions	48
Projection of the OPEB Plan Net Position – Years 1 to 30	49
Projection of the OPEB Plan Net Position – Years 31 to 60	50
Projection of the OPEB Plan Net Position – Years 61 to 80	51
Notes to Projection of OPEB Plan Net Position	51
Actuarial Present Values of Projected Benefit Payments – Years 1 to 30	52
Actuarial Present Values of Projected Benefit Payments – Years 31 to 60	53
Actuarial Present Values of Projected Benefit Payments – Years 61 to 80	54
Notes to the Actuarial Present Value of Projected Benefit Payments	54
PLAN PROVISIONS	55
Summary of Eligibility and Coverage	56
Summary of Eligibility and Coverage – Continued	57
GLOSSARY OF TERMS	58
GASB 74/75 Terminology	59



ACTUARIAL CERTIFICATION

This certification provides supplemental information as required by the Governmental Accounting Standards Board. The enclosed schedules were prepared by the undersigned to provide general information to assist in the preparation of the Annual Financial Report. The assumptions and methods used in the preparation of this disclosure meet the parameters set for the disclosures presented in the financial section as required by the Governmental Accounting Standards Board. Additional information is also provided solely to assist the auditors in preparation of the required footnote disclosures.

The results in this report are based on information and data submitted by Chambers County. We did not prepare the Actuarial Valuations for the years prior to January 1, 2008. Those valuations were prepared by other Actuaries whose reports have been furnished to us, and our disclosures are based upon those reports. An audit of the information was not performed, but high-level reviews were performed for general reasonableness as appropriate based on the purpose of the valuation. The accuracy of the results is dependent upon the precision and completeness of the underlying information. The results of the Actuarial Valuation and these supplemental disclosures rely on the information provided.

The valuation results summarized involve actuarial calculations that require assumptions about future events. Chambers County selected certain assumptions, while others were the result of guidance and/or judgment. We believe that the assumptions used in the valuation are reasonable and appropriate for the purposes for which they have been used.

In preparing the results, our Actuaries used commercially available software (ProVal) developed by Winklevoss Technologies, LLC. This software is widely used for the purpose of performing Actuarial Valuations. Our Actuaries coded the plan provisions, assumptions, methods, and participant data summarized in this report, and reviewed the liability and cost outputs for reasonableness. We are not aware of any material weaknesses or limitations in the software, and have determined it is appropriate for performing this valuation.

To the best of our knowledge, all calculations are in accordance with the applicable funding requirements, and the procedures followed and presentation of results conform to generally accepted actuarial principles and practices. The undersigned consultant of Lauterbach & Amen, LLP, with actuarial credentials, meets the Qualification Standards of the American Academy of Actuaries to render this Actuarial Certification. There is no relationship between Chambers County and Lauterbach & Amen, LLP that impairs our objectivity.

Respectfully Submitted,

LAUTERBACH & AMEN, LLP

Todd A. Schroeder, ASA, FCA, EA, MAAA



MANAGEMENT SUMMARY

Comments and Analysis



COMMENTS AND ANALYSIS

The following paragraphs are intended to describe the changes in Total OPEB Liability that occurred between the County's last Measurement Date of December 31, 2021 and the current Measurement Date of December 31, 2022.

For the prior Measurement Date, the Employer elected to determine the Total OPEB Liability under limited procedures as allowed under GASB Statement Number 75. A full valuation was not run. Changes in the market discount rates were reflected but full census and premium information was not collected and processed. Changes that are reflected in Total OPEB Liability year over year may be reflective of Member population updates or claims/premium experience over the course of two years.

Expected Increase in Total OPEB Liability

Each year the Total OPEB Liability is expected to increase with interest and the accrual of additional service by active plan Members. The increases are offset by decreases in liability due to benefit payments. The expected Total OPEB Liability increase for the current year was approximately \$1,116,000.

In addition to the expected increase in Total OPEB Liability, additional changes in Total OPEB Liability occurred between the prior valuation and the current year. Below are the key components of those changes.

Demographic Experience

The current valuation census contains 17 retirees while the previous valuation census contained 19. The current valuation census contains 497 active employees, 8 of whom are waiving coverage. The previous valuation census contained 458 total actives, 12 of whom were waiving coverage.

Net medical costs on an employer basis came in higher than expected.

Total demographic experience resulted in a net increase in the Total OPEB Liability in the current year of approximately \$25,000.

Plan Changes

There have been no changes to the plan provisions.



COMMENTS AND ANALYSIS – CONTINUED

Discount Rate

The Discount Rate remained the same at 5.50%. See the *Discount Rate* section of this report for further details.

Assumption Changes

The Actuary for the Texas County & District Retirement System performed an actuarial experience study of TCDRS experience dated November 19, 2021. The actuarial assumptions were changed in the current year to the tables shown in the *Statement of Significant Assumptions* section of this report. The assumptions impacted include:

- Mortality Rates
- Mortality Improvement Rates
- Retirement Rates
- Termination Rates
- Disability Rates
- Pay Increase Rate

We have revised the expected increases in medical costs assumption to the rates as shown in the *Statement of Significant Actuarial Assumptions* section of this report.

The changes in the assumptions were made to better reflect the future anticipated experience in the plan. The changes included a review of the experience studies for the underlying pension systems for the employee groups and the requirements of GASB 75. The changes in assumptions resulted in a net increase in the Total OPEB Liability in the current year of approximately \$406,000.



POSTRETIREMENT PLAN NET POSITION

Statement of OPEB Plan Net Position
Statement of Changes in OPEB Trust and OPEB Plan Net Position
Statement of OPEB Plan Benefit Payments and Contributions



STATEMENT OF OPEB PLAN NET POSITION

	<u>12/31/2021</u>	<u>12/31/2022</u>
Assets		
Cash and Cash Equivalents	\$ 10,646,699	\$ 10,110,319
Total Cash	<u>10,646,699</u>	<u>10,110,319</u>
Receivables:		
Due from County	-	-
Investment Income - Accrued Interest	-	-
Other	-	-
Total Receivables	<u>-</u>	<u>-</u>
Investments:		
Common Stock	-	-
Total Investments	<u>-</u>	<u>-</u>
Total Assets	<u>10,646,699</u>	<u>10,110,319</u>
Liabilities		
Payables:		
Expenses Due/Unpaid	-	-
Other	-	-
Total Liabilities	<u>-</u>	<u>-</u>
Net Position Restricted for Postretirement Plan	<u>\$ 10,646,699</u>	<u>\$ 10,110,319</u>

The OPEB Plan Net Position shown above is intended to be in accordance with GAAP and GASB rules. The Fair Market Value of Investments has been provided by the County, and the results are being audited by an independent auditor. The County has also confirmed that the Trust is an irrevocable Trust, as defined by GASB statements 74/75, and used solely for the purpose of funding the OPEB benefits. The assets have been reviewed for reasonableness, but we make no representation as to the accuracy of the measurement of the fair market value of the investments or the designation as an irrevocable Trust. The assets for the Fiscal Year ending December 31, 2022 are based on year end financials only and are preliminary and tentative, subject to change as of the preparation of this report.



STATEMENT OF CHANGES IN OPEB TRUST AND OPEB PLAN NET POSITION

	<u>12/31/2022</u> <u>OPEB Trust</u>	<u>12/31/2022</u> <u>OPEB Plan</u>
Additions		
Contributions		
Employer	\$ 971,637	\$ 1,384,914
Member	-	-
Other	-	-
Total Contributions	<u>971,637</u>	<u>1,384,914</u>
Investment Income		
Net Appreciation in Fair Value of Investments	-	-
Interest and Dividends	(1,453,694)	(1,453,694)
Less Investment Expense	-	-
Net Investment Income	<u>(1,453,694)</u>	<u>(1,453,694)</u>
Total Additions	<u>(482,057)</u>	<u>(68,780)</u>
Deductions		
Benefit Payments	-	413,277
Administrative Expense	54,323	54,323
Other	-	-
Total Deductions	<u>54,323</u>	<u>467,600</u>
Net Increase in Net Position	<u>(536,380)</u>	<u>(536,380)</u>
Net Position Restricted for Postretirement Plan		
Beginning of Year	<u>10,646,699</u>	<u>10,646,699</u>
End of Year	<u>\$ 10,110,319</u>	<u>\$ 10,110,319</u>

The OPEB Plan Net Position shown above is intended to be in accordance with GAAP and GASB rules. The Fair Market Value of Investments has been provided by the County, and the results are being audited by an independent auditor. The County has also confirmed that the Trust is an irrevocable Trust, as defined by GASB statements 74/75, and used solely for the purpose of funding the OPEB benefits. The assets have been reviewed for reasonableness, but we make no representation as to the accuracy of the measurement of the fair market value of the investments or the designation as an irrevocable Trust. The assets for the Fiscal Year ending December 31, 2022 are based on year end financials only and are preliminary and tentative, subject to change as of the preparation of this report.



STATEMENT OF OPEB PLAN BENEFIT PAYMENTS AND CONTRIBUTIONS

	<u>12/31/2022</u>
Employer Contributions	
OPEB Trust Contributions	\$ 971,637
Contributions from Other County Resources*	<u>413,277</u>
Total OPEB Plan Contributions	<u>\$ 1,384,914</u>
Employer Benefit Payments	
Benefit Payments from Trust	\$ -
Payments from Other County Resources*	<u>413,277</u>
Total OPEB Plan Benefit Payments	<u>\$ 413,277</u>

A portion of the Employer Contributions and Benefit Payments is based on the cost sharing provisions. In addition, a portion is related to the increase in active premiums due to the presence of retirees in the determination of blended retiree/active premiums.

*Contributions from Other County Resources and Benefit Payments from Other County Resources refers to contributions made to and benefit payments made from the OPEB Plan that were not directly made to or from the OPEB Trust.

Of the benefit payments from Other County Resources, \$291,996 are explicit benefit payments due to the retiree plan provisions and \$121,281 are implicit benefit payments due to the presence of retirees in the determination of the blended retiree/active premiums.



