



Lou Ann Teixeira
 Executive Officer

MEMBERS

- | | |
|---|--|
| Candace Andersen
<i>County Member</i> | Federal Glover
<i>County Member</i> |
| Donald A. Blubaugh
<i>Public Member</i> | Michael R. McGill
<i>Special District Member</i> |
| Tom Butt
<i>City Member</i> | Rob Schroder
<i>City Member</i> |
| Igor Skaredoff
<i>Special District Member</i> | |

ALTERNATE MEMBERS

- | |
|---|
| Diane Burgis
<i>County Member</i> |
| Stanley Caldwell
<i>Special District Member</i> |
| Charles R. Lewis, IV
<i>Public Member</i> |
| Sean Wright
<i>City Member</i> |

June 10, 2020
 Agenda Item 15

June 10, 2020 (Agenda)

Contra Costa Local Agency Formation Commission
 40 Muir Road, 1st Floor
 Martinez, CA 94553

Actuarial Evaluations – Post-Employment Healthcare Benefits

Dear Members of the Commission:

Contra Costa LAFCO provides post-employment healthcare benefits for its retired employees and their dependents. LAFCO currently funds the employer’s share of these benefits for its retirees.

In FY 2011-12, the Commission initiated a plan to fund future benefit costs and minimize future liabilities to LAFCO. The plan includes funding the post-employment healthcare liability. In FY 2011-12, the Commission began funding this liability by including \$10,000 per year in the LAFCO budget.

LAFCO’s plan also include participation in a trust to hold these funds. In 2014, LAFCO entered into an agreement with Contra Costa County and the Public Agencies Post-Retirement Health Care Plan Trust (“Trust”) administered by Public Agency Retirement Services (PARS).

In order to participate in the PARS trust, and comply with federal accounting rules Government Accounting Standard Board Statement 45 (GASB 45), which require LAFCO to disclose any unfunded post-employment benefits in its annual audits, LAFCO must conduct actuarial evaluations. These evaluations calculate the future liability for retiree healthcare and other post-employment benefits and the employer’s annual contribution rate.

In 2014, LAFCO entered into an agreement with the California School Boards Association (CSBA) and the actuarial firm of Demsey, Filliger & Associates LLC to prepare an actuarial evaluation. If an employer has less than 100 “plan members” it is eligible to prepare an alternative measurement method (AMM) report in lieu of a full actuarial evaluation. The information contained in the AMM is also used in preparing LAFCO’s annual audits and budgets.

In FY 2015-16, following completion of its first actuarial evaluation, the Commission increased its annual funding from \$10,000 to \$40,000 per year. As of June 30, 2017, LAFCO has accrued \$132,546 (including interest earned), which is held in the PARS trust account and reflected in the 2017 AMM report. The recent GASB reports show that LAFCO’s prefunding amount is sufficient.

Since March 2014, LAFCO has completed three actuarial evaluations. In response to recent statutory changes, LAFCO is required to prepare the evaluations at least every other year.

Following completion of LAFCO's annual financial audit in December 2019 (FY 2017-18 audit) LAFCO was contacted by the CSBA indicating that LAFCO needed to complete three additional actuarial evaluations as described below.

The ***GASB Statement No. 75 – Supplemental Schedules for the reporting year ending June 30, 2019*** provides supplemental required information for the financial reporting as of June 30, 2019. It reflects a “lookback” measurement date, which means that for the July 1, 2018 to June 30, 2019 reporting period, LAFCO uses a measurement period of July 1, 2017 to June 30, 2018. The report reflects benefit payments made within the measurement period as well as the applicable discount rate, assets, and projected liabilities as of June 30, 2018 (Attachment 1).

The ***GASB 75 Actuarial Valuation as of July 1, 2019*** provides the results of the actuarial valuation as of July 1, 2019. The valuation determines actuarial measurements as of July 1, 2019 and reflects census, medical premiums, and plan provisions as of that date. The valuation results will serve as the basis for the June 30, 2020 and June 30, 2021 financial reporting (Attachment 2).

The ***GASB 75 Supplemental Schedules for the reporting year ending June 30, 2020*** provides supplemental required information for the financial reporting as of June 30, 2020. It reflects a “lookback” measurement date, which means that for the July 1, 2019 to June 30, 2020 reporting period, the Agency uses a measurement period of July 1, 2018 to June 30, 2019. The report reflects benefit payments made within the measurement period as well as the applicable discount rate, assets, and projected liabilities as of June 30, 2019 (Attachment 3).

Overall, LAFCO's long-term rate of return is approximately 4% (conservative) and we are approximately 30% funded – both affirmative indicators.

RECOMMENDATION: Informational report – no action needed.

Sincerely,

LOU ANN TEXEIRA
EXECUTIVE OFFICER

Attachment 1 – *GASB Statement No. 75 – Supplemental Schedules Summary, 6/30/19* – Report Summary

Attachment 2 – *Alternative Measurement Method (AMM)* – Report Summary

Attachment 3 – *GASB Statement No. 75 – Supplemental Schedules Summary, 6/30/20* – Report Summary

cc: Bob Campbell, Contra Costa County Auditor
Lisa Driscoll, Contra Costa County Finance Director
Michael O'Connor, CPA, RIA, R. J. Ricciardi, Inc. - Certified Public Accountants



GASB Statement No. 75

Supplemental Schedules

for Contra Costa Local Agency Formation Commission

Reporting Period: July 1, 2018 to June 30, 2019
Measurement Period: July 1, 2017 to June 30, 2018
Valuation Date: July 1, 2017

April 24, 2020

**Contra Costa Local Agency Formation Commission
Post-Employment Medical Benefits Plan**

GASB 75 Disclosure Information

**Notes to the Financial Statements
For the Year Ended June 30, 2019**

Plan Description

Plan administration. The Agency administers a single-employer defined benefit healthcare. The Agency currently provides retiree health benefits to retirees and their dependents through Contra Costa County. All retired employees are eligible to receive health and dental benefits for life, with costs shared by the Agency and the retirees.

Plan membership. At July 1, 2017, membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefit payments	3
Active plan members	2

Contributions. The contribution requirements of Plan members and the Agency are established and amended by the Agency. The required contribution is based on projected pay-as-you-go financing requirements.

