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Salt Lake County  
OPEB Trust

Annual Report for Year-Ended  
December 31, 2016

Presented July 18, 2017

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Salt Lake County OPEB Trust  
Annual Report  
December 31, 2016

This is the Annual Report by the Trustees of the Salt Lake County OPEB Trust (“Trust”) for the period ending December 31, 2016. The Annual Report highlights the administration of the Trust and provides unaudited financial disclosures. This is the second Annual Report.

I. Trustees

The following served as Trustees during 2016:

Darrin Casper, Chief Financial Officer, Salt Lake County  
K. Wayne Cushing, Salt Lake County Treasurer  
Sarah Brenna, Director of Administrative Services, Salt Lake County  
David Delquadro, Council Fiscal Manager, Salt Lake County

Collectively (the “Board”)

On May 17, 2017, due to a reorganization of the Mayor’s Office, the Trust Agreement was amended to replace the Director of Administrative Services as a Trustee with a Human Resource Appointee. Michael Ongkiko, Director of Human Resources was appointed as Trustee to replace Sarah Brenna, Director of Administrative Services.

II. Background

A. Salt Lake County Irrevocable Trust

On April 21, 2015, the Salt Lake County Council adopted a resolution authorizing the creation of an irrevocable Trust for the purpose of funding OPEB liabilities, in line with its intent set during the budget deliberations.

On September 22, 2015, the County Council created the irrevocable Trust. The Trust is attached as Exhibit 1.

The Trust was funded with an initial deposit of \$3.8 million, with funds previously collected and set aside for this purpose.

## B. Other Post-Employment Benefits (OPEB) Overview

Salt Lake County (the "County") offers many employee benefits designed to attract and retain quality employees. Some of these are deferred benefits, such as the state of Utah Retirement System pension plan benefits. In addition to pension plan benefits, Salt Lake County government offers certain "other post-employment benefits" including life insurance and health insurance benefits to eligible employees who retire from the County and qualify to retire from the systems. These benefits are generically called OPEB-type benefits.

In 2004, accounting regulations required governments to quantify the liability the benefits create to the government entities. The requirements are dictated by the Governmental Accounting Standards Board ("GASB") statements 43 and 45. In short, GASB implemented a requirement to increase the transparency associated with what was previously an opaque liability directly impacting the relative risk to the going concern of impacted government entities.

The implementation of the GASB requirements was effective in 2007 for the County. As such, the comprehensive annual financial report (the "CAFR") incorporated the requirements in this year. A quantitative analysis and calculation is required to be performed by an actuarial firm every two years. Generally, the three most pertinent statistics include the estimated total liability to the County called net OPEB obligation, the actuarial accrued liability ("AAL") and the annual required contribution, or ("ARC"). The ARC is the projected annual cost to amortize any unfunded actuarial liabilities over a period not to exceed thirty years.

The statistics are used by financial customers of the government, as well as by its policy makers. The OPEB statistics are routinely reviewed by ratings agencies when assigning a credit rating to a government in the event debt is issued. Policy makers use the statistics to understand future possible financial risks or liabilities and to make decisions regarding the nature and form of employee benefits.

On December 31, 2012, the County discontinued OPEB benefits for future employees. Anyone hired after January 1, 2013, would not be eligible for OPEB benefits. The irrevocable Trust finances the OPEB liability for employees hired prior to 2013.

In June of 2015, the GASB issued statements 74 and 75, which change the reporting requirements for OPEB plans administered through trust funds. These statements replace statements 43, 45, and 57 and will establish new standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. The County will implement these statements for the year-ending December 31, 2017.

C. Salt Lake County OPEB

The County currently offers other post-employment benefits (other than retirement) for employees hired prior to December 31, 2012. These benefits include the following:

- (Pre 65) Retiree medical insurance at 102% or 140% of employee premiums until Medicare eligible (County contribution based on years of service)
- \$1,000 life insurance policy
- Post 65 Medicare Supplement

To the extent permitted by law, these benefits are subject to change by the County.

III. County OPEB Financial Obligations

In 2015, the County contracted with an actuarial firm, Nyhart, to prepare the OPEB statistics required by GASB. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial calculations of the OPEB plan reflect a long-term perspective.

In the December 31, 2015 actuarial valuation, Nyhart used the entry age actuarial cost method. Its final report for the fiscal year 2015 was issued on March 8, 2016. The full report is attached as Exhibit 2. The main statistics were adjusted and rolled forward for FY 2016 by Nyhart and are required to be published in the CAFR. These statistics are summarized below.

• Annual required contribution	\$7.97 M
• Interest on net OPEB obligation	\$2.05M
• Adjustment to ARC	<u>(\$1.76 M)</u>
• Annual OPEB cost	\$8.26M
• Contributions made	(\$2.50 M)
• Prefunding	<u>(\$1.41 M)</u>
• Increase in net OPEB obligation	\$4.35 M
• Net OPEB obligation beginning of year	<u>\$45.52 M</u>
• Net OPEB obligation at year end	\$49.87 M

GASB also requires the disclosure of the Actuarial Accrued Liability. For the County, the AAL on December 31, 2015 is \$102.9 million. The unfunded AAL, or UAAL, is \$99.1 million.

Although GASB requires disclosure of the above statistics, it does not require a solution. As such, Salt Lake County along with many government entities, previously made the decision to pay for the liabilities as they come due. Typically, this underfunds the liability at least when compared to the ARC. For the County, the actual expense (otherwise known as the “pay-as-you-go amount”) was \$2.50 million in 2016 compared with the ARC of \$7.97 million.

#### IV. Summary of Current Year Administration

##### A. Investment Strategy

The investment returns realized by the Trust fund assets play a major role in determining the amount of contributions necessary to finance future expenditures. Higher realized investment return rates will reduce the amount of the Annual Required Contributions – and vice versa. Historically, in order to achieve higher rates of returns, pension funds adopted diversified investment strategies that include equity investments. The Trustees intend to follow a similar approach, which includes using a private investment firm for portfolio management and recordkeeping.

Salt Lake County Treasurer K. Wayne Cushing analyzed multiple management firms and ultimately recommended contracting with Moreton Asset Management to manage the funds of the Trust. The Trustees approved the selection and agreed that the Treasurer would communicate the Board’s strategy to Moreton and control the Trust’s investments (timing and size) on behalf of the Board. An initial investment strategy was discussed and adopted by the Board to invest in stable, highly rated short-term securities reflecting a widely held belief that interest rates would trend upward. On July 5, 2017, the Trustees approved an investment strategy that includes equity investments as permitted by the Utah Money Management Act, Utah Code Ann. § 51-7-12.2. The portfolio objective is to reach a balance of 50% investment in equities over the next two years.

##### B. Management of Assets

Salt Lake County Mayor’s Finance has established an agency trust fund under the supervision of the Board called the OPEB Trust Fund 995. The financial assets, liabilities, contributions, distributions and net position of the Trust’s financial assets are recorded in this fund.

The OPEB Trust Fund 995 consists primarily of two accounts controlled by the Salt Lake County Treasurer; one cash account held in the Public Treasurer's Investment Fund (PTIF), and one account held with Moreton Asset Management (investment account). The balance in the PTIF is used to handle the day to day operations of the OPEB revenues and expenditures which are managed through Salt Lake County Mayor's Finance and follow county policy and protocol for disbursement. The second account holds the majority of the fund's assets and is intended to be invested to facilitate growth following the strategy outlined below. Additionally, the Board of Trustees has authorized a strategy to review the net effect of revenues and expenditures to the PTIF account each year, and if a surplus develops beyond an agreed minimum reserve of \$250,000, the excess will be transferred to the investment account. In the event a deficit occurs reducing the PTIF below the minimum reserve, the Board will make an adjustment recommendation to the County Mayor and Council to correct the structural budget deficit. In general, that correction will necessitate increasing revenues (contributions) from county organizations.

Contributions (revenues) to the OPEB Trust Fund 995 are made up of collections from participants of the retirement system and receipts of an OPEB charge made to applicable County organizations. Distributions, or expenses of the fund are paid when incurred and

Invoiced to the County and consist only of costs related to providing the benefits to employees. During the annual county budget process, estimates for both revenues and expenditures are made and appropriations are requested.

#### V. Current Year Audited Financial Results

The revenues and expenditures on a management basis of the Trust are reported in Exhibit 4. The official financial statement for the Trust is included in Exhibit 5.

The market value of the investment account as of 12/31/2016 invested by the Treasurer with Moreton Asset Management, was \$4,079,934. The Board will continue to review the assets of the Trust and make recommendations in line with its long-term goal of asset accumulation. See Exhibit 3 for a complete breakdown of current investments and the market value of the Trust's investments as of 12/31/2016.

In 2016, additions to the trust exceeded deductions by \$923,654. For the official financial statements, any payments made by plan participants are excluded from contributions. Retiree contributions collected by the trust for 2016 were \$986,532.

During its March 2017 meeting, the Board recommended the transfer of \$900,000 to the Treasurer for investment in the investment account.

The expenses of the Trust are those paid to the investment advisor in the form of commissions and the expenditures identified in the OPEB Fund 995 summary. The Trustees are Salt Lake County employees and receive no compensation from the Trust. Salt Lake County overhead costs, apart from Trustee time, are charged to fund 995 using the same allocation method used for all County funds. Overhead costs for 2016 totaled \$87,534.

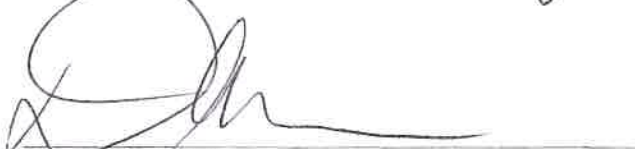
VI. Summary

In November 2014, Salt Lake County took the first step in moving away from a purely pay-as-you-go method of paying for OPEB expenditures. Its goal is to begin reducing the unfunded liability associated with the benefits. To this end, a specific irrevocable OPEB trust fund and related investment account have been established by the County for the purpose of accumulating cash to fund the liability.

The first two years of operation resulted in additional contributions from Salt Lake County to the Trust in excess of \$1,423,943.69

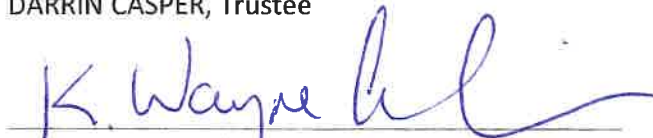
The Board, which generally meets quarterly, will continue to monitor the operations and finances of the fund, with the goal of capital accumulation in the Trust and the reduction of the Unfunded Actuarial Accrued Liability for OPEB.

Dated this 18 day of July, 2017



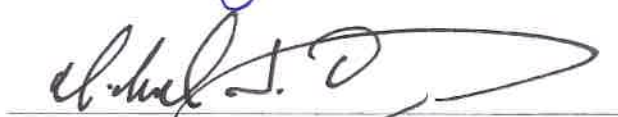
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DARRIN CASPER, Trustee



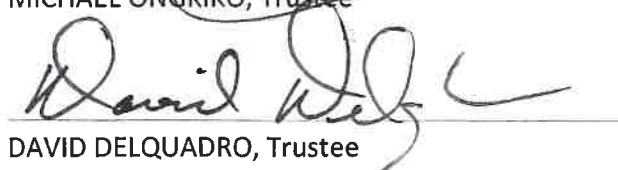
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K. WAYNE CUSHING, Trustee



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MICHAEL ONGKIKO, Trustee



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DAVID DELQUADRO, Trustee





nyhart

# ***Salt Lake County***

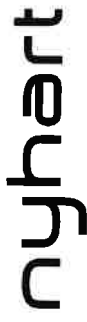
*GASB 45 Actuarial Valuation*

*Fiscal Year Ending December 31, 2015*

**Prepared by:**  
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March 15, 2016

Salt Lake County  
Brett R. Carlson  
2001 South State Street  
Salt Lake City, UT 84114

This report summarizes the GASB 45 actuarial valuation for the Salt Lake County 2015 fiscal year. To the best of our knowledge, the report presents a fair position of the funded status of the plan in accordance with GASB Statement No. 45 (Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions).