ACTUARIAL OPEB LIABILITY INFORMATION

Statement of Total OPEB Liability
Expected Benefit Payments
Statement of Changes in Total OPEB Liability
Statement of Changes in Net OPEB Liability
Deferred Outflows and Inflows of Resources
Deferred Outflows and Inflows of Resources – Details
OPEB Expense Development



STATEMENT OF TOTAL OPEB LIABILITY

	<u>12/31/2021</u>	<u>12/31/2022</u>
Total Active Employees	\$ 10,247,532	\$ 11,695,964
Inactive Employees Currently Receiving Benefit Payments	634,638	733,505
Inactive Employees Entitled To But Not Yet Receiving Benefit Payments	-	-
Total Inactive Employees	<u>634,638</u>	<u>733,505</u>
Total OPEB Liability	<u>\$ 10,882,170</u>	<u>\$ 12,429,469</u>

The Total OPEB Liability shown is dependent on several factors such as Plan Provisions and assumptions used in the report. In addition, the calculation of the Total OPEB Liability may be dependent on the OPEB Plan Net Position shown in the *Statement of OPEB Trust and OPEB Plan Net Position* section of this report. Changes in the OPEB Plan Net Position due to any factor, including adjustment on final audit, could change the Total OPEB Liability. The dependence of the Total OPEB Liability on the Net Position is due to the role of the Net Position (and projected Net Position) on the determination of the discount rate used for the Total OPEB Liability.

The Total OPEB Liability has been determined for GASB 74/75 reporting purposes only. The resulting Total OPEB Liability is intended to be used in the financial statement reporting of the postretirement plan and/or the Employer. The resulting liability is not intended to be a representation of the postretirement plan liability for other purposes, including but not limited to determination of cash funding requirements and recommendations, if applicable.



EXPECTED BENEFIT PAYMENTS

Subsequent to the Measurement Date, the following amounts are expected to be paid out in benefits in upcoming years:

Year Ended	
December 31:	
2023	\$ 477,051
2024	603,154
2025	675,147
2026	796,000
2027	833,718

The table above represents the expected benefit payments for the next 5 years under the OPEB Plan. Benefit payments in an OPEB plan do not necessarily imply the existence of an OPEB trust. The payments include obligations that come from other employer resources. Benefit payments may include direct payments made by the employer for health coverage for the retiree group. Benefit payments may also reflect implicit payments made by the employer that are based on the existence of retirees on employer medical coverage, that are not directly linked to retiree premiums or stipends.



STATEMENT OF CHANGES IN TOTAL OPEB LIABILITY

Total OPEB Liability	12/31/2022
Service Cost	\$ 942,425
Interest	587,155
Changes of Benefit Terms	-
Differences Between Expected and Actual Experience	24,518
Changes in Assumptions	406,478
Benefit Payments*	(413,277)
Net Change in Total OPEB Liability	1,547,299
Total OPEB Liability - Beginning	10,882,170
Total OPEB Liability - Ending (a)	<u>\$ 12,429,469</u>
OPEB Plan Net Position - Ending (b)	<u>\$ 10,110,319</u>
Employer's Net OPEB Liability/(Asset) - Ending (a) - (b)	<u>\$ 2,319,150</u>
OPEB Plan Net Position as a Percentage of the Total OPEB Liability	81.34%
Covered-Employee Payroll	\$ 23,115,536
Employer's Net OPEB Liability as a Percentage of Employee Payroll	10.03%

*See the benefit breakdown in the *Statement of OPEB Plan Benefit Payments and Contributions* section of this report.

The OPEB Plan Net Position was detailed in the prior section of this report. The Employer's Net OPEB Liability is the excess of the Total OPEB Liability over the OPEB Plan Net Position. The changes in the Net OPEB Liability related to changes in assumptions are due to changes detailed in the *Management Summary* section of this report.

Total OPEB Liability may be dependent on the Net Position of the postretirement plan. Any changes in Net Position, including adjustments on final audit, can have an impact on Net OPEB Liability that extends beyond the dollar-for-dollar change in Net Position.

Covered-Employee Payroll is based on Total Covered Payroll for the postretirement plan Members during the Fiscal Year.



STATEMENT OF CHANGES IN NET OPEB LIABILITY

The table below illustrates the change in the Net OPEB Liability from the prior Measurement Date to the current Measurement Date. Under Statement 75, the difference between the Net OPEB Liability from the prior Measurement Date to the current Measurement Date should be recognized as an expense, unless permitted to be recognized as a Deferred Outflow or Inflow of Resources.

	Increase (Decrease)		
	Total OPEB Liability (a)	OPEB Plan Net Position (b)	Net OPEB Liability (a) - (b)
Balances Beginning at 1/1/2022	\$ 10,882,170	\$ 10,646,699	\$ 235,471
Changes for the year:			
Service Cost	942,425	-	942,425
Interest	587,155	-	587,155
Actuarial Experience	24,518	-	24,518
Assumptions Changes	406,478	-	406,478
Plan Changes	-	-	-
Contributions - Employer	-	1,384,914	(1,384,914)
Contributions - Employee	-	-	-
Contributions - Other	-	-	-
Net Investment Income	-	(1,453,694)	1,453,694
Benefit Payments from the Plan	(413,277)	(413,277)	-
Administrative Expense	-	(54,323)	54,323
Net Changes	<u>1,547,299</u>	<u>(536,380)</u>	<u>2,083,679</u>
Balances Ending at 12/31/2022	<u>\$ 12,429,469</u>	<u>\$ 10,110,319</u>	<u>\$ 2,319,150</u>

The changes in Total OPEB Liability above are described on the prior page. The OPEB Plan Net Position was detailed in the prior section of this report. The Employer’s Net OPEB Liability is the excess of the Total OPEB Liability over the OPEB Plan Net Position.



DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

The table below shows the cumulative amounts to be shown as Deferred Outflows and Inflows of Resources. Changes in Total OPEB Liability related to the difference in actual and expected experience, or changes in assumptions regarding future events, are recognized in OPEB Expense over the expected remaining service life of all employees (active and retired) in the postretirement plan. Differences in projected and actual earnings over the measurement period are recognized over a 5-year period. Amounts not yet recognized are summarized below:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 22,474	\$ 1,372,529
Changes of Assumptions	372,604	272,347
Net Difference Between Projected and Actual Earnings on Postretirement Plan Investments	1,685,192	170,317
Total Deferred to Be Recognized in Future Expense	<u>\$ 2,080,270</u>	<u>\$ 1,815,193</u>
Contributions Subsequent to the Measurement Date*	\$ -	\$ -
Total	<u>\$ 2,080,270</u>	<u>\$ 1,815,193</u>

*Contributions subsequent to the Measurement Date may be recognized as a reduction to the Net OPEB Liability. The amount is not known as of the date of this report. Subsequent to the Measurement Date, the following amounts will be recognized in OPEB Expense in the upcoming years:

Year Ended	
December 31:	
2023	\$ 184,248
2024	211,331
2025	282,948
2026	272,540
2027	(140,952)
Thereafter	(545,038)



DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES - DETAILS

The table below shows the annual detail amounts that have been summarized on the prior page. Under Statement 75, the level of detail shown on the prior page is sufficient for financial statement reporting. The detail shown below is primarily for tracking purposes.

OPEB Expense Source	Date Established	Initial Period	Initial Balance	Remaining Period	12/31/2022 Expense Recognized	12/31/2022 Deferred Balance
Asset Loss	12/31/2022	5.00	\$ 2,067,476	5.00	\$ 413,496	\$ 1,653,980
Change in Assumptions Loss	12/31/2022	12.00	406,478	12.00	33,874	372,604
Actuarial Loss	12/31/2022	12.00	24,518	12.00	2,044	22,474
Asset Loss	12/31/2021	5.00	52,020	4.00	10,404	31,212
Asset Gain	12/31/2020	5.00	(358,097)	3.00	(71,620)	(143,237)
Change in Assumptions Gain	12/31/2020	12.30	(360,202)	10.30	(29,285)	(272,347)
Actuarial Gain	12/31/2020	12.30	(1,815,284)	10.30	(147,585)	(1,372,529)
Asset Gain	12/31/2019	5.00	\$ (135,412)	2.00	\$ (27,083)	\$ (27,080)
Total			\$ (118,503)		\$ 184,245	\$ 265,077

Each detail item in the chart above was established as of the Fiscal Year-End shown and the full amount deferred has been determined as of that time. Any events that occur in subsequent Fiscal Years do not have an impact on the prior Fiscal Year. The bases are established independently each year.



OPEB EXPENSE DEVELOPMENT

The table below displays the OPEB Expense development for the current year. The OPEB Expense includes items that change the Net OPEB Liability from one year to the next, netted out for amounts that are deferred under GASB pronouncement, plus any amounts that are being recognized that were deferred previously.

See below for development of the OPEB Expense:

	<u>12/31/2022</u>
OPEB Expense/(Income) Under GASB 75	
Service Cost	\$ 942,425
Interest	587,155
Plan Changes	-
Contributions - Employee	-
Contributions - Other	-
Expected Investment Income	(613,782)
Administrative Expense	54,323
Other Changes	-
Initial OPEB Expense/(Income)	<u>970,121</u>
Recognition of Outflow/(Inflow) of Resources due to Liabilities	(140,952)
Recognition of Outflow/(Inflow) of Resources due to Assets	<u>325,197</u>
Total OPEB Expense/(Income)	<u>\$ 1,154,366</u>



ACTUARIAL ASSUMPTION INFORMATION

Statement of Significant Actuarial Assumptions
Assumption Changes
Expected Return on OPEB Plan Investments
Municipal Bond Rate
Discount Rate
Inflation Rate
Development of Starting Claims Costs
Assessment and Use of Actuarial Models
Sensitivity of the Discount Rate
Sensitivity of the Healthcare Cost Trend Rates



STATEMENT OF SIGNIFICANT ACTUARIAL ASSUMPTIONS

Assumptions (Economic)

Discount Rate Used for the Total OPEB Liability

Beginning of Year	5.50%
End of Year	5.50%

Long-Term Expected Rate of Return on Plan Assets 5.50%

High Quality 20 Year Tax-Exempt G.O. Bond Rate

Beginning of Year	2.06%
End of Year	3.72%

Total Payroll Increases 3.00%

Claims and Premiums See Accompanying Tables

Healthcare Cost Trend Rates See Accompanying Tables

Retiree Contribution Rates Same as Healthcare Cost Trend Rates

Blended Premium Rates See accompanying table for premiums charged for coverage.

