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Date: October 12, 2024

To: Board of Directors

Submitted by: David Aranda, Interim General Manager

Subject: General Manager's Report for September 7, 2024 through October 5, 2024

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The following items were addressed by the IGM:

- A Zoom LAFCO discussion with the Executive Director to better understand the process of moving forward with reorganization, which included costs for such.
- A Zoom webinar with the County and their consultants regarding the hazard mitigation plan updates and requirements.
- A phone meeting with a local Scout who is interested in performing improvements to the park in conjunction with his Eagle Scout Project.
- A meeting with the Survey Ad Hoc Committee of President Spath and Director Gough to discuss a community survey project.
- A meeting at the 79 Arlington site with the owner, two directors, surveyor and landscaper in an attempt to resolve the encroachment issue.
- Various discussions and follow up regarding the current medical retirement costs to the district in conjunction with having a GASB 75 Actuarial Audit done to determine the District's liability over the next few years.
- A meeting was held with the Police Officers Association representative, the Chief and the board president to make sure all parties were on the same page regarding the existing M.O.U. and medical retirement.
- A Zoom meeting between the IGM and the Police Officers Representatives with the POA representatives presenting their list of items they would like to see incorporated in a new M.O.U.
- A phone discussion regarding The Paths in Kensington.
- Various discussions with the General Manager of the KFPD regarding our operations and preparing and presenting information to Ridgeline for the joint fiscal analysis.
- Worked with the Board President to submit a grant application to CALOES and FEMA.

General Manager's Report

October 12, 2024

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**Exhibit(s)**

- Parks Report
- Recreation Office Report October 2024
- KPPCSD OPEB Plan FYE June 30 2024
- Kensington 2024 Community Cleanup Statistics

\*\* Geotechnical Studies and Fault Hazard Investigation Police Department Building Site Arlington Avenue, APN: 572-040-011Kensington, California is available on the website



# Kensington Police Protection & Community Services District

Date: October 10, 2024

To: Board of Directors

From: Rosa Ruiz

Subject: Parks Report

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The District office will be closed in observance of Columbus Day on Monday, October 14th, 2024.

## **Community Center:**

1. Events at the center for October will be quite busy. Except for one weekend out of the whole month, which will be empty.
2. The Great Kensington Clean-Up Week was successful. Thirty-six broken tables, chairs, and other smaller items were disposed of on Wednesday, September 18. Thanks to Bay View.
3. We are in the process of scheduling maintenance for the Nana sliding doors.

## **Park:**

1. Reservations for picnic tables are still going strong. Two to three tables are reserved every weekend. The maintenance team ensures that trash isn't overflowing.

# **Recreation Office Report prepared by Jenny Parks Kensington Community Council October 1, 2024**

## **KASEP:**

KASEP Fall session is in full swing, offering 75 classes to kids TK- 6<sup>th</sup> grade each week at the community center, park and recreation building.

Winter KASEP registration is scheduled for December 3<sup>rd</sup> and begins the week of January 6<sup>th</sup>.

## **Adult Classes - Fall Schedule**

Tai Chi with Nobuo Nishi - Wednesdays & Fridays 9:30-11am -CC  
Strength & Balance Yoga Tuesdays 8:30am & Thursday Gentle Yoga  
11:30

Cardio Dance Class on Friday 11:30-12:30 Community Center

Cooking with April - Tuesdays 6-8pm CC Kitchen

Fall Stitch Art Class with Elaine Chu - October 26<sup>th</sup> 1-3pm -Recreation  
Building

Good Guest Kensington Basket Weaving - October 14<sup>th</sup>

## **KCC & Other:**

- Sneha Patel was voted in as new KCC Board member
- New KASEP Advisory Members Helen Liu and Charlee Martin
- Windows got cleaned and power washing of the front area of the recreation building in August.
- The field was raked and holes filled with dirt to avert tripping hazards
- Floors were cleaned and polished in the recreation building.
- KCC Fall Movie Night was a success with approx. 400 people in attendance on 9/21.
- Indigenous Peoples Day event for kids 8-12 will be on Monday, October 14<sup>th</sup> at the Recreation Building
- KCC Fall Picnic is scheduled for Sunday, October 20<sup>th</sup>, 2024
- Vitalant Blood Drive - Monday November 1<sup>st</sup> in the CC

**Kensington Police Protection and  
Community Services District  
OPEB Plan**

**Governmental Accounting Standards Board  
(GASB) Statement 75  
Actuarial Valuation Date: June 30, 2023  
Measurement Date: June 30, 2023  
Fiscal Year End: June 30, 2024**

**Revised: October 4, 2024**

October 4, 2024

OPEB CONSULTANTS AND ACTUARIES  
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SAN FRANCISCO, CALIFORNIA 94104  
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David Aranda  
Interim General Manager  
Kensington Police Protection and Community Services District  
1000 East Victoria St.  
Carson, CA 90747

**Re: Revised Kensington Police Protection and Community Services District GASB 75  
Report for FYE June 30, 2024**

Dear Mr. Aranda,

Kensington Police Protection and Community Services District (the "District") has retained Nicolay Consulting Group to complete this valuation of the District's postemployment medical program (the "Plan") as of June 30, 2023 measurement date compliant under Governmental Accounting Standards Board (GASB) Statement 75.

The purpose of this valuation is to determine the value of the expected postretirement benefits for current and future retirees and the Net OPEB Liability and OPEB Benefit Cost for the fiscal year ending June 30, 2024. The amounts reported herein are not necessarily appropriate for use for a different fiscal year without adjustment.

Based on the foregoing, the cost results and actuarial exhibits presented in this report were determined on a consistent and objective basis in accordance with applicable Actuarial Standards of Practice and generally accepted actuarial procedures. We believe they fully and fairly disclose the actuarial position of the Plan based on the plan provisions, employee and plan cost data submitted.

