

A Committee Meeting of Upper Darby Township Council was held on Wednesday evening, November 14<sup>th</sup>, 2018 at 7:00 p.m. in the Council Meeting Room #202 of the Municipal Building, 100 Garrett Road, Upper Darby, Pennsylvania.

The meeting was called to order by Council President Donald P. Bonnett.

**Council Members Present:**

Donald P. Bonnett, Thomas P. Wagner, Jacob A. Bierling Jr., Sekela Coles, Robert Gwin, Barbarann Keffer, Marc Manfre, Lisa Faraglia, Patrick Spellman, Laura Wentz

Sheikh Siddique, excused

**Present at the Meeting**

Thomas N. Micozzie, Mayor  
Kelly Sullivan, Esq., Solicitor  
Richard G. Nolan, Chief Municipal Clerk

**Committee Reports**

**PUBLIC SAFETY COMMITTEE:**

Jacob A. Bierling Jr., Chairman  
Members: Thomas P. Wagner, Sekela Coles

Councilman Marc Manfre requests a police survey to establish "No Parking of Trucks or Commercial Vehicles" on the 800 block of Hampshire Road.

Upon completion/approval of the survey, this item shall be placed on the Agenda for the November 28<sup>th</sup>, 2018 Council Meeting.

Council President Donald Bonnett requests that the Administration write to PENNDOT for suggestions on traffic calming devices on Garrett Road at Morgan Avenue

**LEISURE SERVICES COMMITTEE:**

Marc Manfre, Chairman  
Members: Barbarann Keffer, Lisa Faraglia

Nothing listed for the November 28<sup>th</sup>, 2018 Council Meeting agenda.

**MUNICIPAL SERVICES, LICENSING AND PUBLIC WORKS COMMITTEE**

Patrick J. Spellman, Chairman  
Members, Thomas P. Wagner, Sheikh M. Siddique

Nothing listed for the November 28<sup>th</sup>, 2018 Council Meeting agenda.

**LAW AND GOVERNMENT & RULES AND PROCEDURES COMMITTEE:**

Lisa Faraglia, Chairwoman  
Members: Marc Manfre, Laura Wentz

Nothing listed for the November 28<sup>th</sup>, 2018 Council Meeting agenda.

**PLANNING, ZONING AND BUILDING CODE COMMITTEE:**

Jacob A. Bierling Jr., Chairman  
Members: Robert S. Gwin Jr., Patrick J. Spellman

Director of L&I, Jeff Gentile requested a Resolution to approve the land development for the Guru Nanak Sikh Society Temple, 308/310 S. 69<sup>th</sup> Street.  
Folio Numbers: 16-03-02089-00 & 16-03-02093-00

This request shall be placed on the Agenda for the **December 5<sup>th</sup>, 2018** Council Meeting.

**PUBLIC HEALTH AND ENVIRONMENTAL AFFAIRS COMMITTEE:**

Sekela Coles, Chairwoman  
Members: Patrick J. Spellman, Lisa Faraglia

Nothing listed for the November 28<sup>th</sup>, 2018 Council Meeting agenda.

**FINANCE AND APPROPRIATIONS COMMITTEE:**

Thomas P. Wagner, Chairman  
Members: Jacob A. Bierling Jr., Robert S. Gwin Jr.

Request for a Resolution approving the leasing of 7260 West Chester Pike, Upper Darby Township, from 7260 West Chester Pike, LLC.

This request shall be placed on the Agenda for the November 28<sup>th</sup>, 2018 Council Meeting.

Councilwoman Keffer provided Council with a copy of the GASB 75 Report from April 2018 and requested that it be part of the Minutes.

**Mayor Micozzie**

*Mayor Micozzie read the trash/recycling schedule for Thanksgiving week.  
The annual Christmas tree lighting will be on December 3<sup>rd</sup>, 2018 at the Tower Theater.*

**Solicitor**

Nothing to report

**Adjournment**

The meeting was adjourned by Council President Donald P. Bonnett.

