County of Fairfax, Virginia

MEMORANDUM

DATE: April 18, 2017
TO: Board of Supervisors
FROM: Joseph M. Mondoro, Chief Financial Officer
SUBJECT: Responses to BOS Budget Questions – Package 8

Attached for your review is Package 8 of responses to Board questions on the FY 2018 budget. If you have any questions or need additional information, please do not hesitate to contact me. The following responses are included in this package:

Question Number	Question	Supervisor	Pages
	Budget Questions 1-5 answered in package 1 dated November 18, 2016		*1-7*
	Budget Questions 6-7 answered in package 2 dated January 18, 2017		*8-9*
	Budget Questions 8-10 answered in package 3 dated February 28, 2017		*10-14*
	Budget Questions 11-19 answered in package 4 dated March 20, 2017		*15-27*
	Budget Questions 20-22 answered in package 5 dated March 27, 2017		*28-63*
	Budget Questions 23-27 answered in package 6 dated April 5, 2017		*64-73*
	Budget Questions 28-36 answered in package 7 dated April 13, 2017		*74-94*
37	The School Board has had considerable discussion on making changes to the Educational Employees' Supplementary Retirement System of Fairfax County (ERFC) over the last months, including review of several options before reaching consensus on including the ERFC Board action item at its meeting on February 9, 2017. Please provide responses on the following questions: 1) What is the chronology of School Board discussion about the changes to ERFC that are currently being considered? 2) In the context of the decision by the School Board to defer action on changes to ERFC until additional questions can be answered, why was the transfer request increased on February 9, 2017? 3) In addition to the changes currently being considered, what is the history of changes to ERFC?	McKay	95-99
38	Please provide information on the impact and uses of the $13.1 million in annual funding provided to FCPS for infrastructure replacement, including what it has been used for and what impact those funds have had.	McKay	100-101

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39	As a follow up to the previous question regarding assumptions used in the FCPS ERFC study, please provide the cost to close the ERFC for new hires with the following assumptions: • The same discount rate (7.25%) as was used to determine the cost of maintaining ERFC. • The same amortization period as was used to determine the cost of maintaining ERFC. • The same entry age actuarial cost method as was used to determine the cost of maintaining ERFC. • The same asset smoothing method as was used to determine the cost of maintaining ERFC. A) In short, please recalculate the cost to close the ERFC for new hires using identical assumptions that were used to determine the cost of maintaining ERFC in its existing form. B) Additionally, please provide documentation to justify changing from "individual entry age actuarial cost method" to the "aggregate cost method." C) The previous response indicates that both GFOA and GASB recommend this change in methodology. Please provide documentation to that effect.	Herrity	102-103
40	Please provide additional information on the Medication Assisted Treatment (MAT) program in Fairfax-Falls Church Community Services Board (CSB), including the current model and program capacity and plans for housing the second team.	McKay	104
41	Please provide additional details on the Fire and Rescue Volunteer Length of Service Award Program (LOSAP), including a summary of the parameters of the program, the number of people it will serve, what other jurisdictions are doing and when it is estimated that it would become self-sustaining.	McKay/ Storck	105-106

Attachment

cc: Edward L. Long Jr., County Executive
Patricia Harrison, Deputy County Executive
David J. Molchany, Deputy County Executive
David M. Rohrer, Deputy County Executive
Robert A. Stalzer, Deputy County Executive

Response to Questions on the FY 2018 Budget

Request By: Supervisor McKay

Question: The School Board has had considerable discussion on making changes to the Educational Employees' Supplementary Retirement System of Fairfax County (ERFC) over the last months, including review of several options before reaching consensus on including the ERFC Board action item at its meeting on February 9, 2017. Please provide responses on the following questions:

1) What is the chronology of School Board discussion about the changes to ERFC that are currently being considered?
2) In the context of the decision by the School Board to defer action on changes to ERFC until additional questions can be answered, why was the transfer request increased on February 9, 2017?
3) In addition to the changes currently being considered, what is the history of changes to ERFC?

Response: The following response was provided by Fairfax County Public Schools (FCPS):

1) In FY 2016, FCPS hired a consultant, AON Hewitt, to complete an unbiased study on FCPS' retirement benefit levels from the VRS and ERFC programs as compared to the surrounding school divisions, Fairfax County, and the federal government. The following chart details the chronology of School Board discussions regarding the study and proposed changes to the ERFC retirement plan.