The actuarial calculations were completed under the supervision of Tina Haugbro and Sue Simon. They are members of the American Academy of Actuaries who meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein. To the best of our knowledge, the information supplied in the actuarial valuation is complete and accurate. In our opinion, assumptions as approved by the plan sponsor are reasonably related to the experience of and expectations for the Plan.

We would be pleased to answer any questions on the material contained in this report or to provide further explanation or detail as may be appropriate.

Respectfully submitted,  
NICOLAY CONSULTING GROUP



Tina D. Haugbro EA, MAAA  
Consulting Actuary



Sue Simon ASA, MAAA, EA, FCA  
Vice President & Senior Actuary

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## Section I Management Summary

### A) Highlights

#### Summary of Key Valuation Results

Total Change in TOL	2023	2022
<u>Present Value of Future Benefits:</u>		
Active	\$683,045	\$383,475
Retiree	1,603,635	1,834,041
Total	\$2,286,680	\$2,217,516
<u>Actuarial Accrued Liability or Total OPEB Liability (TOL)</u>		
Active	\$100,301	\$42,707
Retiree	1,603,635	1,834,041
Total	\$1,703,936	\$1,876,748
Plan Fiduciary Net Position (i.e. Fair Value of Assets)	2,143,717	2,014,933
Net OPEB Liability (NOL)	(\$439,781)	(\$138,185)
Plan Fiduciary Net Position as a percentage of the TOL	126%	107%
Aggregate OPEB Expense / (Income) (Exhibit 4)	\$36,755	(\$115,437)
Covered Payroll	\$987,070	N/A
<b>Schedule of contributions for measurement period ending June 30:</b>		
Actuarially determined contributions (Exhibit 7)	\$29,771	\$0
Actual contributions	186,846	201,478
Contribution deficiency/(excess)	(\$157,075)	(\$201,478)
Employer's Share of Benefit Payments	\$186,846	\$201,478
<b>Demographic data for measurement period ending June 30:</b>		
Number of active members	5	6
Number of retired members and beneficiaries	12	15
Inactive Participants with deferred benefits	0	0
Total Participants	17	21
<b>Key assumptions as of the Measurement Date:</b>		
Discount rate	6.00%	6.00%
<u>Initial Trend Rate</u>		
Pre-65	7.64%	5.20%
Post-65	4.85%	4.00%
Ultimate Rate	4.50%	4.00%
Year Ultimate Rate is Reached	2052	2065

## Section I Management Summary

### B) GAP Analysis

The Total OPEB Liability has decreased \$172,812 from \$1,876,748 as of June 30, 2022 to \$1,703,936 as of June 30, 2023. See table below for details.

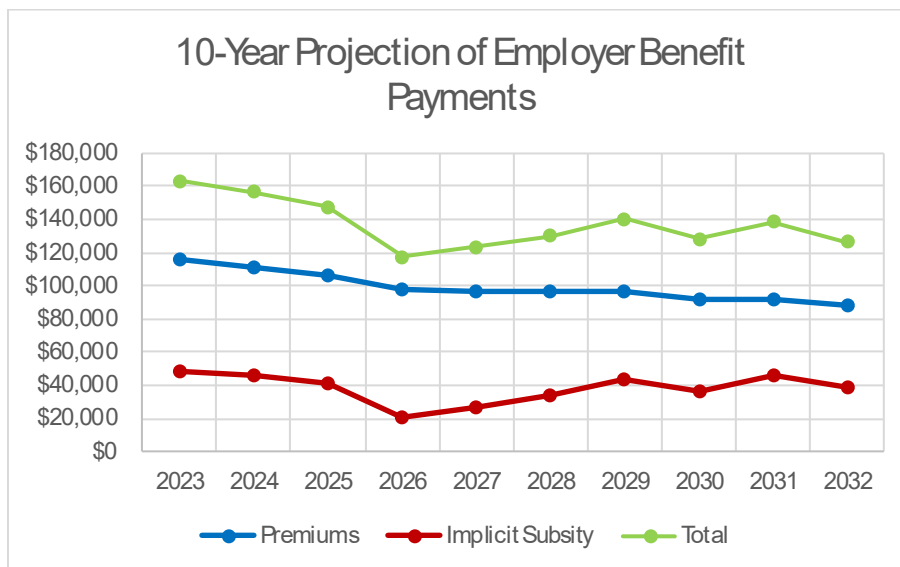
<b>Change in TOL</b>	<b>Amount</b>	<b>Percentage</b>
Expected Benefits Earned, Benefit Payments and Interest	\$11	1%
<b>Liability Experience</b>		
Actual Demographic and Other Experience	(\$370)	(20%)
New Premiums	\$129	7%
Total Liability Experience	(\$241)	(12%)
<b>Changes in Assumptions</b>		
Change in Trend	\$55	3%
Change in Decrements (CalPERS 2021 Exp Study)	\$2	0%
New Discount Rate	\$0	0%
Total Assumption Change	\$57	3%
<b>Changes in Benefit Terms</b>		
Benefit Change	\$0	0%
Total Benefit Change	\$0	0%
<b>Total Change in TOL</b>	<b>Amount</b>	<b>Percentage</b>
Expected Benefits Earned, Benefit Payments and Interest	\$11	1%
Liability Experience	(\$241)	(12%)
Changes in Assumptions	\$57	3%
Amendments	\$0	0%
Total	(\$173)	(9%)

## Section I Management Summary

### C) 10 – Year Projection of Employer’s Benefit Payments

In this table we show the projected pay-as-you-go costs (employer’s share of premiums), the implicit subsidy, and total expected benefit payments. The implicit subsidy reflects the shortfall of premiums versus the true cost of coverage. The shortfall exists because claims for active employees are combined with claims of retirees (who generally are older and cost more) to develop a single flat premium paid by both groups.