**Contra Costa Local Agency Formation Commission
Post-Employment Medical Benefits Plan**

GASB 75 Disclosure Information

Net OPEB Liability

The Agency's Net OPEB Liability was measured as of June 30, 2018 and the Total OPEB Liability used to calculate the Net OPEB Liability was determined by an actuarial valuation as of July 1, 2017. Standard actuarial update procedures were used to project/discount from valuation to measurement dates.

Actuarial assumptions. The total OPEB liability was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Salary increases	3.00 percent
Inflation rate	3.00 percent
Investment rate of return	4.00 percent, net of OPEB plan investment expense
Healthcare cost trend rate	5.00 percent for 2018 and later years

Pre-retirement mortality rates were based on the RP-2014 Employee Mortality Table for Males or Females, as appropriate, without projection. Post-retirement mortality rates were based on the RP-2014 Health Annuitant Mortality Table for Males or Females, as appropriate, without projection.

Actuarial assumptions used in the July 1, 2017 valuation were based on a review of plan experience during the period July 1, 2016 to June 30, 2017.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. The calculated investment rate of return was set equal to the expected ten-year compound (geometric) real return plus inflation (rounded to the nearest 25 basis points, where appropriate). The table below provides the long-term expected real rates of return by asset class (based on published capital market assumptions).

Asset Class	Assumed Asset Allocation	Real Rate of Return
Broad U.S. Equity	60%	4.4%
U.S. Fixed	40%	1.5%

Discount rate. GASB 75 requires a discount rate that reflects the following:

- a) The long-term expected rate of return on OPEB plan investments – to the extent that the OPEB plan's fiduciary net position (if any) is projected to be enough to make projected benefit payments and assets are expected to be invested using a strategy to achieve that return;
- b) A yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher – to the extent that the conditions in (a) are not met.

To determine a resulting single (blended) rate, the amount of the plan's projected fiduciary net position (if any) and the amount of projected benefit payments is compared in each period of projected benefit payments. The discount rate used to measure the Agency's Total OPEB liability is based on these requirements and the following information:

Reporting Date	Measurement Date	Long-Term Expected Return of Plan Investments (if any)	Municipal Bond 20-Year High Grade Rate Index	Discount Rate
June 30, 2018	June 30, 2017	4.00%	3.13%	4.00%
June 30, 2019	June 30, 2018	4.00%	3.62%	4.00%



**Contra Costa Local Agency Formation Commission
Post-Employment Medical Benefits Plan**

GASB 75 Disclosure Information

The components of the net OPEB liability were as follows:

Total OPEB liability	543,894
Plan fiduciary net position	180,911
Net OPEB liability	\$362,983
Measurement date	June 30, 2018
Reporting date	June 30, 2019
Covered payroll	\$218,320
Net OPEB liability (asset) as a percentage of covered payroll	166.26%
Plan fiduciary net position as a percentage of the total OPEB liability	33.26%

Schedule of Changes in Net OPEB Liability (June 30, 2017 to June 30, 2018)

Total OPEB Liability	
Service Cost	30,249
Interest	20,142
Changes of benefit terms	0
Difference between expected and actual experience	0
Changes of assumptions	0
Benefit payments ¹	(19,910)
Net change in total OPEB liability	30,481
Total OPEB liability – June 30, 2017 (a)	\$513,413
Total OPEB liability – June 30, 2018 (b)	\$543,894
Plan fiduciary net position	
Contributions – employer ¹	59,910
Net investment income	8,488
Benefit payments ¹	(19,910)
Trustee fees	(123)
Administrative expense	0
Net change in plan fiduciary net position	48,365
Plan fiduciary net position – June 30, 2017 (c)	\$132,546
Plan fiduciary net position – June 30, 2018 (d)	\$180,911
Net OPEB liability – June 30, 2017 (c) – (a)	\$380,867
Net OPEB liability – June 30, 2018 (d) – (b)	\$362,983

¹ Amount includes implicit subsidy associated with benefits paid.



**Contra Costa Local Agency Formation Commission
Post-Employment Medical Benefits Plan**

GASB 75 Disclosure Information

Sensitivity of the net OPEB liability to changes in the discount rate. The following presents the net OPEB liability, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage-point higher than the current discount rate:

	1% Decrease (3.00%)	Discount Rate (4.00%)	1% Increase (5.00%)
Net OPEB liability (asset)	422,486	362,983	313,346

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates. The following presents the net OPEB liability, as well as what the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease (4.00% decreasing to 4.00%)	Trend Rate (5.00% decreasing to 5.00%)	1% Increase (6.00% decreasing to 6.00%)
Net OPEB liability (asset)	307,128	362,983	429,295



**Contra Costa Local Agency Formation Commission
Post-Employment Medical Benefits Plan**

GASB 75 Disclosure Information

Statement of Fiduciary Net Position

Assets	
Cash, deposits, and cash equivalents	0
Receivables:	
Accrued Income	0
Total receivables	0
Investments:	
Managed account	180,911
Total Investments	180,911
Total Assets	180,911
Liabilities	
Payables	0
Total Liabilities	0
Net position restricted for postemployment benefits other than pensions	\$180,911
Measurement date	June 30, 2018
Reporting date	June 30, 2019

Statement of Changes in Fiduciary Net Position

Additions	
Employer contributions ²	59,910
Investment income:	
Net increase in fair value of investments	8,488
Total additions	68,398
Deductions	
Trustee fees	123
Administrative expense	0
Benefit payments ²	19,910
Total deductions	20,033
Net increase in net position	48,365
Net position restricted for postemployment benefits other than pensions	
Beginning of year – June 30, 2017	\$132,546
End of year – June 30, 2018	\$180,911

² Includes \$18,609 of pay-as-you-go contributions made from sources outside of trust, plus an implicit subsidy amounts of \$1,301.



**Contra Costa Local Agency Formation Commission
Post-Employment Medical Benefits Plan**

GASB 75 Disclosure Information

Investments

Rate of return. For the year ended on the measurement date, the annual money-weighted rate of return on investments, net of investment expense, was 5.20 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts invested.