Respectfully submitted,

*Richard G. Nolan*

Richard G. Nolan  
Chief Municipal Clerk

RGN/akc

**UPPER DARBY TOWNSHIP  
POSTRETIREMENT HEALTHCARE AND  
SICK LEAVE BENEFITS PLAN**

**GASB STATEMENT NO. 75 ACTUARIAL  
VALUATION AS OF  
January 1, 2017**

*Prepared by:*



CBIZ Retirement Plan Services  
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*April 2018*

## Actuarial Valuation as of January 1, 2017

### Actuarial Certification

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We, the undersigned, are consulting actuaries associated with the firm CBIZ Retirement Plan Services. We are members of the American Academy of Actuaries and meet its qualification standards to provide statements of actuarial opinion for actuarial valuations of Other Postemployment Benefits (OPEBs). We have completed an actuarial valuation of the OPEB plan for the Upper Darby Township as of January 1, 2017. This report contains the results of the valuation.

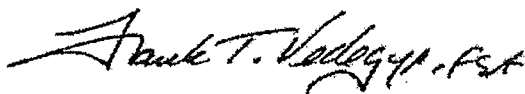
To the best of our knowledge, the information supplied in this report is complete and accurate. In our opinion, the methods and assumptions used in the valuation comply with the Governmental Accounting Standards Board (GASB), particularly GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pension". The assumptions are related reasonably to the past experience of the Plan, and they represent our best estimate of anticipated experience under the Plan. Nevertheless, the actual costs of the plan in the future will differ from the results of the valuation, as the emerging experience varies from the assumptions projected in the valuation.

We have relied on the Township for the accuracy and completeness of the benefit plans, assets, claims and premium data, and the employee census. While we have not audited the data, we have reviewed it for reasonableness and consistency. A summary of our understanding of the plan features is provided in this report.

This report has been prepared for the use and benefit of the Township in assessing the effect of GASB Statement No. 75 on accounting for OPEB plans. It should not be relied upon for other purposes, and it is not intended to benefit any other party. It may be shared in its entirety with all auditors and the general public.


Neither CBIZ nor any of the employees working on this engagement has any relationship with the Upper Darby Township that may impair, or appear to impair, the independence and objectivity of our work.

This actuarial valuation was prepared in accordance with the applicable Statements of the Governmental Accounting Standards Board and the Actuarial Standards of Practice issued by the American Academy of Actuaries.



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Frank T. Vedegys, FSA, EA, MAAA  
Senior Consulting Actuary



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Hae Chang Chung, ASA, FCA, MAAA  
Consultant

April 16, 2018  
Date



Upper Darby Township  
 Postretirement Healthcare and Sick Leave Benefits Plan  
 Actuarial Valuation for the Fiscal Year Ending December 31, 2017

**Actuarial Valuation as of January 1, 2017**

**Development of Fiduciary Net Position at Valuation Date**

**Statement of Changes in Fiduciary Net Position**

	1/1/2016 - 12/31/2016		
	OPEB Trust	Pay-as-you-go <sup>(1)</sup>	Total
Balance as of Beginning of Year	\$ -	\$ -	\$ -
Employer Contributions	-	4,272,455	4,272,455
Participant Contributions	-	-	-
Implicit Subsidy	-	-	-
Investment Income, net of investment expenses	-	-	-
<b>Total Additions</b>	<b>\$ -</b>	<b>\$ 4,272,455</b>	<b>\$ 4,272,455</b>
Benefit Payments	-	(4,272,455)	(4,272,455)
Non-Investment Expenses	-	-	-
<b>Total Deductions</b>	<b>\$ -</b>	<b>\$ (4,272,455)</b>	<b>\$ (4,272,455)</b>
<b>Net Change</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Balance as of End of Year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Money-Weighted Rate of Return	0.00%	0.00%	0.00%

(1)

Healthcare	\$3,599,956
Sick Leave (estimated)	652,035
Life Insurance	20,464
<b>Total</b>	<b>\$4,272,455</b>

Upper Darby Township  
 Postretirement Healthcare and Sick Leave Benefits Plan  
 Actuarial Valuation for the Fiscal Year Ending December 31, 2017