Annual Blended Premiums				
	Under Age 65		Age 65 & Over	
	Retiree	Spouse	Retiree	Spouse
PPO	\$14,716	\$8,652	N/A	N/A

Healthcare Cost Trend Rates

Plan	Initial Trend	Ultimate Trend	Amount of Trend Decrease	Years Between Trend Decreases	Year Ultimate Trend Reached
PPO	6.00%	5.00%	0.50%	2	2027



STATEMENT OF SIGNIFICANT ACTUARIAL ASSUMPTIONS – CONTINUED

Claims See accompanying tables for claims and age-grading factors used to calculate them:

Projected Claims Costs (Age 64)				
	Retiree		Spouse	
	<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>
PPO	\$20,143	\$21,047	\$21,120	\$21,550

Claims Age-Adjustment Factors (Adjusted From Age 64)				
Age	Retiree		Spouse	
	Male	Female	Male	Female
50	0.5320	0.6092	0.8730	0.8649
55	0.6753	0.6945	0.8717	0.8214
60	0.8451	0.8358	0.9248	0.8668
64	1.0000	1.0000	1.0000	1.0000
65	0.3784	0.3784	0.3784	0.3784
70	0.4524	0.4524	0.4524	0.4524
75	0.4912	0.4912	0.4834	0.4912
80	0.5265	0.5265	0.5171	0.5265
85	0.5506	0.5506	0.5401	0.5506
90	0.5617	0.5617	0.5507	0.5617

Assumptions (Demographic)

Election at Retirement Coverage election at retirement is assumed at the following rates:

Active	100%
---------------	-------------

If an employee has waived active medical coverage, it is assumed they will elect coverage in the retiree medical plan at 1/3 the rate of active employees currently with coverage.

Spousal Election Of those employees assumed to elect coverage in retirement, 30% are assumed to elect spousal coverage. Female spouses are assumed to be 3 years younger than male spouses.



STATEMENT OF SIGNIFICANT ACTUARIAL ASSUMPTIONS – CONTINUED

Retiree Lapse Rates Retirees receiving medical coverage are expected to lapse all coverages at age 65 at the following rates:

Retirees	N/A
-----------------	-----

Retirement Rates Based on Rates from the Texas County & District Retirement System (TCDRS) Investigation of the Experience Report dated November 19, 2021 before Age 60, with Accelerated Rates after Age 60; Cap Age 65. Sample Rates as follows:

<u>Age</u>	<u>Service</u>			
	<u>< 15 Years</u>	<u>15-24 Years</u>	<u>25-29 Years</u>	<u>> 29 Years</u>
52	0.060	0.072	0.088	0.100
53	0.060	0.072	0.088	0.100
54	0.068	0.081	0.099	0.113
62	0.499	0.498	0.500	0.535
63	0.719	0.693	0.668	0.654
64	1.000	1.000	1.000	1.000

Termination Rates Based on Rates from the Texas County & District Retirement System (TCDRS) Investigation of the Experience Report dated November 19, 2021 with 0% if within 2 years of Retirement Eligibility using 80% Weighting Factor per TCDRS Study for Chambers County, Texas.

Disability Rates None

Mortality Rates TCDRS Mortality follows the Sex Distinct Raw Rates developed in the Pub-2010 Study for General Employees. These Rates are improved Generationally using the MP-2021 Improvement Rates and Weighted based on the Texas County & District Retirement System Investigation of the Experience Report dated November 19, 2021.

All mortality rates are adjusted for retirement status.



ASSUMPTION CHANGES

The Actuary for the Texas County & District Retirement System performed an actuarial experience study of TCDRS experience dated November 19, 2021. The actuarial assumptions were changed in the current year to the tables shown in the *Statement of Significant Assumptions* section of this report. The assumptions impacted include:

- Mortality Rates
- Mortality Improvement Rates
- Retirement Rates
- Termination Rates
- Disability Rates
- Pay Increase Rate

The above stated assumption changes were made to better reflect the future anticipated experience of the plan.

The assumed rate on High Quality 20-year Tax-Exempt G.O. Bonds was changed from 2.06% to 3.72% for the current year. The underlying index used is the Bond Buyer 20-Bond GO Index as discussed in more detail later in this section. The choice of index is unchanged from the prior year. The rate has been updated to the current Fiscal Year end based on changes in market conditions as reflected in the Index. The change was made to reflect our understanding of the requirements of GASB under Statement 74 and Statement 75.

EXPECTED RETURN ON OPEB PLAN ASSETS

The long-term expected rate of return on assets is intended to represent the best estimate of future real rates of return for each of the major asset classes in the plan's investment policy. Long-term expected real returns under GASB are expected to reflect the period of time that begins when a plan member begins to provide service to the employer and ends at the point when all benefits to the plan member have been paid. The long-term expected rates of return on assets have not been provided by the County or the plan's investment advisor and should be included as part of the financial statement reporting.



MUNICIPAL BOND RATE

The Municipal Bond Rate assumption is based on The Bond Buyer 20-Bond GO Index. The beginning of year rate shown earlier in the *Statement of Significant Assumptions* section of this report is the 2.06% rate, and the end of year rate shown is the 3.72% rate. The 20-Bond GO Index is based on an average of certain general obligation municipal bonds maturing in 20 years and having an average rating equivalent of Moody's Aa2 and Standard & Poor's AA.

The 20-Bond Index consists of 20 general obligation bonds that mature in 20 years. The average rating of the 20 bonds is roughly equivalent to Moody's Investors Service's Aa2 rating and Standard & Poor's Corp.'s AA.

The indexes represent theoretical yields rather than actual price or yield quotations. Municipal bond traders are asked to estimate what a current-coupon bond for each issuer in the indexes would yield if the bond was sold at par value. The indexes are simple averages of the average estimated yields of the bonds.

DISCOUNT RATE

The discount rate used in the determination of the Total OPEB Liability is based on a combination of the Expected Long-Term Rate of Return on Plan Assets and the Municipal Bond Rate. If the Employer does not have a trust dedicated exclusively to the payment of OPEB benefits, then only the Municipal Bond Rate is used in determining the Total OPEB Liability.

If the postretirement plan is funded, as is the case with the County, cash flow projections are used to determine the extent which the plan's future Net Position will be able to cover future benefit payments. To the extent future benefit payments are covered by the plan's projected Net Position, the expected rate of return on plan investments is used to determine the portion of the Net OPEB Liability associated with those payments. To the extent future benefit payments are not covered by the plan's projected Net Position, the Municipal Bond Rate is used to determine the portion of the Net OPEB Liability associated with those payments.

Projected benefit payments are determined during the valuation process based on the assumptions. More details on the assumptions are in the *Statement of Significant Assumptions* section of this report. The expected contributions are based on the Funding Policy of the plan. The Funding Policy is discussed in more detail in a later section.

INFLATION RATE

The Long-Term Inflation Expectation used is 2.25%, which is an underlying component of the discount rate and assumed health care trend rates.



DEVELOPMENT OF STARTING CLAIMS COSTS

Starting costs for the County's Plan were developed based on the blended premiums charged for coverage. The insurance carrier charges actives and retirees the same premium rates. According to GASB, when an Employer provides benefits to both active employees and retirees through the same plan, the benefits to retirees should be segregated and measured independently for actuarial measurement purposes. The projection of future retiree benefits should be based on claims costs, or age-adjusted premiums approximating claims costs, for retirees. As such, premiums were estimated for under-65 retirees and their spouses as if they were rated on a stand-alone basis. The results were then disaggregated into age-specific starting costs based on average ages and assumptions on the relationship between costs and increasing age.

The medical cost increase represents the combination of the inflation in the price of health care services, changes in utilization (other than age-related changes), technological advances in medical care, and changes in the health status of plan participants. No adjustment has been made to the expected medical trend for the impact of COVID-19. An analysis of this matter is beyond the scope of this valuation. The future impact may result in material changes in claims beyond the date of this valuation. Information about the future cost impact of this disease is thin. Some of the variables include projected inflation rates due to localized experience, the amount of postponed and avoided medical care services, the amount and timing of the catch-up of deferred care, the impact of COVID-19 on other conditions such as stress and depression, impacts on general economic conditions, and other factors.



ASSESSMENT AND USE OF ACTUARIAL MODELS

Actuarial Valuations rely upon the use of actuarial modeling software to predict the occurrence of future events, which include specific demographic and financial potential outcomes. Actuarial assumptions are established to provide a guideline to use for such modeling.

- The model used in this Actuarial Valuation is intended to determine the Total OPEB Liability to assist in the preparation of the Annual Comprehensive Financial Report. The actuarial assumptions used were developed with this goal in mind.
- There are no known material limitations or inconsistencies among the actuarial assumptions or methods.
- The output from the model is reasonable based on the individual actuarial assumptions and based on the actuarial assumptions in the aggregate.
- The actuarial software used to calculate plan liabilities has been purchased from an outside vendor. We have performed thorough testing of the software, including review of sample participants, to ensure the intended purpose of the model, the operation of the model, sensitivities and dependencies, and strengths and limitations of the model are sufficient for this purpose.
- Census data and financial information have been provided by client professionals, financial advisors, and/or auditors, who are known to be experts in their respective fields. We rely on the fact that the information provided by these experts has been given for the intended purpose of this Actuarial Valuation.
- Where applicable, certain actuarial assumptions and Funding Policy may be required as prescribed by law. In such instances, we have followed legal guidance to ensure conformity.
- The Expected Rate of Return on Investments assumption has been chosen using input from several sources; including, but not limited to: client professionals, financial advisors, auditors, and other capital market outlooks. We have relied on the information provided, in the aggregate, to settle on the selected Expected Rate of Return on Investments assumption.



SENSITIVITY OF THE DISCOUNT RATE

The Net OPEB Liability has been determined using the end of year discount rate listed in the *Statement of Significant Assumptions* section. Below is a table illustrating the sensitivity of the Net OPEB Liability to the discount rate assumption.