Annual money-weighted rate of return, net of investment expense	5.20%
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**Contra Costa Local Agency Formation Commission
Post-Employment Medical Benefits Plan**

GASB 75 Disclosure Information

Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2019, the Agency's deferred outflows of resources and deferred inflows of resources to OPEB from the following sources are:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience ^{3,4}	0	0
Changes in assumptions or other inputs ^{3,4}	0	0
Differences between projected and actual return investments ^{3,4}	2,815	1,547
Total	\$2,815⁵	\$1,547

³ Measured at June 30, 2018;

⁴ See Schedule of Deferred Outflows and Inflows of Resources for additional information;

⁵ Does not include Agency contributions (plus associated implicit subsidy) made after the measurement, which will be recognized as a reduction of the Net OPEB Liability in the year ending June 30, 2020.

Amounts reported as deferred outflows and deferred inflows of resources will be recognized in OPEB expense as follows:

Fiscal Year ending June 30:	Deferred Outflows of Resources	Deferred Inflows of Resources
2020	939	(387)
2021	939	(387)
2022	937	(387)
2023	0	(386)
2024	0	0
2025	0	0
2026	0	0
2027	0	0
2028	0	0
2029	0	0

**Contra Costa Local Agency Formation Commission
Post-Employment Medical Benefits Plan**

GASB 75 Disclosure Information

Schedule of Deferred Outflows and Inflows of Resources

Year	Type	Category	Initial Base	Amortization Period	Annual Recognition	Current Balance
2018	Deferred Outflow	Difference between expected and actual experience	0	0.0	0	0
2018	Deferred Outflow	Changes in assumptions	0	0.0	0	0
2018	Deferred Outflow	Net difference between projected and actual earnings on plan investments	4,693	5.0	939	2,815
2019	Deferred Outflow	Difference between expected and actual experience	0	2.2	0	0
2019	Deferred Outflow	Changes in assumptions	0	2.2	0	0
2019	Deferred Outflow	Net difference between projected and actual earnings on plan investments	0	5.0	0	0
Total						0

Year	Type	Category	Initial Base	Amortization Period	Annual Recognition	Current Balance
2018	Deferred Inflow	Difference between expected and actual experience	0	0.0	0	0
2018	Deferred Inflow	Changes in assumptions	0	0.0	0	0
2018	Deferred Inflow	Net difference between projected and actual earnings on plan investments	0	0.0	0	0
2019	Deferred Inflow	Difference between expected and actual experience	0	2.2	0	0
2019	Deferred Inflow	Changes in assumptions	0	2.2	0	0
2019	Deferred Inflow	Net difference between projected and actual earnings on plan investments	1,934	5.0	387	1,547
Total						1,547



**Contra Costa Local Agency Formation Commission
Post-Employment Medical Benefits Plan**

GASB 75 Disclosure Information

Net OPEB Expense

The Agency's Net OPEB expense was \$44,512.

Net OPEB Liability – beginning (a)	\$380,867
Net OPEB Liability – ending (b)	\$362,983
Change in Net OPEB Liability [(b)-(a)]	(17,884)
Change in Deferred Outflows	939
Change in Deferred Inflows	1,547
Employer Contributions	59,910
Net OPEB Expense – June 30, 2017 to June 30, 2018	\$44,512

Service Cost	30,249
Interest Cost	20,142
Expected Return on Assets	(6,431)
Changes of benefit terms	0
Recognition of Deferred Outflows and Inflows	
Differences between expected and actual experience	0
Changes of assumptions	0
Differences between projected and actual investments	552
Total	552
Net OPEB Expense – June 30, 2017 to June 30, 2018	\$44,512

Actuarially Determined Contribution

The actuarially determined contributions from the most recent actuarial valuation are:

Actuarially Determined Contribution for year ending June 30, 2018	\$43,396
Actuarially Determined Contribution for year ending June 30, 2019	45,385

Valuation Date	July 1, 2017
Discount Rate (Expected Long-term Return on Assets)	4.00%
Salary Increases	3.00%



**Contra Costa Local Agency Formation Commission
Post-Employment Medical Benefits Plan**

GASB 75 Disclosure Information

Actuarial Certification


The results set forth in this supplement are based on our actuarial valuation of the health and welfare benefit plans of the Contra Costa Local Agency Formation Commission as of July 1, 2017.

The valuation was performed in accordance with generally accepted actuarial principles and practices. We relied on census data for active employees and retirees provided to us by the Agency. We also made use of claims, premium, expense, and enrollment data, and copies of relevant sections of healthcare documents provided to us by the Agency, and (when applicable) trust statements prepared by the trustee and provided to us by the Agency.

The assumptions used in performing the valuation, as summarized in this report, and the results based thereupon, represent our best estimate of the actuarial costs of the program under GASB 74 and GASB 75, and the existing and proposed Actuarial Standards of Practice for measuring post-retirement healthcare benefits.

Each undersigned actuary meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained in this report.

Certified by:


Molly McGee, ASA, EA, MAAA
Actuary


Carlos Diaz, ASA, EA, MAAA
Actuary

Contra Costa Local Agency Formation Commission
c/o California School Boards Association



May 22, 2020

Contra Costa Local Agency Formation Commission
c/o California School Boards Association

Re: Contra Costa Local Agency Formation Commission ("Agency") GASB 75 Valuation

This report sets forth the results of our GASB 75 actuarial valuation of the Agency's retiree health insurance program as of July 1, 2019.

In June 2004, the Governmental Accounting Standards Board (GASB) issued its accrual accounting standards for retiree healthcare benefits, GASB 43 and GASB 45. GASB 43/45 require public employers such as the Agency to perform periodic actuarial valuations to measure and disclose their retiree healthcare liabilities for the financial statements of both the employer and the trust, if any, set aside to pre-fund these liabilities. In June 2015, GASB released new accounting standards for postretirement benefit programs, GASB 74 and GASB 75, which replace GASB 43 and GASB 45, respectively.

Basis for Actuarial Valuation

To perform the valuation, we relied on the following information provided by the Agency:

- Census data for active employees and retirees
- Claims, premium, expense, and enrollment data
- Copies of relevant sections of healthcare documents, and
- (If applicable) trust statements prepared by the trustee

We also made certain assumptions regarding rates of employee turnover, retirement, and mortality, as well as economic assumptions regarding healthcare inflation and interest rates. Our assumptions are based on a standard set of assumptions used for similar valuations, modified as appropriate for the Agency.

