



BARTEL
ASSOCIATES, LLC

**CITY OF ALAMEDA
RETIREE HEALTHCARE PLAN**

January 1, 2013 GASB 45 Actuarial Valuation

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January 27, 2014

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BENEFIT SUMMARY

<ul style="list-style-type: none"> ■ Eligibility 	<ul style="list-style-type: none"> • Retire directly from City under CalPERS • Age 50 and 5 years of CalPERS service or disability 				
<ul style="list-style-type: none"> ■ Retiree Medical Benefit 	<ul style="list-style-type: none"> • Miscellaneous – PEMHCA minimum • Safety/Appointed Officials: 				
	Retired	< 1/1/11		≥ 1/1/11	
	Hired	< 7/1/95	≥ 7/1/95	≤ 6/7/11	> 6/7/11
	Benefit	Full premium for retiree and spouse		Up to higher of Kaiser or Blue Shield Bay Area for coverage elected up to 2-party	Up to higher of Kaiser or Blue Shield Bay Area for single coverage
	Post-Medicare Cap	n/a		Based on Medicare premiums	
	PEMHCA minimum if: ¹	< 15 YOS (APOA only)	< 20 YOS (APOA & APMA)	< 5 YOS	< 10 YOS

¹ Service based on City service.



BENEFIT SUMMARY

<ul style="list-style-type: none"> ■ PEMHCA Minimum Under Unequal Method 	<ul style="list-style-type: none"> • PEMHCA Minimum <ul style="list-style-type: none"> > \$115.00/month in 2013 > \$119.00/month in 2014 				
<ul style="list-style-type: none"> ■ Dental Benefit 	<ul style="list-style-type: none"> • Miscellaneous – None • Safety/Appointed Officials – Full premium for retiree and spouse 				
<ul style="list-style-type: none"> ■ Other OPEB 	<ul style="list-style-type: none"> • No City contribution for vision insurance, life insurance, or Medicare Part B 				
<ul style="list-style-type: none"> ■ Surviving Spouse Benefit 	<ul style="list-style-type: none"> • Contribution continues to surviving spouse 				
<ul style="list-style-type: none"> ■ Pay-As-You-Go Costs (000's) 	<u>Fiscal Year</u>	<u>Medical</u>	<u>Dental</u>	<u>Total</u>	
	2012/13	\$ 2,501	\$ 159	\$ 2,660	
	2011/12	2,270	155	2,425	
	2010/11	n/a	n/a	2,255	
	2009/10 ²	1,856	139	1,995	
	2008/09	n/a	n/a	1,954	
	2007/08	1,642	123	1,765	

² Medical reflects 2 month CalPERS premium holiday for PPO plans.



IMPLIED SUBSIDY

■ Background

- For PEMHCA, employer cost for allowing retirees to participate at active rates.



- GASB 45 defers to actuarial standards of practice.
- Actuarial Standards of Practice No. 6³ (ASOP 6) allows community rated plans to value their liability using premiums, resulting in no implied subsidy.

³ Measuring Retiree Group Benefits Obligations and Determining Retiree Group Benefits Plan Costs or Contributions.



IMPLIED SUBSIDY

- In April 2012, Actuarial Standards Board released 2nd Exposure Draft for ASOP 6:
 - Would require implied subsidy valued for community rated plans such as PEMHCA.
 - Timing:
 - First Exposure Draft issued April 2012 (March 2013 comment deadline)
 - Second Exposure Draft issued March 2013 (August 30, 2013 comment deadline)
 - Current draft calls for effective date 1 year after final statement adopted with earlier implementation encouraged
- Claims data requested from CalPERS, but not yet available
- Bartel Associates developed estimated claims:
 - Public agency client data used, approx 110,000 total participants & spouses
 - 2014 PEMHCA premiums used to develop age/regional claims:
 - Relative age claims costs based on combination of 2013 SOA research paper “Health Care Costs-From Birth to Death” and GRS 2012 State of California GASB 45 actuarial report
 - Regional cost factors based on 2013 PEMHCA premiums
 - Plan risk based on participant demographics
 - 10% pre-65 disabilities assumed Medicare eligible
- Valuation does not include an implied subsidy



PARTICIPANT STATISTICS

Actives

	1/1/07	1/1/09	1/1/11 ⁴	1/1/13 ⁵
■ Counts				
• Miscellaneous	455	459	369	285
• Police	95	94	85	80
• Fire	<u>100</u>	<u>101</u>	<u>97</u>	<u>98</u>
• Total	650	654	551	463
■ Averages				
• Age	45.7	46.5	46.6	46.2
• City Service	11.1	11.8	12.6	12.9
• Pay	\$ 80,500	\$ 85,600	\$ 83,200	\$ 90,800
■ Total Pay (000's)	52,308	55,980	45,825	42,055

⁴ Includes 14 actives hired after 1/1/11 (10 Misc, 1 Police & 3 Fire).

⁵ Includes 17 actives hired after 1/1/13 (10 Misc, 4 Police & 3 Fire).



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PARTICIPANT STATISTICS

Non-Waived Retirees

	1/1/07	1/1/09	1/1/11 ⁶	1/1/13 ⁷
■ Counts ⁸				
• Miscellaneous	108	107	114	118
• Police	83	94	100	111
• Fire	<u>87</u>	<u>100</u>	<u>101</u>	<u>102</u>
• Total	278	301	315	331
■ Average Age				
• Miscellaneous	69.0	70.0	69.9	69.9
• Police	60.7	62.2	61.8	62.2
• Fire	67.2	69.1	67.7	68.7
• Total	65.9	67.3	66.6	67.0
■ Average Monthly Benefit				
• Miscellaneous	\$ 48	\$ 101	\$ 113	\$ 119
• Police	762	771	961	993
• Fire	755	754	881	794
• Total	485	529	628	620

⁶ Includes 8 retirees retired after 1/1/11 (6 Misc & 2 Police). Excludes 11 P&F retirees with benefits paid under P&F plan.

⁷ Includes 8 retirees retired after 1/1/13 (6 Misc & 2 Police)

⁸ Waived retiree counts are 298 in 2007, 250 in 2009, 127 in 2011, and 184 in 2013



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ACTUARIAL ASSUMPTIONS HIGHLIGHTS

Assumption	January 1, 2011 Valuation	January 1, 2013 Valuation
<ul style="list-style-type: none"> ■ Valuation Date 	<ul style="list-style-type: none"> • January 1, 2011 • 2011/12 & 2012/13 fiscal years 	<ul style="list-style-type: none"> • January 1, 2013 • 2013/14 & 2014/15 fiscal years
<ul style="list-style-type: none"> ■ Funding Policy 	<ul style="list-style-type: none"> • Pay-as-you-go 	<ul style="list-style-type: none"> • Same
<ul style="list-style-type: none"> ■ Discount Rate 	<ul style="list-style-type: none"> • 4.50% – Not pre-funded, assets in City investments 	<ul style="list-style-type: none"> • 4.00% – Not pre-funded, assets in City investments
<ul style="list-style-type: none"> ■ PEMHCA Minimum Increase 	<ul style="list-style-type: none"> • 2011 – \$108/month • 2012 – \$112/month • ≥ 2013 – 4.50% annually 	<ul style="list-style-type: none"> • 2013 – \$115/month • 2014 – \$119/month • ≥ 2015 – 4.50% annually
<ul style="list-style-type: none"> ■ Participation at Retirement 	<ul style="list-style-type: none"> • Miscellaneous – 60% • Safety/Appointed Officials – 100% 	<ul style="list-style-type: none"> • Same



