

Terminated Agency Risk Pool June 30, 2020 Valuation

Finance & Administration Committee
September 14, 2021

Overview

- Actuarial valuation date June 30, 2020
- 119 plans in the TAP
 - 8 new agencies
- Funded Ratio is 176.2%

Changes Since June 30, 2019 Valuation

- Addition of 8 agencies
 - Central Coast Computing
 - Central Sierra Planning Council
 - City of Placentia
 - College Town
 - Fort Ord Reuse Authority
 - La Branza Water District
 - San Luis Obispo Regional Transit Authority
 - Shasta Local Agency Formation Commission Authority
- Additional accrued liability of \$38 million

Changes Continued

- Assumption changes
 - Discount rate 1.48% (2.62% on June 30, 2019)
 - Inflation rate 1.65% (1.85% on June 30, 2019)

Current and Prior Year Results

Funded Status	June 30, 2019 (\$ in millions)	June 30, 2020 (\$ in millions)
Market Value of Assets	\$301.5	\$366.1
Accrued Liability	\$148.7	\$207.8
Unfunded Accrued Liability	(\$152.8)	(\$158.3)
Funded Ratio	202.8%	176.2%

TAP Assets

\$Millions	June 30, 2019 Allocation		June 30, 2020 Allocation	
Immunized Segment	51.6%	\$155.6	51.5%	\$188.5
Surplus Segment	48.4%	\$145.9	48.5%	\$177.6
Total	100.00 %	\$301.5	100.0%	\$366.1

Blended rate of return FY 2019-20 10.7%

Sensitivity - Mortality

Sensitivity of the Funded Status to a Change in Mortality Rates

June 30, 2020	Current Mortality Rates	-10% Mortality Rates	+10% Mortality Rates
Funded Ratio	176.2%	169.7%	182.4%
Accrued Liability Impact		\$8.0 million	(\$7.1) million

Sensitivity - Inflation

Sensitivity of the Funded Status to a Change in Inflation Rates

June 30, 2020	Current Inflation Rate 1.65%	0.65% Inflation Rate	2.65% Inflation Rate
Funded Ratio	176.2%	202.2%	165.2%
Accrued Liability Impact		(\$26.8) million	\$13.8 million