A complete description of the actuarial assumptions used in the valuation is set forth in the Actuarial Assumptions section.

Certification

The actuarial certification, including a caveat regarding limitations of scope, if any, is contained in the Actuarial Certification section.

We have enjoyed working with the Agency on this project and are available to answer any questions you may have concerning any information contained herein.

Disclosure of Risk

Considering recent events, it is important to call attention to the external risk factors associated with actuarial projections. An event like the COVID-19 pandemic has the potential to affect future measurements that would deviate from current long-term expectations. The following is a list of specific factors that impact OPEB liabilities:

- Census – retirement, turnover, and mortality experience different than expected.
- Medical coverage – premiums, participation, and level of coverage different than expected.
- Municipal bond rates – changes in applicable rates (rates are currently declining and may result in increased liabilities). Under GASB 75, the municipal rate may affect the discount rate. The quantitative effect of changes in the discount rate can be seen in the sensitivity results.
- Investment performance – (for funded plans) investment performance different than the long-term expected return. Investment performance may also affect the discount rate.

The current environment's impact on these factors will continue to unfold. We are available to discuss both short-term and long-term impact upon request.

Sincerely,
DFA, LLC



Molly McGee, ASA, EA, MAAA
Actuary



Carlos Diaz, ASA, EA, MAAA
Actuary

Financial Results

In this section, we present financial results based on a long-term expected return on plan investments of 4.00%. This rate is based on our best estimate of expected long-term plan experience for partially funded plans such as the Agency's. Results for purposes of GASB 75 reporting are presented in the next section.

We have determined that the present value of all benefits expected to be paid by the Agency for its current and future retirees is \$390,392 as of July 1, 2019. If the Agency were to place this amount in a fund earning interest at the rate of 4.00% per year, and all other actuarial assumptions were exactly met, the fund would have exactly enough to pay all expected benefits.

When we apportion the \$390,392 into past service and future service components under the Entry Age, Level Percent of Pay Cost Method, the Total OPEB Liability is \$345,121 as of July 1, 2019. This represents the present value of all benefits accrued through the valuation date if each employee's liability is expensed from hire date until retirement date as a level percentage of pay. The \$345,121 is comprised of liabilities of \$256,996 for active employees and \$88,125 for retirees.

The Agency has adopted an irrevocable trust for the pre-funding of retiree healthcare benefits. As of July 1, 2019, the trust balance or Plan Fiduciary's Net Position (GASB 75) is \$234,420.

The Net OPEB Liability, equal to the Total OPEB Liability over the Plan Fiduciary's Net Position, is \$110,701.

This valuation includes benefits for three retirees and two active employees who may become eligible to retire and receive benefits in the future. It excludes employees hired after the valuation date.

Implicit Subsidy and ASOP 6

When premiums charged for retiree healthcare are lower than expected claims, an implicit subsidy is realized. This occurs, for example, when pre-Medicare retirees are afforded medical coverage at the same rates as active employees.

Actuarial Standard of Practice No. 6 (ASOP 6), revised in May 2014, provides guidance in measuring OPEB obligations and determining periodic costs or actuarially determined contributions. The standard specifies that in (almost all instances), the actuary must include the value of this implicit subsidy in the GASB 45/75 liabilities.

This valuation reflects the value of the implicit subsidy equal to \$8,550.

GASB 75 Results

For financial reporting purposes, GASB 75 requires a discount rate that reflects the following:

- a. The long-term expected rate of return on OPEB plan investments – to the extent that the OPEB plan’s fiduciary net position is projected to be enough to make projected benefit payments and assets are expected to be invested using a strategy to achieve that return.
- b. A yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher – to the extent that the conditions in (a) are not met.

The amount of the plan’s projected fiduciary net position and the amount of projected benefit payments should be compared in each period of projected benefit payments.

Based on these requirements and the following information, we have determined a discount rate of 4.00% for GASB 75 reporting purposes:

Long-Term Expected Return on Assets	4.00%
Fidelity General Obligations AA - 20 Years Index at June 30, 2019	3.13%
GASB 75 Discount Rate	4.00%

GASB 75 Results (continued)

Contra Costa Local Agency Formation Commission Net OPEB Liabilities and Expense Under GASB 75 Accrual Accounting Standard

	July 1, 2019 ¹		
	Long-Term Return	Municipal Bond Index	GASB 75 Rate
Discount Rate	4.00%	3.13%	4.00%
Present Value of Future Benefits			
Active	\$302,267	\$333,895	\$302,267
Retired	88,125	91,206	88,125
Total	\$390,392	\$425,101	\$390,392
Total OPEB Liability (Actuarial Liability)			
Active	\$256,996	\$281,216	\$256,996
Retired	88,125	91,206	88,125
Total	\$345,121	\$372,422	\$345,121
Plan Fiduciary Net Position (Plan Assets)	\$234,420	\$234,420	\$234,420
Net OPEB Liability (Unfunded Actuarial Liability)	\$110,701	\$138,002	\$110,701
Sensitivity Analysis			
1% Decrease in Discount Rate	3.00%	2.13%	3.00%
Net OPEB Liability	\$142,422	\$174,624	\$142,422
1% Increase in Discount Rate	5.00%	4.13%	5.00%
Net OPEB Liability	\$83,590	\$106,937	\$83,590
1% Decrease in Trend Rate	5.00% decreasing to 4.00%	5.00% decreasing to 4.00%	5.00% decreasing To 4.00%
Net OPEB Liability	\$82,536	\$105,889	\$82,536
1% Increase in Trend Rate	7.00% decreasing to 6.00%	7.00% decreasing to 6.00%	7.00% decreasing to 6.00%
Net OPEB Liability	\$143,287	\$175,380	\$143,287

¹ For the Agency's financial statements, DFA will provide separate schedules with supplemental GASB 75 information.

GASB 75 Results (continued)

Net OPEB Expense

We have determined the following components of the Agency's Net OPEB Expense for the measurement year ending June 30, 2020: Service Cost, Interest Cost, and Expected Return on Assets. The Service Cost represents the present value of benefits accruing in the current year. Interest Cost represents the interest on the Total OPEB Obligation and interest on the Service Cost. Expected Return on Assets is the expected return based on a 4.00% investment rate of return. Other components (Deferred Outflows and Inflows) will be determined based on the Net OPEB Obligation as of June 30, 2020.