**Actuarial Valuation as of January 1, 2017**

**10-Year Schedule of Funding Progress**

Required Supplementary Information						
Actuarial Valuation Date	Fiduciary Net Position (a)	Total OPEB Liability (b)	Net OPEB Liability (Asset) (b - a)	Funded Ratio (a / b)	Annual Covered Payroll (c)	Net OPEB Liability as a Percent of Payroll (b - a) / c
1/1/2008	\$ -	\$ 195,257,748	\$ 195,257,748	0.0%	N/A	N/A
1/1/2010	-	180,352,228	180,352,228	0.0%	N/A	N/A
1/1/2013	-	217,010,471	217,010,471	0.0%	N/A	N/A
1/1/2016	-	250,203,202	250,203,202	0.0%	29,177,102	857.5%
1/1/2017	-	263,292,074	263,292,074	0.0%	28,055,390	938.5%

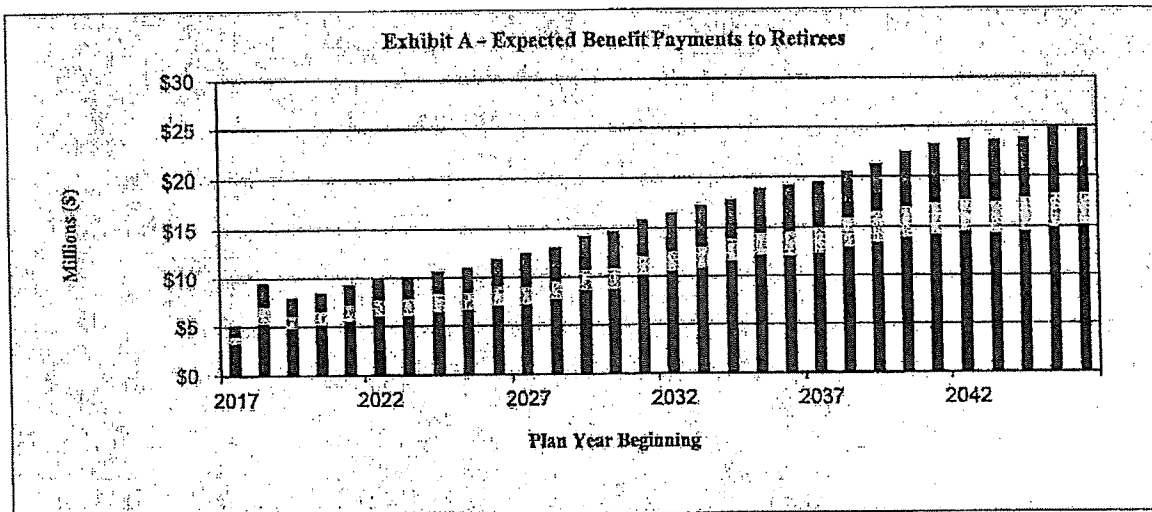


Upper Darby Township  
 Postretirement Healthcare and Sick Leave Benefits Plan  
 Actuarial Valuation for the Fiscal Year Ending December 31, 2017

**Actuarial Valuation as of January 1, 2017**

**Projected Retiree Benefit Payments**

Exhibit A is a graph that shows the projection of expected benefit payments under the OPEB plan. These payments only reflect those participants who have already been hired or who are retired. Expected benefit payments are equal to the number of retirees each year times the per retiree cost to the employer. The first year's projected benefit payments total \$5,155,258. As the last participants retire and then reach the end of their benefit period, the benefit payments decline and eventually would reach zero. Exhibit B is a table showing the first 10 years of expected benefit payments.



**Exhibit B: First 10 Years of Expected Benefit Payments**

Plan Year Beginning January 1,	POLICE	FIRE	NON UNIFORM UNION	NON UNIFORM NON UNION	Total
2017	\$ 3,283,754	\$ 639,427	\$ 483,029	\$ 749,048	\$ 5,155,258
2018	5,276,429	1,819,081	781,575	1,615,320	9,492,405
2019	4,785,240	1,310,222	675,876	1,253,210	8,024,548
2020	5,178,456	1,396,203	807,329	1,119,615	8,501,603
2021	5,617,188	1,651,055	829,367	1,255,395	9,353,005
2022	6,007,222	1,682,372	919,858	1,504,487	10,113,939
2023	6,051,589	1,806,541	934,552	1,404,046	10,196,728
2024	6,479,290	1,810,646	839,462	1,570,903	10,700,301
2025	6,679,333	1,830,956	1,026,614	1,506,324	11,043,227
2026	7,076,164	2,010,969	1,285,004	1,596,278	11,968,415



