



Staff Report

Date: June 7, 2016

To: City Council

From: Valerie J. Barone, City Manager

Prepared by: Karan Reid, Finance Director
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(925) 671-3192

Subject: **Receive Report on Actuarial Analysis of the City Proposed Other Post-Employment Benefits (OPEB)**

Report in Brief

Council is taking no action tonight. It is receiving a report on the fiscal impact of proposed changes to Other Post-Employment Benefits (OPEB), related to retiree medical benefits, as required by State Law.

For the past year, the City has been engaged in collective bargaining with all of its employee organizations over terms and conditions of employment. One of the City's primary goals in negotiations has been to reasonably reform retiree health care benefits to levels that: 1) help achieve long-term fiscal stability for the City; 2) are affordable and sustainable; 3) align with reform trends in the public sector labor market; 4) control growing unfunded OPEB liabilities; and 5) allow the City to make strategic investments in vital community services, infrastructure, and employee wages. The City's proposed reform helps to achieve these objectives while ensuring current active employees and retirees are treated fairly.

The City has reached a tentative agreement on a four-year Memorandum of Understanding (MOU) with the Teamsters. The tentative agreement includes a proposed change to the health care premium contributions received by current and future City employees when they retire. The Teamsters negotiating team have endorsed the negotiated MOU and the membership is currently voting on it. If approved by the Teamster membership the agreement will be brought forward for City Council consideration on June 28, 2016.

Currently, health care benefits are provided to all City employees and retirees through CalPERS and are governed by the Public Employee Medical and Hospital Care Act (PEMHCA).

In compliance with Government Code section 7507, the City's outside actuary, John Bartel of Bartel Associates, LLC, prepared an analysis of the impacts of the City's proposed modifications as applied to all City employees and retirees. Council is **not** being asked to take any actions, other than receive the report at the meeting of June 7th. John Bartel will be at the Council's June 7th meeting to present the information in this report and the attachments.

Background

Government Code section 7507 requires a public agency, when considering changes to retirement benefits or other postemployment benefits, to "secure the services of an actuary to provide a statement of the actuarial impact on future costs, including normal cost and any additional accrued liability, before authorizing changes in public retirement plan benefits or other postemployment benefits." (Cal. Gov. Code § 7507(b)(1).) Additionally, Section 7507 requires the actuary that produces the report to be present at a public meeting and respond to questions. The City's outside actuary, Bartel Associates, LLC, has analyzed the City's proposed changes and has provided statements on the impacts of these proposed modifications. The actuarial statements are attached to this report.

One of the City's primary goals in negotiations has been to reasonably reform retiree health care benefits to levels that: 1) help achieve long-term fiscal stability for the City; 2) are affordable and sustainable; 3) align with reform trends in the public sector labor market; 4) control growing unfunded OPEB liabilities; and 5) allow the City to make strategic investments in vital community services, infrastructure, and employee wages. The City's proposed reform helps to achieve these objectives while ensuring current active employees and retirees are treated fairly.

The City is currently engaged in good faith, collective bargaining with the following employee organizations over changes to terms and conditions of employment: 1) International Brotherhood of Teamsters Local Union No. 856; 2) Office and Professional Employees International Union Local 29; 3) Concord Police Association and 4) Concord Police Management Association. The City's proposed change to the City's contribution toward retiree health care premiums has been presented to all of the employee organizations; it has also been presented to all of the City's unrepresented employees. By operation of PEMHCA, proposed changes to active employee health care premiums similarly modify premiums for retirees.

The City has reached a tentative agreement with the Teamsters that incorporates these changes; if endorsed by the Teamsters membership, the agreement will be brought forward for City Council consideration on June 28, 2016. The City is still engaged in negotiations or fact-finding with all of the other employee organizations.