The information presented herein is based on the actuarial assumptions and substantive plan provisions summarized in this report and participant information furnished to us by the Plan Sponsor. We have reviewed the employee census provided by the Plan Sponsor for reasonableness when compared to the prior information provided but have not audited the information at the source, and therefore do not accept responsibility for the accuracy or the completeness of the data on which the information is based. When relevant data may be missing, we may have made assumptions we feel are neutral or conservative to the purpose of the measurement. We are not aware of any significant issues with and have relied on the data provided.

The discount rate and other economic assumptions have been selected by the Plan Sponsor. Demographic assumptions have been selected by the Plan Sponsor with the concurrence of Nyhart. In our opinion, the actuarial assumptions are individually reasonable and in combination represent our estimate of anticipated experience of the Plan. All calculations have been made in accordance with generally accepted actuarial principles and practice.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following:

- plan experience differing from that anticipated by the economic or demographic assumptions;
- changes in economic or demographic assumptions;
- increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period); and
- changes in plan provisions or applicable law.

We did not perform an analysis of the potential range of future measurements due to the limited scope of our engagement.

To our knowledge, there have been no significant events prior to the current year's measurement date or as of the date of this report that could materially affect the results contained herein.



March 15, 2016

Neither Nyhart nor any of its employees has any relationship with the plan or its sponsor that could impair or appear to impair the objectivity of this report. Our professional work is in full compliance with the American Academy of Actuaries "Code of Professional Conduct" Precept 7 regarding conflict of interest. The undersigned meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

Should you have any questions please do not hesitate to contact us.

Randy Gomez, FSA, MAAA  
Consulting Actuary

Evi Laksana, ASA, MAAA  
Valuation Actuary

**Summary of Results**

Presented below is the summary of GASB 45 results for the fiscal year ending December 31, 2015 compared to the prior fiscal year.

	<i>As of January 1, 2014</i>	<i>As of January 1, 2015</i>
<b>Actuarial Accrued Liability</b>	\$ 99,296,126	\$ 102,920,338
<b>Actuarial Value of Assets</b>	\$ 0	\$ 0
<b>Unfunded Actuarial Accrued Liability</b>	\$ 99,296,126	\$ 102,920,338
<b>Funded Ratio</b>	0.0%	0.0%
<b>FY 2014</b>		
<b>Annual Required Contribution</b>	\$ 7,952,175	\$ 7,764,324
<b>Annual OPEB Cost</b>	\$ 8,199,409	\$ 8,046,248
<b>Annual Employer Contribution</b>	\$ 2,784,832	\$ 6,528,630
<b>As of December 31, 2014</b>		
<b>Net OPEB Obligation</b>	\$ 44,003,465	\$ 45,521,083
<b>As of December 31, 2015</b>		
<b>Total Active Participants</b>		2,932
<b>Total Retiree Participants</b>		1,375

The active participants number above may include active employees who currently have no health care coverage. Refer to the Summary of Participants section for an accurate breakdown of active employees with and without coverage.

\*An interim report was not prepared for FYE December 31, 2014. The County has opted to repeat GASB results as shown in the FYE December 31, 2013 report for FYE 2014 financial disclosure as permitted by GASB.

Below is a breakdown of total GASB 45 liabilities allocated for past, current, and future service for the fiscal year beginning January 1, 2015 compared to the prior valuation as of January 1, 2014.

	As of January 1, 2014		As of January 1, 2015	
<b>Present Value of Future Benefits</b>	\$	<b>142,770,985</b>	\$	<b>142,411,491</b>
Active Employees		104,535,425		102,141,318
Retired Employees		38,235,560		40,270,173
<b>Actuarial Accrued Liability</b>	\$	<b>99,296,126</b>	\$	<b>102,920,338</b>
Active Employees		61,060,566		62,650,165
Retired Employees		38,235,560		40,270,173
<b>Normal Cost</b>	\$	<b>3,942,609</b>	\$	<b>3,629,001</b>
<b>Future Normal Cost</b>	\$	<b>39,532,250</b>	\$	<b>35,862,152</b>

**Present Value of Future Benefits (PVFB)** is the total liability amount as of January 1, 2014 and January 1, 2015 and represents the amount the County needs to fully fund its retiree health care obligations assuming all actuarial assumptions are met.

**Actuarial Accrued Liability** is the portion of PVFB considered to be accrued or earned as of January 1, 2014 and January 1, 2015. This amount is a required disclosure in the Required Supplementary Information section.

**Normal Cost** is the portion of the total liability amount that is attributed and accrued for current year active employee service by the actuarial cost method level percent of pay.

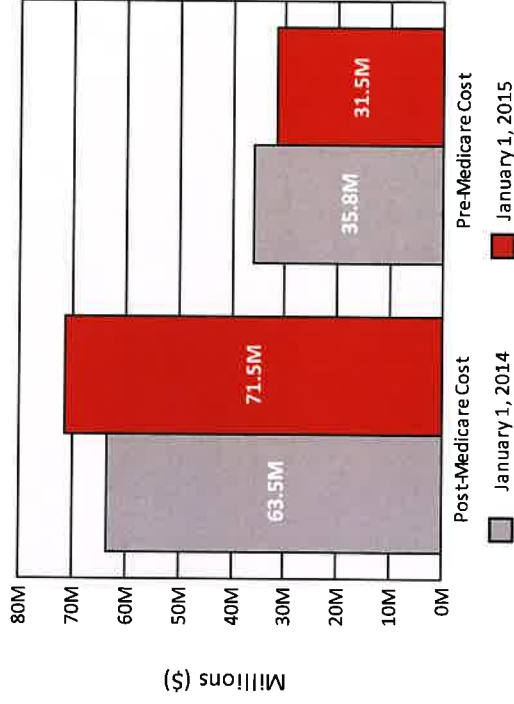
**Future Normal Cost** is the portion of the total liability amount that is attributed to the future employee service by the actuarial cost method level percent of pay.

\*Prior year information above is as shown in the FYE December 31, 2013 GASB actuarial valuation report.

Below is a breakdown of total GASB 45 liabilities allocated for pre and post Medicare eligibility. The liability shown below includes explicit (if any) and implicit subsidies. Refer to the Substantive Plan Provisions section for complete information on the Plan Sponsor's GASB subsidies.

Actuarial Accrued Liability (AAL)	As of January 1, 2014	As of January 1, 2015
<b>Total Active AAL</b>	<b>\$ 61,060,566</b>	<b>\$ 62,650,165</b>
Active Pre-Medicare	28,819,115	25,840,200
Active Post-Medicare	32,241,451	36,809,965
<b>Total Retirees AAL</b>	<b>\$ 38,235,560</b>	<b>\$ 40,270,173</b>
Retirees Pre-Medicare	6,999,300	5,618,142
Retirees Post-Medicare	31,236,260	34,652,031
<b>Total AAL</b>	<b>\$ 99,296,126</b>	<b>\$ 102,920,338</b>

**Change in AAL**



\*Prior year information above is as shown in the FYE December 31, 2013 GASB actuarial valuation report.

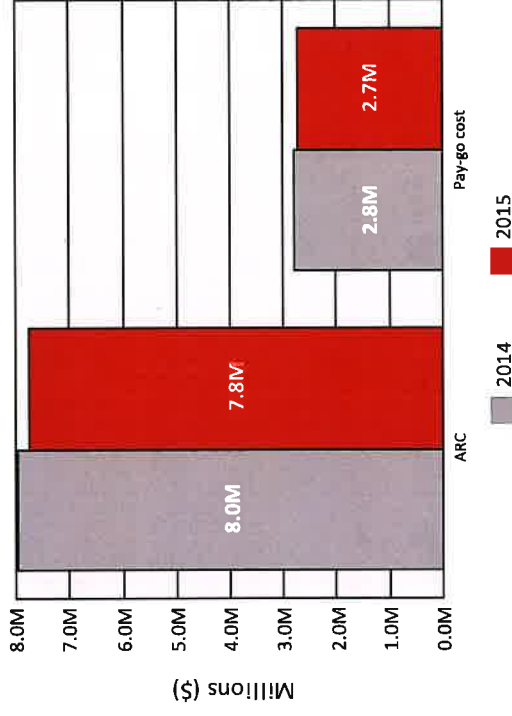
### Development of Annual Required Contribution (ARC)

Required Supplementary Information	FY 2014	FY 2015
Actuarial Accrued Liability as of beginning of year	\$ 99,296,126	\$ 102,920,338
Actuarial Value of Assets as of beginning of year	0	0
<b>Unfunded Actuarial Accrued Liability (UAAL)</b>	<b>\$ 99,296,126</b>	<b>\$ 102,920,338</b>
Covered payroll	\$ 159,244,634	\$ 145,267,334
UAAL as a % of covered payroll	62.4%	70.8%

Annual Required Contribution	FY 2014	FY 2015
Normal cost as of beginning of year	\$ 3,942,609	\$ 3,629,001
Amortization of the UAAL	3,667,128	3,800,974
Total normal cost and amortization payment	\$ 7,609,737	\$ 7,429,975
Interest to end of year	342,438	334,349
<b>Total Annual Required Contribution (ARC)</b>	<b>\$ 7,952,175</b>	<b>\$ 7,764,324</b>

### Cash vs. Accrual Accounting



**Annual Required Contribution (ARC)** is the annual expense recorded in the income statement under GASB 45 accrual accounting. It replaces the cash basis method of accounting recognition with an accrual method. The GASB 45 ARC is higher than the pay-as-you-go cost because it includes recognition of employer costs expected to be paid in future accounting periods.

\*The County opted to repeat GASB results as shown in the FYE December 31, 2013 report for the FYE 2014 financial disclosure as permitted by GASB.



**Development of Annual OPEB Cost and Net OPEB Obligation**

Net OPEB Obligation	FY 2014	FY 2015
ARC as of end of year	\$ 7,952,175	\$ 7,764,324
Interest on Net OPEB Obligation (NOO) to end of year	1,736,500	1,980,156
NOO a mortization adjustment to the ARC	(1,489,266)	(1,698,232)
Annual OPEB cost	\$ 8,199,409	\$ 8,046,248
Annual employer contribution for pay-go cost	(2,784,832)	(2,728,630)
Annual employer contribution for pre-funding	0	(3,800,000)*
Change in NOO	\$ 5,414,577	\$ 1,517,618
NOO as of beginning of year	38,588,888	44,003,465
<b>NOO as of end of year</b>	<b>\$ 44,003,465</b>	<b>\$ 45,521,083</b>

**Pay-as-you-go Cost** is the expected total employer cash cost for the coming period based on all explicit and implicit subsidies. It is also the amount recognized as expense on the Income Statement under pay-as-you-go accounting.

**Net OPEB Obligation** is the cumulative difference between the annual OPEB cost and employer contributions. This obligation will be created if cash contributions are less than the current year expense under GASB 45 accrual rules.

The net obligation is recorded as a liability on the employer's balance sheet which will reduce the net fund balance.

The value of implicit subsidies is considered as part of cash contributions for the current period. Other cash expenditures that meet certain conditions are also considered as contributions for GASB 45 purposes.

\*The \$3,800,000 employer contribution for pre-funding is accrued for FY 2015, based on deposits made into the OPEB Trust as of April and June 2015.

### Summary of GASB 45 Financial Results

Presented below is the summary of GASB 45 results for the fiscal year ending December 31, 2015 compared to the prior fiscal years. Prior years fiscal information is as shown in the County's Notes to Financial Statement for fiscal year ending December 31, 2014.