Upper Darby Township  
 Postretirement Healthcare and Sick Leave Benefits Plan  
 Actuarial Valuation for the Fiscal Year Ending December 31, 2017

**GASB Statement No. 75**

**Net OPEB Liability**

	Fiscal Year Ending	
	12/31/2018	12/31/2017
<b>Reconciliation of Total OPEB Liability</b>		
1. Total OPEB Liability at Beginning of Year	\$ 309,706,858	\$ 263,292,074
2. Service Cost	16,640,334	13,637,039
3. Interest Cost	9,606,261	9,647,103
4. Net Benefits Paid by Employer	(9,492,405)	(5,119,112)
5. Differences between expected and actual experience	0	0
6. Changes in assumptions	0	28,249,754
7. Total OPEB Liability at End of Year	\$ 326,461,048	\$ 309,706,858
<b>Reconciliation of Fiduciary Net Position</b>		
1. Fiduciary Net Position at Beginning of Year	\$ 0	\$ 0
2. Projected Earnings on Fiduciary Net Position	0	0
3. Net Difference Between Projected and Actual Earnings	0	0
4. Employer Contributions	9,492,405	5,119,112
5. Total Benefits Paid	(9,492,405)	(5,518,827) <sup>(1)</sup>
6. Expenses	0	0
7. Participant Contributions	0	399,715
8. Fiduciary Net Position at End of Year	\$ 0	\$ 0
Money-Weighted Rate of Return	0.00%	0.00%
<b>Net OPEB Liability (Asset)</b>		
1. Total OPEB Liability	\$ 326,461,048	\$ 309,706,858
2. Fiduciary Net Position	0	0
3. Net OPEB Liability (Asset)	\$ 326,461,048	\$ 309,706,858
Fiduciary Net Position as % of Total OPEB Liability	0.00%	0.00%
Net OPEB Liability: 1% increase in the discount rate	\$ 269,567,075	\$ 258,539,540
Net OPEB Liability: 1% decrease in the discount rate	400,937,859	376,302,776
Net OPEB Liability: 1% increase in healthcare trend	\$ 407,539,071	\$ 383,200,845
Net OPEB Liability: 1% decrease in healthcare trend	265,855,246	254,560,572
<b>Key Assumptions for Net OPEB Liability</b>		
Discount Rate	3.15%	3.15%
Salary Scale	4.75%	4.75%
Expected Return on Assets	N/A	N/A

<sup>(1)</sup> Healthcare	\$4,742,927
Sick Leave (estimated)	757,754
Life Insurance	18,146
Total	\$5,518,827





## Actuarial Valuation as of January 1, 2017

### Plan Provisions and Participant Summary

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- *Eligibility:*

Police

Normal Retirement:

Officers hired prior to January 1, 2001

May retire upon attaining a combination of age and service at least equal to the "Magic Number 77", provided that he has both attained age 50 and completed at least 20 years of service. Members are required to retire when they reach age 60 unless they were employed as of January 1, 2017 and this would cause a failure to receive the full retirement pension.

Officers hired on or after January 1, 2001

May retire upon the attainment of age 50 and the completion of 25 years of service.

Early Retirement:

After 20 years of service, regardless of age, however healthcare coverage is not effective until the date that the officer would have qualified for normal retirement.

Any officer who is permanently disabled from performing police work as a result of a service-connected disability shall receive full healthcare coverage as summarized below.

Firefighters

Normal Retirement: Age 53 with 10 years of service

Non-Uniform, Non-Uniform (TWU)

Normal Retirement: Age 60 with 10 years of service

- *Health Benefits:*

Non-Medicare Eligible

The following benefit options are based on bargaining contract and date of hire.

**Medical/Rx benefits:**

Police, Fire, Non-Uniform, Non-Uniform (TWU) Personal Choice 10/20/70, Rx \$3/\$5

Non-Uniform (TWU) Keystone HMO 10, Rx \$1/\$3 \*

Police, Fire, Non-Uniform (TWU) Personal Choice 15/25/70, Rx \$5/10

Police Personal Choice Option 1, prescription \$3/\$5 (those who hired prior to April 1, 2007)

Police Personal Choice Option 1, prescription \$1/\$3 (retirees who had Keystone POS prior to 7/1/07 or officers who retired on or before 7/1/07)

Police Indemnity, prescription \$0.50 (officers who retired on or before 7/1/07)

\* Note: Keystone Plan removed effective 1/1/13. Only 1 retiree & spouse are eligible/enrolled in plan.