The table below shows a summary comparison of the current retiree medical program and the proposed changes under the City's tentative agreement with the Teamsters:

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 Benefits (OPEB)
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	Current Retiree Medical Benefit	City's Proposed Retiree Medical Benefit
Current Retirees (Pre-Medicare Eligible)	85.7% of 2016 Kaiser Bay Area premiums for each coverage level with future premium increases shared 50/50.	Sets the City's maximum contribution at 90% of 2016 Kaiser Bay Area premiums for each coverage level.
Current Active Employees (Pre-Medicare Eligible)	85.7% of 2016 Kaiser Bay Area premiums for each coverage level with future premium increases shared 50/50.	Sets the City's maximum contribution at 90% of 2016 Kaiser Bay Area premiums for each coverage level.
New Hires	85.7% of 2016 Kaiser Bay Area premiums for each coverage level with future premium increases shared 50/50.	PEMHCA minimum (\$125/month in 2016)

Note: The City provides secondary insurance for retired employees once they or their dependents achieve Medicare eligibility; the City currently pays between 89% and 97% of 2016 Kaiser Bay Area premiums (depending upon coverage level), and these amounts will be set.

As discussed above, the City proposed the same changes in contributions towards retiree health care premiums to all other employee organizations and has presented the same program to its unrepresented employees. A general summary of the proposed changes is as follows:

- For current employees hired on or before a date to be specified in the appropriate Memorandum of Understanding or City Council Resolution, with five (5) or more years of service with the City, who retire directly from City service, and meet the eligibility criteria under CalPERS and PEMHCA, the City shall reimburse retiree up to the amounts determined by level of coverage and plan type.
- For current employees, regardless of hire date, who meet the eligibility criteria under CalPERS and PEMHCA and retire directly from City service with less than five (5) years of service with the City, the City shall contribute the minimum contribution determined annually by CalPERS.
- For employees hired on or after a date to be specified in the appropriate Memorandum of Understanding or City Council Resolution, who subsequently retire directly from City service regardless of years of service and meet the eligibility criteria under CalPERS and PEMHCA, the City shall the minimum contribution determined annually by CalPERS.

- The City’s proposed change sets the City’s contribution towards retiree health care premiums and schedules no increases.

Government Code section 7507 requires the City to hire an actuary to, among other things, provide a statement of the actuarial impact on future costs, and have the actuary present at a public meeting and respond to questions. This requirement must be satisfied before the City can authorize any subsequent actions, including adopting the tentative agreement reached with the Teamsters.

Analysis

The actuarial analysis provided by Bartel Associates shows savings for the City in future costs. As demonstrated in the table below, Bartel Associates analyzed the actuarial impact by employee group. The costs and impacts for non-safety, miscellaneous employees are specified by employee organization and unrepresented employees. The costs and impacts for safety employees (Police Association and Police Management Association) were analyzed as one group.

Under the City’s current proposal, the impact on the City’s Actuarial Accrued Liability¹ (AAL) as of June 30, 2015 for both current employees and retirees is as follows:

Group	Current Plan	City’s Proposed Changes	Savings
International Brotherhood of Teamsters Local Union No. 856	\$25,237,000	\$19,912,000	\$5,325,000
Office and Professional Employees International Union Local 29	\$2,900,000	\$2,441,000	\$659,000
Concord Police Association and Concord Police Management Association	\$34,142,000	\$26,501,000	\$7,641,000
Unrepresented Employees	\$11,188,000	\$8,912,000	\$2,276,000
Total	\$73,467,000	\$57,766,000	\$15,901,000

¹ **Actuarial Accrued Liability** is the liability for benefits earned or allocated to past service using actuarial assumptions.

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The 2016/2017 Annual Required Contribution² (ARC), which includes the Normal Cost³ and the Amortization of Unfunded Actuarial Accrued Liability⁴ (UAAL) in thousands of dollars and as a percentage of payroll is as follows (in thousands of dollars):

Group	Current Plan	City's Proposed Changes	Savings
International Brotherhood of Teamsters Local Union No. 856	\$1,688,000 20.5%	\$1,061,000 12.9%	\$627,000 7.6%
Office and Professional Employees International Union Local 29	\$220,000 13.9%	\$134,000 8.5%	\$86,000 5.4%
Concord Police Association and Concord Police Management Association	\$2,720,000 14.8%	\$1,638,000 8.9%	\$1,082,000 5.9%
Unrepresented Employees	\$1,012,000 13.7%	\$626,000 8.5%	\$386,000 5.2%
Total	\$5,640	\$3,459	\$2,181

For more detailed information, please see the attached actuarial statements.