	1% Decrease (4.50%)	Current Discount Rate (5.50%)	1% Increase (6.50%)
Employer's Net OPEB Liability/(Asset)	\$3,502,337	\$2,319,150	\$1,276,882

The sensitivity of the Net OPEB Liability to the discount rate is based primarily on two factors:

1. The duration of the plan's expected benefit payments. Younger plans with benefit payments further in the future will be more sensitive to changes in the discount rate.
2. The funded percentage of the plan (ratio of the Net Position to the Total OPEB Liability). The higher the funded percentage, the higher the sensitivity to the discount rate.

SENSITIVITY OF THE HEALTHCARE COST TREND RATES

Below is a table illustrating the sensitivity of the Net OPEB Liability to the Healthcare Cost Trend Rates assumption.

	1% Decrease (Varies)	Healthcare Cost Trend Rates (Varies)	1% Increase (Varies)
Employer's Net OPEB Liability/(Asset)	\$997,847	\$2,319,150	\$3,894,981

Please refer to the *Assumptions (Economic)* section for full list of assumed trend rates.



PARTICIPANT DATA

Participant Demographic Data
Expected Future Working Lifetime



PARTICIPANT DEMOGRAPHIC DATA

The chart below summarizes the employee count of plan Members:

Measurement Date	12/31/2021	12/31/2022
Total Active Employees	458	497
Inactive Employees Currently Receiving Benefit Payments	19	17
Inactive Employees Entitled To But Not Yet Receiving Benefit Payments	0	0
Total	<u>477</u>	<u>514</u>

Participant count is shown as of the Fiscal Year-End date. The data is assumed to be a reasonable representation of data as of the Measurement Date and may have been collected on or before the Fiscal Year-End date.

The above total active employee counts include 8 participants who have waived medical coverage. If an employee has waived active medical coverage, it is assumed they will elect coverage in the retiree medical plan at 1/3 the rate of active employees currently with coverage.

EXPECTED FUTURE WORKING LIFETIME

The chart below summarizes the expected future working lifetime of plan Members:

Measurement Date	12/31/2021	12/31/2022
Average Future Working Career (In Years)		
Active Plan Members	12.81	12.41
Inactive Plan Members	0.00	0.00
Total	12.30	12.00

The expected future working lifetime is measured as of the Actuarial Valuation Date and is based on the demographic assumptions used in the preparation of this report.



FUNDING POLICY

Components of the Actuarially Determined Contribution
Formal Funding Policy
Informal Funding Policy



COMPONENTS OF THE ACTUARIALLY DETERMINED CONTRIBUTION

The Actuarially Determined Contribution (“ADC”) includes the determination of the Normal Cost contribution for active plan Members, as well as a provision for the payment of Unfunded Liability.

The actuarial funding method used in the determination of the normal cost and the actuarial liability is the Entry Age Normal Cost method (level percent of pay). The method allocates normal cost contributions by employee over the working career of the employee as a level percent of their pay.

Unfunded Liability is the excess of the actuarial liability over the actuarial value of assets. The ADC includes a payment towards unfunded liability existing at the actuarial valuation date. The payment towards unfunded liability is set up as a level percent of payroll payment. The current year’s employer contributions are being compared to the ADC as developed in the January 1, 2021 OPEB Funding Actuarial Report. The period of repayment as of that valuation is 10 years.

Asset returns that vary from expectations are being smoothed over a five-year period of time.

FORMAL FUNDING POLICY

A Formal Funding Policy exists between Chambers County and the Chambers County Postretirement Health Plan. The Policy states that the County will contribute 100% of the Actuarially Determined Contribution (reported in a separate Funding Report for the County). The ADC includes a payment towards unfunded liabilities which are amortized by level percentage of pay contributions to a 100% funding target over 10 future years. Any new unfunded liability will be handled separately.

INFORMAL FUNDING POLICY

In determining the most appropriate informal funding policy, GASB provides the following guidance in the Statement:

Application of professional judgment should consider the most recent five-year contribution history of the employers and nonemployer contributing entities as a key indicator of future contributions from those sources and should reflect all other known events and conditions.... the amount of projected cash flows for contributions from employers and nonemployer contributing entities should be limited to an average of contributions from those sources over the most recent five-year period and may be modified based on consideration of subsequent events. For this purpose, the basis for the average (for example, percentage of covered payroll contributed or percentage of actuarially determined contributions made) should be a matter of professional judgment.



INFORMAL FUNDING POLICY - CONTINUED

In our review of informal funding policy, the following factors are considered and described herein:

1. The five-year contribution history of the Employer (with a focus on the average contributions from those sources)
2. All other known events and conditions
3. Consideration of subsequent events

Five-Year Contribution History of the Employer

Employer contributions (under the informal policy) should be limited to the average over the most recent five years. In determining the basis for the average, we reviewed three possibilities: (a) the average dollar contribution; (b) the average percent of pensionable pay; and (c) the average percent of the actuarial determined contribution. Please see the table below for a summary of these values:

<u>Fiscal Year End</u>	<u>Employer Contributions</u>	<u>Most Applicable ADC</u>	<u>% of ADC</u>	<u>Covered Payroll</u>	<u>% of Payroll</u>
12/31/2022	\$971,637	\$1,250,718	78%	\$23,115,536	4.20%
12/31/2021	\$1,838,467	\$1,710,626	107%	\$22,498,142	8.17%
12/31/2020	\$1,795,600	\$1,710,626	105%	\$21,023,938	8.54%
12/31/2019	\$1,613,330	\$1,492,388	108%	\$17,469,703	9.24%
12/31/2018	\$4,000,000	\$1,492,388	268%	\$15,494,833	25.82%

The actuarially determined contributions shown above for the 2018 and 2019 fiscal years were developed under the GASB 43/45 Annual Required Contribution (ARC) concept.

Informal Funding Policy – Selected

There is a Formal Funding Policy that exists between the Postretirement Health Plan and the County. See the Formal Funding Policy section for further details. For this reason, we have not determined an informal funding policy for GASB 74/75 reporting purposes.

Other Known Events and Conditions

GASB has a provision for consideration of any other known events or conditions in the most recent five-year history in applying judgement for the informal funding policy. There are no events or conditions that have been considered in the development of the informal funding policy.



INFORMAL FUNDING POLICY – CONTINUED

Consideration of Subsequent Events

GASB has a provision for modification based on consideration of subsequent events in development of the informal funding policy. There are no subsequent events that have been considered in the development of the informal funding policy.

FUNDING POLICY – OTHER CONSIDERATIONS

Under GASB, the future contribution amount is not intended to include dollars contributed on behalf of future employees. Contributions are only intended to cover contributions towards the Normal Cost of existing employees as of the Actuarial Valuation Date as well as payment of unfunded liability on behalf of the current existing employees. Contributions under the funding policy have been adjusted as necessary to exclude dollars that would be anticipated to be contributed on behalf of future employees hired after the actuarial valuation date.

The contribution level may not pay off the unfunded liability during the active working lifetimes of current employees. In that case contributions will persist beyond the working lifetimes of current employees. To the extent a portion of the above total contribution is anticipated to pay contributions for future employee normal cost, the amount has been netted out. The remaining amount is anticipated to be paid towards the unfunded liability existing for current employees.



SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Changes in the Net OPEB Liability
Schedule of Total OPEB Liability and Related Ratios
Schedule of Contributions
Notes to Schedule of Contributions



SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY

	12/31/2022	12/31/2021	12/31/2020	12/31/2019	12/31/2018	12/31/2017	12/31/2016	12/31/2015	12/31/2014	12/31/2013
Total OPEB Liability										
Service Cost	\$ 942,425	\$ 893,294	\$ 757,699	\$ 939,796	\$ 890,802					
Interest	587,155	532,555	610,447	567,001	524,901					
Changes of Benefit Terms	-	-	-	-	-					
Differences Between Expected and Actual Experience	24,518	-	(1,815,284)	-	-					
Change in Assumptions	406,478	-	(360,202)	-	-					
Benefit Payments	(413,277)	(453,024)	(764,679)	(669,097)	(631,365)					
Net Change in Total OPEB Liability	\$ 1,547,299	\$ 972,825	\$ (1,572,019)	\$ 837,700	\$ 784,338					
Total OPEB Liability - Beginning	10,882,170	9,909,345	11,481,364	10,643,664	9,859,326					
Total OPEB Liability - Ending (a)	\$ 12,429,469	\$ 10,882,170	\$ 9,909,345	\$ 11,481,364	\$ 10,643,664					
OPEB Plan Net Position										
Contributions - Employer	\$ 1,384,914	\$ 2,291,491	\$ 2,560,279	\$ 2,282,427	\$ 4,631,365					
Contributions - Members	-	-	-	-	-					
Contributions - Other	-	-	-	-	-					
Net Investment Income	(1,453,694)	461,676	685,341	354,908	-					
Benefit Payments	(413,277)	(453,024)	(764,679)	(669,097)	(631,365)					
Administrative Expense	(54,323)	(49,423)	(34,862)	(18,338)	-					
Net Change in OPEB Plan Net Position	\$ (536,380)	\$ 2,250,720	\$ 2,446,079	\$ 1,949,900	\$ 4,000,000					
OPEB Plan Net Position - Beginning	10,646,699	8,395,979	5,949,900	4,000,000	-					
OPEB Plan Net Position - Ending (b)	\$ 10,110,319	\$ 10,646,699	\$ 8,395,979	\$ 5,949,900	\$ 4,000,000					
Employer's Net OPEB Liability/(Asset) - Ending (a) - (b)	\$ 2,319,150	\$ 235,471	\$ 1,513,366	\$ 5,531,464	\$ 6,643,664					

The current year information was developed in the completion of this report.