ACTUARIAL ASSUMPTIONS HIGHLIGHTS

Assumption	January 1, 2011 Valuation	January 1, 2013 Valuation																																																																														
<ul style="list-style-type: none"> ■ Medical Trend 	<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;"><u>Year</u></th> <th colspan="2" style="text-align: center;"><u>Increase from Prior Year</u></th> </tr> <tr> <th></th> <th style="text-align: center;"><u>Non-Medicare</u></th> <th style="text-align: center;"><u>Medicare</u></th> </tr> </thead> <tbody> <tr> <td>2011</td> <td colspan="2" style="text-align: center;">Premiums</td> </tr> <tr> <td>2012</td> <td colspan="2" style="text-align: center;">Premiums</td> </tr> <tr> <td>2013</td> <td style="text-align: center;">9.0%</td> <td style="text-align: center;">9.4%</td> </tr> <tr> <td>2014</td> <td style="text-align: center;">8.5%</td> <td style="text-align: center;">8.9%</td> </tr> <tr> <td>2015</td> <td style="text-align: center;">8.0%</td> <td style="text-align: center;">8.3%</td> </tr> <tr> <td>2016</td> <td style="text-align: center;">7.5%</td> <td style="text-align: center;">7.8%</td> </tr> <tr> <td>2017</td> <td style="text-align: center;">7.0%</td> <td style="text-align: center;">7.2%</td> </tr> <tr> <td>2018</td> <td style="text-align: center;">6.5%</td> <td style="text-align: center;">6.7%</td> </tr> <tr> <td>2019</td> <td style="text-align: center;">6.0%</td> <td style="text-align: center;">6.1%</td> </tr> <tr> <td>2020</td> <td style="text-align: center;">5.5%</td> <td style="text-align: center;">5.6%</td> </tr> <tr> <td>2021+</td> <td style="text-align: center;">5.0%</td> <td style="text-align: center;">5.0%</td> </tr> </tbody> </table>	<u>Year</u>	<u>Increase from Prior Year</u>			<u>Non-Medicare</u>	<u>Medicare</u>	2011	Premiums		2012	Premiums		2013	9.0%	9.4%	2014	8.5%	8.9%	2015	8.0%	8.3%	2016	7.5%	7.8%	2017	7.0%	7.2%	2018	6.5%	6.7%	2019	6.0%	6.1%	2020	5.5%	5.6%	2021+	5.0%	5.0%	<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;"><u>Year</u></th> <th colspan="2" style="text-align: center;"><u>Increase from Prior Year</u></th> </tr> <tr> <th></th> <th style="text-align: center;"><u>Non-Medicare</u></th> <th style="text-align: center;"><u>Medicare</u></th> </tr> </thead> <tbody> <tr> <td>2011</td> <td colspan="2" style="text-align: center;">n/a</td> </tr> <tr> <td>2012</td> <td colspan="2" style="text-align: center;">n/a</td> </tr> <tr> <td>2013</td> <td colspan="2" style="text-align: center;">Premiums</td> </tr> <tr> <td>2014</td> <td colspan="2" style="text-align: center;">Premiums</td> </tr> <tr> <td>2015</td> <td style="text-align: center;">8.0%</td> <td style="text-align: center;">8.3%</td> </tr> <tr> <td>2016</td> <td style="text-align: center;">7.5%</td> <td style="text-align: center;">7.8%</td> </tr> <tr> <td>2017</td> <td style="text-align: center;">7.0%</td> <td style="text-align: center;">7.2%</td> </tr> <tr> <td>2018</td> <td style="text-align: center;">6.5%</td> <td style="text-align: center;">6.7%</td> </tr> <tr> <td>2019</td> <td style="text-align: center;">6.0%</td> <td style="text-align: center;">6.1%</td> </tr> <tr> <td>2020</td> <td style="text-align: center;">5.5%</td> <td style="text-align: center;">5.6%</td> </tr> <tr> <td>2021+</td> <td style="text-align: center;">5.0%</td> <td style="text-align: center;">5.0%</td> </tr> </tbody> </table>	<u>Year</u>	<u>Increase from Prior Year</u>			<u>Non-Medicare</u>	<u>Medicare</u>	2011	n/a		2012	n/a		2013	Premiums		2014	Premiums		2015	8.0%	8.3%	2016	7.5%	7.8%	2017	7.0%	7.2%	2018	6.5%	6.7%	2019	6.0%	6.1%	2020	5.5%	5.6%	2021+	5.0%	5.0%
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<ul style="list-style-type: none"> ■ Actuarial Load 	<ul style="list-style-type: none"> • 5.0% load on liabilities for current Safety/Appointed Officials retirees • PEMHCA PPO premium increases below per capita claims increases 	<ul style="list-style-type: none"> • None 																																																																														



RESULTS

Actuarial Obligations

(Amounts in 000's)

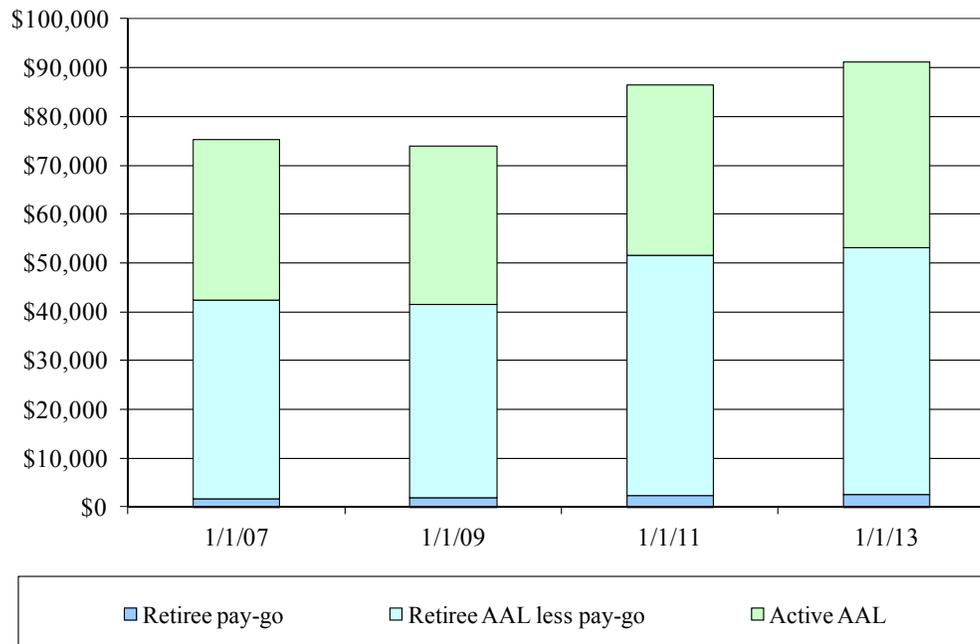
	1/1/07	1/1/09	1/1/11	1/1/13
■ Present Value of Benefits				
• Actives	\$ 63,267	\$ 60,484	\$ 68,774	\$ 77,748
• Retirees	<u>42,393</u>	<u>41,563</u>	<u>51,652</u>	<u>53,145</u>
• Total	105,660	102,047	120,426	130,893
■ Actuarial Accrued Liability				
• Actives	32,984	32,371	34,764	38,027
• Retirees	<u>42,393</u>	<u>41,563</u>	<u>51,652</u>	<u>53,145</u>
• Total	75,377	73,935	86,416	91,172
■ Actuarial Assets	-	-	-	-
■ Unfunded Actuarial Accrued Liability	75,377	73,935	86,416	91,172
■ Normal Cost	2,779	2,695	3,302	3,625
■ Pay-As-You-Go Cost	1,765	1,995	2,425	2,651



RESULTS

Historical Actuarial Accrued Liability

(Amounts in 000's)



RESULTS

Estimated Actuarial Gain/Loss Analysis

(Amounts in 000's)