Financial Impact

As demonstrated above, the City's proposed changes will result in significant savings. The fiscal impact of the proposed changes is explained in greater detail in the attached actuarial statements.

Public Contact

The City Council Agenda was posted.

Attachments

1. Actuarial Statements

² **Annual Required Contribution** is an annual contribution amount actuarially determined for the City as the sum of the Normal Cost plus a level percent of pay amortization of the Unfunded Actuarial Accrued Liability.

³ **Normal Cost** is the value of benefits earned or allocated to the current year using actuarial assumptions.

⁴ The **Unfunded Actuarial Accrued Liability** is the difference between plan assets and the Actuarial Accrued Liability. It is amortized over a fixed period and added to the Normal Cost to determine the Annual Required Contribution.

CITY OF CONCORD
JUNE 30, 2015 GASB 45 ACTUARIAL VALUATION

City Proposal – Teamsters Results
(Amounts in thousands)

■ City Proposal:

- Benefit for current and future retirees with no scheduled increases:
 - Non Medicare eligible current and future retirees: 90% of 2016 Kaiser premium
 - Medicare eligible current and future retirees: 89%-97% of 2016 Kaiser Medicare premium (current benefit)
- Active employees hired before 6/14/16 have the following vesting schedule based on City service:
 - 0-4 years: PEMHCA minimum
 - 5+ years: Single, 2-party, or family benefit based on actual coverage level
 - No vesting schedule for disability retirees
- New employees as of 6/14/16:
 - PEMHCA minimum if eligible under PEMHCA
- Assumptions for alternative benefit study are the same as assumptions used in the 6/30/15 valuation, except the participation at retirement assumption was changed to 60% for new hires with the PEMHCA minimum benefit.

June 30, 2015 OPEB Valuation	Current Plan	City Proposal	Savings
■ Present Value of Benefit 6/30/15	\$ 28,989	\$ 22,404	\$ 6,585
■ Actuarial Accrued Liability 6/30/15			
• Actives	8,387	5,889	2,498
• Retirees	<u>16,850</u>	<u>14,023</u>	<u>2,827</u>
• Total	25,237	19,912	5,325
■ Actuarial Value of Assets 6/30/15	<u>(7,589)</u>	<u>(7,589)</u>	-
■ Unfunded AAL 6/30/15	17,648	12,323	5,325
■ AAL Projected to 6/30/16	25,850	19,912	5,938
■ Actuarial Value of Assets 6/30/16	<u>(8,872)</u>	<u>(8,872)</u>	-
■ Unfunded AAL 6/30/16	16,978	11,040	5,938
■ 2016/17 ARC - \$			
• Normal Cost	551	368	183
• Amortization of Unfunded AAL	<u>1,137</u>	<u>693</u>	<u>444</u>
• Total	1,688	1,061	627
■ Projected Payroll	8,232	8,232	-
■ 2016/17 ARC - % of Payroll			
• Normal Cost	6.7%	4.5%	2.2%
• Amortization of Unfunded AAL	<u>13.8%</u>	<u>8.4%</u>	<u>5.4%</u>
• Total	20.5%	12.9%	7.6%

CITY OF CONCORD
JUNE 30, 2015 GASB 45 ACTUARIAL VALUATION

City Proposal – Teamsters Results
(Amounts in thousands)