Plan Year Beginning 7/1	Employer’s Share of Premiums	Implicit Subsidy	Total
2023	\$115,254	\$47,733	\$162,987
2024	\$111,062	\$45,438	\$156,500
2025	\$106,415	\$40,789	\$147,204
2026	\$97,260	\$20,144	\$117,404
2027	\$96,955	\$26,108	\$123,062
2028	\$96,814	\$33,373	\$130,187
2029	\$96,560	\$43,540	\$140,100
2030	\$91,902	\$36,113	\$128,015
2031	\$92,024	\$46,525	\$138,549
2032	\$87,863	\$38,314	\$126,177



# Section I Management Summary

## D) Breakdown of Explicit and Implicit Liabilities

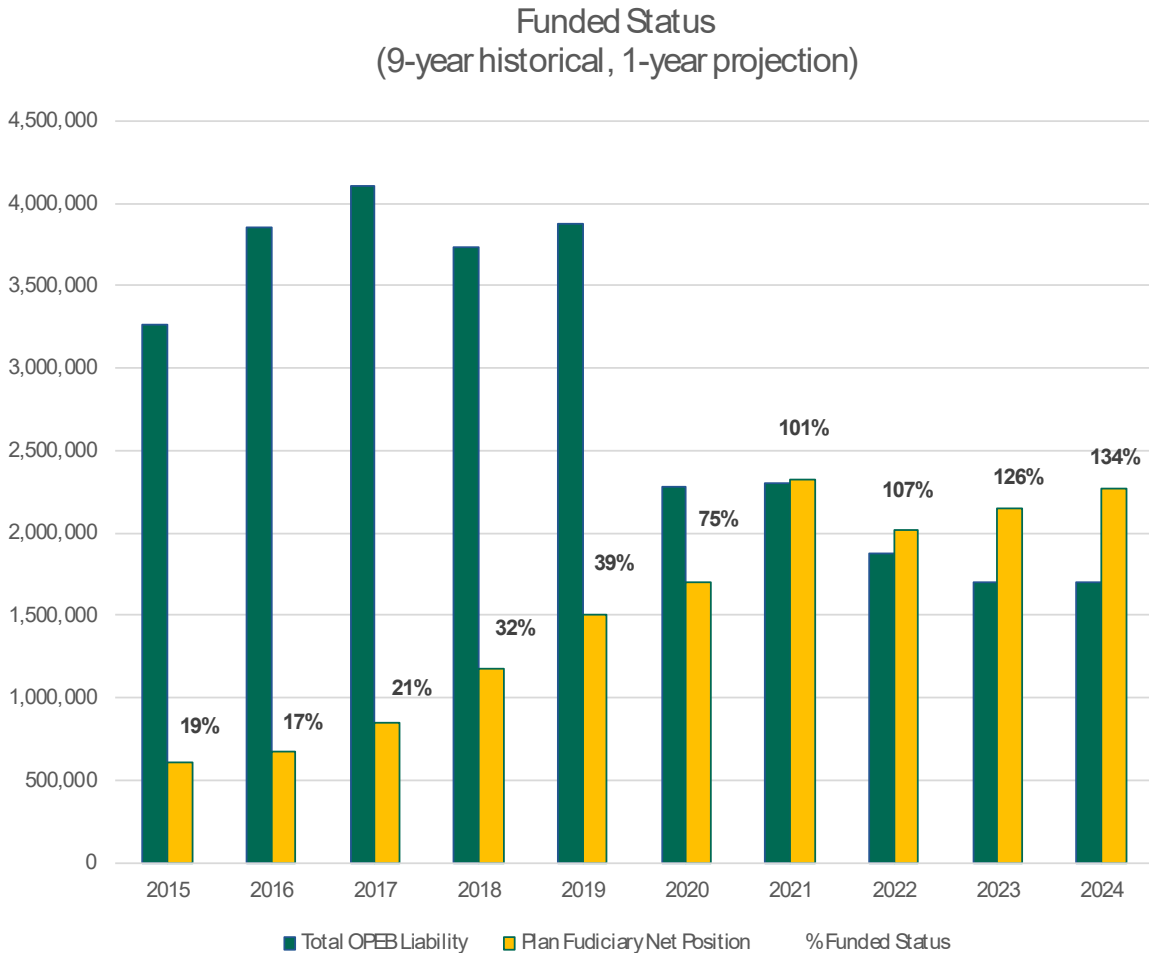
	Explicit	Implicit	Total
<b>Present Value of Future Benefits</b>			
Actives	\$230,668	\$452,377	\$683,045
Retirees	1,091,267	512,368	1,603,635
<b>Total</b>	<b>\$1,321,935</b>	<b>\$964,745</b>	<b>\$2,286,680</b>
<b>Actuarial Accrued Liability</b>			
Actives	\$35,403	\$64,898	\$100,301
Retirees	1,091,267	512,368	1,603,635
<b>Total</b>	<b>\$1,126,670</b>	<b>\$577,266</b>	<b>\$1,703,936</b>
<b>Normal Cost 2023-2024</b>	<b>\$22,886</b>	<b>\$42,878</b>	<b>\$65,764</b>



# Section I Management Summary

## E) Funding Progress

Below is an illustration of the funded status of the Plan for the past 9 years, and a projection of the next year looking forward:



## Section II GASB 75 Exhibits

### A) Schedule of Change in Net OPEB Liability (Exhibit 1)

	2023	2022
<b><u>Total OPEB Liability</u></b>		
Service cost	\$85,414	\$45,057
Interest	112,124	163,711
Change of benefit terms	0	(400,013)
Differences between expected and actual experience	(240,803)	(164,207)
Changes of assumptions	57,299	130,983
Benefit payments	(186,846)	(201,478)
<b>Net change in Total OPEB Liability</b>	<b>(\$172,812)</b>	<b>(\$425,947)</b>
<b>Total OPEB Liability – beginning (a)</b>	<b>\$1,876,748</b>	<b>\$2,302,695</b>
<b>Total OPEB Liability – ending (b)</b>	<b>\$1,703,936</b>	<b>\$1,876,748</b>
<b><u>Plan Fiduciary Net Position</u></b>		
Contributions – employer	\$186,846	\$201,478
Contributions – employee	0	0
Net investment income	129,369	(311,417)
Benefit payments	(186,846)	(201,478)
Administrative expense	(585)	(589)
Other	0	0
<b>Net change in Plan Fiduciary Net Position</b>	<b>\$128,784</b>	<b>(\$312,006)</b>
<b>Plan Fiduciary Net Position – beginning (c)</b>	<b>\$2,014,933</b>	<b>\$2,326,939</b>
<b>Plan Fiduciary Net Position – ending (d)</b>	<b>\$2,143,717</b>	<b>\$2,014,933</b>
<b>Net OPEB Liability - beginning (a) – (c)</b>	<b>(\$138,185)</b>	<b>(\$24,244)</b>
<b>Net OPEB Liability – ending (b) – (d)</b>	<b>(\$439,781)</b>	<b>(\$138,185)</b>
<b>Plan Fiduciary Net Position as a percentage of the TOL</b>	<b>126%</b>	<b>107%</b>
<b>Covered employee payroll</b>	<b>\$987,070</b>	<b>N/A</b>
<b>NOL as percentage of covered employee payroll</b>	<b>-45%</b>	<b>N/A</b>

## Section II GASB 75 Exhibits

### B) Summary of Change I Net OPEB Liability (Exhibit 2)

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a)-(b)
<b>Measurement as of June 30, 2022:</b>	\$1,876,748	\$2,014,933	(\$138,185)
Recognized Changes Resulting from:			
▪ Service cost	\$85,414	\$0	\$85,414
▪ Interest	112,124	0	112,124
▪ Diff. between exp and actual experience	(240,803)	0	(240,803)
▪ Changes of assumptions	57,299	0	57,299
▪ Net investment income	0	129,369	(129,369)
▪ Benefit payments	(186,846)	(186,846)	0
▪ Contributions – employer	0	186,846	(186,846)
▪ Contributions – employee	0	0	0
▪ Administrative expense	0	(585)	585
▪ Change of benefit terms	0	0	0
Net Changes	(\$172,812)	\$128,784	(\$301,596)
<b>Measurement as of June 30, 2023:</b>	\$1,703,936	\$2,143,717	(\$439,781)

## Section II GASB 75 Exhibits

### C) Derivation of Significant Actuarial Assumptions

**Long-term Expected Rate of Return** – As of June 30, 2023, the long-term expected rates of return for each major investment class in the Plan’s portfolio are as follows:

Investment Class	Target Allocation	Long-Term Expected Real Rate of Return <sup>1</sup>
Equity	60.00%	5.07%
Fixed Income	32.00%	1.56%
REITs/TIPS	8.00%	4.53%

<sup>1</sup>JPMorgan arithmetic Long Term Capital Market assumptions and expected inflation of 2.50%.

The above table shows the target asset allocation in the CERBT Strategy 1 investment policy.

**Discount rate** – The discount rate is based on a blend of the long-term expected rate of return on assets for benefits covered by plan assets and a yield or index for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or better for benefits not covered by plan assets.

Above are the arithmetic long-term expected real rates of return by asset class for the next 10 years as provided in a report by JP Morgan. For years thereafter, returns were based on historical average index real returns over the last 30 years assuming a similar equity/fixed investment mix and a 2.50% inflation rate. Investment expenses were assumed to be 10 basis points per year. These returns were matched with cash flows for benefits covered by plan assets and the Fidelity 20yr General Obligation Bond index was matched with cash flows not covered by plan assets to measure the reasonableness of the choice in discount rate.

	June 30, 2023	June 30, 2022
Discount Rate	6.00%	6.00%
Long-term Rate of Return	6.00%	6.00%
Fidelity 20yr GO Bond Index	3.86%	3.69%



**Section II GASB 75 Exhibits**

**D) Sensitivity Analysis (Exhibit 3)**

**Sensitivity of the Net OPEB Liability to changes in the discount rate** – The following presents the District’s Net OPEB Liability if it were calculated using a discount rate that is 1% point lower (5.00%) or 1% point higher (7.00%) than the current rate:

**Sensitivity of the Net OPEB Liability to changes in the Trend Rate** - The following presents the District’s Net OPEB Liability if it were calculated using a trend table that has rates that are 1% point lower or 1% point higher than the current set of rates:

**Net OPEB Liability as of the June 30, 2023 measurement date: (\$439,781).**

**Sensitivity Analysis:**

	<b>Net OPEB Liability</b>	<b>\$ Change</b>	<b>%Change</b>
<b>Discount Rate</b>			
1%	(\$587,938)	(\$148,157)	-34%
Base	(\$439,781)		
-1%	(\$262,862)	\$176,919	40%
<b>Trend Rate</b>			
1%	(\$337,960)	\$101,821	23%
Base	(\$439,781)		
-1%	(\$514,822)	(\$75,041)	-17%



## Section II GASB 75 Exhibits

### E) Schedule of OPEB Expense (Exhibit 4)

Measurement Period Ending:	June 30, 2023	June 30, 2022
<b>Components of OPEB Expense:</b>		
Service Cost	\$85,414	\$45,057
Interest on the Total OPEB Liability (Exhibit 5)	112,124	163,711
Projected Earnings on OPEB Plan Investments (Exhibit 6)	(120,878)	(169,990)
Employee Contributions	0	0
Administrative Expense	585	588
Changes on Benefit Terms	0	0
Recognition of Deferred Resources Due to:		
▪ Changes of Assumptions	48,948	(54,019)
▪ Differences between Expected and Actual Experience	(128,995)	(142,276)
▪ Differences Between Projected Actual Earnings on Assets	39,557	41,492
Aggregate OPEB Expense/(Income)	<u>\$36,755</u>	<u>(\$115,437)</u>

