







Santa Barbara County Other Post Employment Benefits Plan Report

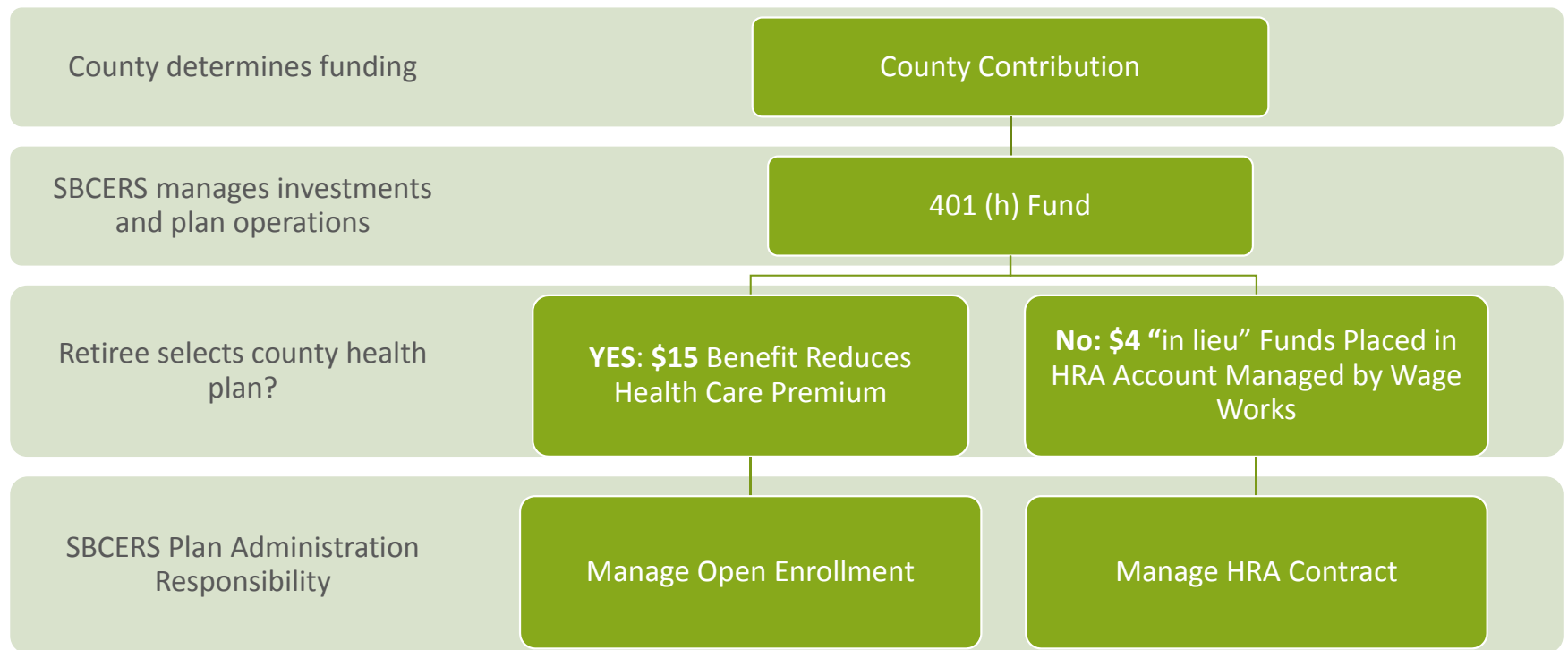
SANTA BARBARA PLAN BENEFIT PROVISIONS

- Monthly stipend based on years of service **and** whether or not member participates in County Health Insurance Plan.
 - Core benefit is Monthly Premium Subsidy: \$15.00/month per year of service.
 - “In lieu” benefit for not participating in County Insurance: \$4/month per year of service.