We summarize the valuation results in the table on the next page. We provide results at three discount rates (the expected return on assets, the municipal bond index, and the GASB 75 rate, discussed above). All amounts are net of expected future retiree contributions, if any.

DFA will be available to assist the Agency and its auditors in preparing the footnotes and required supplemental information for compliance with GASB 75 (and GASB 74, if applicable). In the meantime, we are available to answer any questions the Agency may have concerning the report.

Actuarially Determined Contribution and Pay-As-You-Go with Implied Subsidy

We have calculated an actuarially determined contribution representing the Service Cost and a 30-year amortization (as a level percent of pay) of the Net OPEB Liability. We include the results in the table on the next page. We provide results at three discount rates (the expected long-term expected return on assets, the municipal bond index, and the GASB 75 rate).

An actuarially determined contribution is a potential payment to the plan determined using a contribution allocation procedure. It is not a required contribution, but a measurement commonly used to prefund OPEB benefits. We provide the amounts for illustrative purposes.

The actuarially determined contribution may be compared to the pay-as-you-go payment. The table shows the pay-as-you-go payment along with the projected implied subsidy payment.

GASB 75 Results (continued)

Contra Costa Local Agency Formation Commission Net OPEB Liabilities and Expense Under GASB 75 Accrual Accounting Standard

	July 1, 2019		
	Long-Term Return	Municipal Bond Index	GASB 75 Rate
Discount Rate	4.00%	3.13%	4.00%
Components of Net OPEB Expense for 2019-20			
Service Cost	\$20,689	\$23,903	\$20,689
Interest Cost	14,146	12,024	14,146
Expected Return on Assets	(9,377)	(9,377)	(9,377)
Total ²	\$25,458	\$26,550	\$25,458
Actuarially Determined Contribution (2019-20)			
Service Cost with Interest	\$21,517	\$24,651	\$21,517
Amortization of Net OPEB Liability ³	4,399	4,831	4,399
Total ⁴	\$25,916	\$29,482	\$25,916
Pay-As-You-Go Payment with Implied Subsidy (2019-20)			
Projected Pay-As-You-Go	\$23,494	\$23,494	\$23,494
Projected Implied Subsidy	1,042	1,042	1,042
Total	\$24,536	\$24,536	\$24,536

² Additional components are shown on the following pages. Deferred Outflows/Inflows of Resources will also include changes determined based on the Total OPEB Obligation and Plan Fiduciary Net Position as June 30, 2020.

³ 30-year amortization (as a level percent of pay).

⁴ Estimated Actuarially Determined Contribution for 2020-21:

	Long-Term Return	Municipal Bond Index	GASB 75 Rate
Total	\$26,694	\$30,367	\$26,694

GASB 75 Results (continued)

Schedule of Changes in Net OPEB Liability (July 1, 2018 to June 30, 2019)

1. Total OPEB Liability	
a. Total OPEB Liability at July 1, 2018 ⁵	\$543,894
b. Service Cost ⁶	21,950
c. Interest Cost	22,216
d. Benefit Payments ⁷	(21,075)
e. Changes in plan provisions ⁸	0
f. Difference between expected and actual experience ^{8,9}	(194,009)
g. Changes in assumptions and other inputs ⁸	(27,855)
h. Total OPEB Liability at June 30, 2019	\$345,121
2. Plan Fiduciary Net Position	
a. Plan Fiduciary Net Position at July 1, 2018 ⁵	\$180,911
b. Contributions ⁷	61,075
c. Expected Investment Income	8,387
d. Benefit Payments ⁷	(21,075)
e. Projected Plan Fiduciary Net Position at June 30, 2019	\$229,298
f. Difference between actual and expected return on assets ⁸	5,122
g. Plan Fiduciary Net Position at June 30, 2019	\$234,420
3. Net OPEB Liability: (1h) - (2g)	\$110,701

⁵ From June 30, 2019 disclosure report, based on the July 1, 2017 actuarial valuation.

⁶ Discounted from July 1, 2019 valuation.

⁷ Includes credit toward implicit subsidy.

⁸ Deferred (Outflow)/Inflow of Resources established as of the June 30, 2019.

⁹ Includes changes in census, premiums, and Agency paid benefits different than expected.

Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

Type	Initial Amount	Date Established	Period (Years)	Annual Recognition ¹⁰
Difference between expected/actual experience	0	06/30/2017	0.0	0
Difference between expected/actual return on assets	4,693	06/30/2017	5.0	939
Changes in assumptions or other inputs	0	06/30/2017	0.0	0
Difference between expected/actual experience	0	06/30/2018	0.0	0
Difference between expected/actual return on assets	(1,934)	06/30/2018	5.0	(387)
Changes in assumptions or other inputs	0	06/30/2018	0.0	0
Difference between expected/actual experience	(194,009)	06/30/2019	1.0	(194,009)
Difference between expected/actual return on assets	(5,122)	06/30/2019	5.0	(1,024)
Changes in assumptions or other inputs	(27,855)	06/30/2019	1.0	(27,855)

¹⁰ Charge/(Credit) included in Net OPEB Expense.

Plan Provisions

Plan administration. The Agency administers a single employer defined benefit healthcare plan. The Agency currently provides retiree health benefits to retirees and their dependents through Contra Costa County. All retired employees are eligible to receive health and dental benefits for life, with costs shared by the Agency and the retirees.