#### Schedule of Funding Progress

As of	Actuarial Accrued Liability (AAL)	Actuarial Value of Assets (AVA)	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Covered Payroll	UAAL as % of Covered Payroll
	A	B	C = A - B	D = B / A	E	F = C / E
January 1, 2015	\$ 102,920,338	\$ 0	\$ 102,920,338	0.0%	\$ 145,267,334	70.8%
January 1, 2014	\$ 99,296,126	\$ 0	\$ 99,296,126	0.0%	\$ 159,244,634	62.4%
January 1, 2013	\$ 99,296,126	\$ 0	\$ 99,296,126	0.0%	\$ 159,244,634	62.4%

#### Schedule of Employer Contributions

FYE	Employer Contributions	Annual Required Contribution (ARC)	% of ARC Contributed
	A	B	C = A / B
December 31, 2015	\$ 6,528,630	\$ 7,764,324	84.1%
December 31, 2014	\$ 2,784,832	\$ 7,952,175	35.0%
December 31, 2013	\$ 3,301,283	\$ 7,952,175	41.5%

#### Historical Annual OPEB Cost

As of	Annual OPEB Cost	% of Annual OPEB Cost Contributed	Net OPEB Obligation
December 31, 2015	\$ 8,046,248	81.1%	\$ 45,521,083
December 31, 2014	\$ 8,199,409	34.0%	\$ 44,003,465
December 31, 2013	\$ 8,171,084	40.4%	\$ 38,588,888

**Reconciliation of Actuarial Accrued Liability**

The Actuarial Accrued Liability (AAL) is expected to change on an annual basis as a result of expected and unexpected events. Under normal circumstances, it is generally expected to have a net increase each year. Below is a list of the most common events affecting the AAL and whether they increase or decrease the liability.

**Expected Events**

- Increases in AAL due to additional benefit accruals as employees continue to earn service each year
- Increases in AAL due to interest as the employees and retirees age
- Decreases in AAL due to benefit payments

**Unexpected Events**

- Increases in AAL when actual premium rates increase more than expected. A liability decrease occurs when premium rates increase less than expected.
- Increases in AAL when more new retirements occur than expected or fewer terminations occur than anticipated. Liability decreases occur when the opposite outcomes happen.
- Increases or decreases in AAL depending on whether benefit provisions are improved or reduced.

	FY 2015
Actuarial Accrued Liability as of beginning of year	\$ 102,920,338
Normal cost as of beginning of year	3,629,001
Expected benefit payments during the year	(3,147,620)
Interest adjustment to end of year	4,724,678
<b>Expected Actuarial Accrued Liability as of end of year<sup>1</sup></b>	<b>\$ 108,126,397</b>
(Gain) / loss due to experience	0
(Gain) / loss due to provisions / assumption changes	0
<b>Actuarial Accrued Liability as of end of year</b>	<b>\$ 108,126,397</b>

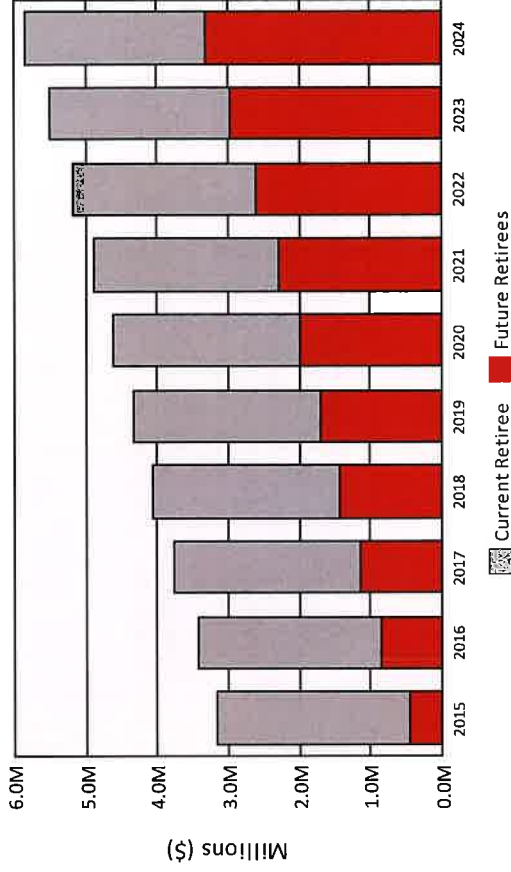
**Reconciliation of AAL** shows what the actuary expects the actuarial accrued liability to be at the beginning of the following fiscal year based on current assumptions and plan provisions. The expected end of year AAL will change as actual plan experience varies from assumptions. Generally, the AAL is expected to have a net increase each year.

The above reconciliation is calculated on a "no loss/gain" basis for illustration purposes only. The actual year-end liability may be higher or lower depending on plan experience.

The below projections show the actuarially estimated employer subsidized contribution for retiree benefits for the next 10 years. Results below are shown separately for current/future retirees and gross claims costs/contributions. The projections include explicit and implicit subsidies, and do not take into account future new hires.

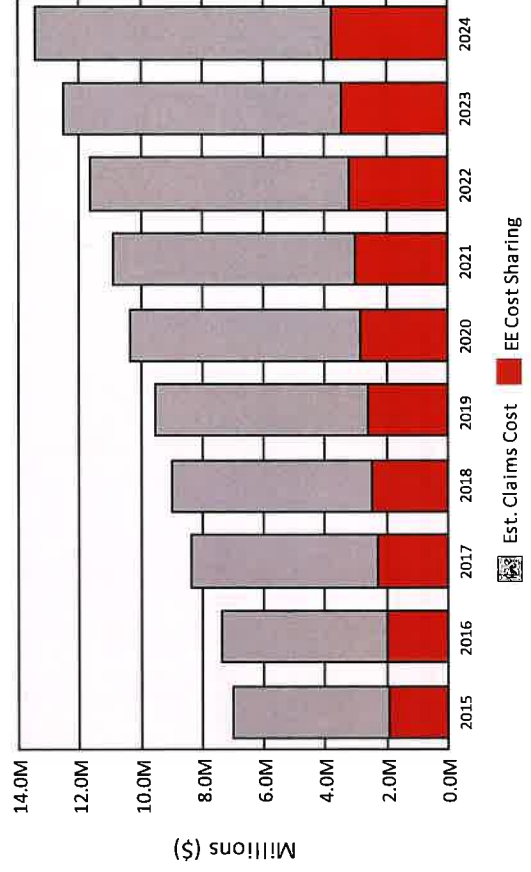
### Projected Employer Pay-go Cost

FYE	Current Retirees	Future Retirees	Total
2015	\$ 2,708,832	\$ 438,788	\$ 3,147,620
2016	\$ 2,574,977	\$ 862,162	\$ 3,437,139
2017	\$ 2,624,445	\$ 1,154,623	\$ 3,779,068
2018	\$ 2,631,811	\$ 1,432,565	\$ 4,064,376
2019	\$ 2,629,742	\$ 1,697,417	\$ 4,327,159
2020	\$ 2,635,666	\$ 1,990,890	\$ 4,626,556
2021	\$ 2,607,814	\$ 2,276,824	\$ 4,884,638
2022	\$ 2,583,412	\$ 2,599,462	\$ 5,182,874
2023	\$ 2,533,229	\$ 2,960,925	\$ 5,494,154
2024	\$ 2,524,437	\$ 3,326,030	\$ 5,850,467



### Claims and Cost Sharing Projection

FYE	Estimated Claims Cost	Retiree Contributions	Net Employer-Paid Costs
2015	\$ 5,065,753	\$ 1,918,133	\$ 3,147,620
2016	\$ 5,414,272	\$ 1,977,133	\$ 3,437,139
2017	\$ 6,062,885	\$ 2,283,817	\$ 3,779,068
2018	\$ 6,523,501	\$ 2,459,125	\$ 4,064,376
2019	\$ 6,923,038	\$ 2,595,879	\$ 4,327,159
2020	\$ 7,472,174	\$ 2,845,618	\$ 4,626,556
2021	\$ 7,893,843	\$ 3,009,205	\$ 4,884,638
2022	\$ 8,411,432	\$ 3,228,558	\$ 5,182,874
2023	\$ 8,993,099	\$ 3,498,945	\$ 5,494,154
2024	\$ 9,649,838	\$ 3,799,371	\$ 5,850,467



**Eligibility**

Employees hired prior to January 1, 2013 are eligible for lifetime retiree health benefits once they meet the Utah Retirement Systems Public Employees and Public Safety Retirement Systems eligibility requirements for pension benefits as outlined below:

1. Tier I General Employees (hired prior to 7/1/2011) – earlier of:
  - a. Age 65 with 4 years of service
  - b. Age 62 with 10 years of service
  - c. Age 60 with 20 years of service
  - d. Any age with 25 years of service (with full actuarial age reduction)
  - e. Any age with 30 years of service
2. Tier II General Employees (hired on/after 7/1/2011) – earlier of:
  - a. Age 65 with 4 years of service
  - b. Age 62 with 10 years of service
  - c. Age 60 with 20 years of service
  - d. Any age with 35 years of service
3. Tier I Public Safety Employees (hired prior to 7/1/2011) – earlier of:
  - a. Age 65 with 4 years of service
  - b. Age 60 with 10 years of service
  - c. Any age with 20 years of service
4. Tier II Public Safety Employees (hired on/after to 7/1/2011) – earlier of:
  - a. Age 65 with 4 years of service
  - b. Age 62 with 10 years of service
  - c. Age 60 with 20 years of service
  - d. Any age with 25 years of service

**Retiree Cost Sharing**

Retirees contribute the portion of premium rates not covered by the County's explicit subsidy. Pre-Medicare retirees premium rates are 102% of active premium rates during COBRA period (18 months), increasing to 140% of active premium rates at the end of COBRA period.

If retirees elect spousal coverage, they are required to pay the full incremental cost of spousal coverage.

**Spouse Benefit**

Surviving spouses can continue coverage after the death of the retiree until Medicare eligibility as long as they pay the full cost of coverage.

**Life Insurance**

Retirees are eligible for a \$1,000 life insurance benefit that is fully paid by the County.

**Medical Benefit**

Same benefit options are offered to retirees as active employees. All pre-Medicare health plans are self-insured while the Medicare plans are all fully-insured. The monthly active and pre-Medicare retiree premiums by plan effective on April 1, 2015 are as shown below.

	Active Premiums		Retiree Premiums during COBRA period		Retiree Premiums after COBRA period	
	Retiree	Ret + 1	Retiree	Ret + 1	Retiree	Ret + 1
PPO*	\$ 513.00	\$ 1,127.00	\$ 523.26	\$ 1,149.54	\$ 718.20	\$ 1,577.80
HDHP*	\$ 328.00	\$ 942.00	\$ 334.56	\$ 960.84	\$ 459.20	\$ 1,318.80

\* Applicable to both Select Health and Regence plans.

The monthly Medicare retiree premiums by plan effective on January 1, 2015 are as shown below:

Medicare Medical Plans	Rate	Medicare Rx Plans	Rate
Medicare 100%	\$ 148.00	Basic	\$ 32.85
Medicare 75%	\$ 114.00	Basic Plus	\$ 46.00
Medicare 50%	\$ 84.00	Enhanced	\$ 108.85

The monthly Medicare retiree premiums by plan effective on January 1, 2016 are as shown below:

Medicare Medical Plans		Medicare Rx Plans	
Age	Medicare 100%	Medicare 75%	Medicare 50%
65	\$ 116.74	\$ 89.92	\$ 66.26
66	\$ 121.34	\$ 93.46	\$ 68.87
67	\$ 125.94	\$ 97.01	\$ 71.48
68	\$ 130.54	\$ 100.55	\$ 74.09
69	\$ 135.14	\$ 104.09	\$ 76.70
70	\$ 139.74	\$ 107.63	\$ 79.31
71	\$ 144.24	\$ 111.11	\$ 81.87
72	\$ 148.84	\$ 114.65	\$ 84.48
73	\$ 153.44	\$ 118.19	\$ 87.09
74+	\$ 158.04	\$ 121.73	\$ 89.70

**Dental Benefit**

Same benefit options are available to retirees as active employees. Monthly dental premiums by plan effective on April 1, 2015 are as shown below.