	AAL
■ Actual @ 1/1/11	\$ 86,416
■ Expected @ 1/1/13	95,806
■ Assumption Changes	
• No actuarial load for premiums	(2,156)
• Mortality improvement	3,587
• Discount rate (4.50% →4.00%)	6,830
■ (Gains)/Losses	
• Premiums lower than expected	(11,873)
• Demographic and Other	(1,022)
■ Total	(4,634)
■ Actual @ 1/1/13	91,172



RESULTS

Schedule of Funding Progress

(Amounts in 000's)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Entry Age Actuarial Accrued Liability (b)	Unfunded Actuarial Accrued Liability (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as Percentage of Covered Payroll ((b-a)/c)
1/1/07	\$ -	\$ 75,377	\$ 75,377	0.0%	\$ 52,308	144.1%
1/1/09	-	73,935	73,935	0.0%	55,980	132.1%
1/1/11	-	86,416	86,416	0.0%	45,825	188.6%
1/1/13	-	91,172	91,172	0.0%	42,055	216.8%



RESULTS

Annual Required Contribution (ARC)

(Amounts in 000's)

	1/1/11 Valuation		1/1/13 Valuation	
	2011/12	2012/13	2013/14	2014/15
■ ARC - \$				
• Normal Cost	\$ 3,302	\$ 3,343	\$ 3,625	\$ 3,677
• UAAL Amortization ⁹	<u>4,269</u>	<u>4,785</u>	<u>4,848</u>	<u>5,409</u>
• Total	7,571	8,128	8,472	9,086
■ Projected Payroll	47,314	48,852	44,122	45,556
■ ARC - %				
• Normal Cost	7.0%	6.8%	8.2%	8.1%
• UAAL Amortization	<u>9.0%</u>	<u>9.8%</u>	<u>11.0%</u>	<u>11.9%</u>
• Total	16.0%	16.6%	19.2%	19.9%

⁹ 30-year amortization of UAAL beginning 2009/10.

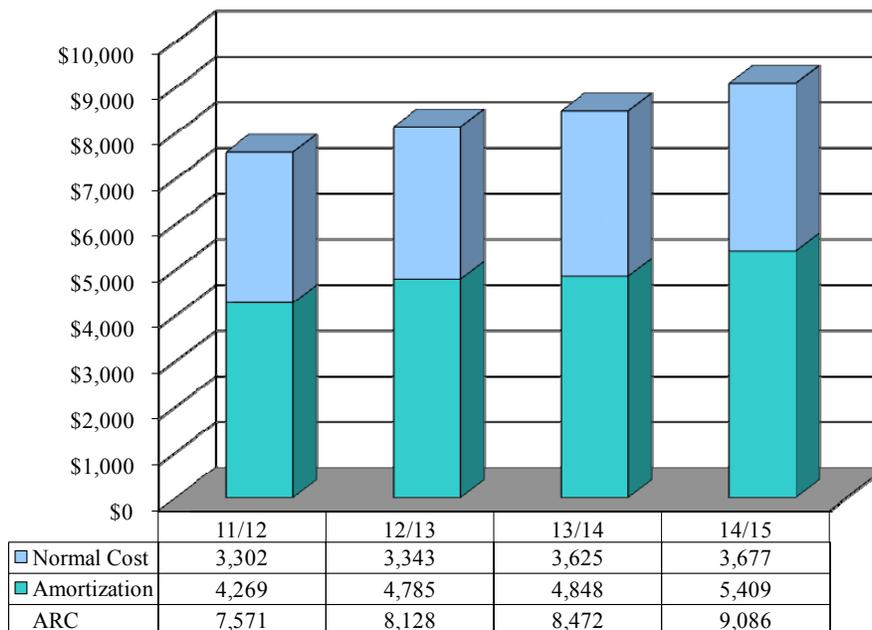
15-year amortization of assumption changes, plan change and gains/losses beginning 2011/12.



RESULTS

Historical Annual Required Contributions

(Amounts in 000's)



RESULTS

Amortization Bases

(Amounts in 000's)

	1/1/11 Valuation		1/1/13 Valuation	
	6/30/11	6/30/12	6/30/13	6/30/14
■ Initial UAAL	\$ 82,723	\$ 82,830	\$ 82,825	\$ 82,517
■ (Gain)/Loss				
• 2009 valuation	(10,402)	(10,415)	(10,415)	(10,376)
• 2011 valuation	4,624	4,409	4,252	4,067
• 2013 valuation	-	-	(4,896)	(4,735)
■ Net OPEB Obligation	<u>11,721</u>	<u>16,636</u>	<u>21,626</u>	<u>26,576</u>
■ Total	88,665	93,460	93,393	98,050



RESULTS

Amortization Payments

(Amounts in 000's)

	1/1/11 Valuation		1/1/13 Valuation	
	11/12	12/13	13/14	14/15
■ Initial UAAL	\$ 3,615	\$ 3,732	\$ 3,621	\$ 3,739
■ (Gain)/Loss				
• 2009 valuation	(455)	(469)	(455)	(470)
• 2011 valuation	350	356	355	367
• 2013 valuation			(357)	(369)
■ Net OPEB Obligation	<u>759</u>	<u>1,166</u>	<u>1,683</u>	<u>2,142</u>
■ Total	4,269	4,785	4,848	5,409
■ Average Amortization Years	25.0	23.3	21.6	20.2



RESULTS

Estimated Net OPEB Obligation (NOO) Illustration

(Amounts in 000's)

	CAFR	Estimated		
	2011/12	2012/13	2013/14	2014/15
■ NOO at Beginning of Year	\$ 11,721	\$ 16,636	\$ 21,626	\$ 26,576
■ Annual OPEB Cost (AOC)				
• Annual Required Contribution	7,571	8,128	8,472	9,086
• Interest on NOO	528	689	812	1,007
• Amortization of NOO	<u>(759)</u>	<u>(1,166)</u>	<u>(1,683)</u>	<u>(2,142)</u>
• Annual OPEB Cost	7,340	7,650	7,601	7,952
■ Contributions				
• Benefit Payments and Fees ¹⁰	2,425	2,660	2,651	2,784
• Trust Pre-Funding	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
• Total Contribution	2,425	2,660	2,651	2,784
■ NOO at End of Year	16,636	21,626	26,576	31,744

¹⁰ Estimated cash payments shown for 2013/14 and 2014/15. Actual cash payments should be used for OPEB footnote.



RESULTS

Estimated No Pre-Funding Illustration

4.00 % Discount Rate

(Amounts in 000's)

FYE June 30,	Beginning of Year Net OPEB Obligation	Contribution			AOC	Payroll	Contrib as % of Payroll
		Benefit Pmts	Pre- Funding	Total Contrib			
2014	\$ 21,626	\$ 2,651	\$ -	\$ 2,651	\$ 7,601	\$44,122	6.0%
2015	26,576	2,784	-	2,784	7,952	45,556	6.1%
2016	31,744	3,006	-	3,006	8,315	47,036	6.4%
2017	37,053	3,283	-	3,283	8,686	48,565	6.8%
2018	42,456	3,593	-	3,593	9,065	50,143	7.2%
2019	47,927	3,897	-	3,897	9,450	51,773	7.5%
2020	53,480	4,208	-	4,208	9,838	53,456	7.9%
2021	59,110	4,548	-	4,548	10,233	55,193	8.2%
2022	64,795	4,865	-	4,865	10,629	56,987	8.5%
2023	70,559	5,175	-	5,175	11,033	58,839	8.8%



RESULTS

Actuarial Obligations – January 1, 2013

4.00% Discount Rate

(Amounts in 000's)