## Section II GASB 75 Exhibits

### F) Interest on the Total OPEB Liability (Exhibit 5)

	Amount for Period a	Portion of Period b	Interest Rate c	Interest on the Total OPEB Liability a*b*c
Beginning Total OPEB Liability	\$1,876,748	100%	6.00%	\$112,604
Service Cost	\$85,414	100%	6.00%	5,125
Benefit payments	(\$186,846)	50%	6.00%	(5,605)
Total Interest on the TOL				\$112,124

## Section II GASB 75 Exhibits

### G) Projected Earnings on OPEB Plan Investments (Exhibit 6)

Total Projected Earnings	Amount for Period a	Portion of Period b	Projected Rate of Return c	Projected Earnings a*b*c
Beginning Plan Fiduciary Net Position	\$2,014,933	100%	6.00%	\$120,896
Employer Contributions	\$186,846	50%	6.00%	5,605
Employee Contributions	\$0	50%	6.00%	0
Benefits payments	(\$186,846)	50%	6.00%	(5,605)
Administrative Expense and Other	(\$585)	50%	6.00%	(18)
<b>Total Projected Earnings</b>				<b>\$120,878</b>

#### Comparison of Projected and Actual Investment Earnings Investments

Total Projected Earnings	\$120,878
Actual Net Investment Income	129,369
Difference Between Projected and Actual Earnings on Assets	(\$8,491)

## Section II GASB 75 Exhibits

### H) Schedule of Contributions (Exhibit 7)

Measurement Period Ending:	June 30, 2023	June 30, 2022
Actuarially Determined Contribution	\$29,771	\$0
Contributions to the Trust	\$0	\$0
Pay-go Payments by Employer Unreimbursed by the Trust	149,153	165,490
Active Implicit Rate Subsidy Transferred to OPEB	37,693	35,988
Total OPEB Contributions	\$186,846	\$201,478
Covered-employee payroll	\$987,070	N/A
Contributions as a percentage of covered-employee payroll	19%	N/A

<sup>1</sup>Employers setting a discount rate based on the assumption that assets will be sufficient to cover all future benefit payments under the plan are assumed to annually make contributions equal to the actuarially determined contribution. Annual contributions made that are substantially less than the ADC would require additional support for use of a discount rate equal to the long-term expected return on trust assets.

<sup>2</sup>Covered-Employee Payroll, as defined by GASB 75, is the total payroll of employees eligible for benefits under the OPEB plan.

## Section II GASB 75 Exhibits

### I) Deferred Inflows/Outflows of Resources (Exhibit 8)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Unrecognized Deferred Resources due to:		
▪ Differences between expected and actual experience	\$0	\$232,784
▪ Changes in assumptions	89,856	0
▪ Net difference between projected and actual earnings	153,700	0
Contribution to OPEB plan after measurement date <sup>1</sup>	177,368	0
Total	\$420,924	\$232,784

<sup>1</sup> Determined as of the fiscal year ending June 30, 2024

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

Fiscal Year Ended June 30	Recognized Deferred Outflows/(Inflows) of Resources
2025	(\$26,950)
2026	(30,764)
2027	70,187
2028	(1,701)
2029	(0)
Thereafter	0
Total Deferred Resources:	\$10,772

## Section II GASB 75 Exhibits

### J) Schedule of Deferred Inflows/Outflows of Resources (Exhibit 9)

Fiscal Year Established	Initial Amount	Initial Years	Years Left	Amount Recognized In FY 2024	Deferred Balances as of 06/30/24	
					Outflows	Inflows
<b>Difference Between Expected and Actual Plan Experience</b>						
2021	(277,547)	3.090	-	(8,084)	0	0
2022	0	3.090	0.090	0	0	0
2023	(164,207)	3.200	1.200	(51,315)	0	(61,577)
2024	(240,803)	3.460	2.460	(69,596)	0	(171,207)
Total	(\$682,557)			(\$128,995)	\$0	(\$232,784)
<b>Change in Assumptions</b>						
2021	(293,401)	3.090	-	(8,545)	0	0
2022	-	3.090	0.090	0	0	0
2023	130,983	3.200	1.200	40,933	49,117	0
2024	57,299	3.460	2.460	16,560	40,739	0
Total	(\$105,119)			\$48,948	\$89,856	\$0
<b>Net Difference Between Projected and Actual Investment Earnings Investments</b>						
2020	15,436	5.000	-	3,088	0	0
2021	60,594	5.000	1.000	12,119	12,118	0
2022	(351,170)	5.000	2.000	(70,234)	0	(140,468)
2023	481,407	5.000	3.000	96,282	288,843	0
2024	(8,491)	5.000	4.000	(1,698)	0	(6,793)
Total	\$197,776			\$39,557	\$300,961	(\$147,261)
Sub-Total					153,700	
<b>Totals:</b>				<b>(\$40,490)</b>	<b>\$243,556</b>	<b>(\$232,784)</b>
<b>Net:</b>					<b>\$10,772</b>	

## Section II GASB 75 Exhibits

### K) Reconciliation of the Net Position (Exhibit 10)

Measurement as of:	June 30, 2023	June 30, 2022
Total OPEB Liability (TOL)	\$1,703,936	\$1,876,748
Plan Fiduciary Net Position (PFNP)	2,143,717	2,014,933
Net OPEB Liability (NOL)	(\$439,781)	(\$138,185)
Deferred Inflows of resources (CR):		
▪ Differences between expected and actual experience	\$232,784	\$120,976
▪ Changes in assumptions	0	8,545
▪ Net difference between projected and actual earnings	0	0
Deferred Outflows of resources (DR):		
▪ Differences between expected and actual experience	0	0
▪ Changes in assumptions	89,856	90,050
▪ Net difference between projected and actual earnings	153,700	201,748
▪ Est. contributions post measurement date	177,368	186,846
<b>Net Position</b>	<b>(\$627,921)</b>	<b>(\$487,308)</b>

Reconciliation of Net Position	
Net Position at June 30, 2022	(\$487,308)
Aggregate OPEB Expense/(Income)	36,755
Total OPEB Contributions	(186,846)
Difference in Post-Measurement Contributions	9,478
Net Position at June 30, 2023	(\$627,921)

