TO:

BOARD OF SUPERVISORS

FROM:

JOHN CULLEN,

COUNTY ADMINISTRATOR

DATE:

MAY 16, 2006

SUBJECT:

ACCEPT THE REPORT FROM BUCK CONSULTANTS LLC, CONERNING PRELIMINARY ACTUARIAL ANALYSIS OF THE COUNTY'S LIABILITY FOR RETIREE HEALTHCARE AND OTHER POST-EMPLOYMENT BENEFITS,

County

CONSISTENT WITH THE REQUIREMENTS OF GOVERNMENTAL

ACCOUNTING STANDARDS BOARD STATE NO. 45, AS PRESENTED TO

THE FINANCE COMMITTEE.

SPECIFIC REQUEST(S) OR RECOMMENDATION(S) & BACKGROUND AND JUSTIFICATION

RECOMMENDATIONS:

ACCEPT the report and presentation materials from Buck Consultants, LLC, (attached) concerning preliminary actuarial analysis of the County's liability for retiree healthcare and other post-employment benefits, consistent with the requirements of Governmental Accounting Standards Board Statement No. 45 (GASB 45), as presented to the Finance Committee.

FISCAL IMPACT:

None

BACKGROUND:

On February 28, 2006, the Board of Supervisors authorized the County Administrator to execute a contract with Buck Consultants, LLC (Buck) to provide actuarial and consulting services related to compliance with the requirements of GASB 45. The Board also directed staff to provide future progress reports on this subject to the Finance Committee.

Since the Board's action in late February, Buck has developed an analysis of the County's liability for retiree healthcare and other post-employment benefits (OPEB) consistent with the requirements of GASB 45. The attached letter contains the findings of Buck's analysis.

On May 4, 2006, Michael Schionning and Jacqueline Farren from Buck presented their analysis to the Finance Committee. A copy of Buck's presentation to the Finance Committee is also attached.

CONTINUED ON ATTACHMENT: X YES	SIGNATURE: Jasen Cigo
RECOMMENDATION OF COUNTY ADMINISTRATO APPROVE OTHER	ORRECOMMENDATION OF BOARD COMMITTEE
SIGNATURE(S): The HOO CAPPROVE AS R	ECOMMENDED OTHER ACTION OF Where Coldendury
VOTE OF SUPERVISORS UNANIMOUS (ABSENT	I HEREBY CERTIFY THAT THIS IS A TRUE AND CORRECT COPY OF AN ACTION TAKEN AND ENTERED ON THE MINUTES OF THE BOARD OF SUPERVISORS ON THE DATE
AYES: NOES: ABSTAIN: ABSTAIN:	SHOWN. ATTESTED MAY 16, 2006
CONTACT: Jason Crapo 335.1021	JOHN CULLEY, CLERK OF THE BOARD OF SUPERVISORS AND COUNTY ADMINISTRATOR
CC: County Administrator/Capital Facilities County Auditor-Controller County Treasurer-Tax Collector	

BY LOND O'LOR!

Board of Supervisors

May 16, 2006

Accept the report from Buck Consultants LLC, concerning preliminary actuarial analysis of the County's liability for retiree healthcare and other post-employment benefits, consistent with the requirements of Governmental Accounting Standards Board Statement No. 45, as recommended by the Finance committee.

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At the conclusion of Buck's presentation, the Finance Committee provided the following direction to staff:

- 1. Prepare an analysis of OPEB liability reductions that could be produced through changes to healthcare benefits
- 2. Prepare an analysis of the cost associated with funding varying levels of the liability and make recommendations concerning the portion of the liability that should be pre-funded
- 3. Investigate unresolved questions concerning State and Federal reimbursement for pre-funding OPEB costs, establishment of an irrevocable trust for the accumulation of pre-funding assets, and options for investment of such assets
- 4. Work with California State Association of Counties (CSAC) and other public sector partners to gather data and develop statewide strategies for managing this issue

Buck's calculation of the County's OPEB liability represents an important step in the County's compliance with the requirements of GASB 45 and development of a plan for managing OPEB liability. Going forward, the CAO will continue to work with other County departments and Buck Consultants to develop recommendations for the Board to consider concerning strategies for managing the County's OPEB liability. The CAO and Buck Consultants will continue to provide future progress reports on this subject to the Finance Committee.