	Misc	Police	Fire	Total
■ Present Value of Benefits				
• Actives	\$ 6,700	\$ 31,157	\$ 39,891	\$ 77,748
• Retirees	<u>3,888</u>	<u>30,228</u>	<u>19,028</u>	<u>53,145</u>
• Total	10,588	61,385	58,919	130,893
■ Actuarial Accrued Liability				
• Actives	3,732	13,910	20,385	38,027
• Retirees	<u>3,888</u>	<u>30,228</u>	<u>19,028</u>	<u>53,145</u>
• Total	7,620	44,138	39,413	91,172
■ Actuarial Assets	-	-	-	-
■ Unfunded Actuarial Accrued Liability	7,620	44,138	39,413	91,172
■ Normal Cost	349	1,526	1,749	3,625
■ Pay-As-You-Go Cost	188	1,403	1,060	2,651



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RESULTS

Annual Required Contribution (ARC) – 2013/14 Fiscal Year

4.00% Discount Rate

(Amounts in 000's)

	Misc	Police	Fire	Total
■ ARC - \$				
• Normal Cost	\$ 349	\$ 1,526	\$ 1,749	\$ 3,625
• UAAL Amortization ¹¹	<u>407</u>	<u>2,338</u>	<u>2,102</u>	<u>4,848</u>
• Total	756	3,864	3,851	8,472
■ Projected Payroll	22,929	9,186	12,007	44,122
■ ARC - %				
• Normal Cost	1.5%	16.6%	14.6%	8.2%
• UAAL Amortization	<u>1.8%</u>	<u>25.5%</u>	<u>17.5%</u>	<u>11.0%</u>
• Total	3.3%	42.1%	32.1%	19.2%

¹¹ 30-year amortization of UAAL beginning 2009/10.

15-year amortization of assumption changes, plan change and gains/losses beginning 2011/12.



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RESULTS

Discount Rate Sensitivity

January 1, 2013

(Amounts in 000's)

	Prefunding Discount Rate			No Pre-Funding
	7.25%	6.75%	6.25%	4.00%
■ Discount Rate	7.25%	6.75%	6.25%	4.00%
■ Present Value of Benefits	\$ 72,187	\$ 78,197	\$ 85,033	\$ 130,893
■ Funded Status				
• Actuarial Accrued Liability	57,800	61,554	65,711	91,172
• Actuarial Value of Assets	-	-	-	-
• Unfunded AAL	57,800	61,554	65,711	91,172
■ ARC 2013/14				
• Normal Cost	1,709	1,906	2,130	3,625
• UAAL Amortization ¹²	<u>4,187</u>	<u>4,253</u>	<u>4,326</u>	<u>4,848</u>
• Total	5,891	6,159	6,456	8,472
• ARC % of Payroll	13.4%	14.0%	14.6%	19.2%

¹² Equivalent single amortization period of 22-years used for sensitivity.



January 27, 2014 – OPEB



RESULTS

Estimated Full Pre-Funding Illustration

7.25 % Discount Rate

(Amounts in 000's)

FYE June 30,	Beginning of Year Net OPEB Obligation	Contribution			AOC	Payroll	Contrib as % of Payroll
		Benefit Pmts	Pre- Funding	Total Contrib			
2014	\$ 21,626	\$ 2,651	\$ 3,240	\$ 5,891	\$ 6,048	\$44,122	13.4%
2015	21,784	2,784	3,266	6,050	6,173	45,556	13.3%
2016	21,907	3,006	3,208	6,214	6,299	47,036	13.2%
2017	21,992	3,283	3,100	6,383	6,425	48,565	13.1%
2018	22,034	3,593	2,964	6,557	6,551	50,143	13.1%
2019	22,028	3,897	2,838	6,735	6,678	51,773	13.0%
2020	21,970	4,208	2,709	6,917	6,801	53,456	12.9%
2021	21,854	4,548	2,555	7,103	6,924	55,193	12.9%
2022	21,675	4,865	2,427	7,292	7,042	56,987	12.8%
2023	21,424	5,175	2,312	7,487	7,160	58,839	12.7%



January 27, 2014 – OPEB



ACTUARIAL CERTIFICATION

This report presents the City of Alameda Retiree Healthcare Plan ("Plan") January 1, 2013 actuarial valuation. The purpose of this valuation is to:

- Determine the Governmental Accounting Standards Board Statement No.45 January 1, 2013 Benefit Obligations,
- Determine the Plan's January 1, 2013 Funded Status, and
- Calculate the 2013/14 and 2014/15 Annual Required Contributions.

The report provides information intended for reporting under GASB 45, but may not be appropriate for other purposes. Information provided in this report may be useful to the City for the Plan's financial management. Future valuations may differ significantly if the Plan's experience differs from our assumptions or if there are changes in Plan design, actuarial methods, or actuarial assumptions. The project scope did not include an analysis of this potential variation.

The valuation is based on Plan provisions and participant data provided by the City as summarized in this report, which we relied on and did not audit. We reviewed the participant data for reasonableness.

To the best of our knowledge, this report is complete and accurate and has been conducted using generally accepted actuarial principles and practices. Additionally, in our opinion, actuarial methods and assumptions comply with GASB 43 and 45. As members of the American Academy of Actuaries meeting the Academy Qualification Standards, we certify the actuarial results and opinions herein.

Respectfully submitted,



Doug Pryor, ASA, EA, MAAA
Vice President
Bartel Associates, LLC
January 27, 2014



January 27, 2014 – OPEB



ACTUARIAL CERTIFICATION

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January 27, 2014 – OPEB



EXHIBIT – PREMIUMS

2013 PEMHCA Monthly Premiums
Bay Area

Plan	Non-Medicare Eligible			Medicare Eligible		
	Single	2-Party	Family	Single	2-Party	Family
Blue Shield	\$784.63	\$1,569.26	\$2,040.04	\$261.32	\$522.64	\$783.96
Blue Shield NetValue	670.21	1,340.42	1,742.55	261.32	522.64	783.96
Kaiser	668.63	1,337.26	1,738.44	288.37	576.74	865.11
PERS Choice	667.03	1,334.06	1,734.28	325.74	651.48	977.22
PERS Select	487.20	974.40	1,266.72	325.74	651.48	977.22
PERSCare	1,083.11	2,166.22	2,816.09	370.43	740.86	1,111.29
PORAC	581.00	1,088.00	1,382.00	418.00	833.00	1,331.00



EXHIBIT – PREMIUMS

2014 PEMHCA Monthly Premiums
Bay Area

Plan	Non-Medicare Eligible			Medicare Eligible		
	Single	2-Party	Family	Single	2-Party	Family
Anthem Select	\$ 657.33	\$1,314.66	\$1,709.06	\$341.12	\$682.24	\$1,023.36
Anthem Traditional	728.41	1,456.82	1,893.07	341.12	682.24	1,023.36
Blue Shield	836.59	1,673.18	2,175.13	298.21	596.42	894.63
Blue Shield NetValue	704.01	1,408.02	1,830.43	298.21	596.42	894.63
Kaiser	742.72	1,485.44	1,931.07	294.97	589.94	884.91
UnitedHealthcare	764.24	1,528.48	1,987.02	193.33	386.66	579.99
PERS Choice	690.77	1,381.54	1,796.00	307.23	614.46	921.69
PERS Select	661.52	1,323.04	1,719.95	307.23	614.46	921.69
PERSCare	720.04	1,440.08	1,872.10	327.36	654.72	982.08
PORAC	634.00	1,186.00	1,507.00	397.00	791.00	1,264.00



EXHIBIT – DATA SUMMARY

Participant Statistics – January 1, 2013¹³

	Misc	Police	Fire	Total
■ Actives				
• Count	285	80	98	463
• Average Age	49.8	38.7	41.9	46.2
• Average City Service	13.5	10.4	13.3	12.9
• Average Pay	\$ 76,700	\$ 109,400	\$ 116,800	\$ 90,800
• Total Pay (000's)	21,855	8,756	11,445	42,055
■ Retirees				
• Service Retired	233	64	59	356
• Disabled	12	46	27	85
• Survivor	<u>47</u>	<u>9</u>	<u>18</u>	<u>74</u>
• Total Count	292	119	104	515
• Average Age	71.2	60.9	68.7	68.3
• Average Retirement Age				
➢ Service Retired	59.9	52.4	54.6	57.7
➢ Disabled	48.0	42.5	51.2	46.0
• Average Monthly Benefit	\$ 119	\$ 993	\$ 794	\$ 620

¹³ Includes 17 actives hired after 1/1/13 (10 Misc, 4 Police & 3 Fire) and 8 retirees retired after 1/1/13(6 Misc & 2 Police).