Benefits provided. Employees who attain age 55 and complete 10 years of service are eligible to receive an Agency paid benefit. The Agency pays a portion of the retiree's medical and dental benefits for the lifetime of the retiree and their dependents. Agency premiums and amounts paid by the Agency, for single coverage in 2019, are listed below:

Healthcare Plan	Monthly Premium	Agency Paid Portion
Contra Costa Health Plan – Basic Plan A	\$812.06	\$509.92
Contra Costa Health Plan – Medicare Plan A	403.04	403.03
Kaiser Permanente – Basic Plan A	877.30	478.91
Kaiser Permanente – Senior Advantage Plan A	368.50	263.94
Health Net HMO Plan – Basic Plan A	1677.56	627.79
Health Net Seniority Plus (HNSP) Plan A	595.96	409.69
Health Net CA & OOS PPO Plan – Basic Plan A	2340.40	604.60
Health Net CA & OOS PPO Plan A with Medicare Parts A&B	1201.52	563.17

Valuation Data

Retiree Census - Age distribution of retirees included in the valuation

Age	Total
Under 55	0
55-59	0
60-64	0
65-69	0
70-74	1
75-79	0
80-84	0
85+	2
All Ages	3
Average Age	83.5

Active Census - Age/service distribution of active employees included in the valuation

Age	Years of Service								Total
	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35+	
<25	0	0	0	0	0	0	0	0	0
25-29	0	0	0	0	0	0	0	0	0
30-34	0	0	0	0	0	0	0	0	0
35-39	0	0	0	0	0	0	0	0	0
40-44	0	0	0	0	0	0	0	0	0
45-49	0	0	0	0	0	0	0	0	0
50-54	0	0	0	0	0	0	0	0	0
55-59	0	0	0	0	0	0	0	0	0
60-64	0	0	1	0	0	0	0	0	1
65+	0	0	1	0	0	0	0	0	1
All Ages	0	0	2	0	0	0	0	0	2

Average Age: 65.6
 Average Service: 12.5

Actuarial Assumptions

The liabilities set forth in this report are based on the actuarial assumptions described in this section.

Valuation Date: July 1, 2019

Actuarial Cost Method: Entry Age, Level Percent of Pay

Discount Rate:

Long-term Expected Return	4.00%
Municipal Bond Index	3.13%
GASB 75	4.00%

Salary Increases: 3.00%

Withdrawal: Crocker-Sarason Table T-5 less mortality. Sample Rates:

Age	Rate
25	7.7%
35	6.3
45	4.0
55	0.9

Pre-retirement Mortality: RP-2014 Employee Mortality, without projection. Sample deaths per 1,000:

Age	Male	Female
25	0.48	0.17
35	0.52	0.29
45	0.97	0.66
55	2.79	1.67

Postretirement Mortality: RP-2014 Employee Mortality, without projection. Sample deaths per 1,000:

Age	Male	Female
55	5.74	3.62
60	7.78	5.19
65	11.01	8.05
70	16.77	12.87
75	26.83	20.94
80	44.72	34.84
85	77.50	60.50
90	135.91	107.13

Actuarial Assumptions (continued)

Retirement:

Age	Rate
59	25%
60	50%
61	75%
62	100%

Implicit Subsidy Factor: 1.0254

Percent Electing Coverage: 100%

Spouse Coverage: Future retirees: 100%
 Current retirees: Actual dependent data used.
 Female spouses are assumed to be three years younger than male spouses.

Medical Trend: Sample Rates:

Year	Pre-Medicare	Medicare	Dental
2019	6.00%	4.00%	4.00%
2020	5.90%	4.00%	4.00%
2021	5.80%	4.00%	4.00%
2022	5.70%	4.00%	4.00%
2023	5.60%	4.00%	4.00%
2024	5.50%	4.00%	4.00%
2025	5.40%	4.00%	4.00%
2026	5.30%	4.00%	4.00%
2027	5.20%	4.00%	4.00%
2028	5.10%	4.00%	4.00%
2029+	5.00%	4.00%	4.00%

Actuarial Certification

The results set forth in this report are based on our actuarial valuation of the health and welfare benefit plans of the Contra Costa Local Agency Formation Commission ("Agency") as of July 1, 2019.

The valuation was performed in accordance with generally accepted actuarial principles and practices. We relied on census data for active employees and retirees provided to us by the Agency. We also made use of claims, premium, expense, and enrollment data, and copies of relevant sections of healthcare documents provided to us by the Agency, and (when applicable) trust statements prepared by the trustee and provided to us by the Agency.

The assumptions used in performing the valuation, as summarized in this report, and the results based thereupon, represent our best estimate of the actuarial costs of the program under GASB 74 and GASB 75, and the existing and proposed Actuarial Standards of Practice for measuring post-retirement healthcare benefits.

Throughout the report, we have used unrounded numbers, because rounding and the reconciliation of the rounded results would add an additional, and in our opinion unnecessary, layer of complexity to the valuation process. By our publishing of unrounded results, no implication is made as to the degree of precision inherent in those results. Clients and their auditors should use their own judgment as to the desirability of rounding when transferring the results of this valuation report to the clients' financial statements.

Each undersigned actuary meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained in this report.

Certified by:



Molly McGee, ASA, EA, MAAA
Actuary



Carlos Diaz, ASA, EA, MAAA
Actuary



GASB Statement No. 75

Supplemental Schedules

for Contra Costa Local Agency Formation Commission

Reporting Period: July 1, 2019 to June 30, 2020
Measurement Period: July 1, 2018 to June 30, 2019
Valuation Date: July 1, 2019 (June 30, 2019)

May 22, 2020

**Contra Costa Local Agency Formation Commission
Post-Employment Medical Benefits Plan**

GASB 75 Disclosure Information

**Notes to the Financial Statements
For the Year Ended June 30, 2020**

Plan Description

Plan administration. The Agency administers a single employer defined benefit healthcare plan. The Agency currently provides retiree health benefits to retirees and their dependents through Contra Costa County. All retired employees are eligible to receive health and dental benefits for life, with costs shared by the Agency and the retirees.

Benefits provided. Employees who attain age 55 and complete 10 years of service are eligible to receive an Agency paid benefit. The Agency pays a portion of the retiree's medical and dental benefits for the lifetime of the retiree and their dependents.

Plan membership. At July 1, 2019, membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefit payments	3
Active plan members	2

Contributions. The contribution requirements of Plan members and the Agency are established and amended by the Agency. The required contribution is based on projected pay-as-you-go financing requirements.

**Contra Costa Local Agency Formation Commission
Post-Employment Medical Benefits Plan**

GASB 75 Disclosure Information

Net OPEB Liability

The Agency's Net OPEB Liability was measured as of June 30, 2019 and the Total OPEB Liability used to calculate the Net OPEB Liability was determined by an actuarial valuation as of July 1, 2019 (June 30, 2019). Standard actuarial update procedures were used to project/discount from valuation to measurement dates.