	Active Premiums		Retiree Premiums during COBRA period		Retiree Premiums after COBRA period	
	Retiree	Ret + 1	Retiree	Ret + 1	Retiree	Ret + 1
Dental	\$ 57.00	\$ 73.00	\$ 58.14	\$ 74.46	\$ 79.80	\$ 102.20

**County Subsidy**

The County subsidizes retiree health benefits for the retiree only according to the following table:

SLC YOS @ Ret	Pre-65 Retirees		65+ Retirees	
	PPO	HDHP	SLC YOS @ Ret	County Subsidy (as % of Premium)
20+	\$ 419.00	\$ 328.00	20+	80%
18 – 19	\$ 366.62	\$ 287.01	18 – 19	70%
16 – 17	\$ 314.25	\$ 246.00	16 – 17	60%
14 – 15	\$ 261.87	\$ 205.01	14 – 15	50%
12 – 13	\$ 209.50	\$ 164.00	12 – 13	40%
10 – 11	\$ 157.12	\$ 123.01	10 – 11	30%
7 – 9	\$ 104.75	\$ 82.00	7 – 9	20%
4 – 6	\$ 52.37	\$ 41.01	4 – 6	10%
<4	\$ 0.00	\$ 0.00	<4	0%

Below is an example of how the subsidy works for a retiree with 20 years at retirement enrolled in the Select Health PPO plan pre-Medicare and Medicare Supplement 100% with Basic Rx post-Medicare.

	Pre-65	Post-65
A. Active rate	\$ 513.00	A. Premium rate (age 65) \$ 153.53
B. COBRA rate (102% x (A))	\$ 523.26	B. County subsidy (80% x (A)) \$ 122.82
C. Retiree rate (140% x (A))	\$ 718.20	C. Retiree contribution \$ 30.71
D. County subsidy (from table above)	\$ 419.00	
E. Retiree contributions		
During COBRA (18 months) (B) – (D)	\$ 104.26	
After COBRA period (C) – (D)	\$ 299.20	

**Actuarial Methods and Assumptions**

The actuarial assumptions used in this report represent a reasonable long-term expectation of future OPEB outcomes. As national economic and County experience change over time, the assumptions will be tested for ongoing reasonableness and, if necessary, updated.

There are changes to the actuarial methods and assumptions since the last GASB valuation, which was for the fiscal year ending December 31, 2013. Refer to the Actuary's Notes for more details regarding these changes. For the current year GASB valuation, we have updated the per capita costs. We expect to update health care trend rates and per capita costs again in the next full GASB valuation, which will be for the fiscal year ending December 31, 2017.

**Measurement Date** January 1, 2015

**Discount Rate** 4.50%

**Inflation Rate** 3.00% per year

**Cost Method** Entry Age Normal Level % of Pay

**Amortization** Level % of pay over thirty years based on an open group

**Employer Funding Policy** Pay-as-you-go cash basis

**Census Data** Census information was provided by the County as of November 2015. We have reviewed it for reasonableness and no material modifications were made to the census data.

**Health Care Coverage Election Rate** 60% of active General and 50% of active Public Safety employees with current medical/rx coverage are assumed to elect medical/rx coverage at retirement.  
40% of active General and 50% of active Public Safety employees with current dental coverage are assumed to elect dental coverage at retirement.

0% of active employees without current coverage (either medical/rx or dental) are assumed to elect coverage at retirement.

100% of retirees with current medical/rx or dental coverage are assumed to continue coverage in the future.

10% of retirees with current dental coverage are assumed to elect medical/rx coverage in the future if they retired in the past 5 years, otherwise they are assumed never to elect medical/rx coverage in the future.

0% of retirees without current coverage are assumed to elect coverage in the future.



**Actuarial Methods and Assumptions**

**Spousal Coverage**

50% of male and 25% of female employees are assumed to elect spousal coverage at retirement. Husbands are assumed to be three years older than wives. Actual spousal coverage and age is used for retirees.

**Mortality**

RPH-2015 Total Dataset Mortality Table fully generational using scale MP-2015 (RPH-2015 table is calculated based on RPH-2014 table with 8 years of MP-2014 mortality improvement backed out and projected to 2015 using scale MP-2015)

**Disability**

None

**Payroll Growth**

3.75% for general inflation plus merit increase as shown below:

YOS	Public Safety	General
0	5.50%	6.00%
5	2.50%	2.50%
10	2.00%	1.50%
15	1.00%	1.00%
20	0.75%	0.50%
25	0.00%	0.00%

**Turnover Rate**

Assumption used to project terminations (voluntary and involuntary) prior to meeting minimum retirement eligibility for retiree health coverage. The rates represent the probability of termination in the next 12 months. Sample annual rates shown below are based on the Utah Retirement System (URS) actuarial valuation as of January 1, 2015.

YOS	General		Public Safety
	Male	Female	
0	19.00%	24.00%	12.00%
5	7.00%	9.75%	4.50%
10	3.50%	5.50%	3.00%
15	2.75%	3.50%	1.50%
20	2.00%	2.50%	0.00%
25	0.00%	0.00%	0.00%

**Retirement Rate**

Annual retirement rates are based on URS actuarial valuation as of January 1, 2015.

Age	General		Public Safety	
	Male	Female	Tier I	Tier II
50 – 54	15%	20%	20%	12%
55 – 59	15%	25%	20%	25%
60 – 61	20%	30%	20%	30%
62 – 64	23%	30%	35%	35%
65	23%	25%	50%	50%
66	30%	25%	100%	100%
67 – 69	22%	25%		
70	22%	20%		
71 – 74	18%	15%		
75+	100%	100%		

**Health Care Trend Rates**

FYE	Pre-65	Post-65
2015	9.0%	7.0%
2016	8.5%	6.5%
2017	8.0%	6.0%
2018	7.5%	5.5%
2019	7.0%	5.0%
2020	6.5%	4.5%
2021	6.0%	4.5%
2022	5.5%	4.5%
2023+	5.0%	4.5%

The initial trend rate was based on a combination of employer history, national trend surveys, and professional judgment.

The ultimate trend rate was selected based on historical medical CPI information.

Dental trend rates are assumed to be a constant 3.0%.

**Retiree Contributions**

Retiree contributions are assumed to increase according to medical trend rates.

**Per Capita Costs<sup>1</sup>**

Annual per capita costs were calculated based on the 2015/16 premium rates by plan actuarially increased using health index factors and current enrollment. The costs are assumed to increase with health care trend rates. Sample annual per capita costs are as shown below:

Age	PPO <sup>2</sup>		HDHP <sup>2</sup>	
	Male	Female	Male	Female
45	\$ 4,364	\$ 5,713	\$ 2,790	\$ 3,653
50	\$ 5,904	\$ 6,690	\$ 3,775	\$ 4,277
55	\$ 7,716	\$ 7,932	\$ 4,933	\$ 5,071
60	\$ 9,693	\$ 9,318	\$ 6,198	\$ 5,958
64	\$ 11,283	\$ 10,459	\$ 7,214	\$ 6,687

The per capita costs represent the cost of coverage for a retiree-only population.

Actuarial standards require the recognition of higher inherent costs for a retired population versus an active population.

Post-65 plans are assumed to be community rated and the per capita costs are equal to the premium rates. For retirees who are currently under 65, their assumed post-65 plan election is as follows:

- For medical benefit, 100% of them are assumed to elect Medicare 100% plan.
- For prescription drug benefit, 50% of them are assumed to elect the Basic plan with the remaining 50% electing the Enhanced plan.

**Explicit Subsidy**

The difference between (a) the retiree rate and (b) the retiree contribution. Below is an example of the monthly explicit subsidies for a future under 65 retiree enrolled in the Select Health PPO plan with 20 years of service at retirement who has been retired for less than 18 months.

	Retiree Rate		Retiree Contribution		Explicit Subsidy	
	A		B		C = A - B	
Retiree	\$ 532.26		\$ 104.26		\$ 419.00	
Spouse	\$ 626.28		\$ 626.28		\$ 0.00	

<sup>1</sup> Nyhart used the 2015/16 County's premium equivalent rates without adjustment in our calculations. The rates were provided by the County and were assumed to represent the expected cost of claims and administrative expenses under the self-insured health plan. To the extent the rates do not reflect the full cost of coverage, our actuarial results will need to be revised. Common reasons for rates not reflecting the full cost are (1) use of asset reserves to pay a portion of the expected costs which leads to lower rates than required based on claims experience and (2) use of maximum claim exposure under the plan's aggregate stop-loss policy to set rates which overstate the expected costs for GASB 45 purposes.

<sup>2</sup> Applicable to both Select Health and Regence plans.

### Implicit Subsidy

The difference between (a) the per capita cost and (b) the retiree rate. Below is an example of the monthly implicit subsidies for a male retiree age 64 with spouse of the same age enrolled in the Select Health PPO plan.

	Per Capita Cost		Retiree Rate		Implicit Subsidy C = A - B
	A	B			
Retiree	\$ 940.25	\$ 523.26		\$ 416.99	
Spouse	\$ 871.58	\$ 626.28		\$ 245.30	

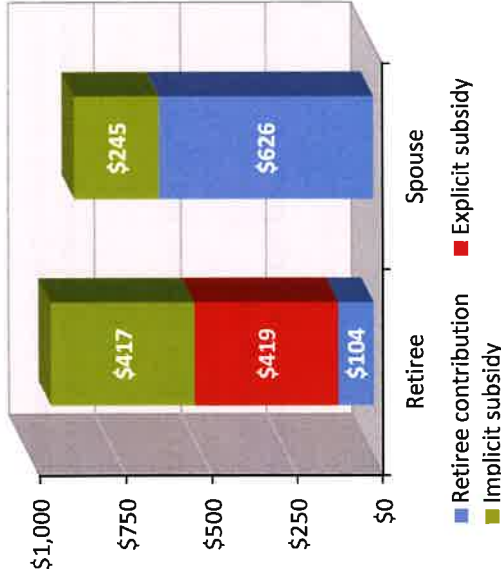
All employers that utilize premium rates based on blended active/retiree claims experience will have an implicit subsidy. There is an exception for plans using a true community-rated premium rate.

### GASB Subsidy Breakdown

Below is a breakdown of the GASB 45 monthly total cost for a male retiree age 64 who has been retired for less than 18 months with spouse of the same age enrolled in the Select Health PPO plan.

	Retiree	Spouse
Retiree contribution	\$ 104.26	\$ 626.28
Explicit subsidy	\$ 419.00	\$ 0.00
Implicit subsidy	\$ 416.99	\$ 245.30
Total monthly cost	\$ 940.25	\$ 871.58

### GASB Subsidy Breakdown



Summary of Plan Participants

<i>Actives with medical coverage eligible for retiree health benefits<sup>3</sup></i>	Single	Non-Single	Total	Avg. Age	Avg. Svc	Salary
Altius HDHP	142	337	479	46.3	12.8	\$ 26,288,847
Altius PPO	208	428	636	49.7	14.1	\$ 30,130,192
Select Health HDHP	185	382	567	44.0	12.1	\$ 30,656,964
Select Health PPO	290	626	916	49.3	14.4	\$ 44,573,933
<b>Total actives with medical coverage</b>	<b>825</b>	<b>1,773</b>	<b>2,598</b>	<b>47.7</b>	<b>13.5</b>	<b>\$ 131,649,936</b>

*Actives without medical coverage eligible for retiree benefits<sup>4</sup>*

			<b>334</b>	<b>46.7</b>	<b>10.9</b>	<b>\$ 13,617,398</b>
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*Actives not eligible for retiree health benefits<sup>5</sup>*

With medical coverage			519	37.5	1.0	\$ 21,709,283
Without medical coverage			135	35.8	1.0	\$ 4,093,211

*Retirees with medical coverage*

	Single	With Spouse	Total	Avg. Age
Altius HDHP	16	1	17	61.0
Altius PPO	80		80	61.2
Select Health HDHP	21	1	22	60.2
Select Health PPO	51	5	56	60.2
Medicare Supplement 100%	534	255	789	75.0
Medicare Supplement 75%	5	3	8	68.5
Medicare Supplement 50%	3	1	4	71.0
<b>Total Retirees with coverage</b>	<b>710</b>	<b>266</b>	<b>976</b>	<b>72.4</b>

*Retirees without medical coverage<sup>6</sup>*

	<b>132</b>	<b>59.0</b>
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<sup>3</sup> Includes active employees who were hired prior to January 1, 2013.

