

OPEB Prefunding Trust Program Client Review



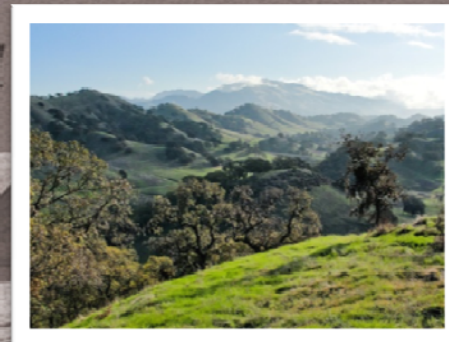
County of Contra Costa

February 2, 2017

PUBLIC
AGENCY
RETIREMENT
SERVICES

PARS

TRUSTED SOLUTIONS. LASTING RESULTS.



Contacts

PARS

Mitch Barker, Executive Vice President
mbarker@pars.org; 800.540.6369 ext. 116

Rachael Sanders, Supervisor, Client Services
rsanders@pars.org; 800.540.6369 ext. 121

HighMark Capital Management

Anders Brown, CFA, Vice President, Senior Portfolio Manager
andrew.brown@highmarkcapital.com; 415-705-7605

Plan Overview

Type of Plan: IRC Section 115 Irrevocable Exclusive Benefit Trust

Trustee Approach: Discretionary

Plan Effective Date: January 1, 2011

Plan Administrator: Russell (Rusty) Watts

Current Investment Strategy: Custom Strategy
-Selected February 2011

As of 11/30/2016:

Initial Contribution: January 2011– \$51,070,366

Additional Contributions: \$116,424,372

Total Contributions: \$167,494,738

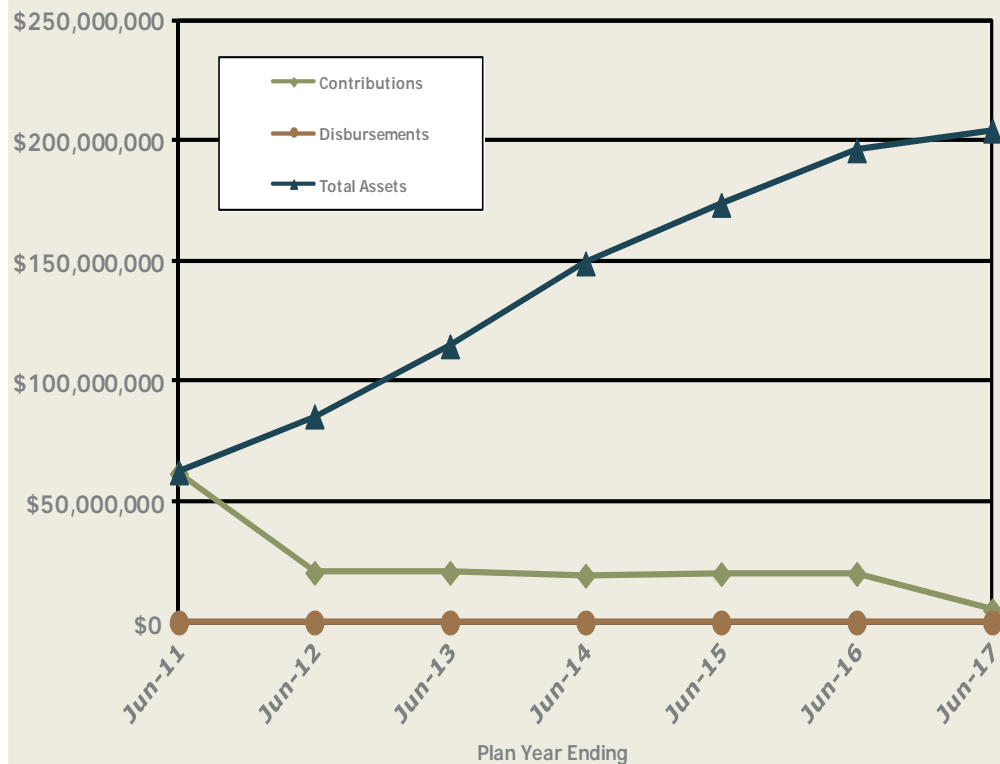
Disbursements: \$0

Total Investment Earnings: \$38,301,784

Account Balance: \$204,118,375

Summary of the Plan Activity

County of Contra Costa
Total Assets, Contributions & Disbursements



Plan Y/E	Contributions	Disbursements	Total Assets
Jun -11	\$61,698,777	\$0	\$62,297,373
Jun -12	\$20,606,199	\$0	\$85,491,338
Jun -13	\$20,596,635	\$0	\$114,599,118
Jun -14	\$19,373,129	\$0	\$149,031,810
Jun -15	\$20,039,999	\$0	\$173,307,975
Jun -16	\$20,139,999	\$0	\$195,976,424
Jun -17†	\$5,040,000	\$0	\$204,118,375

†Plan Year Ending June, 2017 is based on 5 months of activity, through 11/30/2016

** Note: Transfer of \$5,000,000 on 1/27/17 (not shown here).

Actuarial Results

We have received the actuarial report prepared by **Milliman**, with a valuation date of **January 1, 2016**. In the tables below, we have summarized the results.

Demographic Study

Valuation Date:	January 1, 2016
Active Participants	8,645
Retirees	6,396
Total Plan Members	15,041

Actuarial Results (continued)

	January 1, 2016 5.70% Discount Rate
Actuarial Accrued Liability (AAL)	\$939,053,000
Actuarial Value of Assets	\$174,724,000
Unfunded AAL	\$764,329,000
Normal Cost	\$29,032,000
Annual Required Contribution (ARC)	\$89,170,000

Note: Rule of thumb is, for every one percent increase in the discount rate, the unfunded liability is reduced by 10-12%.

Administrative Review

- ✓ Future Contributions
- ✓ Future Disbursement Requests – Options
- ✓ Agency’s future actuarial valuation for GASB 45 compliance – Next Valuation Due: 01/18
- ✓ GASB 75 Updates – Effective for fiscal years beginning after June 15, 2017
- ✓ Investment Guidelines Document – Signed September, 2015
- ✓ Client Funding Policy
- ✓ Pension Rate Stabilization Program (PRSP)
- ✓ Client Feedback