SCHEDULE OF TOTAL OPEB LIABILITY AND RELATED RATIOS

	<u>12/31/2022</u>	<u>12/31/2021</u>	<u>12/31/2020</u>	<u>12/31/2019</u>	<u>12/31/2018</u>	<u>12/31/2017</u>	<u>12/31/2016</u>	<u>12/31/2015</u>	<u>12/31/2014</u>	<u>12/31/2013</u>
Total OPEB Liability - Ending (a)	<u>\$ 12,429,469</u>	<u>\$ 10,882,170</u>	<u>\$ 9,909,345</u>	<u>\$ 11,481,364</u>	<u>\$ 10,643,664</u>					
OPEB Plan Net Position - Ending (b)	<u>\$ 10,110,319</u>	<u>\$ 10,646,699</u>	<u>\$ 8,395,979</u>	<u>\$ 5,949,900</u>	<u>\$ 4,000,000</u>					
Employer's Net OPEB Liability/(Asset) - Ending (a) - (b)	<u>\$ 2,319,150</u>	<u>\$ 235,471</u>	<u>\$ 1,513,366</u>	<u>\$ 5,531,464</u>	<u>\$ 6,643,664</u>					
OPEB Plan Net Position as a Percentage of the										
Total OPEB Liability	81.34%	97.84%	84.73%	51.82%	37.58%					
Covered-Employee Payroll	\$23,115,536	\$ 22,498,142	\$ 21,023,938	\$ 17,469,703	\$ 15,494,833					
Employer's Net OPEB Liability as a Percentage of										
Covered-Employee Payroll	10.03%	1.05%	7.20%	31.66%	42.88%					

Covered-Employee Payroll is based on Total Covered Payroll for the postretirement plan Members during the Fiscal Year.



SCHEDULE OF CONTRIBUTIONS

	<u>12/31/2022</u>	<u>12/31/2021</u>	<u>12/31/2020</u>	<u>12/31/2019</u>	<u>12/31/2018</u>	<u>12/31/2017</u>	<u>12/31/2016</u>	<u>12/31/2015</u>	<u>12/31/2014</u>	<u>12/31/2013</u>
Actuarially Determined Contribution	\$ 1,250,718	\$ 1,710,626	\$ 1,710,626	\$ 1,492,388	\$ 1,492,388					
Contributions in Relation to the Actuarially Determined Contribution	<u>971,637</u>	<u>1,838,467</u>	<u>1,795,600</u>	<u>1,613,330</u>	<u>4,000,000</u>					
Contribution Deficiency (excess)	<u>\$ 279,081</u>	<u>\$ (127,841)</u>	<u>\$ (84,974)</u>	<u>\$ (120,942)</u>	<u>\$ (2,507,612)</u>					
Covered-Employee Payroll	<u>\$23,115,536</u>	<u>\$22,498,142</u>	<u>\$21,023,938</u>	<u>\$17,469,703</u>	<u>\$15,494,833</u>					
Contributions as a Percentage of Covered-Employee Payroll	4.20%	8.17%	8.54%	9.24%	25.82%					

NOTES TO SCHEDULE OF CONTRIBUTIONS

The Actuarially Determined Contribution shown for the current year is based on the December 31, 2020 OPEB Funding Report prepared by Lauterbach & Amen, LLP.

The Actuarially Determined Contribution shown for the fiscal years ending 12/31/2021 and 12/31/2020 are based on the December 31, 2018 OPEB Funding Report prepared by Lauterbach & Amen, LLP.

The Actuarially Determined Contribution shown for the fiscal year ended 12/31/2019 is based on the January 1, 2017 GASB 45 actuarial report prepared by Lauterbach & Amen, LLP.

The Actuarially Determined Contribution shown for the fiscal year ended 12/31/2018 is based on the January 1, 2016 GASB 45 actuarial report prepared by Lauterbach & Amen, LLP.



GASB METHODS AND PROCEDURES

GASB Methods and Procedures



GASB METHODS AND PROCEDURES

	Statement 74	Statement 75
	<u>OPEB Plan Financials</u>	<u>Employer Financials</u>
Fiscal Year End for Reporting	December 31, 2022	December 31, 2022
Measurement Date	December 31, 2022	December 31, 2022
Actuarial Valuation Date	January 1, 2023	January 1, 2023
Data Date	January 1, 2023	January 1, 2023
Asset Valuation Method	Market Value of Assets	Market Value of Assets
Actuarial Cost Method	Entry Age Normal	Entry Age Normal

Methodology Used in the Determination of Deferred Inflows and Outflows of Resources

Amortization Method	Straight Line	Straight Line
Amortization Period		
Actuarial Experience	12.00 Years	12.00 Years
Changes in Assumptions	12.00 Years	12.00 Years
Asset Experience	5.00 Years	5.00 Years

As noted in the table above, the Actuarial Funding Method used in the determination of the Total OPEB Liability is the Entry Age Normal Cost method (level percent of pay). The method allocates Normal Cost contributions by employee over the working career of the employee as a level percent of their pay.

The Total OPEB Liability for the current Fiscal Year has been developed based on the Actuarial Valuation Date shown above, and adjusted to the Measurement Date shown above, based on procedures that conform to generally accepted actuarial principles and practices.



GASB METHODS AND PROCEDURES – CONTINUED

We calculated the Total OPEB Liability and Service Cost under the Entry Age Normal funding method as required under GASB 75. We calculated the Present Value of Benefits for each participant at each potential retirement age, factoring in probabilities of survival thereafter. We used the appropriate group tables to determine a probability that active members retire at each age to determine the Present Value of Benefits. We adjusted this using the Present Value of Future Salaries at Entry Age, factoring in interest, salary, and probability of remaining active from entry age to current age, to obtain Normal Cost. We then calculated the Present Value of Future Normal Costs and subtracted this from the Present Value of Benefits to obtain Total OPEB Liability. This methodology is in accordance with GASB Statement 74/75.



SUPPLEMENTARY TABLES

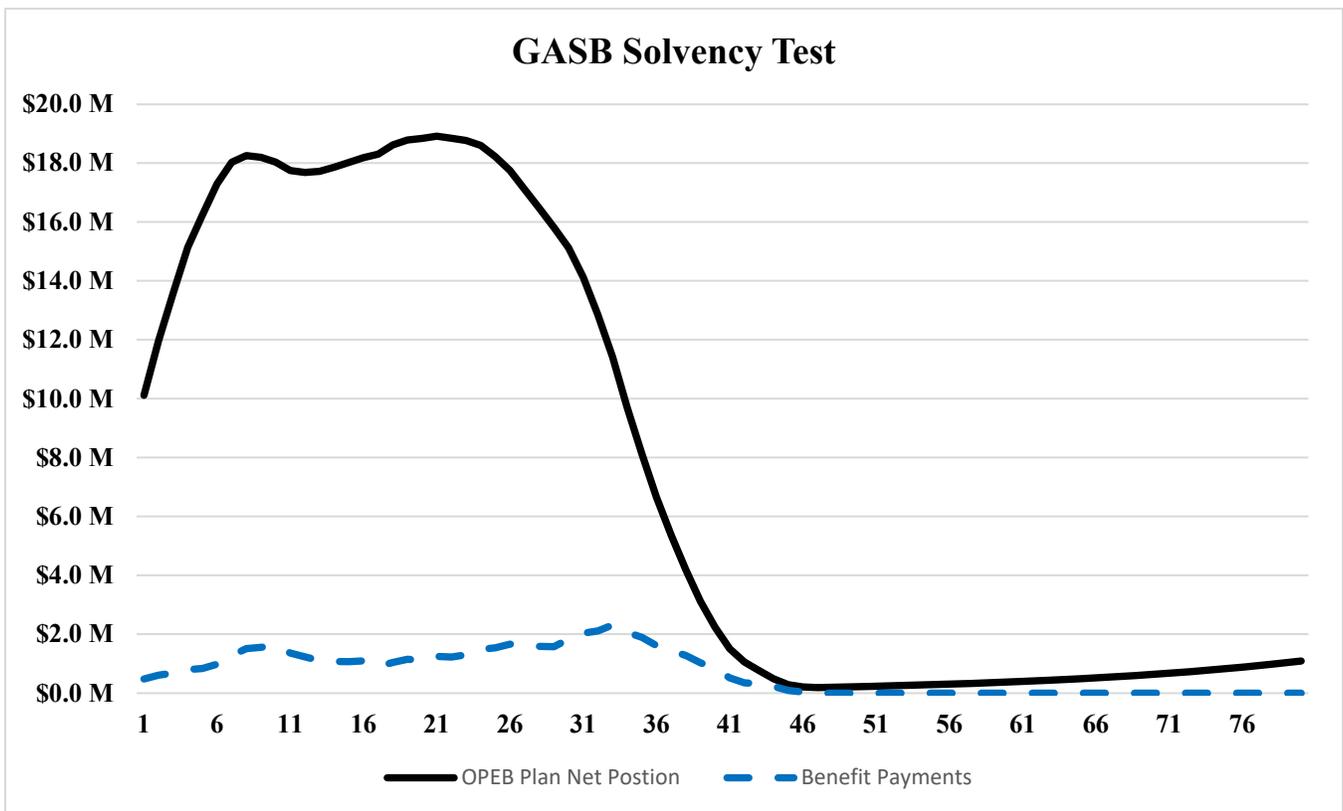
GASB Projections – Summary and Procedure
GASB Projections – Limitations
Projection of Contributions
Projection of the OPEB Plan Net Position
Actuarial Present Value of Projected Benefit Payments



GASB PROJECTIONS – SUMMARY AND PROCEDURE

GASB requires a solvency test to use in the determination of the discount rate each year. The Net Position of the OPEB Plan is projected forward. To the extent the Net Position of the OPEB Plan is anticipated to be greater than \$0, benefit payments during that time period are discounted based on the expected rate of return on plan assets.

If the Net Position of the OPEB Plan is anticipated to go to \$0 prior to the payment of future benefit payments for employees who are in the fund as of the Actuarial Valuation Date, then remaining expected future benefit payments are discounted using a high-quality Municipal Bond rate as described in the assumption section of the report. Below is a chart with a high-level summary of the projections:



The OPEB Plan's projected net position is expected to cover future benefit payments in full for the current plan members.



GASB PROJECTIONS – LIMITATIONS

Projections of any type require assumptions about future events. The projections required for GASB reporting are deterministic in nature. That means that values are projected forward under one set of assumptions which can be thought of as the average result. Actual results could vary, and projections of one deterministic assumption set do not necessarily provide a framework for making risk management or funding policy decisions. Projections that deal with risk management are outside the scope of this report.