EXHIBIT – DATA SUMMARY

Participant Statistics – January 1, 2011¹⁴

	Misc	Police	Fire	Total
■ Actives				
• Count	369	85	97	551
• Average Age	49.8	39.5	40.9	46.6
• Average City Service	12.7	11.7	12.7	12.6
• Average Pay	\$ 74,400	\$ 103,000	\$ 99,000	\$ 83,200
• Total Pay (000's)	27,470	8,754	9,600	45,825
■ Retirees				
• Service Retired	201	62	63	326
• Disabled	13	35	25	73
• Survivor	<u>19</u>	<u>8</u>	<u>16</u>	<u>43</u>
• Total Count	233	105	104	442
• Average Age	69.7	61.0	67.7	67.1
• Average Retirement Age				
➢ Service Retired	59.8	52.6	54.7	57.5
➢ Disabled	51.6	41.3	50.5	46.3
• Average Monthly Benefit	\$ 113	\$ 961	\$ 881	\$ 628

¹⁴ Includes 14 actives hired after 1/1/11 (10 Misc, 1 Police & 3 Fire) and 8 retirees retired after 1/1/11 (6 Misc & 2 Police). Excludes 11 P&F retirees with benefits paid under P&F plan.



EXHIBIT – DATA SUMMARY

Participant Statistics – January 1, 2009

	Misc	Police	Fire	Total
■ Actives				
• Count	459	94	101	654
• Average Age	48.8	40.4	41.7	46.5
• Average City Service	11.4	12.4	13.2	11.8
• Average Pay	\$ 71,400	\$ 121,300	\$ 116,900	\$ 85,600
• Total Pay (000's)	32,773	11,402	11,805	55,980
■ Retirees				
• Service Retired	279	56	66	401
• Disabled	26	29	23	78
• Survivor	<u>49</u>	<u>11</u>	<u>12</u>	<u>72</u>
• Total Count	354	96	101	551
• Average Age	75.3	62.0	69.2	71.9
• Average Retirement Age				
➢ Service Retired	59.9	52.7	54.6	58.1
➢ Disabled	49.5	40.8	51.0	46.7
• Average Monthly Benefit	\$ 101	\$ 771	\$ 754	\$ 529



EXHIBIT – DATA SUMMARY

Covered Participants – Medical

	1/1/09	1/1/11	1/1/13
■ Actives			
• Count	654	551	463
• Waivers	<u>102</u>	<u>77</u>	<u>54</u>
• Covered	552	474	409
• Covered %	84%	86%	88%
■ Retirees < 65			
• Count	190	191	201
• Waivers	<u>55</u>	<u>48</u>	<u>62</u>
• Covered	135	143	139
• Covered %	71%	75%	69%
■ Retirees ≥ 65			
• Count	361	251	314
• Waivers	<u>195</u>	<u>79</u>	<u>122</u>
• Covered	166	172	192
• Covered %	46%	69%	61%



EXHIBIT – DATA SUMMARY

Active Medical Coverage

Medical Plan	Single	2-Party	Family	Waived	Total
Blue Shield	42	31	79	-	152
Blue Shield NetValue	-	1	8	-	9
Kaiser	63	46	108	-	217
PERS Choice	9	7	12	-	28
PERSCare	2	-	-	-	2
PORAC	1	-	-	-	1
Waived	-	-	-	54	54
Total	117	85	207	54	463



EXHIBIT – DATA SUMMARY

Retiree Medical Coverage
Under Age 65

Medical Plan	Single	2-Party	Family	Waived	Total
Blue Shield	15	18	16	-	49
Blue Shield NetValue	2	-	1	-	3
Kaiser	16	19	13	-	48
PERS Choice	8	8	-	-	16
PERS Select	-	2	-	-	2
PERSCare	7	8	-	-	15
PORAC	1	5	-	-	6
Non-PERS	-	-	-	-	-
Waived	-	-	-	62	62
Total	49	60	30	62	201



EXHIBIT – DATA SUMMARY

Retiree Medical Coverage
Age 65 & Over

Medical Plan	Single	2-Party	Family	Waived	Total
Blue Shield	17	17	2	-	36
Blue Shield NetValue	-	-	-	-	-
Kaiser	51	38	4	-	93
PERS Choice	11	19	1	-	31
PERS Select	-	-	-	-	-
PERSCare	14	14	-	-	28
PORAC	-	1	-	-	1
Non-PERS	1	2	-	-	3
Waived	-	-	-	122	122
Total	94	91	7	122	314



EXHIBIT – DATA SUMMARY

Medical Plan Participation – Safety¹⁵
Non-Waived Participants

Medical Plan	Actives	Retirees	
		< 65	≥ 65
Blue Shield	39%	38%	15%
Blue Shield NetValue	3%	1%	0%
Kaiser	52%	32%	52%
PERS Choice	5%	9%	15%
PERS Select	0%	0%	0%
PERSCare	1%	14%	18%
PORAC	1%	6%	1%
Total	100%	100%	100%

¹⁵ Excludes non-PERS retirees.



EXHIBIT – DATA SUMMARY

Actives by Age and City Service
Miscellaneous

Age	City Service							Total
	< 1	1-4	5-9	10-14	15-19	20-24	≥ 25	
< 25	1	1	-	-	-	-	-	2
25-29	1	-	4	-	-	-	-	5
30-34	3	3	13	7	-	-	-	26
35-39	3	-	9	2	3	-	-	17
40-44	6	5	9	6	7	1	-	34
45-49	5	4	8	17	6	10	1	51
50-54	3	6	9	13	9	11	9	60
55-59	1	3	9	10	7	6	10	46
60-64	3	-	3	8	2	7	10	33
≥ 65	-	1	-	4	-	1	5	11
Total	26	23	64	67	34	36	35	285



EXHIBIT – DATA SUMMARY

Actives by Age and City Service
Safety

Age	City Service							Total
	< 1	1-4	5-9	10-14	15-19	20-24	≥ 25	
< 25	5	1	-	-	-	-	-	6
25-29	5	11	1	-	-	-	-	17
30-34	5	11	9	5	-	-	-	30
35-39	2	2	6	11	-	-	-	21
40-44	1	1	3	16	23	5	-	49
45-49	-	-	1	8	10	17	-	36
50-54	-	-	-	-	4	9	-	13
55-59	-	-	-	-	2	3	1	6
60-64	-	-	-	-	-	-	-	-
≥ 65	-	-	-	-	-	-	-	-
Total	18	26	20	40	39	34	1	178