20-Year Annual Required Contribution (ARC) Comparison

Fiscal Year	Payroll	ARC - % of Payroll			ARC - \$		
		Current Plan	City Proposal	Savings	Current Plan	City Proposal	Savings
2016/17	\$ 8,232	20.5%	12.9%	7.6%	\$ 1,688	\$ 1,061	\$ 627
2017/18	8,500	20.5%	12.7%	7.8%	1,743	1,081	662
2018/19	8,776	20.5%	12.5%	8.0%	1,800	1,103	697
2019/20	9,061	20.5%	12.4%	8.1%	1,859	1,125	734
2020/21	9,356	20.5%	12.2%	8.3%	1,919	1,148	771
2021/22	9,660	20.5%	12.1%	8.4%	1,981	1,170	811
2022/23	9,974	20.5%	11.9%	8.6%	2,046	1,194	852
2023/24	10,298	20.5%	11.8%	8.7%	2,112	1,218	894
2024/25	10,633	20.5%	11.7%	8.8%	2,181	1,243	938
2025/26	10,978	20.5%	11.5%	9.0%	2,252	1,269	983
2026/27	11,335	20.5%	11.4%	9.1%	2,325	1,296	1,029
2027/28	11,703	20.5%	11.3%	9.2%	2,400	1,324	1,076
2028/29	12,084	20.5%	11.2%	9.3%	2,478	1,353	1,125
2029/30	12,476	20.5%	11.1%	9.4%	2,559	1,384	1,175
2030/31	12,882	20.5%	11.0%	9.5%	2,642	1,416	1,226
2031/32	13,301	17.9%	10.9%	7.0%	2,381	1,450	931
2032/33	13,733	17.9%	10.8%	7.1%	2,459	1,485	974
2033/34	14,179	17.9%	10.7%	7.2%	2,539	1,522	1,017
2034/35	14,640	17.9%	10.6%	7.3%	2,621	1,562	1,059
2035/36	15,116	17.9%	10.6%	7.3%	2,707	1,603	1,104

Actuarial Certification

As a member of the American Academy of Actuaries meeting the Academy Qualification Standards, I certify the calculations are complete and accurate and in my opinion present the information necessary to comply with §7507 of the California Government Code.

Respectfully submitted,



John E. Bartel, ASA, MAAA, FCA
 President
 Bartel Associates, LLC



May 31, 2016



CITY OF CONCORD
JUNE 30, 2015 GASB 45 ACTUARIAL VALUATION

City Proposal – Local 29 Results
(Amounts in thousands)

- City Proposal:
 - Benefit for current and future retirees with no scheduled increases:
 - Non Medicare eligible current and future retirees: 90% of 2016 Kaiser premium
 - Medicare eligible current and future retirees: 89%-97% of 2016 Kaiser Medicare premium (current benefit)
 - Active employees hired before 6/14/16 have the following vesting schedule based on City service:
 - 0-4 years: PEMHCA minimum
 - 5+ years: Single, 2-party, or family benefit based on actual coverage level
 - No vesting schedule for disability retirees
 - New employees as of 6/14/16:
 - PEMHCA minimum if eligible under PEMHCA
 - Assumptions for alternative benefit study are the same as assumptions used in the 6/30/15 valuation, except the participation at retirement assumption was changed to 60% for new hires with the PEMHCA minimum benefit.

June 30, 2015 OPEB Valuation	Current Plan	City Proposal	Savings
■ Present Value of Benefit 6/30/15	\$ 3,507	\$ 2,627	\$ 880
■ Actuarial Accrued Liability 6/30/15			
• Actives	1,215	860	355
• Retirees	<u>1,685</u>	<u>1,381</u>	<u>304</u>
• Total	2,900	2,241	659
■ Actuarial Value of Assets 6/30/15	<u>(872)</u>	<u>(872)</u>	-
■ Unfunded AAL 6/30/15	2,028	1,369	659
■ AAL Projected to 6/30/16	3,030	2,291	739
■ Actuarial Value of Assets 6/30/16	<u>(1,040)</u>	<u>(1,040)</u>	-
■ Unfunded AAL 6/30/16	1,990	1,251	739
■ 2016/17 ARC - \$			
• Normal Cost	87	55	32
• Amortization of Unfunded AAL	<u>133</u>	<u>79</u>	<u>54</u>
• Total	220	134	86
■ Projected Payroll	1,578	1,578	-
■ 2016/17 ARC - % of Payroll			
• Normal Cost	5.5%	3.5%	2.0%
• Amortization of Unfunded AAL	<u>8.4%</u>	<u>5.0%</u>	<u>3.4%</u>
• Total	13.9%	8.5%	5.4%