May 12, 2016 Work Session	The results of the study mentioned above were presented to the School Board. The presentation included the comparison to the surrounding jurisdictions, Fairfax County and the federal government along with a comprehensive analysis of income replacement at retirement provided by the retirement programs that FCPS offers. A history of FCPS retirement programs was also included in the presentation. Options for future consideration were presented: • Continue to support the benefit level provided by the current ERFC plan • Modify ERFC to establish a minimum retirement age of 55 years for new hires • Lower the interest crediting rate on ERFC member accounts from 5.0% to 4.0% • Increase the ERFC averaging period for the final average salary from 3-years to 5-years for new hires • Change the Cost-of-living-adjustment for new hires to equal the annual change in the CPI-U index, with a maximum increase of 4.0% • Eliminate ERFC plan for new hires and replace with an employer match on a Defined Contribution plan, material savings to FCPS will not occur in the immediate future • Eliminate ERFC plan for new hires; material savings to FCPS will not occur in the immediate future The Board requested additional information on the benefit and cost impact of the proposed options for new hires.

July 21, 2016 Work Session	The Board discussed the benefit impact on new hires and the employer cost savings associated with the ERFC options, identified by Aon Hewitt, as initially presented at the work session on May 12, 2016.
September 19, 2016 Work Session	The Board continued the discussion of the employer cost savings associated with the proposed options for new hires. The Board requested information on the short-term and long-term cost implications of: • Eliminating ERFC for new hires • Savings for both new hires and non-vested employees and vested but not yet eligible for full service retirement, including deferred vested members for the proposed modifications from the May 12, 2016 work session and the below additional modifications: ◦ Lower interest crediting rate on member accounts to 3.0%, 3.5% ◦ Increasing minimum retirement age to 60, 62, maybe higher or lower ◦ Using same COLA as VRS
November 7, 2016 Work Session	The employer cost savings associated with expanding the modifications proposed on May 12, 2016, to include new hires and non-vested employees was presented. In addition, the Board discussed the cost implications of closing ERFC to new hires. Other data requested at the September 19, 2016, work session was shared: • Savings impact of various interest crediting rates • Information update on Fairfax County retirement system review • Comparative data on teacher retirement programs nationally
December 5, 2016 Work Session	The employer cost savings associated with expanding the November 7, 2016, options to include all (new hires, non-vested and vested) members was presented. Current retirees were excluded from all of the analysis. The Board discussion focused on expanding these options to include all members except those currently eligible for full service retirement. Board discussion included consensus on modifications to the ERFC plan provisions including employee groups impacted. The Board requested disaggregated data regarding increasing the retirement age to 60 years for new hires and non-vested employees.
January 19, 2017 Work Session	The employer cost savings associated with the December 5, 2016, options and increasing the minimum retirement age from age 55 to age 60 for new hires and non-vested employees was discussed.
February 9, 2017 Regular Meeting	The School Board considered the main motion to direct the ERFC Board of Trustees to initiate the process to implement the following ERFC Plan modifications, effective July 1, 2017: All ERFC members: 1) Lowering the interest crediting rate on ERFC member accounts from 5.0 percent to 4.0 percent ERFC 2001 members hired on or after July 1, 2017, and non-vested members as of June 30, 2017: 2) Instituting a minimum retirement age of 55 3) Increasing the period for calculating the final average salary from 3 years to 5 years 4) Changing the cost-of-living adjustment to equal 100 percent of the Consumer Price Index (CPI-U) with a cap of 4.0 percent; and present the ERFC 2001 amended plan documents to the School Board for approval, by June 2017.

	The School Board voted to postpone the motion until the April 27 regular meeting. The School Board directed the ERFC Board of Trustees to provide an analysis of fund management alternatives (e.g. the mix of passive and active management) that may produce savings for the fund without harm to the interests of employees and retirees and to bring that analysis to the School Board on or before March 31, 2017. The FCPS School Board directed the ERFC Board of Trustees to bring to the School Board: (a) analysis and justification for investment choices; (b) report results net of fees; (c) compare any active management selections against the related index used for comparison; and (d) include no less than "Year to Date," "Trailing 12 Months," "Previous 3 Year," "Previous 5 Year," and "Previous 10 Year" periods. The report on potential future reporting is expected no later than March 31, 2017.