<sup>4</sup> Out of 334 active employees without medical coverage, 138 have dental benefits.

<sup>5</sup> This enrollment includes active employees who are not eligible for retiree health benefits because they are hired on/after January 1, 2013.

<sup>6</sup> Out of 132 retirees without medical coverage, 18 of them have Rx coverage only, and the other 114 have Dental coverage only.

Summary of Plan Participants

**Active Age-Service Distribution**

Only for active employees hired prior to January 1, 2013 (those eligible for lifetime retiree health benefits).

Age	Years of 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 to 39	40 & up		
Under 25		34	2									36
25 to 29		87	58	4								149
30 to 34		128	146	26	11							311
35 to 39		72	140	108	60	3						383
40 to 44		54	103	94	104	31	1					387
45 to 49		45	89	73	86	66	20	1				380
50 to 54		36	69	77	86	52	55	12	2			388
55 to 59		42	73	76	84	41	56	23	9			404
60 to 64		19	48	52	60	52	40	18	20	8		317
65 to 69		11	23	19	18	18	18	12	7	4		130
70 & up		3	7	9	14	3	5	3	2	1		47
<b>Total</b>	<b>0</b>	<b>531</b>	<b>757</b>	<b>538</b>	<b>523</b>	<b>266</b>	<b>195</b>	<b>69</b>	<b>40</b>	<b>13</b>		<b>2,932</b>

APPENDIX

### Appendix A – Comparison of Participant Demographic Information

The active participants' number below may include active employees who currently have no health care coverage. Refer to Summary of Participants section for an accurate breakdown of active employees with and without coverage.

	As of January 1, 2013	As of January 1, 2015
Active Participants <sup>1</sup>	3,514	2,932
Inactive Participants	1,434 <sup>2</sup>	1,375 <sup>3</sup>
Averages for Active		
Age	45.6	47.6
Service	11.0	13.2
Averages for Inactive		
Age	70.1	71.1

<sup>1</sup> Figures shown above include active employees who currently have no health coverage but exclude those who are not eligible for retiree health benefits.

<sup>2</sup> The retired participant's enrollment figures include 308 spouses who are covered under the County's group health plan and 136 retirees that have dental benefits only (no medical or Rx coverage).

<sup>3</sup> The retired participant's enrollment figures include 267 spouses who are covered under the County's group health plan, 114 retirees that have dental benefits only (no medical or Rx coverage), and 18 retirees that have Rx coverage only (no medical or dental coverage).



**Appendix B – Detailed Actuary’s Notes**

There have been no substantive plan provision changes since the last full valuation, which was for the fiscal year ending December 31, 2013.

Several actuarial assumptions have been updated since the last full valuation:

1. Mortality assumption has been updated from RP-2000 Combined Mortality Table fully generational using Scale AA to RPH-2015 Total Dataset Mortality Table fully generational using scale MP-2015. This change caused an increase in the County’s liabilities.
2. Termination rates have been updated based on the latest rates used in the Utah Retirement System actuarial valuation, which were adopted on January 1, 2014. This change caused a decrease in the County’s liabilities.
3. Retirement rates have been updated based on the latest rates used in the Utah Retirement System actuarial valuation, which were adopted on January 1, 2014. This change caused a decrease in the County’s liabilities.

## Glossary

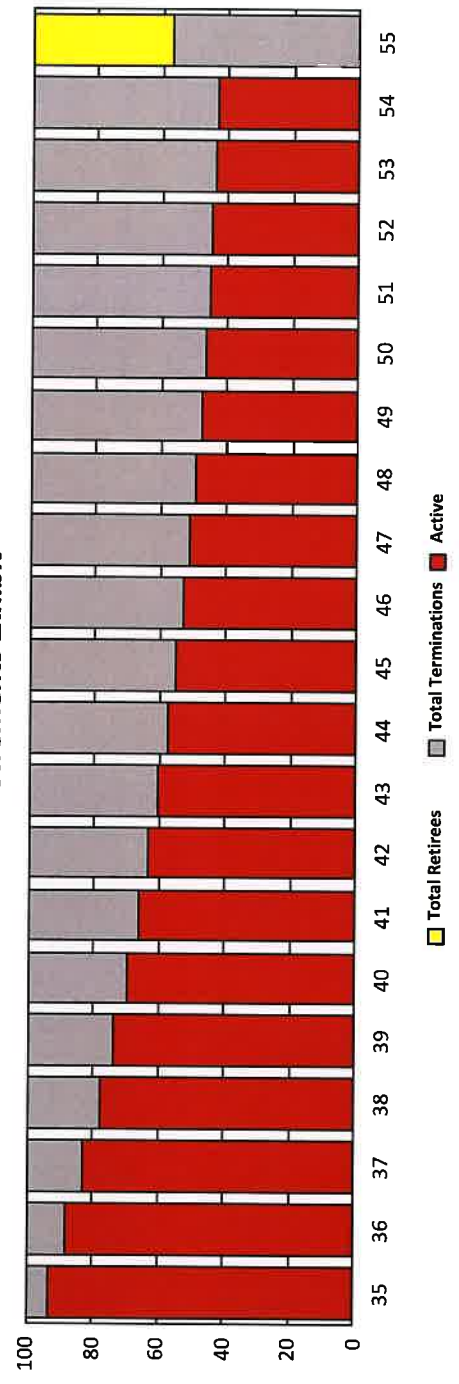
**Decrements Exhibit**

The table below illustrates how actuarial assumptions can affect a long-term projection of future liabilities. Starting with 100 employees at age 35, the illustrated actuarial assumptions show that 42,949 employees out of the original 100 are expected to retire and could elect retiree health benefits at age 55.

Age	# Remaining Employees	# of Terminations per Year *	# of Retirements per Year *	Total Decrements
35	100,000	6,353	0.000	6,353
36	93,647	5,751	0.000	5,751
37	87,896	5,206	0.000	5,206
38	82,690	4,716	0.000	4,716
39	77,974	4,274	0.000	4,274
40	73,700	3,876	0.000	3,876
41	69,824	3,516	0.000	3,516
42	66,308	3,190	0.000	3,190
43	63,118	2,893	0.000	2,893
44	60,225	2,623	0.000	2,623
45	57,602	2,377	0.000	2,377

Age	# Remaining Employees	# of Terminations per Year *	# of Retirements per Year *	Total Decrements
46	55,225	2,147	0.000	2,147
47	53,078	1,931	0.000	1,931
48	51,147	1,724	0.000	1,724
49	49,423	1,524	0.000	1,524
50	47,899	1,329	0.000	1,329
51	46,570	1,151	0.000	1,151
52	45,419	977	0.000	977
53	44,442	818	0.000	818
54	43,624	675	0.000	675
55	42,949	0,000	42,949	42,949

**Decrements Exhibit**



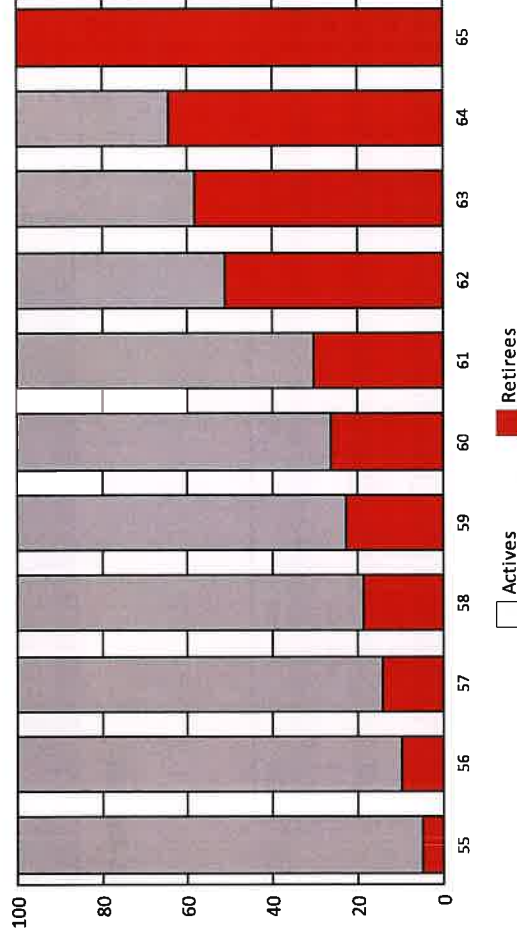
\* The above rates are illustrative and are not used in our GASB calculations.

### Retirement Rates Exhibit

The table below illustrates how actuarial assumptions can affect a long-term projection of future liabilities. The illustrated retirement rates show the number of employees who are assumed to retire annually based on 100 employees age 55 who are eligible for retiree health care coverage. The average age at retirement is 62.0.

Retirement Rates Exhibit

Age	Active Employees BOY	Annual Retirement Rates *	# Retirements per year	Active Employees EOY
55	100.000	5.00%	5.000	95.000
56	95.000	5.00%	4.750	90.250
57	90.250	5.00%	4.513	85.738
58	85.738	5.00%	4.287	81.451
59	81.451	5.00%	4.073	77.378
60	77.378	5.00%	3.869	73.509
61	73.509	5.00%	3.675	69.834
62	69.834	30.00%	20.950	48.884
63	48.884	15.00%	7.333	41.551
64	41.551	15.00%	6.233	35.318
65	35.318	100.00%	35.318	0.000



\* The above rates are illustrative and are not used in our GASB calculations.

**Illustration of GASB Calculations****I. Facts**

- A. The employer provides subsidized retiree health coverage worth \$100,000 to employees retiring at age 55 with 25 years of service. The employer funds the retiree health coverage on a pay-as-you-go basis.
- B. Employee X is age 50 and has worked 20 years with the employer.
- C. Retiree health subsidies are paid from the general fund assets which are expected to earn 4.5% per year on a long-term basis.
- D. Based on Employee X's age and sex he has a 98.0% probability of living to age 55 and a 95.0% probability of continuing to work to age 55.

**II. Calculation of Present Value of Future Benefits**

**Present Value of Future Benefits** represents the cost to finance benefits payable in the future to current and future retirees and beneficiaries, discounted to reflect the expected effects of the time value (present value) of money and the probabilities of payment.

	Value	Description
A.	\$100,000	Projected benefit at retirement
B.	80.2%	Interest discount for five years = $(1 / 1.045)^5$
C.	98.0%	Probability of living to retirement age
D.	95.0%	Probability of continuing to work to retirement age
E.	\$74,666	Present value of projected retirement benefit measured at employee's current age = $A \times B \times C \times D$

**Illustration of GASB Calculations (continued)**

**III. Calculation of Actuarial Accrued Liability**

**Actuarial Accrued Liability (AAL)** represents the portion of the Present Value of Future Benefits which has been accrued recognizing the employee's past service with the employer. The AAL is a required disclosure in the Required Supplementary Information section of the employer's financial statement.

Value	Description
A. \$74,666	Present value of projected retirement benefit measured at employee's current age
B. 20	Current years of service with employer
C. 25	Projected years of service with employer at retirement
D. \$59,733	Actuarial accrued liability measured at employee's current age = $A \times B / C$

**IV. Calculation of Normal Cost**

**Normal Cost** represents the portion of the Present Value of Future Benefits allocated to the current year.

Value	Description
A. \$74,666	Present value of projected retirement benefit measured at employee's current age
B. 25	Projected years of service with employer at retirement
C. \$2,987	Normal cost measured at employee's current age = $A / B$

**V. Calculation of Annual Required Contribution**

**Annual Required Contribution** is the total expense for the current year to be shown in the employer's income statement.