Post-Measurement Date Contributions Breakdown	7/1/23-6/30/24	7/1/22-6/30/23
Direct Contributions to the Trust	\$0	\$0
Employer Share of Retiree Premiums Unreimbursed by the Trust	129,635	149,153
Implied Subsidy Unreimbursed by the Trust	47,733	37,693
Total Post-Measurement Date Contributions	\$177,368	\$186,846



## Section III Actuarially Determined Contributions

### A) Actuarially Determined Contribution Projection

Reporting Year	2023 - 2024	2024 - 2025	2025 - 2026
		<b>Projected<sup>1</sup></b>	<b>Projected<sup>1</sup></b>
Actuarial Accrued Liability	\$1,703,936	\$1,700,477	\$1,692,399
Actuarial Value of Assets <sup>2</sup>	2,143,717	2,272,340	2,408,680
Unfunded Actuarial Accrued Liability	(\$439,781)	(\$571,863)	(\$716,281)
Amortization Period <sup>3</sup>	14	13	12
Normal Cost End of Year	\$69,052	\$72,505	\$76,130
Amortization of UAAL	(39,281)	(54,331)	(72,813)
Actuarially Determined Contribution	\$29,771	\$18,174	\$3,317
Discount Rate	6.00%	6.00%	6.00%
Expected Return on Assets	6.00%	6.00%	6.00%
Normal Cost Growth Rate	5.00%	5.00%	5.00%
Salary scale	3.25%		
Effective discount rate	2.66%		
Assets as % of AAL	126%		

<sup>1</sup> Liability Projections: We have assumed that i) the District funds according to their funding policy, ii) the Fund earns 6.00% per year, iii) the discount rate remains at 6.00%, iv) the Normal Cost component of the ADC increases by 5.00% per year, and v) salary grows at 3.25% per year throughout the projection period. We have assumed mid-year benefit cash flows in the Trust.

<sup>2</sup> Asset Smoothing for Calculation of Unfunded: Funding valuation calculates the unfunded liability using market value of assets. The District has not elected to use a smoothing methodology for the determination of the ADC, therefore the Actuarial Value of Assets is equal to the Market Value of Assets.

<sup>3</sup> Amortization Method of the Unfunded: The District adopted a closed 30-year amortization period (with constant percentage of payroll), which is currently at 14 years as of June 30, 2023. If the unfunded becomes negative, the amortization payment offsets the Normal Cost.

# Section III Actuarially Determined Contributions

## B) Schedule of Funding Policy Contributions

Reporting Year	2023 - 24	2024 - 25	2025 - 26
Est. Pay-go	\$129,635	\$111,062	\$106,415
Est. Implicit Rate Subsidy	47,733	45,438	40,789
Est. Net Trust Contribution	0	0	0
Funding policy	\$177,368	\$156,500	\$147,204

The District’s funding policy is to contribute 100% of the ADC. Pay-Go payments are made outside of the trust.



## Section IV Data

### A) Summary of Demographic Information

The participant data used in the valuation was provided by the District as of June 30, 2023. It is assumed that this data is representative of the population as of June 30, 2024. While the participant data was checked for reasonableness, the data was not audited. The valuation results presented in this report are dependent upon the accuracy of the participant data provided. The table below presents a summary of the basic participant information for the active and retired participants covered under the terms of the Plan.

	2023	2022
<b>Actives</b>		
Counts	5	10
Average Age	42.0	38.0
Average Service	2.4	6.4
<b>Retirees</b>		
Under age 65	5	2
Age 65 and over	7	2
Total	<u>12</u>	<u>4</u>
Average Age	65.7	70.5
Average Age at Retirement	48.7	61.0
<b>Inactive Participants with Deferred Benefits</b>	<u>0</u>	<u>0</u>
<b>Total Participants</b>	<b>17</b>	<b>14</b>
<b>Covered Dependents of Retirees</b>		
Spouses/Domestic Partners	7	2
Children	0	0
Total	<u>7</u>	<u>2</u>
<b>Total Participants and Covered Dependents</b>	<b>24</b>	<b>16</b>

## Section IV Data

### B) Distributions of Participants by Age and Service

Age Group	Retired Participants*	Active Participant - Years of Service						Total
		0 - 4	5 - 9	10 - 14	15 - 19	20 - 24	25+	
<25	0	0	0	0	0	0	0	0
25 - 29	0	0	0	0	0	0	0	0
30 - 34	0	1	0	0	0	0	0	1
35 - 39	0	0	0	0	0	0	0	0
40 - 44	1	1	1	0	0	0	0	2
45 - 49	0	1	0	0	0	0	0	1
50 - 54	0	1	0	0	0	0	0	1
55 - 59	2	0	0	0	0	0	0	0
60 - 64	2	0	0	0	0	0	0	0
65 - 69	2	0	0	0	0	0	0	0
>70	5	0	0	0	0	0	0	0
<b>Total</b>	<b>12</b>	<b>4</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5</b>

\* Retired participants include retirees, disabled participants, and surviving family members but does not include covered dependents.

## Section IV Plan Provisions Summary

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### A) Eligibility and Contribution Requirements

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#### Plan Description

The District provides lifetime retiree medical coverage to eligible employees who retire at age 50 with 5 years of service, along with their dependents. The medical plan benefits are contracted with the California Public Employees' Retirement System under the public Employees' Medical and Hospital Care Act.

#### Benefits Provided

The District provides lifetime retiree medical coverage to eligible employees who retire at age 50 with 5 years of service, along with their dependents. The medical plan benefits are contracted with the California Public Employees' Retirement System under the public Employees' Medical and Hospital Care Act (PEMHCA).

Eligible retirees may enroll in any of the plans available through the PERS Program. For employees hired prior to January 6, 2020, the District contributes the entire cost of postemployment medical coverage up to a cap of 90% of the 2020 Kaiser Region 1 rate for the coverage level selected. The District contribution will not be less than the PEMCHA minimum.