2) The FY 2018 Proposed Budget was developed using a 6.40 percent employer contribution rate for ERFC as recommended by the ERFC Board of Trustees. This rate is an increase from the FY 2017 employer contribution rate of 5.60 percent and resulted in additional expenditure requirements of $11.4 million. In December 2016, the School Board provided guidance to staff to include savings of $4.7 million in the Superintendent's Proposed Budget for the modifications to the ERFC Retirement Plan which would impact new hires and non-vested employees and included increasing the averaging period for the final average salary from three years to five years, changing the cost-of-living adjustment (COLA) to equal 100 percent of CPI, but not more than 4.0 percent and instituting a minimum retirement age of 55. In addition, the modifications included reduction of the interest crediting rate from 5.0 percent to 4.0 percent for all members. The School Board was to vote on the motion to implement these changes on February 9, 2017. When the School Board deferred action on the benefit modifications until April 27, 2017, the savings were removed from FY 2018 Advertised Budget and the School Board voted to increase the County transfer request to balance the advertised budget.

3) ERFC was created in 1973 as a supplement to the primary teacher retirement plan, the Virginia Retirement System (VRS). The combination of VRS and ERFC was implemented to be comparable to the Fairfax County Employees' Retirement System (FCERS). At that time, teachers could not retire from VRS until age 60 with 30 years of service. Collective bargaining was present in Fairfax County and teachers made wage concessions to fund ERFC in order to be able to retire at age 55 with 25 years of service, and afford to continue living in Fairfax County.

   By 2001, the average retirement age in FCPS had increased beyond age 55; a retirement system designed to facilitate early retirement no longer served the teachers as well. Therefore, the legacy ERFC plan was closed and replaced by ERFC 2001, which applies to all full-time educational and administrative personnel hired on or after July 1, 2001. The following link has a comparison of the FCPS Retirement Plans eligibility and provisions on pages 6-7:

http://www.boarddocs.com/vsba/fairfax/Board.nsf/files/A9PU94686FD8/$file/Retirement%20Security%20Presentation.pdf

In addition to the eligibility and provision changes effective July 1, 2001, the ERFC employer and employee contribution rates have changed through the years. In FY 2004, there was a 2.0 percent shift from FCPS to the employee which was offset by a 2.0 percent decrease in the employee VRS contribution rate. In FY 2013, there was a 1.0 percent shift from the employee to FCPS to mitigate the impact of the 2.0 percent VRS shift back to the employee. The following chart shows the employee contribution rates from FY 2000 to FY 2018.

Employee Contribution Rates			
Year	**ERFC**	**VRS**	**Total**
FY 2018 Advertised	3.00%	5.00%	8.00%
FY 2017	3.00%	5.00%	8.00%
FY 2016	3.00%	5.00%	8.00%
FY 2015	3.00%	5.00%	8.00%
FY 2014	3.00%	5.00%	8.00%
FY 2013	3.00%	2.00%	5.00%
FY 2012	4.00%	0.00%	4.00%
FY 2011	4.00%	0.00%	4.00%
FY 2010	4.00%	0.00%	4.00%
FY 2009	4.00%	0.00%	4.00%
FY 2008	4.00%	0.50%	4.50%
FY 2007	4.00%	1.00%	5.00%
FY 2006	4.00%	1.50%	5.50%
FY 2005	4.00%	2.00%	6.00%
FY 2004 (June)	4.00%	2.50%	6.50%
FY 2004 (July-May)	2.00%	4.50%	6.50%
FY 2003	2.00%	5.00%	7.00%
FY 2002	2.00%	5.00%	7.00%
FY 2001	2.00%	5.00%	7.00%
FY 2000	2.00%	5.00%	7.00%

AON Hewitt found that the FCPS 8.0 percent employee contribution rate was higher than the surrounding school divisions, Fairfax County, and the federal government with the exception of the District of Columbia Public Schools which also has an 8.0 percent employee contribution rate. FCPS employees can choose to take full advantage of the VRS defined contribution plan by contributing an additional 4.0 percent of pay. Combine this 4.0 percent of voluntary contributions with 8 percent of mandatory contributions and FCPS has the highest total contributions of all surrounding comparators. The total required contribution of 12.0 percent required for FCPS participants to take full advantage of the retirement savings opportunity available to them under the plans, including maximizing the matching contribution under the defined contribution feature of the VRS Hybrid Plan, exceeds the comparable contribution requirements under any of the peer group employers' plans.