Actuarial assumptions. The total OPEB liability was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Salary increases	3.00 percent
Inflation rate	3.00 percent
Investment rate of return	4.00 percent, net of OPEB plan investment expense
Healthcare cost trend rate	6.00 percent for 2019 decreasing 0.10 percent each year to an ultimate rate of 5.00 percent for 2029 and later years

Pre-retirement mortality rates were based on the RP-2014 Employee Mortality Table for Males or Females, as appropriate, without projection. Post-retirement mortality rates were based on the RP-2014 Health Annuitant Mortality Table for Males or Females, as appropriate, without projection.

Actuarial assumptions used in the July 1, 2019 valuation were based on a review of plan experience during the period July 1, 2017 to June 30, 2019.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. The calculated investment rate of return was set equal to the expected ten-year compound (geometric) real return plus inflation (rounded to the nearest 25 basis points, where appropriate). The table below provides the long-term expected real rates of return by asset class (based on published capital market assumptions).

Asset Class	Assumed Asset Allocation	Real Rate of Return
Broad U.S. Equity	60%	4.4%
U.S. Fixed	40%	1.5%

Discount rate. GASB 75 requires a discount rate that reflects the following:

- a) The long-term expected rate of return on OPEB plan investments – to the extent that the OPEB plan's fiduciary net position (if any) is projected to be enough to make projected benefit payments and assets are expected to be invested using a strategy to achieve that return;
- b) A yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher – to the extent that the conditions in (a) are not met.

To determine a resulting single (blended) rate, the amount of the plan's projected fiduciary net position (if any) and the amount of projected benefit payments is compared in each period of projected benefit payments. The discount rate used to measure the Agency's Total OPEB liability is based on these requirements and the following information:

Reporting Date	Measurement Date	Long-Term Expected Return of Plan Investments (if any)	Municipal Bond 20-Year High Grade Rate Index	Discount Rate
June 30, 2019	June 30, 2018	4.00%	3.62%	4.00%
June 30, 2020	June 30, 2019	4.00%	3.13%	4.00%



**Contra Costa Local Agency Formation Commission
Post-Employment Medical Benefits Plan**

GASB 75 Disclosure Information

The components of the net OPEB liability were as follows:

Total OPEB liability	345,121
Plan fiduciary net position	234,420
Net OPEB liability	\$110,701
Measurement date	June 30, 2019
Reporting date	June 30, 2020
Covered payroll	\$234,670
Net OPEB liability (asset) as a percentage of covered payroll	47.17%
Plan fiduciary net position as a percentage of the total OPEB liability	67.92%

Schedule of Changes in Net OPEB Liability (June 30, 2018 to June 30, 2019)

Total OPEB Liability	
Service Cost	21,950
Interest	22,216
Changes of benefit terms	0
Difference between expected and actual experience	(194,009)
Changes of assumptions	(27,855)
Benefit payments ¹	(21,075)
Net change in total OPEB liability	(198,773)
Total OPEB liability – June 30, 2018 (a)	\$543,894
Total OPEB liability – June 30, 2019 (b)	\$345,121
Plan fiduciary net position	
Contributions – employer ¹	61,075
Net investment income	13,652
Benefit payments ¹	(21,075)
Trustee fees	(143)
Administrative expense	0
Net change in plan fiduciary net position	53,509
Plan fiduciary net position – June 30, 2018 (c)	\$180,911
Plan fiduciary net position – June 30, 2019 (d)	\$234,420
Net OPEB liability – June 30, 2018 (c) – (a)	\$362,983
Net OPEB liability – June 30, 2019 (d) – (b)	\$110,701

¹ Amount includes implicit subsidy associated with benefits paid.



**Contra Costa Local Agency Formation Commission
Post-Employment Medical Benefits Plan**

GASB 75 Disclosure Information

Sensitivity of the net OPEB liability to changes in the discount rate. The following presents the net OPEB liability, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage-point higher than the current discount rate:

	1% Decrease (3.00%)	Discount Rate (4.00%)	1% Increase (5.00%)
Net OPEB liability (asset)	142,422	110,701	83,590

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates. The following presents the net OPEB liability, as well as what the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease (5.00% decreasing to 4.00%)	Trend Rate (6.00% decreasing to 5.00%)	1% Increase (7.00% decreasing to 6.00%)
Net OPEB liability (asset)	82,536	110,701	143,287



**Contra Costa Local Agency Formation Commission
Post-Employment Medical Benefits Plan**

GASB 75 Disclosure Information

Statement of Fiduciary Net Position

Assets	
Cash, deposits, and cash equivalents	0
Receivables:	
Accrued Income	0
Total receivables	0
Investments:	
Managed account	234,420
Total Investments	234,420
Total Assets	234,420
Liabilities	
Payables	0
Total Liabilities	0
Net position restricted for postemployment benefits other than pensions	\$234,420
Measurement date	June 30, 2019
Reporting date	June 30, 2020

Statement of Changes in Fiduciary Net Position

Additions	
Employer contributions ²	61,075
Investment income:	
Net increase in fair value of investments	13,652
Total additions	74,727
Deductions	
Trustee fees	143
Administrative expense	0
Benefit payments ²	21,075
Total deductions	21,218
Net increase in net position	53,509
Net position restricted for postemployment benefits other than pensions	
Beginning of year – June 30, 2018	\$180,911
End of year – June 30, 2019	\$234,420

² Includes \$19,698 of pay-as-you-go contributions made from sources outside of trust, plus an implicit subsidy amounts of \$1,377.



**Contra Costa Local Agency Formation Commission
Post-Employment Medical Benefits Plan**

GASB 75 Disclosure Information

Investments

Investment policy. The Agency's policy regarding the allocation of the plan's invested assets is established and may be amended by Agency management. The primary objective is to maximize total Plan return, subject to the risk and quality constraints set forth in the investment guidelines. The Agency's assets are invested through PARS. The asset allocation ranges for this objective are listed below:

<i>Strategic Asset Allocation Ranges</i>			
	Cash	Fixed Income	Equity
Stated Range	0-20%	40%-60%	40%-60%

Market conditions may cause the account's asset allocation to vary from the stated range from time to time. The investment manager (assisting the Agency) will rebalance the portfolio no less than quarterly and/or when the actual weighting differs substantially from the strategic range, if appropriate and consistent with the objectives.