In addition, GASB requirements create results that are specific only to financial statement reporting, and should not be used or interpreted for other purposes. For example, GASB cash flow projections do not entail the total expected cash flows of the OPEB plan, but rather a subset of cash flows specific to members who are in the OPEB plan as of the Actuarial Valuation date. While the likely expectation may be that new employees are hired to replace the old, cash flows attributable to their benefits are not considered. Under GASB, when the OPEB Plan Net Position goes to \$0, that represents only the OPEB Plan Net Position for the assets attributable to the current fund members.

GASB also mandates certain assumptions that are made in the projection process. Most notably, future contributions under an informal funding policy. In proposing an informal funding policy, GASB suggests a focus be placed on the average contribution rate over the past 5 years. Assumed contributions noted in this section may be based on the five-year average, unless a formal funding policy is in place.

Contributions reflecting informal funding policy are applied under GASB, whether or not the future results dictate a need for more or less contributions. This would not be the case with other uses for projections. Any events that are taken into account (past or future) in the informal funding policy are discussed in the “Funding Policy” section of this report.

The further you look forward with projections, the more sensitive the results are to assumptions. With projections that run out close to 80 years, a small change in an assumption will have a dramatic impact in the look of the projections on the following pages. If there is no change to the solvency of the fund as determined by GASB, big swings in the projection results may not necessarily lead to big swings in the determination of the Total OPEB Liability.

We recommend the projections are not used for any other purposes, other than providing backup information for purposes of the financial statement report.

The following pages provide the detail behind the charts shown on the chart in this section.



PROJECTION OF CONTRIBUTIONS – YEARS 1 TO 30

Year	Projected Covered-Employee Payroll			Projected Contributions			
	Current Employees (a)	Future Employees (b)	Total Employee Payroll (c) = (a) + (b)	Current Employees (d) - Notes	Employer Contributions for Current Employees (e) - Notes	Contributions Related to Pay of Future Employees (f) - Notes	Total Contributions (d) + (e) + (f)
1	\$ 23,115,536	\$ -	\$ 23,115,536	\$ -	\$ 1,783,546	\$ -	\$ 1,783,546
2	19,028,230	4,780,772	23,809,002	-	1,586,731	-	1,586,731
3	17,278,085	7,245,187	24,523,272	-	1,510,405	-	1,510,405
4	15,675,149	9,583,821	25,258,970	-	1,093,913	-	1,093,913
5	14,517,949	11,498,790	26,016,739	-	1,035,167	-	1,035,167
6	13,469,154	13,328,088	26,797,242	-	805,549	-	805,549
7	12,093,857	15,507,302	27,601,159	-	558,662	-	558,662
8	10,902,513	17,526,681	28,429,194	-	500,297	-	500,297
9	9,855,231	19,426,838	29,282,069	-	449,555	-	449,555
10	8,876,713	21,283,819	30,160,531	-	407,136	-	407,136
11	8,168,514	22,896,833	31,065,347	-	370,445	-	370,445
12	7,607,694	24,389,613	31,997,308	-	341,534	-	341,534
13	7,089,156	25,868,071	32,957,227	-	314,746	-	314,746
14	6,645,220	27,300,724	33,945,944	-	293,786	-	293,786
15	6,224,513	28,739,810	34,964,322	-	275,662	-	275,662
16	5,848,767	30,164,485	36,013,252	-	257,669	-	257,669
17	5,494,698	31,598,952	37,093,649	-	238,974	-	238,974
18	5,154,431	33,052,028	38,206,459	-	222,901	-	222,901
19	4,816,816	34,535,837	39,352,653	-	207,103	-	207,103
20	4,459,011	36,074,221	40,533,232	-	190,757	-	190,757
21	4,102,036	37,647,193	41,749,229	-	174,343	-	174,343
22	3,765,305	39,236,401	43,001,706	-	158,356	-	158,356
23	3,440,807	40,850,950	44,291,757	-	143,348	-	143,348
24	3,110,569	42,509,941	45,620,510	-	128,969	-	128,969
25	2,780,083	44,209,042	46,989,125	-	114,505	-	114,505
26	2,458,589	45,940,210	48,398,799	-	101,396	-	101,396
27	2,154,022	47,696,741	49,850,763	-	88,583	-	88,583
28	1,882,483	49,463,803	51,346,286	-	76,793	-	76,793
29	1,624,664	51,262,011	52,886,674	-	66,448	-	66,448
30	1,382,061	53,091,214	54,473,275	-	56,303	-	56,303

Column d – Contributions from employees to the OPEB plan (employees as of the valuation date)

Column e – Employer contributions to the fund excluding contributions for employees hired after the actuarial valuation date

Column f – Contributions from future employees to the extent they are anticipated to be greater than required to pay their total normal cost



PROJECTION OF CONTRIBUTIONS – YEARS 31 TO 60

Year	Projected Covered-Employee Payroll			Projected Contributions			
	Current Employees (a)	Future Employees (b)	Total Employee Payroll (c) = (a) + (b)	Current Employees (d) - Notes	Employer Contributions for Current Employees (e) - Notes	Contributions Related to Pay of Future Employees (f) - Notes	Total Contributions (d) + (e) + (f)
31	\$ 1,158,497	\$ 54,948,976	\$ 56,107,473	\$ -	\$ 47,238	\$ -	\$ 47,238
32	946,907	56,843,790	57,790,697	-	38,847	-	38,847
33	761,311	58,763,107	59,524,418	-	32,151	-	32,151
34	595,139	60,715,012	61,310,151	-	25,484	-	25,484
35	458,990	62,690,465	63,149,455	-	19,848	-	19,848
36	346,229	64,697,709	65,043,939	-	15,033	-	15,033
37	252,991	66,742,266	66,995,257	-	11,059	-	11,059
38	179,683	68,825,431	69,005,115	-	8,093	-	8,093
39	121,067	70,954,201	71,075,268	-	5,779	-	5,779
40	78,258	73,129,268	73,207,526	-	3,972	-	3,972
41	49,239	75,354,512	75,403,752	-	2,295	-	2,295
42	29,714	77,636,150	77,665,864	-	1,379	-	1,379
43	15,461	79,980,379	79,995,840	-	895	-	895
44	6,470	82,389,245	82,395,715	-	495	-	495
45	1,792	84,865,795	84,867,587	-	165	-	165
46	379	87,413,236	87,413,615	-	51	-	51
47	-	90,036,023	90,036,023	-	-	-	-
48	-	92,737,104	92,737,104	-	-	-	-
49	-	95,519,217	95,519,217	-	-	-	-
50	-	98,384,793	98,384,793	-	-	-	-
51	-	101,336,337	101,336,337	-	-	-	-
52	-	104,376,427	104,376,427	-	-	-	-
53	-	107,507,720	107,507,720	-	-	-	-
54	-	110,732,952	110,732,952	-	-	-	-
55	-	114,054,940	114,054,940	-	-	-	-
56	-	117,476,588	117,476,588	-	-	-	-
57	-	121,000,886	121,000,886	-	-	-	-
58	-	124,630,913	124,630,913	-	-	-	-
59	-	128,369,840	128,369,840	-	-	-	-
60	-	132,220,935	132,220,935	-	-	-	-

Column d – Contributions from employees to the OPEB plan (employees as of the valuation date)

Column e – Employer contributions to the fund excluding contributions for employees hired after the actuarial valuation date

Column f – Contributions from future employees to the extent they are anticipated to be greater than required to pay their total normal cost



PROJECTION OF CONTRIBUTIONS – YEARS 61 TO 80

Year	Projected Covered-Employee Payroll			Projected Contributions			
	Current Employees (a)	Future Employees (b)	Total Employee Payroll (c) = (a) + (b)	Current Employees (d) - Notes	Employer Contributions for Current Employees (e) - Notes	Contributions Related to Pay of Future Employees (f) - Notes	Total Contributions (d) + (e) + (f)
61	\$ -	\$ 136,187,563	\$ 136,187,563	\$ -	\$ -	\$ -	\$ -
62	-	140,273,190	140,273,190	-	-	-	-
63	-	144,481,386	144,481,386	-	-	-	-
64	-	148,815,827	148,815,827	-	-	-	-
65	-	153,280,302	153,280,302	-	-	-	-
66	-	157,878,711	157,878,711	-	-	-	-
67	-	162,615,073	162,615,073	-	-	-	-
68	-	167,493,525	167,493,525	-	-	-	-
69	-	172,518,331	172,518,331	-	-	-	-
70	-	177,693,880	177,693,880	-	-	-	-
71	-	183,024,697	183,024,697	-	-	-	-
72	-	188,515,438	188,515,438	-	-	-	-
73	-	194,170,901	194,170,901	-	-	-	-
74	-	199,996,028	199,996,028	-	-	-	-
75	-	205,995,909	205,995,909	-	-	-	-
76	-	212,175,786	212,175,786	-	-	-	-
77	-	218,541,060	218,541,060	-	-	-	-
78	-	225,097,291	225,097,291	-	-	-	-
79	-	231,850,210	231,850,210	-	-	-	-
80	-	238,805,716	238,805,716	-	-	-	-

NOTES TO PROJECTION OF CONTRIBUTIONS

Total payroll is assumed to increase annually at the assumed payroll increase rate shown in the assumption section of this report. Payroll for current employees (employees active as of the actuarial valuation date) has been projected on an employee-by-employee basis, using expected pay increases and probability of remaining in active employment for future periods.

Employer contributions are related to current employees in the fund as of the Actuarial Valuation Date. To the extent future contributions under the Employer funding policy are made to cover the Normal Cost of providing benefits for future employees, those contributions have been excluded out for purposes of these projections and this report.

Contributions are based on the Funding Policy described in an earlier section of this report. The contributions do not factor in changes in funding policy based on an assumed Employer decision if the projections were to play out in this fashion. The only future events that have been considered were outlined in the funding policy section of the report. Contributions from future employees have not been included. It is assumed that contributions made by future employees will not exceed the Normal Cost of their participation in the Fund. In addition, contributions by the employer on behalf of service for future employees have not been included per the GASB parameters.