EXHIBIT – DATA SUMMARY

Active Age Distribution
Miscellaneous

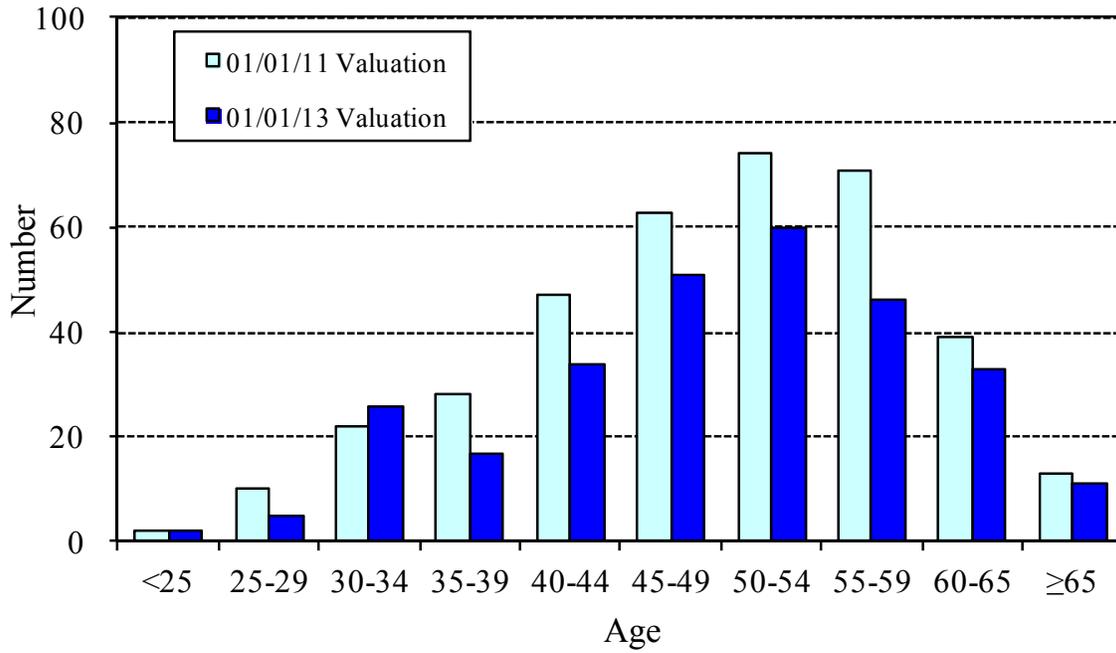


EXHIBIT – DATA SUMMARY

Active Age Distribution
Miscellaneous

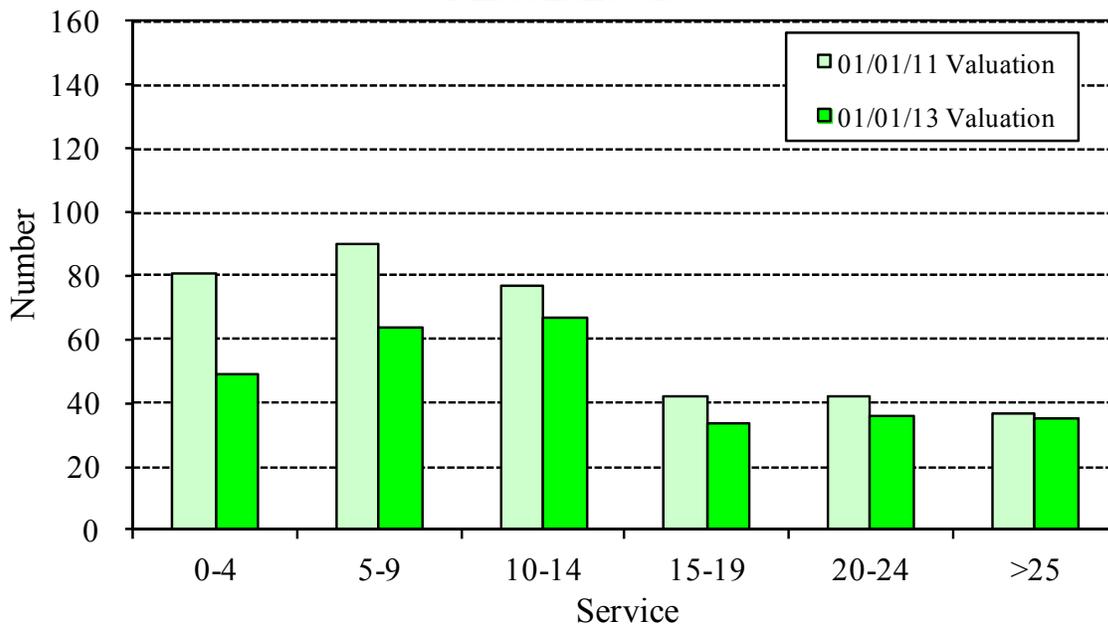


EXHIBIT – DATA SUMMARY

Active Age Distribution
Safety

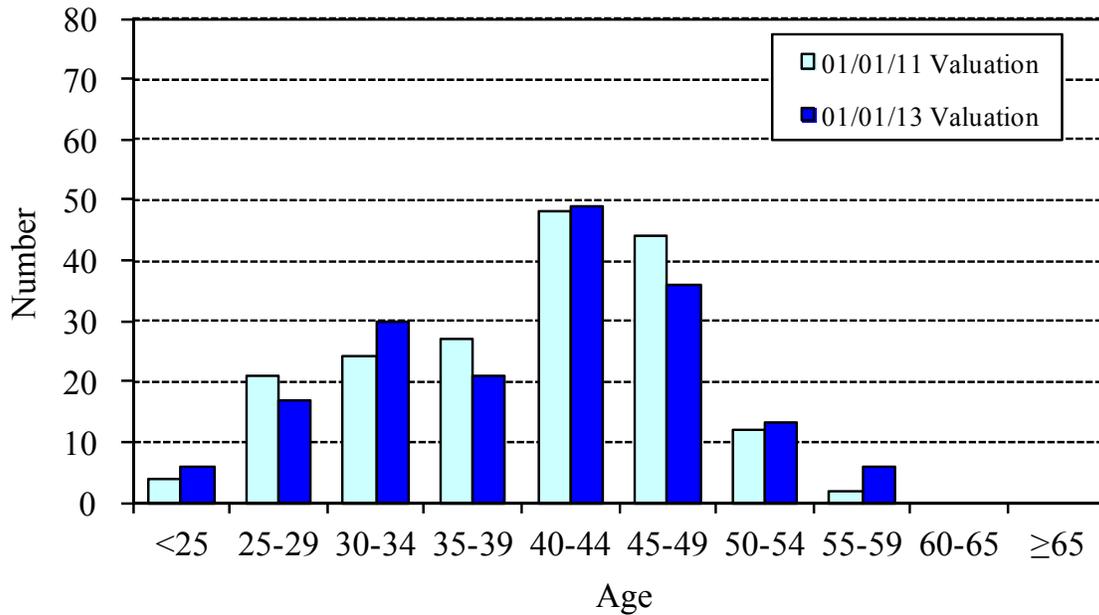


EXHIBIT – DATA SUMMARY

Active Service Distribution
Safety

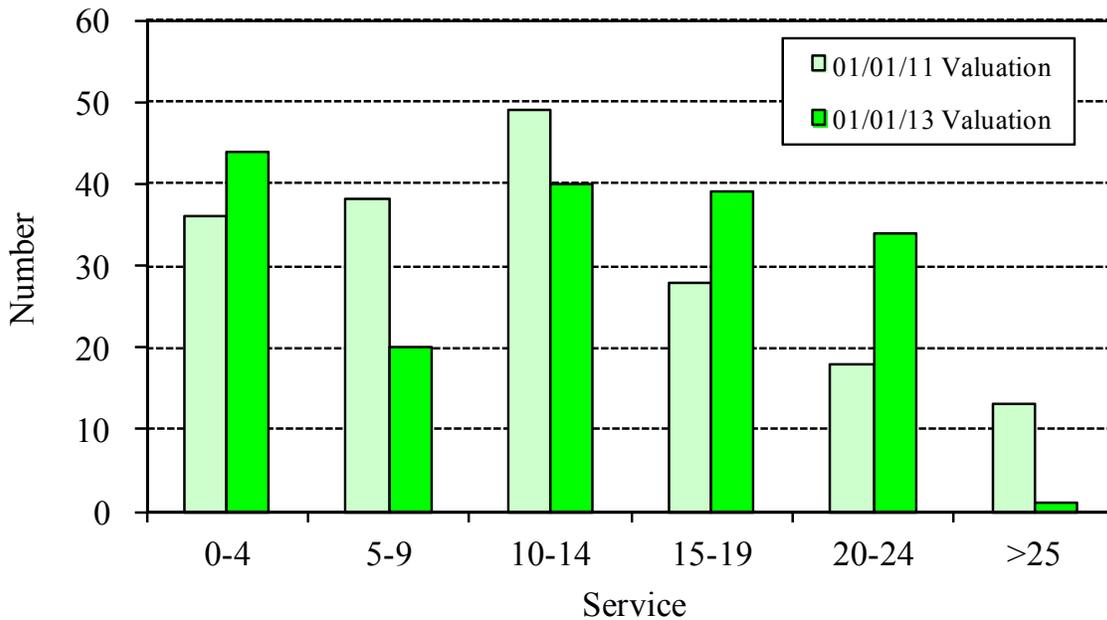


EXHIBIT – DATA SUMMARY

Retiree Medical Coverage by Age Group
Miscellaneous

Age	Single	2-Party	Family	Waived	Total
Under 50	-	-	-	2	2
50-54	1	-	-	-	1
55-59	5	4	-	18	27
60-64	18	9	-	33	60
65-69	16	8	2	34	60
70-74	14	11	-	28	53
75-79	12	4	-	16	32
80-84	10	2	-	12	24
Over 85	2	-	-	31	33
Total	78	38	2	174	292

Average Age	70.5	68.8	67.8	72.1	71.2
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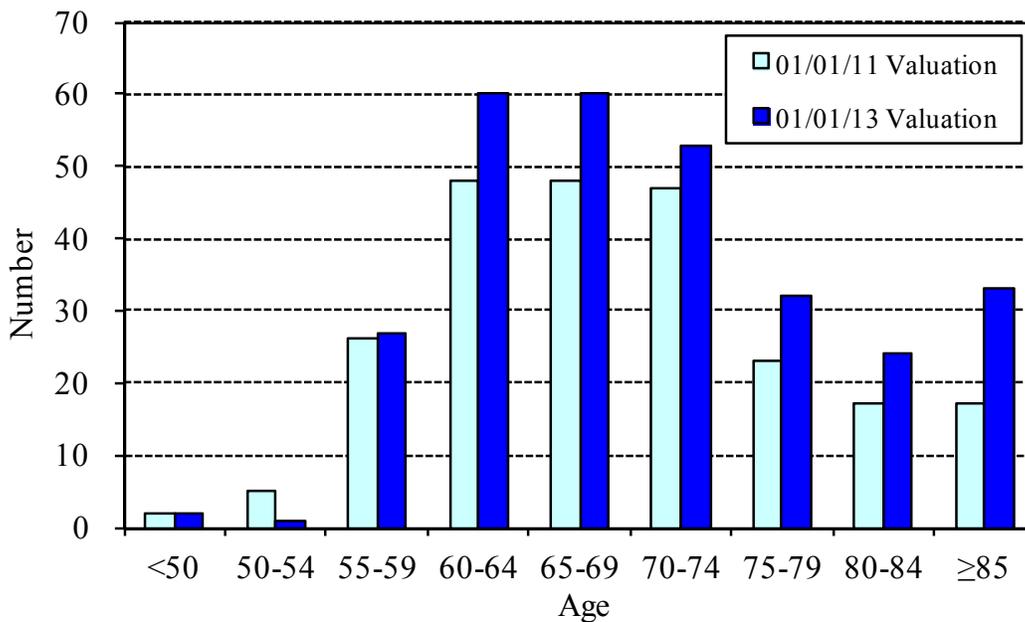
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E-17



EXHIBIT – DATA SUMMARY

Retiree Age Distribution
Miscellaneous



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E-18



EXHIBIT – DATA SUMMARY

Retiree Medical Coverage by Age Group
Safety

Age	Single	2-Party	Family	Waived	Total
Under 50	5	6	4	6	21
50-54	7	9	11	2	29
55-59	3	15	14	-	32
60-64	10	17	1	1	29
65-69	8	29	3	1	41