**Actuarial Valuation as of January 1, 2017**

**Plan Provisions and Participant Summary**

*- Duration of Benefits (continued):*

Upon the death of an officer killed in the line of duty, the surviving spouse shall receive medical benefits for life and medical benefits for any dependent children under the age of 18 or under the age of 23 if a full-time student.\*

\* Note: Per the Patient Protection and Affordable Care Act ("PPACA"), as amended by the Health Care & Education Reconciliation Act of 2010

The Police, Fire, TWU and Non-Bargaining units are considered Non-Grandfathered Plans under the Healthcare Reform Act. And therefore dependent children may remain on the Township's essential health (medical and prescription only) until the age of 26.

*- Contributions:*

Police

Pre-Medicare

<b>Retirement prior to January 1, 1989</b>	25% of premium
<b>Retirement from January 1, 1989 to December 31, 2007</b>	None

**Retirement on or after January 1, 2008**

If single coverage under Personal Choice Option 1 is selected:

2008	- 1% of the rate of base pay at retirement
2009 to 2012	- 1.25% of the rate of base pay at retirement

If "other" coverage (family or husband & wife) under Personal Choice Option 1 is selected:

2008	- 1% of the rate of base pay at retirement
2009 to 2012	- 1.75% of the rate of base pay at retirement

**Retirement on or after January 1, 2013**

Personal Choice Option 1:	10% of the premium at the time of retirement
Personal Choice 10/20/70:	3% of the premium at the time of retirement
Personal Choice 15/25/70:	None

Post-Medicare

<b>Retirement prior to January 1, 1989</b>	25% of premium
<b>Retirement from January 1, 1989</b>	None

If a retiree wants to provide coverage for eligible family members beyond his or her spouse, then that option shall be made available to the retiree, at the retiree's own expense.



## Actuarial Valuation as of January 1, 2017

### Plan Provisions and Participant Summary

- *Severance Pay (continued):*

Firefighters

The number of sick leave days which may be compensated at retirement shall be determined as follows:

Seniority	Maximum Accrual
Employed prior to 1/1/85	200 days
Employed 1/1/85 - 10/1/07	120 days
Employed after 10/1/07	100 days

Non-Uniform, Non-Uniform (TWU)

Sick	1/2 of sick time at retirement, maximum of 140 days
Vacation:	includes this year's balance plus prior two years (maximum of 75 days)
Personal:	personal days treated as vacation; included in 75 day maximum

- *Life Insurance Benefits:*

Police and Firefighters

\$12,000 at retirement, reducing to \$5,000 upon the retired officer attaining the age of 65.  
 \$12,000 for officers who are permanently disabled.

Non-Uniform

TWU:

Under age 70, retired prior to 1/1/2013	50% of salary
Under age 70, retired on or after 1/1/2013	1/2 of Life Insurance Policy in effect at time of Retirement
Age 70 and over, retired prior to 1/1/2000	\$1,500
Age 70 and over, retired after 1/1/2000	\$5,000

Non-Bargain:

Age 70 and over, retired prior to 1/1/84	\$1,000
Age 70 and over, retired between 1/1/84 and 1/1/00	\$1,500
Age 70 and over, retired after 1/1/00	\$5,000
Under age 70, retired on or after 1/1/01	\$15,500

Non-Bargain Administration:

Age 70 and over, retired after 1/1/00	\$5,000
Under age 70, retired on or after 1/1/84	\$25,000

Upper Darby Township  
 Postretirement Healthcare and Sick Leave Benefits Plan  
 Actuarial Valuation for the Fiscal Year Ending December 31, 2017