RESPECTIVE ROLES AND RESPONSIBILITIES

Area	SBCERS	Plan Sponsor
Accounting		
Communications		
Investments (Fiduciary)		
Plan Design (benefit level, eligibility)		
Funding Level		
Liability		

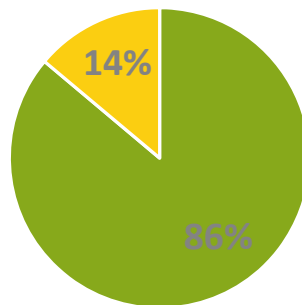
FUND FLOWS



BENEFIT DISTRIBUTION

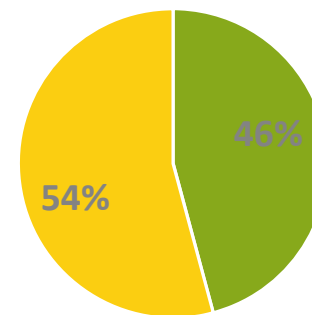
	2016 Benefit Distribution	2016 Enrollees	2015 Benefit Distribution	2015 Enrollees
Medical Premium Subsidy (\$15/month)	\$7,591,359	1,773	\$7,607,160	1,826
"In Lieu" Benefit (\$4/month)	\$1,224,890	2,097	1,096,315	1,690
Total	\$8,816,249	3,870	\$8,703,475	3,738