CITY OF CONCORD
JUNE 30, 2015 GASB 45 ACTUARIAL VALUATION

City Proposal – Local 29 Results
(Amounts in thousands)

20-Year Annual Required Contribution (ARC) Comparison

Fiscal Year	Payroll	ARC - % of Payroll			ARC - \$		
		Current Plan	City Proposal	Savings	Current Plan	City Proposal	Savings
2016/17	\$ 1,578	13.9%	8.5%	5.4%	\$ 220	\$ 134	\$ 86
2017/18	1,629	13.9%	8.4%	5.5%	227	137	90
2018/19	1,682	13.9%	8.3%	5.6%	234	140	94
2019/20	1,737	13.9%	8.2%	5.7%	242	142	100
2020/21	1,794	13.9%	8.1%	5.8%	250	145	105
2021/22	1,852	13.9%	8.0%	5.9%	258	148	110
2022/23	1,912	13.9%	7.9%	6.0%	266	152	114
2023/24	1,974	13.9%	7.9%	6.0%	275	155	120
2024/25	2,038	13.9%	7.8%	6.1%	284	158	126
2025/26	2,105	13.9%	7.7%	6.2%	293	161	132
2026/27	2,173	13.9%	7.6%	6.3%	303	164	139
2027/28	2,244	13.9%	7.5%	6.4%	313	168	145
2028/29	2,317	13.9%	7.4%	6.5%	323	171	152
2029/30	2,392	13.9%	7.3%	6.6%	333	175	158
2030/31	2,470	13.9%	7.3%	6.6%	344	179	165
2031/32	2,550	12.3%	7.2%	5.1%	315	183	132
2032/33	2,633	12.3%	7.2%	5.1%	325	188	137
2033/34	2,718	12.3%	7.1%	5.2%	335	193	142
2034/35	2,807	12.3%	7.1%	5.2%	346	198	148
2035/36	2,898	12.3%	7.0%	5.3%	358	203	155

Actuarial Certification

As a member of the American Academy of Actuaries meeting the Academy Qualification Standards, I certify the calculations are complete and accurate and in my opinion present the information necessary to comply with §7507 of the California Government Code.

Respectfully submitted,



John E. Bartel, ASA, MAAA, FCA
 President
 Bartel Associates, LLC



May 31, 2016



CITY OF CONCORD
JUNE 30, 2015 GASB 45 ACTUARIAL VALUATION

City Proposal – Safety Results
(Amounts in thousands)

- City Proposal:
 - Benefit for current and future retirees with no scheduled increases:
 - Non Medicare eligible current and future retirees: 90% of 2016 Kaiser premium
 - Medicare eligible current and future retirees: 89%-97% of 2016 Kaiser Medicare premium (current benefit)
 - Active employees hired before 6/14/16 have the following vesting schedule based on City service:
 - 0-4 years: PEMHCA minimum
 - 5+ years: Single, 2-party, or family benefit based on actual coverage level
 - No vesting schedule for disability retirees
 - New employees as of 6/14/16:
 - PEMHCA minimum if eligible under PEMHCA
 - Assumptions for alternative benefit study are the same as assumptions used in the 6/30/15 valuation, except the participation at retirement assumption was changed to 60% for new hires with the PEMHCA minimum benefit.