Rate of return. For the year ended on the measurement date, the annual money-weighted rate of return on investments, net of investment expense, was 6.45 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts invested.

Annual money-weighted rate of return, net of investment expense	6.45%
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**Contra Costa Local Agency Formation Commission
Post-Employment Medical Benefits Plan**

GASB 75 Disclosure Information

Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2020, the Agency's deferred outflows of resources and deferred inflows of resources to OPEB from the following sources are:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience ^{3,4}	0	0
Changes in assumptions or other inputs ^{3,4}	0	0
Differences between projected and actual return investments ^{3,4}	1,876	5,258
Total	\$1,876⁵	\$5,258

³ Measured at June 30, 2019;

⁴ See Schedule of Deferred Outflows and Inflows of Resources for additional information;

⁵ Does not include Agency contributions (plus associated implicit subsidy) made after the measurement, which will be recognized as a reduction of the Net OPEB Liability in the year ending June 30, 2020.

Amounts reported as deferred outflows and deferred inflows of resources will be recognized in OPEB expense as follows:

Fiscal Year ending June 30:	Deferred Outflows of Resources	Deferred Inflows of Resources
2021	939	(1,411)
2022	937	(1,411)
2023	0	(1,410)
2024	0	(1,026)
2025	0	0
2026	0	0
2027	0	0
2028	0	0
2029	0	0
2030	0	0

**Contra Costa Local Agency Formation Commission
Post-Employment Medical Benefits Plan**

GASB 75 Disclosure Information

Schedule of Deferred Outflows and Inflows of Resources

Year	Type	Category	Initial Base	Amortization Period	Annual Recognition	Current Balance
2018	Deferred Outflow	Difference between expected and actual experience	0	0.0	0	0
2018	Deferred Outflow	Changes in assumptions	0	0.0	0	0
2018	Deferred Outflow	Net difference between projected and actual earnings on plan investments	4,693	5.0	939	1,876
2019	Deferred Outflow	Difference between expected and actual experience	0	0.0	0	0
2019	Deferred Outflow	Changes in assumptions	0	0.0	0	0
2019	Deferred Outflow	Net difference between projected and actual earnings on plan investments	0	0.0	0	0
2020	Deferred Outflow	Difference between expected and actual experience	0	1.0	0	0
2020	Deferred Outflow	Changes in assumptions	0	1.0	0	0
2020	Deferred Outflow	Net difference between projected and actual earnings on plan investments	0	5.0	0	0
Total						1,876

Year	Type	Category	Initial Base	Amortization Period	Annual Recognition	Current Balance
2018	Deferred Inflow	Difference between expected and actual experience	0	0.0	0	0
2018	Deferred Inflow	Changes in assumptions	0	0.0	0	0
2018	Deferred Inflow	Net difference between projected and actual earnings on plan investments	0	0.0	0	0
2019	Deferred Inflow	Difference between expected and actual experience	0	0.0	0	0
2019	Deferred Inflow	Changes in assumptions	0	0.0	0	0
2019	Deferred Inflow	Net difference between projected and actual earnings on plan investments	1,934	5.0	387	1,160
2020	Deferred Inflow	Difference between expected and actual experience ⁶	194,009	1.0	194,009	0
2020	Deferred Inflow	Changes in assumptions	27,855	1.0	27,855	0
2020	Deferred Inflow	Net difference between projected and actual earnings on plan investments	5,122	5.0	1,024	4,098
Total						5,258

⁶ Includes changes in census, premiums, and Agency paid benefits different than expected.



**Contra Costa Local Agency Formation Commission
Post-Employment Medical Benefits Plan**

GASB 75 Disclosure Information

Net OPEB Expense

The Agency's Net OPEB expense was \$(186,557).

Net OPEB Liability – beginning (a)	\$362,983
Net OPEB Liability – ending (b)	\$110,701
Change in Net OPEB Liability [(b)-(a)]	(252,282)
Change in Deferred Outflows	939
Change in Deferred Inflows	3,711
Employer Contributions	61,075
Net OPEB Expense – June 30, 2018 to June 30, 2019	\$(186,557)

Service Cost	21,950
Interest Cost	22,216
Expected Return on Assets	(8,387)
Changes of benefit terms	0
Recognition of Deferred Outflows and Inflows	
Differences between expected and actual experience	(194,009)
Changes of assumptions	(27,855)
Differences between projected and actual investments	(472)
Total	(222,336)
Net OPEB Expense – June 30, 2018 to June 30, 2019	\$(186,557)

Actuarially Determined Contribution

The actuarially determined contributions from the most recent actuarial valuation are:

Actuarially Determined Contribution for year ending June 30, 2020	\$25,916
Actuarially Determined Contribution for year ending June 30, 2021	\$26,694

Valuation Date	July 1, 2019
Discount Rate (Expected Long-term Return on Assets)	4.00%
Salary Increases	3.00%



**Contra Costa Local Agency Formation Commission
Post-Employment Medical Benefits Plan**

GASB 75 Disclosure Information

Actuarial Certification

The results set forth in this supplement are based on our actuarial valuation of the health and welfare benefit plans of the Contra Costa Local Agency Formation Commission as of July 1, 2019 (June 30, 2019).

The valuation was performed in accordance with generally accepted actuarial principles and practices. We relied on census data for active employees and retirees provided to us by the Agency. We also made use of claims, premium, expense, and enrollment data, and copies of relevant sections of healthcare documents provided to us by the Agency, and (when applicable) trust statements prepared by the trustee and provided to us by the Agency.

The assumptions used in performing the valuation, as summarized in this report, and the results based thereupon, represent our best estimate of the actuarial costs of the program under GASB 74 and GASB 75, and the existing and proposed Actuarial Standards of Practice for measuring post-retirement healthcare benefits.

Each undersigned actuary meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained in this report.

Certified by:



Molly McGee, ASA, MAAA
Actuary



Carlos Diaz, ASA, EA, MAAA
Actuary

Contra Costa Local Agency Formation Commission
c/o California School Boards Association