2016 Benefit Distribution



■ Medical Premium ■ "In Lieu" Benefit

2016 Enrollees

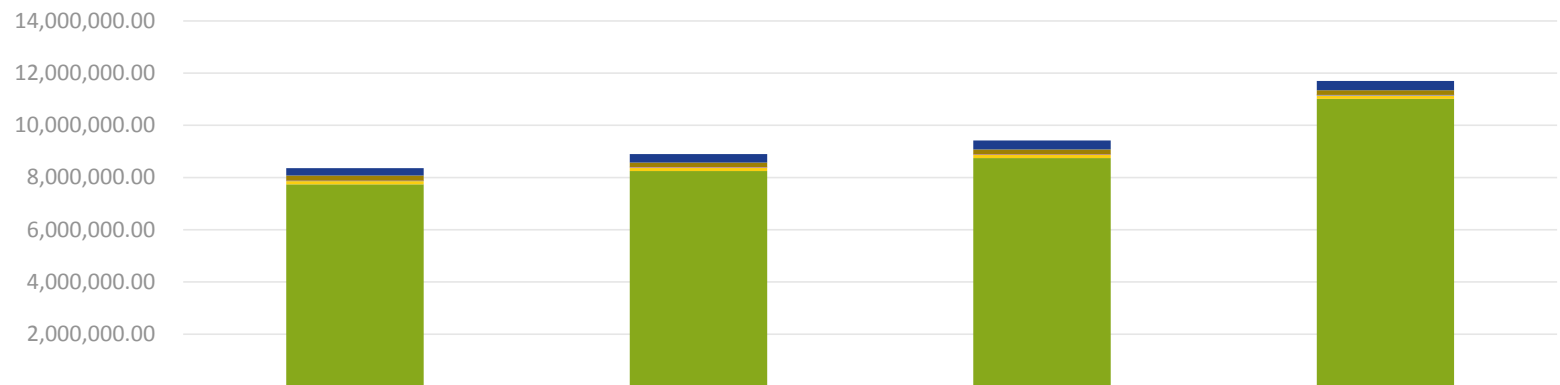


■ Medical Premium Subsidy ■ "In Lieu" Benefit

ACCOUNTING CHANGES

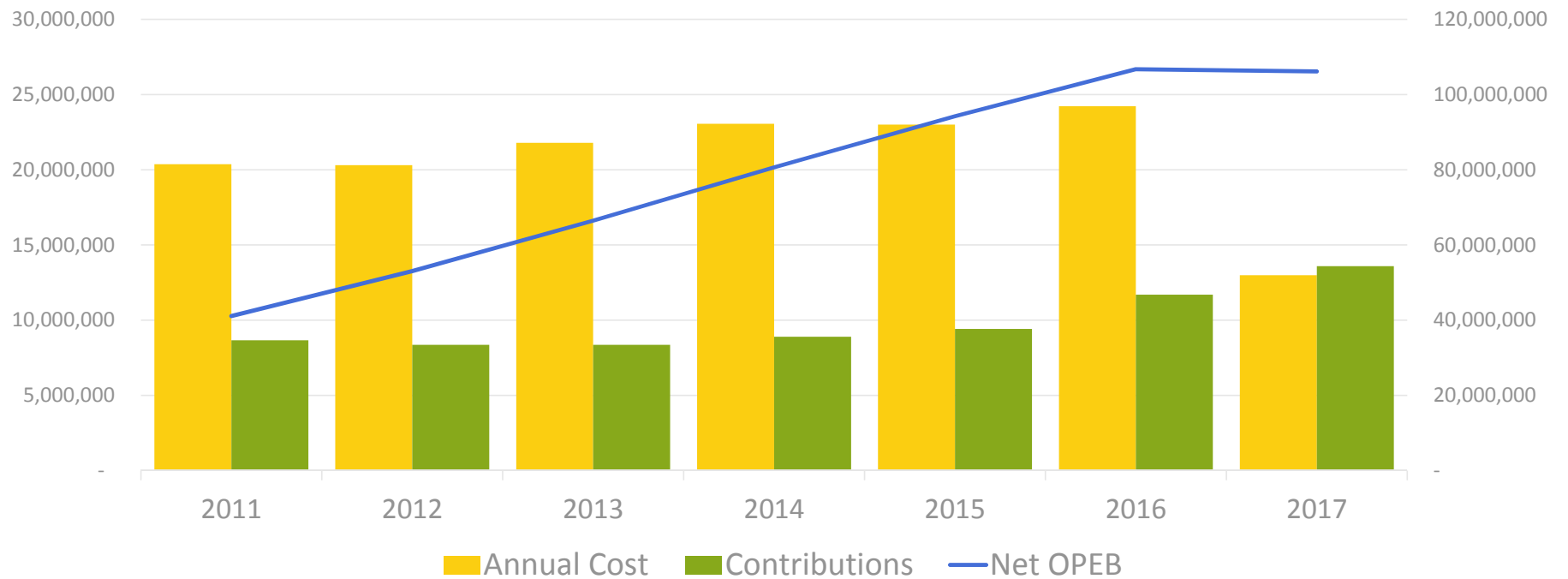
- GASB 74/75 changes accounting rules for Other Post Employment Benefits
 - Similar to GASB 67/68 for Pension Trusts.
 - Liability moves on to the balance sheet.
 - Funding methodology dictates discount rate.
 - Proportionate share allocation.
 - Enhanced disclosure.

CONTRIBUTIONS



	2013	2014	2015	2016
■ Courts	282,594.00	329,508.00	342,653.00	355,038.00
■ Air Pollution Control District	187,091.00	169,005.00	179,046.00	172,939.00
■ Carpinteria Cemetery	2,073.00	2,179.00	2,179.00	2,179.00
■ Summerland Sanitary	1,445.00	3,376.00	4,755.00	4,755.00
■ SB County Association of Governments	4,555.00	7,437.00	4,671.00	3,771.00
■ Goleta Cemetery	4,316.00	3,848.00	1,507.00	1,507.00
■ Santa Maria Cemetery	11,677.00	11,677.00	13,774.00	17,299.00
■ Carpinteria-Summerland FPO	121,184.00	122,222.00	124,420.00	126,273.00
■ Santa Barbara County	7,742,665.00	8,252,513.00	8,747,951.00	11,014,316.00

CONTRIBUTIONS VS. ANNUAL COST AND NET OTHER POST EMPLOYMENT BENEFIT OBLIGATION (NET OPEB)