Due to a significant change in the Virginia Retirement System which moved from a defined benefit plan to a hybrid plan, the benefit level of VRS combined with ERFC is no longer comparable to the County's FCERS plan. AON Hewitt found that at all age and service combinations examined, the County's Plan C defined benefit plan provides greater income and lower participant contribution levels than required under the ERFC 2001 / VRS Hybrid defined benefit plans.

Response to Questions on the FY 2018 Budget

Request By: Supervisor McKay

Question: Please provide information on the impact and uses of the $13.1 million in annual funding provided to FCPS for infrastructure replacement, including what it has been used for and what impact those funds have had.

Response: The following response was provided by Fairfax County Public Schools (FCPS):

With the joint efforts from the County and FCPS, and the recommendations from the Infrastructure Financing Committee (IFC), beginning in FY 2016, the County provides an annual transfer of $13.1 million to the School Construction Fund to finance infrastructure replacement and upgrades. This annual infrastructure replacement funding frees up $13.1 million in bond funding for construction of new schools, capacity enhancements, and renovations. This additional funding is critically needed to address continued enrollment growth and the strain of aging facilities and has assisted in allowing FCPS to continue its mission as a world class school system supporting our students, staff and community.

The Infrastructure Replacement funding has allowed FCPS to continue to address critical upgrades benefiting both schools and the community. Annual Infrastructure Replacement funding provides support for the replacement of building subsystems and technological upgrades, preventing older facilities from falling into a state of ever-decreasing condition and functionality and minimizing the otherwise growing cost of maintenance and repair needed to operate aging facilities. Information of how funds have been used and their impact follows.

<u>HVAC, Asphalt, Athletic Infrastructure Replacement & Upgrade</u>

Infrastructure Replacement funding supports projects that address high priority areas in HVAC, athletics, and asphalt. Funds have reduced an increasing amount of required repair and replacement work by supporting the replacement of four running tracks, three tennis courts, one set of bleachers, and one gym floor at various schools. Asphalt was replaced at 15 schools and centers. Finally, funding facilitated replacement of HVAC chillers and boilers, allowing FCPS to replace outdated legacy systems with updated and environmentally conscience technology, resulting in immediate cost savings and efficiencies.

<u>Roofing Infrastructure Replacement and Upgrade</u>

Since its inception, Infrastructure Replacement funding has supported 13 major roof replacement projects and various roofing infrastructure improvement projects, allowing FCPS to maintain safe and secure buildings for all students and staff.

<u>ADA Infrastructure Replacement and Upgrade</u>

Infrastructure Replacement funding has been used to implement the FCPS Americans with Disabilities Act (ADA) Transition plan which includes work order transition plans, self-evaluation, and other ADA required compliance items. Funds have also supported projects required to fulfill requirements of the Department of Justice Settlement Agreement.

Technology Infrastructure Replacement and Upgrade

Infrastructure Replacement funding is used to upgrade and refresh critical FCPS life safety equipment, and to design, implement and support network infrastructure and cabling enhancements. With this funding, the Department of Information Technology manages the full life-cycle maintenance of major life safety and communications systems including fire alarms, public address systems, clocks and bells, keyless door access, and security intrusion detection. These systems, which supply mission-critical services ranging from the physical security of students and faculty to communication between offices, are essential to sustaining daily instructional and business operations for all FCPS facilities. This funding is also used for enterprise cabling projects designed to enhance and upgrade converged networks responsible for the delivery of data, voice, and video services. Providing a safe and secure environment for learning is critically important to our mission.

Security Enhancement Replacement and Upgrade

Infrastructure Replacement funding has allowed the Department of Facilities & Transportation to deploy Visitor Management Systems within schools, Door Access Projects to ensure secure doors and access control to school and centers, and CCTV Infrastructure which promotes school safety and allows FCPS to monitor the visitor management systems. Together these systems provide safe and secure environments in FCPS facilities.

Response to Questions on the FY 2018 Budget

Request By: Supervisor Herrity

Question: As a follow up to the previous question regarding assumptions used in the FCPS ERFC study, please provide the cost to close the ERFC for new hires with the following assumptions:

- The same discount rate (7.25%) as was used to determine the cost of maintaining ERFC.
- The same amortization period as was used to determine the cost of maintaining ERFC.
- The same entry age actuarial cost method as was used to determine the cost of maintaining ERFC.
- The same asset smoothing method as was used to determine the cost of maintaining ERFC.