PROJECTION OF THE OPEB PLAN NET POSITION – YEARS 1 TO 30

Year	Projected Beginning OPEB Plan Position (a)	Projected Total Contributions (b)	Projected Benefit Payments (c)	Projected Administrative Expenses (d)	Projected Investment Earnings (e)	Projected Ending OPEB Plan Position (a)+(b)-(c)-(d)+(e)
1	\$ 10,110,319	\$ 1,783,546	\$ 477,051	\$ 54,323	\$ 590,502	\$ 11,952,993
2	11,952,993	1,586,731	603,154	45,967	683,199	13,573,802
3	13,573,802	1,510,405	675,147	42,900	768,349	15,134,509
4	15,134,509	1,093,913	796,000	39,863	839,494	16,232,054
5	16,232,054	1,035,167	833,718	37,551	897,270	17,293,222
6	17,293,222	805,549	979,821	35,918	945,347	18,028,380
7	18,028,380	558,662	1,267,760	33,813	971,131	18,256,601
8	18,256,601	500,297	1,507,061	32,075	975,545	18,193,307
9	18,193,307	449,555	1,550,493	29,656	969,541	18,032,254
10	18,032,254	407,136	1,624,082	28,018	957,537	17,744,828
11	17,744,828	370,445	1,355,296	25,454	948,182	17,682,705
12	17,682,705	341,534	1,227,639	23,546	947,533	17,720,588
13	17,720,588	314,746	1,105,161	22,096	952,288	17,860,365
14	17,860,365	293,786	1,069,500	20,884	960,414	18,024,181
15	18,024,181	275,662	1,065,656	20,118	969,052	18,183,120
16	18,183,120	257,669	1,093,373	19,399	976,556	18,304,574
17	18,304,574	238,974	899,079	17,972	988,104	18,614,602
18	18,614,602	222,901	1,035,546	17,680	1,000,969	18,785,247
19	18,785,247	207,103	1,143,802	17,313	1,006,953	18,838,188
20	18,838,188	190,757	1,107,906	16,640	1,010,421	18,914,819
21	18,914,819	174,343	1,241,341	16,323	1,010,524	18,842,022
22	18,842,022	158,356	1,221,306	15,537	1,006,653	18,770,188
23	18,770,188	143,348	1,296,580	14,958	1,000,235	18,602,233
24	18,602,233	128,969	1,482,631	14,667	985,494	18,219,397
25	18,219,397	114,505	1,536,913	14,191	962,560	17,745,359
26	17,745,359	101,396	1,659,607	13,686	932,768	17,106,229
27	17,106,229	88,583	1,613,260	12,932	898,558	16,467,179
28	16,467,179	76,793	1,583,450	12,194	863,926	15,812,255
29	15,812,255	66,448	1,573,695	11,365	827,912	15,121,556
30	15,121,556	56,303	1,829,705	11,260	782,607	14,119,501

Column b – Contributions on behalf of current employees only as of the Actuarial Valuation Date.

Column d – Based on average administrative expenses in recent years and projected to increase going forward.

Column e – Based on the current expected return on assets. Does not factor in allocation changes.



PROJECTION OF THE OPEB PLAN NET POSITION – YEARS 31 TO 60

Year	Projected Beginning OPEB Plan Position (a)	Projected Total Contributions (b)	Projected Benefit Payments (c)	Projected Administrative Expenses (d)	Projected Investment Earnings (e)	Projected Ending OPEB Plan Position (a)+(b)-(c)-(d)+(e)
31	\$ 14,119,501	\$ 47,238	\$ 2,031,966	\$ 10,848	\$ 721,694	\$ 12,845,619
32	12,845,619	38,847	2,107,031	10,232	649,353	11,416,556
33	11,416,556	32,151	2,310,657	9,938	564,978	9,693,090
34	9,693,090	25,484	2,057,174	8,395	477,018	8,130,023
35	8,130,023	19,848	1,890,151	7,246	395,519	6,647,993
36	6,647,993	15,033	1,612,237	6,006	321,551	5,366,334
37	5,366,334	11,059	1,438,928	5,176	255,740	4,189,030
38	4,189,030	8,093	1,275,071	4,483	195,431	3,113,001
39	3,113,001	5,779	1,024,947	3,587	143,089	2,233,335
40	2,233,335	3,972	834,245	2,839	99,923	1,500,147
41	1,500,147	2,295	512,984	1,755	68,416	1,056,119
42	1,056,119	1,379	343,678	1,162	48,641	761,300
43	761,300	895	315,028	1,009	33,205	479,364
44	479,364	495	219,652	670	20,320	279,856
45	279,856	165	85,113	264	13,049	207,693
46	207,693	51	32,227	97	10,536	185,956
47	185,956	-	-	-	10,228	196,184
48	196,184	-	-	-	10,790	206,974
49	206,974	-	-	-	11,384	218,357
50	218,357	-	-	-	12,010	230,367
51	230,367	-	-	-	12,670	243,037
52	243,037	-	-	-	13,367	256,404
53	256,404	-	-	-	14,102	270,506
54	270,506	-	-	-	14,878	285,384
55	285,384	-	-	-	15,696	301,080
56	301,080	-	-	-	16,559	317,640
57	317,640	-	-	-	17,470	335,110
58	335,110	-	-	-	18,431	353,541
59	353,541	-	-	-	19,445	372,986
60	372,986	-	-	-	20,514	393,500

Column b – Contributions on behalf of current employees only as of the Actuarial Valuation Date.

Column d – Based on average administrative expenses in recent years and projected to increase going forward.

Column e – Based on the current expected return on assets. Does not factor in allocation changes.



PROJECTION OF THE OPEB PLAN NET POSITION – YEARS 61 TO 80

Year	Projected Beginning OPEB Plan Position (a)	Projected Total Contributions (b)	Projected Benefit Payments (c)	Projected Administrative Expenses (d)	Projected Investment Earnings (e)	Projected Ending OPEB Plan Position (a)+(b)-(c)-(d)+(e)
61	\$ 393,500	\$ -	\$ -	\$ -	\$ 21,643	\$ 415,143
62	415,143	-	-	-	22,833	437,975
63	437,975	-	-	-	24,089	462,064
64	462,064	-	-	-	25,414	487,478
65	487,478	-	-	-	26,811	514,289
66	514,289	-	-	-	28,286	542,575
67	542,575	-	-	-	29,842	572,416
68	572,416	-	-	-	31,483	603,899
69	603,899	-	-	-	33,214	637,114
70	637,114	-	-	-	35,041	672,155
71	672,155	-	-	-	36,969	709,124
72	709,124	-	-	-	39,002	748,125
73	748,125	-	-	-	41,147	789,272
74	789,272	-	-	-	43,410	832,682
75	832,682	-	-	-	45,798	878,480
76	878,480	-	-	-	48,316	926,796
77	926,796	-	-	-	50,974	977,770
78	977,770	-	-	-	53,777	1,031,547
79	1,031,547	-	-	-	56,735	1,088,282
80	1,088,282	-	-	-	59,856	1,148,138

NOTES TO PROJECTION OF OPEB PLAN NET POSITION

Total contributions are Employee and Employer contributions anticipated to be made under the funding policy on behalf of employees in the fund as of the Actuarial Valuation Date. The amounts shown were detailed earlier in this section.

Projected benefit payments shown represent only employees active as of the Actuarial Valuation Date. The fund will also be paying benefit payments in the future on behalf of employees hired after the Actuarial Valuation Date, but those have not been estimated for this purpose.

Projected investment earnings are based on the current expected rate of return on plan assets. Administrative expenses are not typically charged on a per employee basis. Administrative expenses shown have not been adjusted to distinguish between current employees and future employees.

The projected OPEB Plan Net Position represents assets held or projected to be held on behalf of current employees as of the Actuarial Valuation Date. The fund will also hold assets in the future on behalf of new employees that are not shown here.



ACTUARIAL PRESENT VALUES OF PROJECTED BENEFIT PAYMENTS – YEARS 1 TO 30

Year	Projected Beginning OPEB Plan Position	Projected Benefit Payments	Projected Benefit Payments		Present Value (PV) of Projected Benefit Payments		
			"Funded" Portion of Benefit Payments	"Unfunded" Portion of Benefit Payments	PV of "Funded" Portion of Benefit Payments (5.50%)	PV of "Unfunded" Portion of Benefit Payments (3.72%)	PV of Total Projected Payments Using the Single Discount Rate (5.50%)
1	\$ 10,110,319	\$ 477,051	\$ 477,051	\$ -	\$ 464,450	\$ -	\$ 464,450
2	11,952,993	603,154	603,154	-	556,608	-	556,608
3	13,573,802	675,147	675,147	-	590,564	-	590,564
4	15,134,509	796,000	796,000	-	659,978	-	659,978
5	16,232,054	833,718	833,718	-	655,214	-	655,214
6	17,293,222	979,821	979,821	-	729,891	-	729,891
7	18,028,380	1,267,760	1,267,760	-	895,150	-	895,150
8	18,256,601	1,507,061	1,507,061	-	1,008,643	-	1,008,643
9	18,193,307	1,550,493	1,550,493	-	983,612	-	983,612
10	18,032,254	1,624,082	1,624,082	-	976,584	-	976,584
11	17,744,828	1,355,296	1,355,296	-	772,473	-	772,473
12	17,682,705	1,227,639	1,227,639	-	663,235	-	663,235
13	17,720,588	1,105,161	1,105,161	-	565,939	-	565,939
14	17,860,365	1,069,500	1,069,500	-	519,126	-	519,126
15	18,024,181	1,065,656	1,065,656	-	490,294	-	490,294
16	18,183,120	1,093,373	1,093,373	-	476,821	-	476,821
17	18,304,574	899,079	899,079	-	371,649	-	371,649
18	18,614,602	1,035,546	1,035,546	-	405,743	-	405,743
19	18,785,247	1,143,802	1,143,802	-	424,796	-	424,796
20	18,838,188	1,107,906	1,107,906	-	390,014	-	390,014
21	18,914,819	1,241,341	1,241,341	-	414,205	-	414,205
22	18,842,022	1,221,306	1,221,306	-	386,275	-	386,275
23	18,770,188	1,296,580	1,296,580	-	388,704	-	388,704
24	18,602,233	1,482,631	1,482,631	-	421,309	-	421,309
25	18,219,397	1,536,913	1,536,913	-	413,965	-	413,965
26	17,745,359	1,659,607	1,659,607	-	423,709	-	423,709
27	17,106,229	1,613,260	1,613,260	-	390,404	-	390,404
28	16,467,179	1,583,450	1,583,450	-	363,213	-	363,213
29	15,812,255	1,573,695	1,573,695	-	342,157	-	342,157
30	15,121,556	1,829,705	1,829,705	-	377,080	-	377,080

The projected OPEB Plan Net Position and the Projected Benefit Payments are based only on the current employee group as of the Actuarial Valuation Date. The development of the Projected OPEB Plan Net Position was shown in more detail earlier in this section.