Value	Description
A. \$2,987	Normal Cost for the current year
B. \$3,509	30-year amortization (level dollar method) of Unfunded Actuarial Accrued Liability using a 4.5% interest rate discount factor
C. \$292	Interest adjustment = $4.5\% \times (A + B)$
D. \$6,788	Annual Required Contribution = $A + B + C$

## Definitions

GASB 45 defines several unique terms not commonly employed in the funding of pension and retiree health plans. The definitions of the terms used in the GASB actuarial valuations are noted below.

1. **Actuarial Accrued Liability** - That portion, as determined by a particular Actuarial Cost Method, of the Actuarial Present Value of plan benefits and expenses which is not provided for by the future Normal Costs.
2. **Actuarial Assumptions** - Assumptions as to the occurrence of future events affecting health care costs, such as: mortality, withdrawal, disablement and retirement; changes in compensation and Government provided health care benefits; rates of investment earnings and asset appreciation or depreciation; procedures used to determine the Actuarial Value of Assets; characteristics of future entrants for Open Group Actuarial Cost Methods; and other relevant items.
3. **Actuarial Cost Method** - A procedure for determining the Actuarial Present Value of future benefits and expenses and for developing an actuarially equivalent allocation of such value to time periods, usually in the form of a Normal Cost and an Actuarial Accrued Liability.
4. **Actuarial Present Value** - The value of an amount or series of amounts payable or receivable at various times, determined as of a given date by the application of a particular set of Actuarial Assumptions. For purposes of this standard, each such amount or series of amounts is:
  - a) adjusted for the probable financial effect of certain intervening events (such as changes in compensation levels, Social Security, marital status, etc.);
  - b) multiplied by the probability of the occurrence of an event (such as survival, death, disability, termination of employment, etc.) on which the payment is conditioned; and
  - c) discounted according to an assumed rate (or rates) of return to reflect the time value of money.
5. **Annual OPEB Cost** - An accrual-basis measure of the periodic cost of an employee's participation in a defined benefit OPEB plan.
6. **Annual Required Contribution (ARC)** - The employer's periodic required contributions to a defined benefit OPEB plan, calculated in accordance with the parameters.
7. **Explicit Subsidy** - The difference between (a) the amounts required to be contributed by the retirees based on the premium rates and (b) actual cash contribution made by the employer.
8. **Funded Ratio** - The actuarial value of assets expressed as a percentage of the actuarial accrued liability.

### Definitions (continued)

9. **Healthcare Cost Trend Rate** - The rate of change in the per capita health claims costs over time as a result of factors such as medical inflation, utilization of healthcare services, plan design, and technological developments.
10. **Implicit Subsidy** - In an experience-rated healthcare plan that includes both active employees and retirees with blended premium rates for all plan members, the difference between (a) the age-adjusted premiums approximating claim costs for retirees in the group (which, because of the effect of age on claim costs, generally will be higher than the blended premium rates for all group members) and (b) the amounts required to be contributed by the retirees.
11. **Net OPEB Obligation** - The cumulative difference since the effective date of this Statement between annual OPEB cost and the employer's contributions to the plan, including the OPEB liability (asset) at transition, if any, and excluding (a) short-term differences and (b) unpaid contributions that have been converted to OPEB-related debt.
12. **Normal Cost** - The portion of the Actuarial Present Value of plan benefits and expenses which is allocated to a valuation year by the Actuarial Cost Method.
13. **Pay-as-you-go** - A method of financing a benefit plan under which the contributions to the plan are generally made at about the same time and in about the same amount as benefit payments and expenses becoming due.
14. **Per Capita Costs** - The current cost of providing postretirement health care benefits for one year at each age from the youngest age to the oldest age at which plan participants are expected to receive benefits under the plan.
15. **Present Value of Future Benefits** - Total projected benefits include all benefits estimated to be payable to plan members (retirees and beneficiaries, terminated employees entitled to benefits but not yet receiving them, and current active members) as a result of their service through the valuation date and their expected future service. The actuarial present value of total projected benefits as of the valuation date is the present value of the cost to finance benefits payable in the future, discounted to reflect the expected effects of the time value (present value) of money and the probabilities of payment. Expressed another way, it is the amount that would have to be invested on the valuation date so that the amount invested plus investment earnings will provide sufficient assets to pay total projected benefits when due.
16. **Select and Ultimate Rates** - Actuarial assumptions that contemplate different rates for successive years. Instead of a single assumed rate with respect to, for example, the investment return assumption, the actuary may apply different rates for the early years of a projection and a single rate for all subsequent years. For example, if an actuary applies an assumed investment return of 8% for year 20W0, then 7.5% for 20W1, and 7% for 20W2 and thereafter, then 8% and 7.5% select rates, and 7% is the ultimate rate.
17. **Substantive Plan** - The terms of an OPEB plan as understood by the employer(s) and plan members.



## Net OPEB Obligation (NOO) table for fiscal year ending December 31, 2016

This table rolls the FYE 12/31/2015 results forward on a “no gain / no loss” basis while also taking into account the OPEB Trust Fund asset balance of \$4,282,737 as disclosed in the FYE 12/31/2015 CAFR. The FY 2016 annual employer contribution for pre-funding amount (\$1,406,568) is as shown in the OPEB Trust Balance Sheet as of 12/31/2016 and included pre-funding contributions from 2015 and 2016.

Net OPEB Obligation	FY 2015	FY 2016
ARC as of end of year	\$ 7,764,324	\$ 7,970,611
Interest on Net OPEB Obligation (NOO) to end of year	1,980,156	2,048,449
NOO amortization adjustment to the ARC	(1,698,232)	(1,756,801)
Annual OPEB cost	\$ 8,046,248	\$ 8,262,259
Annual employer contribution for pay-go cost (actual)	(2,728,630)	(2,502,424)
Annual employer contribution for pre-funding	(3,800,000)	(1,406,568)
Change in NOO	\$ 1,517,618	\$ 4,353,267
NOO as of beginning of year	44,003,465	45,521,083
<b>NOO as of end of year</b>	<b>\$ 45,521,083</b>	<b>\$ 49,874,350</b>

Breakdown of the Annual Required Contribution (ARC) as a percentage of payroll for public safety and general employees.

	ARC	Covered Payroll	ARC as % of Payroll
Public Safety	\$ 1,945,274	\$ 23,969,185	8.12%
General Employees	\$ 6,025,337	\$ 126,745,674	4.75%
<b>Total</b>	<b>\$ 7,970,611</b>	<b>\$ 150,714,859</b>	<b>5.29%</b>



**DECLARATION OF TRUST  
FOR THE SALT LAKE COUNTY OPEB TRUST**

**DATED SEPTEMBER 22, 2015**



**DECLARATION OF TRUST  
FOR THE SALT LAKE COUNTY OPEB TRUST**

This **Declaration of Trust for the Salt Lake County OPEB Trust** (the “Trust”), **effective date**, September 22, 2015, is entered into by and between SALT LAKE COUNTY, as the **Settlor** and DARRIN CASPER, K. WAYNE CUSHING, DAVID DELQUADRO and SARAH BRENNNA as **Trustees**.

**RECITALS**

A. Pursuant to Salt Lake County Council Resolution, dated April 21, 2015, the Salt Lake County Council authorized the creation of an irrevocable trust for the purpose of funding future liabilities of the Settlor arising from OPEB Obligations, as the term is defined below in Article I.

B. It is the Settlor’s intent that the Trust be exempt from federal income tax pursuant to 26 U.S.C. § 115 or the Doctrine of Intergovernmental Tax Immunity. In this regard, the Trust is an integral instrumentality of the Settlor and performs an essential governmental purpose. To the extent relevant to the above intentions, the Trust is a “Grantor Trust” under 26 U.S.C. § 671.

C. It is the Settlor’s intent that the Trust qualify as an irrevocable trust for purposes of GASB Statements 43 and 45 and applicable successor Statements that may be enacted.

Now therefore, the parties do hereby establish this Trust and agree that the Trust be comprised, held, and disposed of as follows:

**AGREEMENT**

**ARTICLE I**  
**DEFINITIONS**

Section 1.1 Definitions. The following definitions apply:

(a) Available Trust Property. The term “Available Trust Property” means property of the Trust after allowances for all debts, expenses, and taxes.

(b) Board of Trustees. The term “Board of Trustees” refers to the Trustees appointed pursuant to Article IV.

(c) Chief Financial Officer. The term “Chief Financial Officer” means the individual appointed to that position by the Salt Lake County Mayor.

(d) Council Fiscal Manager. The term “Council Fiscal Manager” means the individual appointed to that position by the Salt Lake County Council.

(e) Director of Administrative Services. The term “Director of Administrative Services” means the individual appointed by the Salt Lake County Mayor to be the Director of the Administrative Services Division Salt Lake County.

(f) GASB Statements. The term “GASB Statements” refers to Statements issued by the Governmental Accounting Standards Board.

(g) OPEB. The term “OPEB(s)” means “other post-employment benefits, other than pension benefits” as the term is used in GASB Statements, and which are provided to retired employees of the Settlor and contained in the Settlor’s written policies, which may be amended from time to time as allowed by law.

(h) OPEB Beneficiary. The term “OPEB Beneficiary(ies)” refers to a retired employee of the Settlor and the employee’s spouse and dependents who are entitled to receive an OPEB.

(i) OPEB Obligations. The term “OPEB Obligation” means the Settlor’s financial obligation to cover the cost for OPEBs and it includes direct and indirect administrative costs of the Settlor in administering the OPEBs.

(j) Salt Lake County Treasurer. The term “Salt Lake County Treasurer” means the individual holding the elected office of Treasurer for Salt Lake County as provided in Title 17, Chapter 24 of the Utah Code.

(k) Section 51-7-12.2. The term “Section 51-7-12.2” refers to Utah Code § 51-7-12.2, effective as of January 1, 2015, and amendments thereto unless the Settlor specifies otherwise.

(l) Settlor. The term “Settlor” refers to Salt Lake County.

**ARTICLE II**  
**TRANSFER IN TRUST**

Section 2.1 General. The property held by the Trust and any property subsequently transferred shall be administered upon the terms, conditions, and purposes set forth herein.

Section 2.2 Property. The property of the Trust consists of the amounts appropriated by the Salt Lake County Council as reflected by Schedule A and such future amounts appropriated by the Salt Lake County Council at its discretion, including the income earned thereon. The Trust should not be construed to require the Settlor to make any other contribution.

Section 2.3 Segregation of Property. Trust property must be segregated from other property of the Settlor.

Section 2.4 Irrevocable. Except as provided in Article V, this Trust and transfers of property to this Trust are irrevocable and no creditor of the Settlor, Trustees, or OPEB Beneficiary has recourse to the Trust and its property.

Section 2.5 No pledge. The full faith and credit and taxing power of the Settlor are not pledged for the OPEB Obligations or distributions from this Trust.

**ARTICLE III**  
**PURPOSE**

Section 3.1 Purpose. The purpose of this Trust is to provide funding for the Settlor's OPEB Obligations subject to Available Trust Property. This Trust may not be interpreted to vest or create a right to an OPEB beyond or different than those rights vested or created pursuant to law independent of the terms of this Trust. OPEB Beneficiaries have no claim to Trust property, except for payment of OPEB Obligations as provided herein. Participation in the Trust and continuation of the Settlor's policies that provide an OPEB are not assumed as a contractual obligation of the Settlor and the Settlor retains the right to amend or repeal an OPEB as allowed by law.