A. In short, please recalculate the cost to close the ERFC for new hires using identical assumptions that were used to determine the cost of maintaining ERFC in its existing form.

B. Additionally, please provide documentation to justify changing from "individual entry age actuarial cost method" to the "aggregate cost method."

C. The previous response indicates that both GFOA and GASB recommend this change in methodology. Please provide documentation to that effect.

Response: ***Please note this response is a follow up to the response to Question #19, included in Package #4 dated March 21, 2017.***

The following response was provided by Fairfax County Public Schools (FCPS):

A. If ERFC is closed to new hires and nothing about the actuarial cost method or assumptions change, there would not be any apparent closure cost. The FY 2018 contributions would be very close to the levels indicated in the December 31, 2015 actuarial report. <u>However, the fact that there is no *apparent* closure cost does not mean that there is no *actual* closure cost.</u> An actual closure cost is likely to occur because the 7.25 percent return cannot be expected to be realized indefinitely in a closed plan. Once the asset pool begins to decline and benefit payout is high with respect to the assets, the allocation to more conservative assets will need to be increased. External auditors would also question retaining the 7.25 percent return assumption since the forward-looking return projections for the asset structure do not substantiate it. This point is also discussed in the GFOA article, "Core Elements of a Funding Policy": http://gfoa.org/core-elements-funding-policy. The article says that "For closed plans with no remaining active members, special attention needs to be given to the mix of investments (given the shorter time horizon)".

B. The same GFOA article explains that “When a plan is closed to new participants, the aggregate actuarial cost method – level percentage of pay normal cost – is especially well suited for funding.” This is perhaps because the aggregate cost method is designed to complete plan funding over the future working lifetimes of the active members. The sound financial practice of changing the cost methodology is also addressed in an article included in the July 2014 issue of Periscope. A second actuarial firm, Milliman, states that a plan that has implemented a “soft” freeze (meaning future new hires do not enter the plan) may wish to calculate their annual funding amount using the aggregate cost method, so that the present value of the benefit is fully funded when the last member terminates employment. Additionally, the Conference of Consulting Actuaries also provided guidance on funding policies for closed plans in its white paper entitled: “Actuarial Funding Policies and Practices for Public Pension Plans.” https://www.ccactuaries.org/Portals/0/pdf/CCA_PPC_White_Paper_on_Public_Pension_Funding_Policy.pdf. The actuaries noted that “plans that are closed to new entrants may require additional analyses and forecasts to determine whether the policy parameters herein provide for adequate funding.” The implication is that a funding policy that is suitable for an open plan may not be suitable for the same plan if it is closed.

C. GASB never specifically required a change to the aggregate cost method for a closed plan. However, GASB Statement Nos. 25 and 27 required the annual required contribution to reflect the fact that closed plan covered payroll would no longer be expected to increase at the wage inflation assumption. This typically led to a change in amortization method from a level percent of payroll method to a level dollar method and resulted in an increase in the plan’s Annual Required Contribution, over what it would have been if the plan remained open. The new GASB standards effectively separated **funding** from **financial reporting,** so that they no longer address the issue. At a minimum, then, both GFOA now, and GASB (prior to GASB 67) have recommended funding policy changes in the direction of increasing contributions to the plan.

Response to Questions on the FY 2018 Budget

Request By: Supervisor McKay

Question: Please provide additional information on the Medication Assisted Treatment (MAT) program in Fairfax-Falls Church Community Services Board (CSB), including the current model and program capacity and plans for housing the second team.

Response: Medication Assisted Treatment (MAT) is an evidence-based best practice in the treatment of opioid addiction. The Substance Abuse and Mental Health Services Administration (SAMHSA) defines MAT as the use of pharmacological medications, in combination with counseling and behavioral therapies, to provide a "whole patient" approach to the treatment of substance use disorders. Research demonstrates that MAT decreases craving for opioids, relieves withdrawal symptoms, improves retention rates in treatment, reduces illicit opioid use and blocks the effects of other opioids.

MAT may be provided during detoxification (residential or outpatient) or while an individual is in either residential or outpatient treatment services. However, there is a limited capacity for individuals to receive MAT in these CSB programs. In detoxification, there is capacity to serve 41 individuals at a time – 13 individuals in residential detoxification and 28 individuals in outpatient detoxification. In addition, CSB has an Addiction Medicine outpatient program located at Merrifield with capacity for 40 individuals to receive MAT through scheduled appointments. Combined, this creates a capacity for 81 individuals to receive MAT either at the Fairfax Detoxification Center (residential and outpatient) or through the Addiction Medicine program.