June 30, 2015 OPEB Valuation	Current Plan	City Proposal	Savings
■ Present Value of Benefit 6/30/15	\$ 42,969	\$ 31,698	\$ 11,271
■ Actuarial Accrued Liability 6/30/15			
• Actives	14,282	10,189	4,093
• Retirees	<u>19,860</u>	<u>16,312</u>	<u>3,548</u>
• Total	34,142	26,501	7,641
■ Actuarial Value of Assets 6/30/15	<u>(10,267)</u>	<u>(10,267)</u>	-
■ Unfunded AAL 6/30/15	23,875	16,234	7,641
■ AAL Projected to 6/30/16	36,066	27,419	8,647
■ Actuarial Value of Assets 6/30/16	<u>(12,377)</u>	<u>(12,377)</u>	-
■ Unfunded AAL 6/30/16	23,689	15,042	8,647
■ 2016/17 ARC - \$			
• Normal Cost	1,134	693	441
• Amortization of Unfunded AAL	<u>1,586</u>	<u>945</u>	<u>641</u>
• Total	2,720	1,638	1,082
■ Projected Payroll	18,347	18,347	-
■ 2016/17 ARC - % of Payroll			
• Normal Cost	6.2%	3.8%	2.4%
• Amortization of Unfunded AAL	<u>8.6%</u>	<u>5.1%</u>	<u>3.5%</u>
• Total	14.8%	8.9%	5.9%

CITY OF CONCORD
JUNE 30, 2015 GASB 45 ACTUARIAL VALUATION

City Proposal – Safety Results
(Amounts in thousands)

20-Year Annual Required Contribution (ARC) Comparison

Fiscal Year	Payroll	ARC - % of Payroll			ARC - \$		
		Current Plan	City Proposal	Savings	Current Plan	City Proposal	Savings
2016/17	\$ 18,347	14.8%	8.9%	5.9%	\$ 2,720	\$ 1,638	\$ 1,082
2017/18	18,943	14.8%	8.8%	6.0%	2,809	1,667	1,142
2018/19	19,559	14.8%	8.6%	6.2%	2,900	1,698	1,202
2019/20	20,194	14.8%	8.5%	6.3%	2,994	1,724	1,270
2020/21	20,851	14.8%	8.4%	6.4%	3,092	1,752	1,340
2021/22	21,528	14.8%	8.2%	6.6%	3,192	1,780	1,412
2022/23	22,228	14.8%	8.1%	6.7%	3,296	1,809	1,487
2023/24	22,950	14.8%	8.0%	6.8%	3,403	1,841	1,562
2024/25	23,696	14.8%	7.9%	6.9%	3,514	1,872	1,642
2025/26	24,466	14.8%	7.7%	7.1%	3,628	1,900	1,728
2026/27	25,262	14.8%	7.6%	7.2%	3,746	1,931	1,815
2027/28	26,083	14.8%	7.5%	7.3%	3,868	1,964	1,904
2028/29	26,930	14.8%	7.4%	7.4%	3,993	1,997	1,996
2029/30	27,806	14.8%	7.3%	7.5%	4,123	2,034	2,089
2030/31	28,709	14.8%	7.2%	7.6%	4,257	2,076	2,181
2031/32	29,642	13.2%	7.1%	6.1%	3,912	2,120	1,792
2032/33	30,606	13.2%	7.0%	6.2%	4,039	2,165	1,874
2033/34	31,600	13.2%	7.0%	6.2%	4,170	2,213	1,957
2034/35	32,627	13.2%	6.9%	6.3%	4,305	2,265	2,040
2035/36	33,688	13.2%	6.8%	6.4%	4,446	2,317	2,129

Actuarial Certification

As a member of the American Academy of Actuaries meeting the Academy Qualification Standards, I certify the calculations are complete and accurate and in my opinion present the information necessary to comply with §7507 of the California Government Code.

Respectfully submitted,



John E. Bartel, ASA, MAAA, FCA
 President
 Bartel Associates, LLC



May 31, 2016

CITY OF CONCORD
JUNE 30, 2015 GASB 45 ACTUARIAL VALUATION

City Proposal – Unrepresented Results
(Amounts in thousands)

■ City Proposal:

- Benefit for current and future retirees with no scheduled increases:
 - Non Medicare eligible current and future retirees: 90% of 2016 Kaiser premium
 - Medicare eligible current and future retirees: 89%-97% of 2016 Kaiser Medicare premium (current benefit)
- Active employees hired before 6/14/16 have the following vesting schedule based on City service:
 - 0-4 years: PEMHCA minimum
 - 5+ years: Single, 2-party, or family benefit based on actual coverage level
 - No vesting schedule for disability retirees
- New employees as of 6/14/16:
 - PEMHCA minimum if eligible under PEMHCA
- Assumptions for alternative benefit study are the same as assumptions used in the 6/30/15 valuation, except the participation at retirement assumption was changed to 60% for new hires with the PEMHCA minimum benefit.