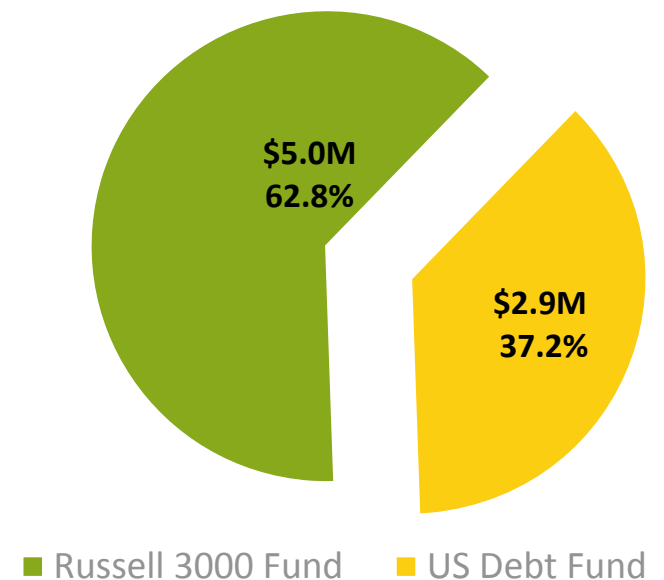
KEY PERFORMANCE FACTORS

- Funding policy and corresponding discount rate change to 6.14% normalized liability growth and reduced annual cost.
 - Actuarial Liability Decreased \$39.2 Million.
 - Net OPEB Obligation declined \$601 Thousand.
- More retirees are leaving the Subsidy (\$15/month) and taking the In lieu Benefit (\$4 month).
 - Change in plan utilization reduced liability by \$6.2 Million
 - Average annual benefit reduced \$50 per year from \$2,328 to \$2,278
- **OVERALL REDUCTION IN PLAN LIABILITY OF \$45,442,957**

INVESTMENTS

- Invested in Passive Blackrock Index Funds
 - 60% Russell 3000 Index (non-lendable)
 - 40% US Debt Index (non-lendable)
- Total Balance as of March 31, 2017: \$7,919,803
- Reviewed for rebalancing quarterly by Staff
- Fees:
 - Russell 3000: 6 bps
 - US Debt: 6 bps

March 31, 2017 Balances



INVESTMENT PERFORMANCE

Structure	Market Value	% of Total	Month	3 Months	Fiscal YTD	1 Year	3 Years	ITD	Inception Date
BlackRock 401h	\$7,919,802.91	100.00	0.02	3.85	8.22	10.89	7.19	9.88	8/1/2012
BlackRock R3000	\$4,975,659.17	62.83	0.07	5.72	14.35	17.35	9.60	14.52	8/1/2012
BlackRock US Debt	\$2,944,143.74	37.17	-0.05	0.82	-1.78	0.43	2.69	1.85	8/1/2012

KEY ASSUMPTIONS

	Santa Barbara County	APCD	All Others
Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization Method	Level Dollar	Level Dollar	Level Dollar
Amortization Term	19 Years	30 Year Open	30 Year Open
Asset Valuation Method	Market Value	Market Value	Market Value
Payroll Growth Rate	3.0%	3.0%	3.0%
Discount Rate	6.39%	7.0%	3.75%

FUNDED POSITION AT JUNE 30, 2016

	Santa Barbara County	Other Sponsors	APCD	Total
Actuarial Accrued Liability	\$ 139,905,246	\$ 14,122,994	\$ 1,448,921	\$ 155,477,161
Assets	6,876,750	-	1,154,113	\$ 8,030,863
UAL	\$ 133,028,496	\$ 14,122,921	\$ 294,808	\$147,446,298
Percentage of UAAL	90.22%	9.58%	.20%	100%
Funded Percentage	4.9%	0.00%	79.7%	5.2%

CHANGES IN FINANCIAL POSITION AS OF JUNE 30, 2016

	Santa Barbara County	Other Sponsors	Air Pollution Control District	Total
Market Value of Assets June 30, 2015	\$3,935,333	\$0	\$1,046,528	\$4,981,590
Employer Contributions	11,014,316	510,654	172,939	11,697,908
Interest and Investment Income	144,792	0	22,656	167,448
Administrative Expenses	(380,640)	(21,832)	(5,505)	(407,977)
Benefit Payments	(8,217,691)	(510,822)	(87,739)	(8,816,251)
Administrative Expense Reimbursement	380,640	21,832	5,505	(407,977)
Market Value of Assets June 30, 2016	\$6,876,750	\$0	\$1,154,114	\$8,030,695
Change in Financial Position	\$2,941,418	\$0	\$107,856	\$3,049,105

NEXT STEPS IN PLAN ADMINISTRATION

- County staff to amend the plan document to reflect current bargaining agreements.
- County staff to initiate process for closing plan to new employees of Special District sponsors.