In addition, MAT may be provided in CSB residential and outpatient programs such as Crossroads and New Generations. While the capacity to serve individuals during detoxification and through the Addiction Medicine program as described above is static at 81, the capacity to serve individuals in residential and outpatient programs fluctuates based on the demand for MAT and the availability of physicians to provide it. At the time of this writing, in a point in time snapshot, CSB residential programs have 37 individuals receiving MAT. Currently, demand for MAT exceeds the available supply of prescribers. The CSB is working to expand the use of MAT in all CSB programs to combat the opioid epidemic and tragic overdoses, including fatal overdoses.

Rather than housing a second MAT team in a specific site, the CSB is looking to expand utilization of MAT across the service delivery system, to include at the Adult Detention Center. However, this can only be accomplished with the addition of resources for prescribing the medication and paying for the medication. While oral Suboxone, Subutex and naltrexone are not cost-prohibitive, Vivitrol injections, ideal for the ADC, are very expensive (approximately $1,000 per injection). While $1,000 per injection is costly, there are potential methods of obtaining the medication at a discounted price which could be explored should resources be increased.

Response to Questions on the FY 2018 Budget

Request By: Supervisors McKay and Storck

Question: Please provide additional details on the Fire and Rescue Volunteer Length of Service Award Program (LOSAP), including a summary of the parameters of the program, the number of people it will serve, what other jurisdictions are doing and when it is estimated that it would become self-sustaining.

Response: Length of Service Awards Programs (LOSAPs) are pension programs that are intended to assist communities in recruiting, retaining and rewarding volunteer firefighters and Emergency Medical Services (EMS) personnel.

The LOSAP benefit established by the Fairfax County Volunteer Fire and Rescue Association is directly related to the number of years of service credit earned by the volunteer. To earn a year of credit, volunteers must perform 240 hours of operational service, accomplish a minimum amount of training, and be certified to some advanced level ranging from ambulance driver to certified chief officer. A member becomes vested in the program after earning five years of credit, and can earn a maximum of 30 years of credit. Once vested, a member receives a monthly benefit of $10 for every year of credit earned when they turn 65 up to a maximum of $300 per month (for 30 years of service). The benefit is paid until death; however, once payments begin, it is guaranteed for a minimum of 10 years to a beneficiary. It should be noted that this program does include a benefit provision if an individual is disabled on the job or if death occurs prior to age 65.

The LOSAP for Fairfax County volunteers is managed by the LOSAP Oversight Board, made up of seven members to include:

- One member from each Volunteer Fire Commission zone (total of 4)
- One member from the Volunteer Fire Commission
- One member from the Volunteer Fire and Rescue Association
- One member representing the Fire Chief of Fairfax County

The following are examples of local jurisdictions that provide a LOSAP benefit: Loudoun County, Prince William County, Stafford County, Spotsylvania County, Montgomery County, Prince George's County, Anne Arundel County, Frederick County, and Charles County. Benefit provisions vary between these jurisdictions. The minimum years of certified service required to receive a benefit ranges from 5 to 10 years for the Virginia jurisdictions noted and is 10 years for Montgomery County. The age at which benefits commence ranges from 50 to 65. The amount of the benefit also varies among jurisdictions, though the $10 per month per year of service included in the LOSAP for Fairfax County volunteers falls within the middle of the range of the jurisdictions noted.

According to the LOSAP actuarial report for the plan year ending June 30, 2016, there were 155 active Fairfax County volunteers earning LOSAP credits. However, volunteer membership fluctuates annually, and it is anticipated that the number of eligible members will stabilize at approximately 200. The actuarial report stated that LOSAP benefits were being paid out to 6 retirees and beneficiaries.

The June 30, 2016, actuarial report calculated the Present Value of Accrued Benefits at $153,684. This amount represents the lump sum necessary to be invested today at the assumed rate of return to provide the benefits that have accrued through June 30, 2016. The actuarial report noted that plan assets were $276,902, resulting in a funded ratio of 180 percent. Staff continues to research the impact of the current plan design, the assumptions that have been made supporting the request for County funding, and the long term requirements for funding and will return to the Board with this information.