70-74	11	19	-	-	30
75-79	8	8	2	-	18
80-84	11	8	-	-	19
Over 85	2	2	-	-	4
Total	65	113	35	10	223

Average Age	68.4	66.3	56.3	47.4	64.5
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EXHIBIT – DATA SUMMARY

Retiree Age Distribution
Safety

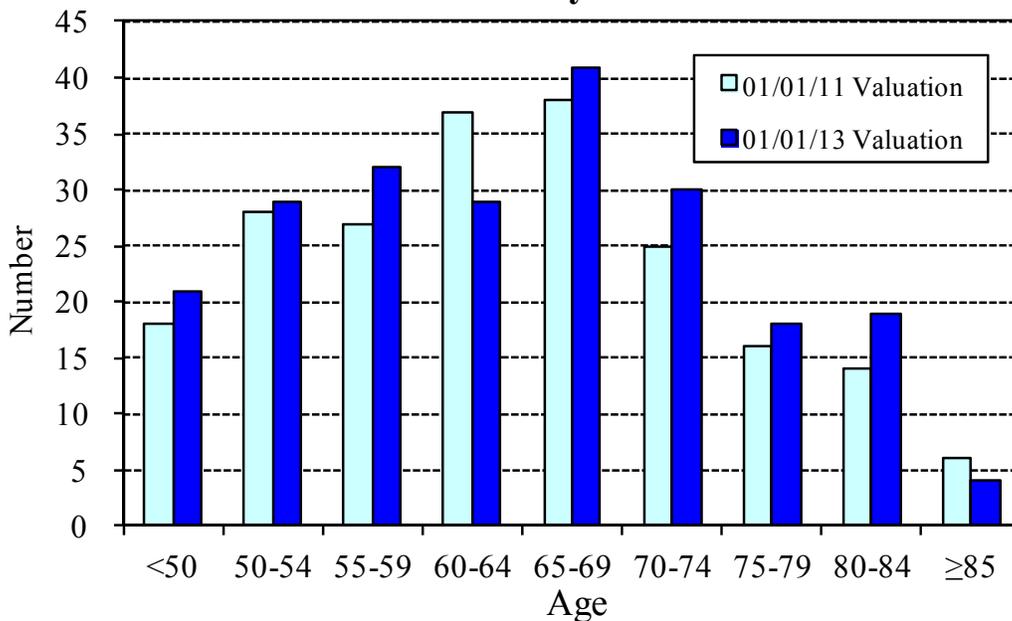


EXHIBIT – ACTUARIAL METHODS

Method	January 1, 2011 Valuation	January 1, 2013 Valuation
■ Cost Method	<ul style="list-style-type: none"> • Entry Age Normal 	<ul style="list-style-type: none"> • Same
■ Plan Assets	<ul style="list-style-type: none"> • None 	<ul style="list-style-type: none"> • Same
■ Amortization Method	<ul style="list-style-type: none"> • Level percent of payroll 	<ul style="list-style-type: none"> • Same
■ Amortization Period	<ul style="list-style-type: none"> • 30-year fixed (closed) period for UAAL as of 6/30/09 (28 years remaining for 2011/12 ARC) • Assumption Changes, Plan Changes and Gains/Losses – 15-year fixed (closed) period • Maximum 30-year combined period 	<ul style="list-style-type: none"> • 30-year fixed (closed) period for UAAL as of 6/30/09 (26 years remaining for 2013/14 ARC) • Assumption Changes, Plan Changes and Gains/Losses – 15-year fixed (closed) period • Maximum 30-year combined period