**Actuarial Valuation as of January 1, 2017**

**Plan Provisions and Participant Summary**

**Age and Service Charts**

**Police**

Attained Age	Years of Credited Service									Total
	<1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35+	
Under 25	0	0	0	0	0	0	0	0	0	0
25 to 29	0	4	1	0	0	0	0	0	0	5
30 to 34	0	10	12	0	0	0	0	0	0	22
35 to 39	0	4	6	12	3	0	0	0	0	25
40 to 44	0	1	4	13	8	0	0	0	0	26
45 to 49	0	1	2	7	5	10	1	0	0	26
50 to 54	0	0	0	0	2	6	4	1	0	13
55 to 59	0	0	0	0	0	3	2	4	2	11
60 to 64	0	0	0	0	0	0	0	0	0	0
70+	0	0	0	1	0	0	0	0	0	1
<b>Total</b>	<b>0</b>	<b>20</b>	<b>25</b>	<b>33</b>	<b>18</b>	<b>19</b>	<b>7</b>	<b>5</b>	<b>2</b>	<b>129</b>

**Firefighters**

Attained Age	Years of Credited Service									Total
	<1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35+	
Under 25	0	0	0	0	0	0	0	0	0	0
25 to 29	0	0	0	0	0	0	0	0	0	0
30 to 34	0	3	2	1	0	0	0	0	0	6
35 to 39	0	2	4	1	1	0	0	0	0	8
40 to 44	0	1	2	2	3	0	0	0	0	8
45 to 49	0	0	0	1	2	1	0	0	0	4
50 to 54	0	0	1	1	1	1	7	1	0	12
55 to 59	0	0	0	0	1	4	2	1	1	9
60 to 64	0	0	0	0	0	1	0	2	1	4
70+	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>6</b>	<b>9</b>	<b>6</b>	<b>8</b>	<b>7</b>	<b>9</b>	<b>4</b>	<b>2</b>	<b>51</b>



Upper Darby Township  
 Postretirement Healthcare and Sick Leave Benefits Plan  
 Actuarial Valuation for the Fiscal Year Ending December 31, 2017

**Actuarial Valuation as of January 1, 2017**

**Actuarial Methods and Assumptions**

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<b>Actuarial Valuation Date</b>	January 1, 2017
<b>Actuarial Cost Method</b>	Individual Entry Age Normal as a level percentage of payroll
<b>Discount Rate</b>	3.70%
<b>Annual Wage Increases</b>	4.75%
<b>Price Inflation</b>	2.50%
<b>Investment Rate of Return</b>	N/A
<b>Actuarial Value of Assets</b>	N/A
<b>Per-capita Healthcare Costs</b>	<p>Medical and Pharmacy premium equivalent rates illustrated in the plan provisions were age-adjusted based on average ages and the assumption between age and increasing costs. The following morbidity assumption was used:</p> <p style="padding-left: 40px;">Pre-65: 4.00%</p> <p style="padding-left: 40px;">Post-65: 3.00%, capped at age 90</p> <p>Dental and vision costs do not vary materially by age, and were not aged.</p>

**Annual Healthcare Trend**

Years after Valuation	Medical & Pharmacy	Dental & Vision	Part B Premium
1	7.50%	5.00%	5.00%
2	7.00	5.00	5.00
3	6.50	5.00	5.00
4	6.00	5.00	5.00
5	5.50	5.00	5.00
6+	5.00	5.00	5.00



## Actuarial Valuation as of January 1, 2017

### Actuarial Methods and Assumptions

**Withdrawal**

Uniformed: Participants are assumed to terminate employment for reasons other than death, disability, or retirement in accordance with annual rates varying by age. The following table illustrates the assumed number of such terminations per year:

Age	Males	Females
25	4.93%	7.44%
30	3.41%	4.93%
35	2.37%	3.41%
40	1.31%	2.37%
45	0.67%	1.31%
50	0.00%	0.67%
55 & Over	0.00%	0.00%

Firefighters

Age	Rate
25	5.30%
30	5.30%
35	4.70%
40	4.10%
45	3.50%
50	2.33%
55 & Over	1.17%

Non-Uniformed: ages below 56:

Service	Rate
<1	12.50%
1-2	7.50%
-5	6.00%
3-4	5.00%
4-5	4.50%
5-6	4.00%
6-7	3.50%
7-8	3.00%
8-9	2.50%
9-10	2.00%
10+	1.00%

**Changes Since Prior Valuation**

1. The actuarial cost method was changed from Projected Unit Credit to Entry Age Normal as a level percentage of payroll in accordance with GASB No. 75 standards.
2. Discount rate was decreased from 4.00% to 3.70%.
3. The annual wage increase assumption was changed from individual rates by division, to 4.75% for all divisions.
4. The mortality projection was updated from 2016 to 2017.