ACTUARIAL PRESENT VALUES OF PROJECTED BENEFIT PAYMENTS – YEARS 31 TO 60

Year	Projected Beginning OPEB Plan Position	Projected Benefit Payments	Projected Benefit Payments		Present Value (PV) of Projected Benefit Payments		
			"Funded" Portion of Benefit Payments	"Unfunded" Portion of Benefit Payments	PV of "Funded" Portion of Benefit Payments (5.50%)	PV of "Unfunded" Portion of Benefit Payments (3.72%)	PV of Total Projected Payments Using the Single Discount Rate (5.50%)
31	\$ 14,119,501	\$ 2,031,966	\$ 2,031,966	\$ -	\$ 396,932	\$ -	\$ 396,932
32	12,845,619	2,107,031	2,107,031	-	390,138	-	390,138
33	11,416,556	2,310,657	2,310,657	-	405,537	-	405,537
34	9,693,090	2,057,174	2,057,174	-	342,226	-	342,226
35	8,130,023	1,890,151	1,890,151	-	298,048	-	298,048
36	6,647,993	1,612,237	1,612,237	-	240,972	-	240,972
37	5,366,334	1,438,928	1,438,928	-	203,856	-	203,856
38	4,189,030	1,275,071	1,275,071	-	171,225	-	171,225
39	3,113,001	1,024,947	1,024,947	-	130,461	-	130,461
40	2,233,335	834,245	834,245	-	100,652	-	100,652
41	1,500,147	512,984	512,984	-	58,665	-	58,665
42	1,056,119	343,678	343,678	-	37,254	-	37,254
43	761,300	315,028	315,028	-	32,368	-	32,368
44	479,364	219,652	219,652	-	21,392	-	21,392
45	279,856	85,113	85,113	-	7,857	-	7,857
46	207,693	32,227	32,227	-	2,820	-	2,820
47	185,956	-	-	-	-	-	-
48	196,184	-	-	-	-	-	-
49	206,974	-	-	-	-	-	-
50	218,357	-	-	-	-	-	-
51	230,367	-	-	-	-	-	-
52	243,037	-	-	-	-	-	-
53	256,404	-	-	-	-	-	-
54	270,506	-	-	-	-	-	-
55	285,384	-	-	-	-	-	-
56	301,080	-	-	-	-	-	-
57	317,640	-	-	-	-	-	-
58	335,110	-	-	-	-	-	-
59	353,541	-	-	-	-	-	-
60	372,986	-	-	-	-	-	-

The projected OPEB Plan Net Position and the Projected Benefit Payments are based only on the current employee group as of the Actuarial Valuation Date. The development of the Projected OPEB Plan Net Position was shown in more detail earlier in this section.



ACTUARIAL PRESENT VALUES OF PROJECTED BENEFIT PAYMENTS – YEARS 61 TO 80

Year	Projected Beginning OPEB Plan Position	Projected Benefit Payments	Projected Benefit Payments		Present Value (PV) of Projected Benefit Payments		
			"Funded" Portion of Benefit Payments	"Unfunded" Portion of Benefit Payments	PV of "Funded" Portion of Benefit Payments (5.50%)	PV of "Unfunded" Portion of Benefit Payments (3.72%)	PV of Total Projected Payments Using the Single Discount Rate (5.50%)
61	\$ 393,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
62	415,143	-	-	-	-	-	-
63	437,975	-	-	-	-	-	-
64	462,064	-	-	-	-	-	-
65	487,478	-	-	-	-	-	-
66	514,289	-	-	-	-	-	-
67	542,575	-	-	-	-	-	-
68	572,416	-	-	-	-	-	-
69	603,899	-	-	-	-	-	-
70	637,114	-	-	-	-	-	-
71	672,155	-	-	-	-	-	-
72	709,124	-	-	-	-	-	-
73	748,125	-	-	-	-	-	-
74	789,272	-	-	-	-	-	-
75	832,682	-	-	-	-	-	-
76	878,480	-	-	-	-	-	-
77	926,796	-	-	-	-	-	-
78	977,770	-	-	-	-	-	-
79	1,031,547	-	-	-	-	-	-
80	1,088,282	-	-	-	-	-	-

NOTES TO THE ACTUARIAL PRESENT VALUE OF PROJECTED BENEFIT PAYMENTS

The projected OPEB Plan Net Position and the Projected Benefit Payments are based only on the current employee group as of the Actuarial Valuation Date. The development of the OPEB Plan Net Position was shown in more detail earlier in this section.

The Funded and Unfunded portion of the Benefit Payments is split based on the time that the OPEB Plan Net Position is projected to go to \$0 (based on assets for current fund members).

The Present Value of the Funded portion and Unfunded portion of the benefit payments has been determined separately. The PV of the funded portion of the benefit payments uses the assumption for the expected rate of return on plan assets. The PV of the unfunded portion of the benefit payments has been determined using the high-quality Municipal Bond Rate as of the Measurement Date as described in the Actuarial Assumption section of the report.

The discount rate used for GASB purposes is the rate that is when applied to the total Projected Benefit payments results in a present value that equals the sum of the present value of the funded and unfunded payments. The discount rate has been rounded to four decimal places. Therefore, the resulting present value comparisons might show a slight difference due to rounding.



PLAN PROVISIONS

Summary of Eligibility and Coverage



SUMMARY OF ELIGIBILITY AND COVERAGE

The plan sponsor has reviewed and agreed to the below eligibility and coverage provisions.

Eligibility Provisions

Full-Time County Employees are covered at the earliest of the following:

- Age 60 with at least 8 years of service,
- 30 or more years of service, or
- 75 points (combined age + years of service)

Medical Coverage Provisions

Plans Offered

BCBS PPO Plan 800-NGS

Coverage Provisions (Pre-Medicare):

Age 60+ with 8+ Service Years:

Chambers County pays for Retiree only coverage, for whichever plan is elected.

Should Retiree coverage terminate, Spouse coverage will also terminate.

Dependent coverage is paid for by the Retiree.

Age < 60 with 30+ Service Years:

Chambers County pays for Retiree only coverage, for whichever plan is elected, for the sooner of 5 years or until Medicare eligible (usually age 65).

After the (at most) 5-year period, if the Retiree is still less than Medicare age (usually age 65), the Retiree may continue coverage in the County plan, with the Retiree responsible for the full cost of coverage.

Should Retiree coverage terminate, Spouse coverage will also terminate.

Dependent coverage is paid for by the Retiree.

Age < 60 with 8+ Service Years:

The Retiree pays the full cost of coverage until age 60.

Chambers County pays for Retiree only coverage, for whichever plan is elected, from ages 60 to 65.

Should Retiree coverage terminate, Spouse coverage will also terminate.

Dependent coverage is paid for by the Retiree.

Coverage Provisions (Post-Medicare):

No medical coverage is offered to Retirees.



SUMMARY OF ELIGIBILITY AND COVERAGE – CONTINUED

Dental, Vision and Life Coverage Provisions

Plans Offered

Blue Care Freedom Dental
Vision
Life Insurance

Coverage Provisions:

Retiree pays the full cost of coverage for Dental, Vision and Life Insurance.



GLOSSARY OF TERMS

GASB 74/75 Terminology



GASB 74/75 TERMINOLOGY

Covered-Employee Payroll – The payroll of employees that are provided with OPEB through the OPEB plan.

Healthcare Cost Trend Rates – The rates of change in per capita health claims costs over time as a result of factors such as medical inflation, utilization of healthcare services, plan design, and technological developments.

Implicit Subsidy – The difference between a premium rate charged to retirees for a particular benefit and the estimated rate that would have been applicable to those retirees if that benefit was acquired for them as a separate group.

Net OPEB Liability (“NOL”) – The excess of the Total OPEB Liability over the Market Value of Assets.

OPEB Expense – OPEB Expense arising from certain changes in the collective Net OPEB Liability or collective Total OPEB Liability.

OPEB Fiduciary Net Position (“Net Position”) – The value of cash, investments, other assets and property belonging to an OPEB Trust dedicated to paying OPEB benefits.

OPEB Trust – A system other than a pension or retirement system which manages OPEB assets. Contributions to an OPEB Trust should be irrevocable in order to obtain the most favorable accounting treatment.

Other Postemployment Benefits (“OPEB”) – Benefits (such as death benefits, life insurance, disability, and long-term care) that are paid in the period after employment and that are provided separately from a pension plan, as well as healthcare benefits paid in the period after employment, regardless of the manner in which they are provided.

Service Cost – The present value of future benefits earned by employees during the current Fiscal Year. It is that portion of the actuarial present value of benefits and expenses which is allocated to a valuation year by the Actuarial Cost Method.



Total OPEB Liability (“TOL”) – The actuarial present value of future benefits based on employees’ service rendered to the Measurement Date using the selected Actuarial Cost Method. It is that portion of the actuarial present value of plan benefits and expenses allocated to prior years of employment.

Retirees & Dependents – Former employees who have satisfied the age and service requirement and are currently receiving postretirement healthcare benefits.

Actives Fully Eligible – Active employees who have satisfied the age and service requirement for postretirement healthcare benefits.

Actives Not Fully Eligible – Active employees who have not yet satisfied the age and service requirement for postretirement healthcare benefits.



Lauterbach & Amen, LLP

CERTIFIED PUBLIC ACCOUNTANTS