EXHIBIT – ACTUARIAL METHODS

Method	January 1, 2011 Valuation	January 1, 2013 Valuation
■ "Implied Subsidy"	<ul style="list-style-type: none"> • Employer cost for allowing retirees to participate at active rates • Community rated plans are not required to value an implied subsidy if active rates are independent of number of retirees • PEMHCA is a community rated plan for most employers • Valuation does not include an implied subsidy 	
■ Future New Entrants	<ul style="list-style-type: none"> • Valuation Results – Closed group, no new hires • Projections – Simplified open group projection: <ul style="list-style-type: none"> ➢ Actives – Total pay increased in accordance with aggregate payroll assumption ➢ Retirees – No additional retirees from new hires over 10-year projection period 	



EXHIBIT – ACTUARIAL ASSUMPTIONS

Assumption	January 1, 2011 Valuation	January 1, 2013 Valuation																																
■ General Inflation	• 3.00%	• Same																																
■ Payroll Increase	• Aggregate Increases – 3.25% • Merit Increases – CalPERS 1997-2007 Experience Study	• Same																																
■ Dental Trend	• 3.00%	• Same																																
■ Service Retirement	<ul style="list-style-type: none"> • CalPERS 1997-2007 Experience Study <table border="1"> <thead> <tr> <th></th> <th><u>Benefit</u></th> <th><u>CalPERS Hire Age</u></th> <th><u>Exp. Ret Age</u></th> </tr> </thead> <tbody> <tr> <td>Misc</td> <td>2%@55</td> <td>32.9</td> <td>58.7</td> </tr> <tr> <td>Police</td> <td>3%@50</td> <td>27.2</td> <td>53.6</td> </tr> <tr> <td>Fire</td> <td>3%@50</td> <td>27.6</td> <td>54.6</td> </tr> </tbody> </table>		<u>Benefit</u>	<u>CalPERS Hire Age</u>	<u>Exp. Ret Age</u>	Misc	2%@55	32.9	58.7	Police	3%@50	27.2	53.6	Fire	3%@50	27.6	54.6	<ul style="list-style-type: none"> • CalPERS 1997-2007 Experience Study <table border="1"> <thead> <tr> <th></th> <th><u>Benefit</u>¹⁶</th> <th><u>CalPERS Hire Age</u></th> <th><u>Exp. Ret Age</u></th> </tr> </thead> <tbody> <tr> <td>Misc</td> <td>2%@55</td> <td>35.3</td> <td>59.4</td> </tr> <tr> <td>Police</td> <td>3%@50</td> <td>27.6</td> <td>54.0</td> </tr> <tr> <td>Fire</td> <td>3%@50</td> <td>28.0</td> <td>55.0</td> </tr> </tbody> </table>		<u>Benefit</u> ¹⁶	<u>CalPERS Hire Age</u>	<u>Exp. Ret Age</u>	Misc	2%@55	35.3	59.4	Police	3%@50	27.6	54.0	Fire	3%@50	28.0	55.0
	<u>Benefit</u>	<u>CalPERS Hire Age</u>	<u>Exp. Ret Age</u>																															
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¹⁶ 2%@62 for Miscellaneous hires after 1/1/13; 2.7%@57 for Safety hires after 1/1/13.



EXHIBIT – ACTUARIAL ASSUMPTIONS

Assumption	January 1, 2011 Valuation	January 1, 2013 Valuation
■ CalPERS Service	• City service + ½ difference between City hire age and age 30	• Actual CalPERS service
■ Mortality, Withdrawal, Disability	• CalPERS 1997-2007 Experience Study	<ul style="list-style-type: none"> • CalPERS 1997-2007 Experience Study • Mortality improvement projected with Scale AA
■ Medicare Eligibility	<ul style="list-style-type: none"> • 100% • Everyone eligible for Medicare will elect Part B coverage 	• Same
■ Waived Retiree Re-election	<ul style="list-style-type: none"> • Pre-65 – 20% re-elect at age 65 • Post-65 – 0% 	• Same



EXHIBIT – ACTUARIAL ASSUMPTIONS

Assumption	January 1, 2011 Valuation	January 1, 2013 Valuation
<ul style="list-style-type: none"> ■ Medical Plan at Retirement 	<ul style="list-style-type: none"> • Currently covered – Same as current elections • Currently waived – Blue Shield Bay Area 	<ul style="list-style-type: none"> • Same
<ul style="list-style-type: none"> ■ Dependent Coverage at Retirement 	<ul style="list-style-type: none"> • Spousal coverage: <ul style="list-style-type: none"> ➢ Currently covered – Same as current elections ➢ Currently waived – 80% elect spousal coverage • Family coverage – None • Surviving spouse coverage – 100% 	<ul style="list-style-type: none"> • Same
<ul style="list-style-type: none"> ■ Spouse Age 	<ul style="list-style-type: none"> • Current actives – Males 3 years older than females • Current retirees – Males 3 years older than females if spouse birth date not available 	<ul style="list-style-type: none"> • Same



EXHIBIT – ACTUARIAL ASSUMPTIONS

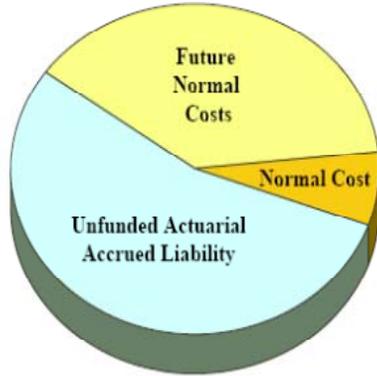
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EXHIBIT – DEFINITIONS

Present Value of Benefits

**Present Value of Benefits
(Without Plan Assets)**



**Present Value of Benefits
(With Plan Assets)**

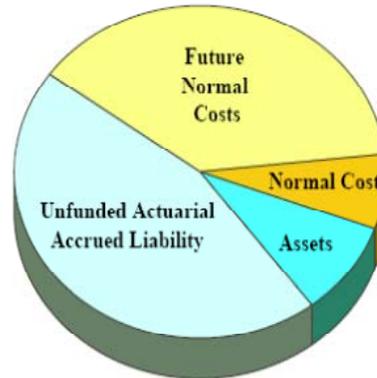


EXHIBIT – DEFINITIONS

<p>■ Annual Required Contribution (ARC)</p>	<ul style="list-style-type: none"> ● GASB 45 contribution is Normal Cost plus amortization of: <ul style="list-style-type: none"> ➢ Initial UAAL and AAL for plan, assumption, and method changes ➢ Experience gains and losses (difference between actual experience and that expected from assumptions) ➢ Contribution gains and losses (difference between ARC and actual contributions)
<p>■ Net OPEB Obligation (NOO)</p>	<ul style="list-style-type: none"> ● NOO is accumulated amounts expensed but not funded ● Net OPEB Asset if amounts funded exceed those expensed
<p>■ Annual OPEB Cost (AOC)</p>	<ul style="list-style-type: none"> ● Expense for current period including: <ul style="list-style-type: none"> ➢ ARC ➢ Interest on NOO ➢ Adjustment of NOO ● Adjustment of NOO prevents double counting of expense since ARCs include amortization of prior contribution gains and losses previously expensed