## Actuarial Valuation as of January 1, 2017

### Rationale for Key Assumptions

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#### Annual Healthcare Trend

Trend rates are based on plan experience, historical trends, and industry norms. The immediate trend rates are assumed to decrease to an ultimate trend rate over a period of 5 to 10 years. Healthcare costs are currently approximately 17% of the Gross Domestic Product (GDP). The ultimate rate is decreased over time to maintain this relationship.

#### Healthcare Reform

Excise taxes on Cadillac plan benefits, if any, were not included in this valuation due to significant uncertainties regarding the tax. Other legislative changes related to the Affordable Care Act were included in the valuation only to the extent they have already been implemented in the plan.

#### Withdrawal, Disability, and Mortality

Because the Township does not have enough data to do a fully credible experience analysis with respect to these assumptions, the current assumptions have been selected based on the actuary's experience with plans of a similar size, plan design, workforce composition, and discussions with the Township.

#### Participation

The assumed rate of participation incorporated into these measurements is based on an experience analysis of the plan's past experience, the actuary's experience with plans of a similar size, plan design and retiree contribution level.

#### Spouse Age

Because the employer does not have enough data to do a fully credible experience analysis with respect to spousal information, the current assumption has been selected based on observations of the past experience, the actuary's experience with plans of a similar size and plan design.

## Actuarial Valuation as of January 1, 2017

### Definitions

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Defined Benefit OPEB	OPEB for which the benefits that the employee will receive at or after separation from employment are defined by the benefit terms. The OPEB may be stated as (a) a specified dollar amount; (b) an amount that is calculated based on one or more factors such as age, years of service, and compensation; or (c) a type or level of coverage such as prescription drug coverage or a percentage of health insurance premiums.
Defined Contribution OPEB	OPEB having terms that (a) provide an individual account for each employee; (b) define the contributions that an employer or nonemployer contributing entity is required to make (or the credits that it is required to provide) to an active employee's account for periods in which that employee renders service; and (c) provide that the OPEB an employee will receive will depend only on the contributions (or credits) to the employee's account, actual earning on investments of those contributions (or credits), and the effects of forfeitures of contributions (or credits) made for other employees, as well as OPEB plan administrative costs, that are allocated to the employee's account.
Discount Rate	<p>The single rate of return that, when applied to all projected benefit payments, results in an actuarial present value of projected benefit payments equal to the total of the following:</p> <ol style="list-style-type: none"><li>1. The actuarial present value of benefit payments projected to be made in future periods in which (1) the amount of the OPEB plan's fiduciary net position is projected (under the requirements of Statement 75) to be greater than the benefit payments that are projected to be made in that period and (2) OPEB plan assets up to that point are expected to be invested using a strategy to achieve the long-term expected rate of return, calculated using the long-term expected rate of return on OPEB plan investments.</li><li>2. The actuarial present value of projected benefit payments not included in (a), calculated using a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale).</li></ol>



## Actuarial Valuation as of January 1, 2017

### Definitions

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Projected Benefit Payments	All benefits (including refunds of employee contributions) estimated to be payable through the OPEB plan (including amounts to be paid by employers or nonemployer contributing entities as the benefits come due) to current active and inactive employees as a result of their past service and their expected future service.
Real Rate of Return	The rate of return on an investment after adjustment to eliminate inflation.
Service Costs	The portions of the actuarial present value of projected benefit payments that are attributed to valuation years.
Termination Benefits	Inducements offered by employers to active employees to hasten the termination of services, or payments made in consequence of the early termination of services. Termination benefits include early-retirement incentives, severance benefits, and other termination-related benefits.
Total OPEB Liability	The portion of the actuarial present value of projected benefit payments that is attributed to past periods of employee service in conformity with the requirements of Statement 75. The total OPEB liability is the liability of employers and nonemployer contributing entities to employees for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria of paragraph 4 of Statement 75.