Future employees whose date of hire is on or after January 6, 2020 will receive the PEMCHA minimum only.

	District Caps	
	Pre-Medicare	Post Medicare
EE	\$691.57	\$305.50
EE+Sp	1,383.14	611.00
Family	1,798.26	916.46

## Section IV Plan Provisions Summary

### A) Plan Description (continued)

Below are the 2023/24 health premiums for CalPERS Region 1, unless otherwise stated.

Pre-Medicare Premiums	<b>2023 Plans</b>	<b>EE</b>	<b>EE+SP</b>	<b>EE+Fam</b>
	Kaiser	\$913.74	\$1,827.48	\$2,375.72
	PERS Platinum	1,200.48	2,400.24	3,120.31
Post-Medicare Premiums	<b>2023 Plans</b>	<b>EE</b>	<b>EE+SP</b>	<b>EE+Fam</b>
	Kaiser	283.25	566.50	849.75
	PERS Platinum	420.02	840.04	1,260.06
PEMCHA Min				151.00
Pre-Medicare Premiums	<b>2024Plans</b>	<b>EE</b>	<b>EE+SP</b>	<b>EE+Fam</b>
	Kaiser	\$1,021.41	\$2,042.82	\$2,655.67
	PERS Platinum	1,314.27	2,628.54	3,417.10
Post-Medicare Premiums	<b>2024 Plans</b>	<b>EE</b>	<b>EE+SP</b>	<b>EE+Fam</b>
	Kaiser	324.79	649.58	974.37
	PERS Platinum	448.15	996.30	1,344.45
PEMCHA Min				157.00

### Plan Provision Changes

There have been no plan amendments since the last measurement date.

# Section VI Actuarial Assumption, Methods, & Considerations

## A) Actuarial Assumptions

Discount Rate	6.00%, based on the District’s funding policy and CERBT Strategy 1 investment policy.
Net Investment Return	6.00%, based on the CERBT Strategy 1 investment policy.
Inflation	We assumed 2.50% annual inflation.
Payroll increases	3.25% annual increases.
Administrative Expenses	The administrative expense was \$589 for the measurement period ending June 30, 2023.

Health Care Trend	<b>Year</b>	<b>Increase in Premium Rates</b>	
	<b>Beginning</b>	<b>Pre-65</b>	<b>Post-65</b>
	2023	Actual	Actual
	2024	7.64%	4.85%
	2025	7.39%	5.00%
	2026	7.14%	5.00%
	2027	6.78%	5.00%
	2028	6.42%	5.00%
	2029	6.06%	5.00%
	2030	5.69%	5.00%
	2031	5.33%	5.00%
	2032-2033	5.00%	5.00%
	2034-2051	4.75%	4.75%
2052+	4.50%	4.50%	



## Section VI Actuarial Assumption, Methods, & Considerations

### A) Actuarial Assumptions (Continued)

Plan Distribution for Calculating Baseline Cost	<b>Plan</b>	<b>Pre-Medicare</b>	<b>Post-Medicare</b>
	Kaiser	75%	17%
	PERS Platinum	25%	83%
	Total	100%	100%
Average Per Capita Claims Cost (Baseline Cost)	\$1,038.98 Pre 65 Retiree & Spouse \$412.41 Post 65 Retiree & Spouse		
Medicare Coverage	We assumed that all future retirees will be eligible for Medicare when they reach age 65.		
Morbidity Factors	CalPERS 2021 Experience Study		
Population for Curving	CalPERS 2021 Experience Study		
Age-Weighted Monthly Claims Costs	<b>Age</b>	<b>Retiree and Spouse</b>	
	50	\$1,082	
	55	\$1,419	
	60	\$1,783	
	65	\$421	
	70	\$361	
	75	\$406	
	80	\$451	
	85	\$475	
Health Plan Participation	We assumed that 100% of eligible participants will participate in the medical.		



# Section VI Actuarial Assumption, Methods, & Considerations

## A) Actuarial Assumptions (Continued)

Mortality\* The mortality rates used in this valuation are those used in the 2021 CalPERS valuations.

**Pre-Retirement:** CalPERS 2021 Mortality pre-retirement

**Post-Retirement:** CalPERS 2021 Mortality post-retirement

Age	Sample Mortality Rates			
	Pre-Retirement		Post-Retirement	
	Male	Female	Male	Female
55	0.20%	0.12%	0.39%	0.33%
60	0.29%	0.18%	0.58%	0.46%
65	0.40%	0.25%	0.86%	0.61%
70	0.59%	0.40%	1.33%	1.00%
75	0.93%	0.69%	2.39%	1.78%
80	1.52%	1.15%	4.37%	3.40%
85	0.00%	0.00%	8.27%	6.12%
90	0.00%	0.00%	14.54%	11.09%

Disability\* None

Percent Married We assume 70% future retirees are married, and that male spouses are 3 years older than female spouses We assumed anyone covering a spouse would continue to cover in retirement.

\* Source: NCG has not performed an experience study to select these assumptions. NCG has not observed materially consistent gains or consistent losses associated with these assumptions.



## Section VI Actuarial Assumption, Methods, & Considerations

### A) Actuarial Assumptions (Continued)

Retirement\*

We used the retirement rates that were used in the 2021 CalPERS Public Agency Safety 2.7% @ 57 for all actives hired on or after January 1, 2013.

3% @ 50 Police

Age	Years of Service				
	5	10	15	20	25
50	12.4%	10.3%	11.3%	14.3%	24.4%
55	7.0%	7.4%	8.1%	11.3%	20.9%
60	15.0%	18.0%	15.9%	18.8%	24.7%
65	100.0%	100.0%	100.0%	100.0%	100.0%

2.7% @ 57 Police

Age	5	10	15	20	25
50	5.0%	5.0%	5.0%	5.0%	0.0%
55	6.8%	6.8%	6.8%	9.1%	13.4%
60	15.0%	15.0%	15.0%	15.0%	15.0%
65	100.0%	100.0%	100.0%	100.0%	100.0%

Withdrawal\*

Withdrawal rates based on a 2021 CalPERS demographic study for Safety Police.