June 30, 2015 OPEB Valuation	Current Plan	City Proposal	Savings
■ Present Value of Benefit 6/30/15	\$ 14,169	\$ 10,800	\$ 3,369
■ Actuarial Accrued Liability 6/30/15			
• Actives	2,876	2,084	792
• Retirees	<u>8,312</u>	<u>6,828</u>	<u>1,484</u>
• Total	11,188	8,912	2,276
■ Actuarial Value of Assets 6/30/15	<u>(3,364)</u>	<u>(3,364)</u>	-
■ Unfunded AAL 6/30/15	7,824	5,548	2,276
■ AAL Projected to 6/30/16	11,601	9,004	2,597
■ Actuarial Value of Assets 6/30/16	<u>(3,981)</u>	<u>(3,981)</u>	-
■ Unfunded AAL 6/30/16	7,620	5,023	2,597
■ 2016/17 ARC - \$			
• Normal Cost	502	311	191
• Amortization of Unfunded AAL	<u>510</u>	<u>315</u>	<u>195</u>
• Total	1,012	626	386
■ Projected Payroll	7,373	7,373	-
■ 2016/17 ARC - % of Payroll			
• Normal Cost	6.8%	4.2%	2.6%
• Amortization of Unfunded AAL	<u>6.9%</u>	<u>4.3%</u>	<u>2.6%</u>
• Total	13.7%	8.5%	5.2%

CITY OF CONCORD
JUNE 30, 2015 GASB 45 ACTUARIAL VALUATION

City Proposal – Unrepresented Results
 (Amounts in thousands)

20-Year Annual Required Contribution (ARC) Comparison

Fiscal Year	Payroll	ARC - % of Payroll			ARC - \$		
		Current Plan	City Proposal	Savings	Current Plan	City Proposal	Savings
2016/17	\$ 7,373	13.7%	8.5%	5.2%	\$ 1,012	\$ 626	\$ 386
2017/18	7,611	13.7%	8.3%	5.4%	1,045	633	412
2018/19	7,859	13.7%	8.2%	5.5%	1,079	640	439
2019/20	8,114	13.7%	8.0%	5.7%	1,114	646	468
2020/21	8,378	13.7%	7.8%	5.9%	1,150	653	497
2021/22	8,650	13.7%	7.6%	6.1%	1,187	660	527
2022/23	8,931	13.7%	7.5%	6.2%	1,226	667	559
2023/24	9,222	13.7%	7.3%	6.4%	1,266	675	591
2024/25	9,521	13.7%	7.2%	6.5%	1,307	682	625
2025/26	9,831	13.7%	7.1%	6.6%	1,349	691	658
2026/27	10,150	13.7%	6.9%	6.8%	1,393	702	691
2027/28	10,480	13.7%	6.8%	6.9%	1,439	714	725
2028/29	10,821	13.7%	6.8%	6.9%	1,485	728	757
2029/30	11,172	13.7%	6.7%	7.0%	1,534	743	791
2030/31	11,536	13.7%	6.6%	7.1%	1,583	759	824
2031/32	11,910	12.4%	6.5%	5.9%	1,479	777	702
2032/33	12,298	12.4%	6.5%	5.9%	1,527	796	731
2033/34	12,697	12.4%	6.4%	6.0%	1,577	816	761
2034/35	13,110	12.4%	6.4%	6.0%	1,628	837	791
2035/36	13,536	12.4%	6.4%	6.0%	1,681	860	821

Actuarial Certification

As a member of the American Academy of Actuaries meeting the Academy Qualification Standards, I certify the calculations are complete and accurate and in my opinion present the information necessary to comply with §7507 of the California Government Code.

Respectfully submitted,



John E. Bartel, ASA, MAAA, FCA
 President
 Bartel Associates, LLC



May 31, 2016