Section 3.2 Distributions. The Board of Trustees shall distribute any portion of the income or invade the principal from Available Trust Property necessary to satisfy the balance of current OPEB Obligations after consideration of all other funding provided by

the Settlor, OPEB beneficiaries, and investment returns. The Board of Trustees can use Available Trust Property to reimburse the Settlor for payments of current OPEB Obligations on the Trust's behalf.

#### **ARTICLE IV** **BOARD OF TRUSTEES**

Section 4.1 Composition. The initial Board of Trustees consists of four Trustees: the Salt Lake County Treasurer, the Chief Financial Officer, the Council Fiscal Manager, and the Director of Administrative Services. The Settlor retains the right to alter the composition of the Trustees, remove Trustees, and add Trustees.

#### Section 4.2 Replacement Trustees.

(a) A Trustee is removed from his appointment effective upon the date the Trustee no longer serves in the office or position stated in Section 4.1.

(b) Upon removal, a Trustee shall deliver all Trust property and records in his possession to his successor Trustee or, in the absence of a successor Trustee, the Board of Trustees, and make available to his successor and the Board of Trustees a complete inventory of the Trust property.

(c) Replacement Trustees serve upon appointment to their respective office or position.

(d) If a Trustee resigns or fails to accept the appointment, the Settlor shall appoint a replacement Trustee.

Section 4.3 Meetings, Quorums and Voting. All actions of the Trust must be made by a majority vote of the Board of Trustees where a quorum is present. A quorum consists of a majority of the members of the Board of Trustees. [For example, under the initial composition of the Board of Trustees reflected in Section 4.1, three Trustees must be present for a quorum to exist, but all three Trustees present must vote in favor of the action to satisfy the majority vote requirement]. If serving as a Trustee, the Chief Financial Officer shall serve as chairman of the Board of Trustees and call all meetings necessary to conduct the business of the Trust; otherwise, the Board of Trustees shall elect a chairman to perform such duties. The Board of Trustees may establish policies to conduct meetings by electronic conference or proxy and, in lieu of a meeting, by written consent.



Section 4.4 Duties and Powers of the Board of Trustees.

(a) Unless otherwise restricted by this Declaration, Section 57-1-12.2, or other applicable law, the Board of Trustees has all powers authorized by Utah Code Ann. § 75-7-813 and the following specific powers to:

(i) collect Trust property and accept to the Trust property from the Settlor or any other person;

(ii) acquire or sell property, for cash or on credit, at public or private sale;

(iii) exchange, partition, or otherwise change the character of Trust property;

(iv) deposit Trust money in an account in a regulated financial service institution;

(v) borrow money, with or without security from any financial institution;

(vi) with respect to an interest in a proprietorship, partnership, limited liability company, business trust, corporation, or other form of business or enterprise, continue the business or other enterprise and take any action that may be taken by shareholders, members, or property owners, including merging, dissolving, or otherwise changing the form of business organization or contributing additional capital;

(vii) with respect to stocks or other securities, exercise the rights of an absolute owner, including the right to:

(1) vote, or give proxies to vote, with or without power of substitution, or enter into or continue a voting trust agreement;

(2) hold a security in the name of a nominee or in other form without disclosure of the Trust so that title may pass by delivery;

(3) pay calls, assessments, and other sums chargeable or accruing against the securities, and sell or exercise stock subscription or conversion rights; and

(4) deposit the securities with a depository or other regulated financial service institution;

(viii) grant an option involving a sale, lease, or other disposition of Trust property or acquire an option for the acquisition of property, including an option exercisable beyond the duration of the Trust, and exercise an option so acquired;

(ix) insure the property of the Trust against damage or loss and insure the Board of Trustees, its agents, and beneficiaries against liability arising from the administration of the Trust;

(x) abandon or decline to administer property of no value or of insufficient value to justify its collection or continued administration;

(xi) pay or contest any claim, settle a claim by or against the Trust, and release, in whole or in part, a claim belonging to the Trust;

(xii) pay taxes, assessments, compensation of the agents of the Trust, and other expenses incurred in the administration of the Trust;

(xiii) exercise elections with respect to federal, state, and local taxes;

(xiv) appoint a Trustee to act in another jurisdiction with respect to Trust property located in the other jurisdiction, confer upon the appointed Trustee all of the powers and duties of the appointing Trustee, require that the appointed Trustee furnish security, and remove any Trustee so appointed;

(xv) resolve a dispute concerning the interpretation of the Trust or its administration by mediation, arbitration, or other procedure for alternative dispute resolution;

(xvi) prosecute or defend an action, claim, or judicial proceeding in any jurisdiction to protect Trust property and a Trustee in the performance of a Trustee's duties;

(xvii) sign and deliver contracts and other instruments that are useful to achieve or facilitate the exercise of the Board of Trustee's powers; and

(xviii) on termination of the Trust, exercise the powers appropriate to finalize the administration of the Trust and distribute the Trust property to the persons or entities entitled to it; and

(xix) the Board of Trustees may delegate investment and management functions that a prudent trustee of comparable skills could properly delegate under the circumstances.

(1) The Board of Trustees shall exercise reasonable care, skill, and caution in:

(A) selecting the agent;

(B) establishing the scope and terms of the delegation consistent with the purposes of the Trust; and

(C) periodically reviewing the agent's actions to monitor the agent's performance and compliance with the terms of the delegation.

(2) This authority to delegate includes the delegation to employees of the Settlor to manage, collect, and make payments for OPEB Obligations on behalf of the Board of Trustees.

(b) The Board of Trustees has the following duties to:

(i) administer the Trust in accordance with its purpose stated in Article III;

(ii) only incur costs that are reasonable in relation to the Trust property, purposes of the Trust, and skills of the Trustees;

(iii) maintain adequate records of the administration of the Trust;

(iv) separate Trust property from property of Trustees or the Settlor;

(v) take reasonable steps to take control and protect Trust property;

(vi) take reasonable steps to enforce and defend claims against the Trust;

(vii) take reasonable steps to ensure the duties delegated in Section 4.5 to individual Trustees are performed and, if such duties are not performed, fulfill such duties;

(viii) commission and obtain actuarial studies of the Settlor's OPEB Obligations if requested by the Settlor;

(ix) establish the amount of contributions to the Trust necessary to fund the Settlor's OPEB Obligations and the administrative expenses of the Trust if requested by the Settlor;

(x) take all steps necessary to ensure the tax exempt status of the Trust;

(xi) approve and hire all Trust professional asset managers, advisors, consultants, and custodians; and

(xii) develop and approve an investment plan with the primary goal of providing for the stability, income, and growth of the principal, but such plan is subject to the investment restraints of Section 51-7-12.2

Section 4.5 Individual Duties of the Trustees. Unless modified by the Board of Trustees, the individual Trustees have the following independent duties and powers:

(a) the Salt Lake County Treasurer:

(i) shall serve as custodian of Trust property and invest Trust property in accordance with the investment plan approved by the Board of Trustees compliant with Section 51-7-12.2 and Section 4.9.

(ii) may deduct any administrative costs incurred in managing the property of the Trust prior to distribution;

(iii) may select and recommend to the Board of Trustees professional asset managers or advisors to assist in the investment of Trust property; and

(vi) distribute property for the purposes stated in Article III.

(b) the Chief Financial Officer shall:

(i) prepare annual accountings of the Trust and reports of administration for approval by the Board of Trustees and present approved accountings and reports to the Salt Lake County Council; and

(ii) prepare quarterly accountings of the Trust for the Board of Trustees.

Section 4.6 Accounting and Notice to OPEB Beneficiaries. The Board of Trustees is not required to provide an accounting, report, or notice of its activities to OPEB Beneficiaries.

Section 4.7 Compensation of the Board of Trustees or advisors to the Trust. The Board of Trustees and advisors who are employed by the Settlor are not entitled to compensation for their services to the Trust, but may receive payment for expenses in accordance with the Settlor's Countywide Policies. All other advisors may receive reasonable compensation for their services. All costs and compensation must be paid first from income of the Trust.

Section 4.8 Trustee Bonds. No Trustee, wherever acting, is required to give bond or surety.

Section 4.9 Investment Standards.

(a) The Board of Trustees or individual Trustees as the case may be shall invest and manage the Trust property compliant with Section 51-7-12.2 and as a prudent investor would by:

(i) considering the purpose, terms, distribution requirements, and other circumstances of the Trust; and

(ii) using the judgment and care under the circumstances then prevailing that persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not in regard to speculation but in regard to the permanent disposition of their funds, considering the probable income as well as the probable safety of their capital.

(b) No specific investment outcome is required.

(c) In determining whether a Trustee has met the standard of care of a prudent investor, the judge or finder of fact shall:

(i) consider the Trustee's actions in light of the facts and circumstances existing at the time of the investment decision or action, and not by hindsight; and

(ii) evaluate the Trustee's investment and management decisions respecting individual assets (1) not in isolation, but in the context of the Trust's portfolio as a whole; and (2) as part of an overall investment strategy that has risk and return objectives reasonably suited to the Trust.

Section 4.10 Indemnification. The Settlor shall indemnify and hold harmless the Trustees in the same manner as if they were employees of Settlor for liabilities, actions and claims arising against them in their capacity as Trustees or performance as Trustees.

## **ARTICLE V** **AMENDMENT AND TERMINATION**

Section 5.1 Amendment. The Trust may be amended upon approval of the Board of Trustees or the Salt Lake County Council provided that such amendments do not alter the stated purpose of the Trust and the irrevocable status of the contributions made to the Trust.

Section 5.2 Termination. The Salt Lake County Council may terminate the Trust and upon termination, the Board of Trustees, after applying all Trust property to the liabilities of the Trust, including the OPEB Obligations as required by Section 2.1, shall distribute the balance to the Settlor.

## **ARTICLE VI** **MISCELLANEOUS**

Section 6.1 Counterparts. This Trust may be signed in counterparts.

Section 6.2 Descriptive Titles. The descriptive titles of the Articles, Sections, and Paragraphs as used in this declaration are for convenience only and any construction of this declaration will be made without reference to such titles.

Section 6.3 Governing Law. The construction and interpretation of this Trust and all questions concerning its administration shall be governed by the laws of the State of Utah.

Section 6.4 Interpretation. Whenever necessary in this declaration, and where the context requires, the singular term and the related pronoun shall include the plural, and the masculine feminine and neuter terms and pronouns shall be fully interchangeable.

Section 6.5 Separability of Provisions. In the event that any provision of this Declaration violates any rule or law, only such invalid provision and not the entire instrument will be considered void and all of the other provisions hereof will remain in full force and effect.

Section 6.6 Statutory Reference. Unless the context provides otherwise, reference or incorporation of a specific statute means the statutory language existing on the effective date of the Trust.

Section 6.7 Governmental Immunity. For purposes of the Utah Governmental Immunity Act, this Trust is a body corporate and politic of the State of Utah and the Trust and its Trustees are only liable within the parameters of the Governmental Immunity Act. Nothing in this Declaration should be construed to modify the limits or basis of liability as established in the Governmental Immunity Act.

Section 6.8 Third Party Claims. The Trust is established for the sole benefit of OPEB Obligations. No employee, former employee, or retired employee of the Settlor shall have any claim to the property of the Trust.

DATED this 25<sup>th</sup> day of September, 2015.

SALT LAKE COUNTY, SETTLOR

By: 

Ben McAdams, Mayor

DATED this 25 day of September, 2015



DARRIN CASPER,  
Chief Financial Officer and Trustee

DATED this 29<sup>th</sup> day of September, 2015



K. WAYNE CUSHING,  
Salt Lake County Treasurer, Trustee

DATED this 29<sup>th</sup> day of September, 2015



SARAH BRENNNA,  
Director of Administrative Services, Trustee

DATED this 29<sup>th</sup> day of September, 2015



DAVID DELQUADRO,  
Council Fiscal Manager, Trustee



**FIRST AMENDMENT TO DECLARATION OF TRUST  
FOR THE SALT LAKE COUNTY OPEB TRUST**

This **First Amendment to the Declaration of Trust for the Salt Lake County OPEB Trust** (the “Trust”) is made this 16 day of May, 2017, by and between SALT LAKE COUNTY (“Settlor”) and DARRIN CASPER, K. WAYNE CUSHING, and DAVID DELQUADRO as Trustees.