Years of Service	Male	Female
5	12.98%	13.89%
10	2.69%	4.00%
15	1.45%	2.46%
20	0.83%	1.44%
25	0.60%	1.05%

\* Source: NCG has not performed an experience study to select these assumptions. NCG has not observed materially consistent gains or consistent losses associated with these assumptions

### Assumption Changes

The inflation rate has been updated from 2.26% as of June 30, 2022 to 2.50% as of June 30, 2023.

The average per capita claims cost was updated to reflect the actual 2023 and 2024 premiums. The health care cost trend rate was updated to reflect 2023 industry survey data.

There have been no other assumption changes since the last measurement date.

## Section VI Actuarial Assumption, Methods, & Considerations

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### B) Actuarial Methods

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Actuarial Cost Method	<p>Entry Age Normal</p> <p>An actuarial cost method under which the Actuarial Present Value of the Projected Benefits of each individual included in the valuation is allocated on a level basis over the earnings or service of the individual between entry age and assumed exit age(s). The portion of this Actuarial Present Value allocated to a valuation year is called the Normal Cost.</p>
Amortization Methodology	<p>We used straight-line amortization. For assumption changes and experience gains/losses, we assumed Average Future Working Lifetime, averages over all actives and retirees (retirees are assumed to have no future working years). For asset gains and losses, we assumed 5 years.</p>
Financial and Census Data	<p>The plan sponsor provided the participant data, financial information and plan descriptions used in this valuation. The actuary has checked the data for reasonableness, but has not independently audited the data. The actuary has no reason to believe the data is not complete and accurate, and knows of no further information that is essential to the preparation of the actuarial valuation.</p>
Plan Fiduciary Net Position	<p>Market value of assets as of the measurement date</p>
Measurement Date	<p>June 30, 2023</p>
Valuation Date	<p>June 30, 2023</p>
Funding Policy	<p>The District intends to contribute the full Actuarial Determined Contributions (ADC) to the Plan each year. Contributions would be made up of cash contributions made to the trust as well as any benefit payments (implicit and explicit) unreimbursed by the trust.</p>
Valuation Model	<p>Results in this report were calculated with the assistance of ProVal actuarial valuation software. ProVal model was developed in 1994 and maintained by Winklevoss Technologies (WinTech). WinTech provides valuation and projection software for both pension and other postemployment benefit plans. We utilize ProVal in accordance with its intended purpose and have not identified any material inconsistencies in ProVal's assumptions nor outputs that would affect this valuation.</p>

## Section VII Glossary

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### A) Key Terms

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Actuarially Determined Contribution (ADC)	The annual contribution amount required to fund the plan based on an actuarial funding method. The intent of a funding method is to ensure enough assets would be set aside during the working careers of participants in a plan in order to fully pay all future benefits after participants retire.
Present Value of Future Benefits (PVFB)	The value, as of the valuation date, of the projected benefits payable to all members for their accrued service and their expected future service, discounted to reflect the time value (present value) of money and adjusted for the probabilities of retirement, withdrawal, death and disability
Actuarial Accrued Liability (AAL)	The portion of the actuarial present value of projected benefit payments that is attributed to past period of member service in conformity with the actuarial funding method. The actuarial accrued liability is the liability of the plan sponsor and represents how much assets should be set aside as of the current valuation date.
Normal Cost or Service Cost	The portion of the Present Value of Future Benefits attributed to employee service during the current fiscal year by the actuarial cost method. These terms are used interchangeably.
Unfunded Actuarial Accrued Liability	The amount of the actuarial accrued liability that has not yet been funded
Covered Payroll	Annual compensation paid (or expected to be paid) to active employees covered by an OPEB plan, in aggregate.
Other Postemployment Benefits (OPEB)	Retiree health care benefits and post-employment benefits provided separately from a pension plan (excluding termination offers and benefits).
Actuarial Value of Assets	Usually set equal to the market value of assets as of the valuation date. Sometimes, however, asset smoothing methods are used to reduce the impact of short term market volatility. In these cases the actuarial value of assets can be more or less than the market value. Often a corridor of up to 20% is used to cap how much the actuarial value of assets is more or less than the market value.
Implicit Subsidy	This phenomenon arises when active claims are mixed with pre-Medicare retiree claims to develop a single flat premium that both groups pay for medical coverage. The flat premium does not recognize that retirees generally have higher costs than active employees, thus active employees are subsidizing the retirees.

	A	B	C
1	Kensington 2024 Community Clean-up	2024 Tonnage	2023 Tonnage
2			
3	Garbage	109.64 tons	109.84 tons
4	Scrap	22.85 tons	15 tons
5	Ewaste	1.60 tons	1.5 tons
6	Hazardous Waste	9.50 tons	11 tons
7			
8	26 loads of garbage		
9	11 loads of scrap		
10	3 trucks working route each day		
11	8 men each day		
12			
13			
14	Residents did a good job setting material out		
15			
16	We gave away 8 bikes, 3 refrigerators, few		
17	pieces of furniture and some tables		
18			
19	There were some individuals scavanging		
20	in advance and at times when we were there		
21	picking up material.		
22			
23	Gave assistance to residents who asked and in		
24	one case had to remove a front door to remove		
25	a couch.		
26			
27	Residents followed directions regarding		
28	placing out hazardous waste away from regular		
29	material. The stops weren't quite as large for		
30	hazardous material, less material overall.		
31	It is amazing how OLD the material is.		
32	This is definitely a good service.		
33			
34	We picked up 10 large refrigerators, a bunch of		
35	small refrigerators, freezers and a couple wine		
36	fridges.		
37			
38	Met a lot of customers and enjoyed meeting		
39	new people.		