**RECITALS**

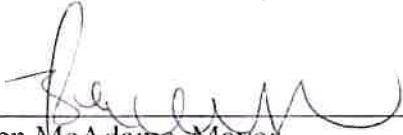
- A. The Trust was created on September 22, 2015.
- B. The Trust required one of the Trustees to be the individual holding the position of “Director of Administrative Services.”
- C. The Salt Lake County Mayor has reorganized his office and the position of Director of Administrative Services has been dissolved and the duties assigned to other appointees.
- D. As a result of the Mayor’s reorganization, the Trust is amended to include a new trustee.

**AMENDMENT**


- 1. Section 1.1 Definitions, subparagraph (e) defining “Director of Administrative Services” is replaced entirely by the following definition:
  - (e) Human Resource Appointee. The term “Human Resource Appointee” refers to an individual employed in the Salt Lake County Human Resource Division or individual with direct supervisory authority over the Salt Lake County Human Resource Division, and appointed by the Salt Lake County Mayor to be a Trustee.
- 2. Section 4.1 Composition, is amended to replace the term “Director of Administrative Services” with “Human Resource Appointee.”
- 3. Except as amended above, the Declaration of Trust remains the same.

DATED this 16<sup>th</sup> day of May, 2017.


SALT LAKE COUNTY, SETTLOR

By:   
Ben McAdams, Mayor


DATED this 16 day of May, 2017

  
DARRIN CASPER,  
Chief Financial Officer and Trustee

DATED this 16 day of May, 2017

  
K. WAYNE CUSHING,  
Salt Lake County Treasurer, Trustee


DATED this 16 day of May, 2017

  
DAVID DELQUADRO,  
Council Fiscal Manager, Trustee

**APPOINTMENT OF NEW TRUSTEE**

Michael Ongkiko, Division Director of Human Resources, is appointed Trustee of the Trust in place of Sarah Brenna. Michael Ongkiko fills the Human Resource Appointee required by the First Amendment to the Trust.

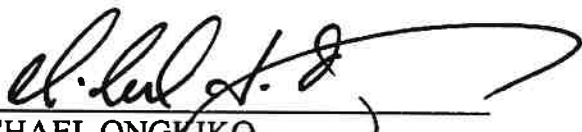
Dated this 16 day of May, 2017

  
\_\_\_\_\_  
BEN MCADAMS, Mayor

**TRUSTEE ACCEPTANCE**

I, Michael Ongkiko, accept the appointment as Trustee of the Trust.

Dated this 16 day of May, 2017

  
\_\_\_\_\_  
MICHAEL ONGKIKO,  
Division Director of Human Resources, Trustee





Report: Portfolio Holdings  
 Account: Moreton-Salt Lake County OPEB (55806)  
 As of: 12/31/2016

Identifier	Description	Original Units	Effective Maturity	Book Yield	Duration	Callable	Coupon Type	Next Call Date	Securities Type	Original Cost	Book Value + Accrued	Market Price	Market Value + Accrued
9929354E	WC-MRF-SWEEP	8,809.35	12/31/2016	0.200	0.000 N		Fixed		MMFUND	8,809.35	8,809.35	1,000	8,809.35
6176QADJ6	MORGAN STANLEY	125,000.00	03/22/2017	1.808	0.170 N		Floating		CORP	127,772.50	125,688.09	100.1290	125,507.05
35608PAP1	MACQUARIE BANK LTD	180,000.00	03/24/2017	1.717	0.234 N		Floating		CORP	180,174.60	180,063.92	100.1100	180,233.74
6176QDBP8	MORGAN STANLEY	100,000.00	06/20/2017	2.184	0.220 N		Floating		CORP	103,284.00	101,090.67	100.8730	101,002.78
06741TAQ0	BARCLAYS BANK PLC	250,000.00	06/26/2017	1.703	0.240 N		Floating		CORP	251,482.50	251,044.02	100.3630	250,992.25
172967JD4	CITIGROUP INC	200,000.00	11/24/2017	1.716	0.155 N		Floating		CORP	199,726.00	200,219.91	99.8820	200,099.08
89352HAP4	TRANSCANADA PIPELINES LTD	200,000.00	01/12/2018	1.733	0.036 N		Floating		CORP	199,802.00	200,654.99	100.2410	201,230.75
46623KEE8	JPMORGAN CHASE & CO	200,000.00	03/01/2018	1.645	0.169 N		Floating		CORP	199,126.00	199,817.21	100.0150	200,278.12
06051GEW5	BANK OF AMERICA CORPORATION	200,000.00	04/30/2018	1.754	0.229 N		Floating		CORP	201,630.00	200,925.24	100.6940	201,502.79
38141GVK7	GOLDMAN SACHS GROUP INC	200,000.00	05/18/2018	1.853	0.087 N		Floating		CORP	197,834.00	199,191.17	100.7430	200,310.13
233851B70	DAIMLER FINANCE NORTH AMERICA LLC	200,000.00	05/27/2018	1.792	0.147 N		Floating		CORP	298,903.59	299,869.66	100.0340	300,604.07
912828A34	AMERICAN EXPRESS CO	300,000.00	11/02/2018	1.675	0.130 N		Floating		CORP	276,654.30	276,333.34	100.1250	275,645.95
025816BH1	UNITED STATES TREASURY	275,000.00	01/29/2019	1.051	1.888 N		Fixed	01/29/2017	US GOV	200,000.00	201,013.33	99.7000	200,413.33
313560G31	FEDERAL NATIONAL MORTGAGE ASSOCIATION	200,000.00	04/09/2019	1.200	1.204 Y		Fixed		CORP	200,000.00	200,740.10	100.2320	201,241.31
17987GJN4	CITIGROUP INC	200,000.00	11/25/2020	1.675	0.025 N		Floating		CORP	199,956.00	200,259.71	100.1000	201,241.31
3170A6SX6	FEDERAL HOME LOAN BANKS	100,000.00	06/14/2021	1.789	3.745 N		Fixed	03/14/2017	AGCY BOND	100,000.00	350,297.50	99.9600	346,202.50
3136G3RR3	FEDERAL NATIONAL MORTGAGE ASSOCIATION	350,000.00	08/24/2021	1.800	2.966 Y		Fixed	02/24/2017	AGCY BOND	350,000.00	350,000.00	98.8300	346,202.50
3136G3BA1	FEDERAL NATIONAL MORTGAGE ASSOCIATION	275,000.00	08/24/2021	1.600	3.833 Y		Fixed	02/24/2017	AGCY BOND	275,000.00	276,478.89	97.6900	270,126.39
3134G9JQ8	FEDERAL HOME LOAN MORTGAGE CORP	200,000.00	08/25/2021	1.680	3.573 Y		Fixed	02/25/2017	AGCY BOND	200,000.00	201,176.00	98.0400	197,256.39
3136G4JY6	FEDERAL NATIONAL MORTGAGE ASSOCIATION	250,000.00	12/30/2021	2.125	2.668 Y		Fixed	06/30/2017	AGCY BOND	250,000.00	250,014.76	99.6400	249,114.76
		4,098,809.35	03/07/2019	1.688	1.207					4,096,215.09	4,100,408.41	99.5689	4,088,743.18

\* Weighted by: Market Value + Accrued, except Book Yield by Base: Book Value + Accrued  
 \* Holdings Displayed by: Position



**Salt Lake County**  
**OPEB Trust Fund (Fund 995 Department 5308000000) Comparison of Revenues and Expenditures**  
**FINAL - December 31, 2016**

<b>Revenues</b>				
<b>Fund</b>	<b>Dept</b>	<b>Account</b>	<b>Descr</b>	<b>Total</b>
995	5308000000	429005	Interest - Time Deposits	(4,229.13)
		429015	Interest-Miscellaneous	(58,053.17)
		431160	Interfund Revenue	(3,363,972.22)
		437090	Ret Ins - Selecthlth Ret	(272,608.22)
		437095	Ret Ins - Selecthlth HDHP Ret	(81,137.29)
		437110	Ret Ins - EMI Dental Retiree	(171,842.46)
		437200	Ret Ins Medicare Sup Retiree	(101,434.29)
		437247	Ret Ins-Regence Ret	(285,569.29)
		437248	Ret Ins-Regence HDHP Ret	(73,940.75)
<b>Grand Total</b>				<b>(4,412,786.82)</b>

<b>Expenditures</b>				
<b>Fund</b>	<b>Dept</b>	<b>Account</b>	<b>Descr</b>	<b>Total</b>
995	5308000000	639025	Other Professional Fees	9,000.00
		655036	Ret Ins - Life Insurance	24,000.00
		655045	Ret Ins - Pehp Medicare Supp	1,708,593.74
		655055	Emp Ins-Insurance Refunds	7,015.66
		655125	Emp Ins - Selecthlth HDHP Cobr	-
		655225	Ret Ins - Select HDHP Claims	163,420.27
		655230	Ret Ins - Select HDHP Admin	27,765.60
		655235	Ret Ins - Select HDHP Reinsur	6,353.47
		655255	Ret Ins - Select Claims	687,530.80
		655260	Ret Ins - Select Admin	36,426.80
		655265	Ret Ins - Select Reinsurance	7,440.54
		655285	Ret Ins - EMI Dental Claims	132,147.23
		655290	Ret Ins - EMI Dental Admin	7,842.50
		655292	Affordable Care Act	7,694.00
		655329	Ret Ins-Regence HDHP Claims	60,691.82
		655330	Ret Ins-Regence HDHP Admin	11,336.22
		655331	Ret Ins-Regence HDHP Reinsur	4,427.73
		655332	Ret Ins-Regence Claims	457,820.00
		655333	Ret Ins-Regence Admin	32,490.44
		655334	Ret Ins-Regence Reinsur	9,425.22
		663010	Council Overhead Cost	18,148.00
		663015	Mayor Overhead Cost	21,977.00
		663020	Mayor Ops Overhead Cost	4,790.00
		663025	Auditor Overhead Cost	13,798.00
		663040	Info Services Overhead Cost	6,195.00
		663070	Mayor Finance Overhead Cost	22,626.00
<b>Grand Total</b>				<b>3,488,956.04</b>

<b>Revenues (Over) / Under Expenditures</b>	<b>(923,830.78)</b>
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## SALT LAKE COUNTY

### Statement of Fiduciary Net Position

December 31, 2016

	<b>OPEB</b>
	<b><u>Trust Fund</u></b>
<b>Assets:</b>	
Cash	\$ 1,245,357
Investments, at fair value:	
U.S. Treasury obligations	275,646
Corporate bonds	2,441,034
U. S. agency issues	<u>1,363,254</u>
Total investments	4,079,934
Reinsurance receivable	<u>16,050</u>
Total assets	5,341,341
<b>Liabilities:</b>	
Benefits payable	134,950
Due to other governments and others	-
Total liabilities	<u>134,950</u>
<b>Net position:</b>	
Net position restricted for other postemployment benefits	<u>\$ 5,206,391</u>

## SALT LAKE COUNTY

### Statement of Fiduciary Net Position

December 31, 2016

	<b>OPEB</b>
	<b><u>Trust Fund</u></b>
<b>Additions:</b>	
Employer contributions	\$ 3,363,972
Investment income:	
Net increase in fair value of investments	5,511
Interest	<u>56,597</u>
Net investment income	62,108
Total additions	3,426,080
<b>Deductions:</b>	
Benefit payments	2,282,336
Administration expense	<u>220,090</u>
Total deductions	2,502,426
Net increase in net position	923,654
Net position restricted for other postemployment benefits - beginning	<u>4,282,737</u>
Net position restricted for other postemployment benefits - ending	<u>\$ 5,206,391</u>

