23187 Connecticut Street
Hayward, CA 94545

T: (510) 783-7744
F: (510) 783-3903

acmad@mosquitoes.org

ACMAD Finance Committee

Agenda

3:45 P.M-5:00 P.M. 3/12/2025
23187 Connecticut Street, Hayward, CA 94545 *or*
Join remotely via teleconference: https://us02web.zoom.us/j/86277212629

Committee Members:

Tyler Savage, Chair
Eric Hentschke
Kashef Qaadri *from 120 Vista Ave. Piedmont, CA*
Cathy Roache
Preston Jordan

Topics:

1. Roll call.

2. Public Comment. Chair Savage invites any member of the public to speak at this time on any issue relevant to the district (each individual is limited to three minutes).

3. Approval of April 10th, 2024, meeting minutes. (**Action Required)**

4. Review 1st draft of 2025-2026 ACMAD Budget (Information only)

a. 2025-2026 ACMAD Budget.3.5.25
b. Withdrawal from Pension Stabilization Fund
c. Increase benefit assessment by $.40 to $2.90
d. Capital replacement plan and depreciation schedule.

5. Discuss Reserve Fund name changes for referral to future Ad Hoc Policy Committee (Information only)
a. Staff report
b. Proposed policy changes

6. Adjourn

**The Finance Committee is not a decision-making body and can only make recommendations to the Board. All decisions are made by the full Board at the regular meeting of the Board of Trustees.*

ANYONE ATTENDING THE MEETING MAY SPEAK ON ANY AGENDA ITEM AT THEIR REQUEST.

Please Note: Board Meetings are accessible to people with disabilities and others who need assistance. Individuals who need special assistance or a disability-related modification or accommodation (including auxiliary aids or services) to observe and/or participate in this meeting and access meeting-related materials should contact Ryan Clausnitzer at least 48 hours before the meeting at 510-783-7744 or acmad@mosquitoes.org.

IMPORANT NOTICE REGARDING MEETING PARTICIPATION:

All members of the public seeking to observe and/or to address the local legislative body may participate in the meeting by attending in person at the address listed above, telephonically, or otherwise electronically in the manner described below.

HOW TO OBSERVE THE MEETING:

In Person: Attend in person at the Office of the District located at 23187 Connecticut Street, Hayward, CA 94545.
Telephone: Listen to the meeting live by calling Zoom at **(669) 900-6833**
Enter the **Meeting ID#** 862 7721 2629 followed by the pound (#) key.
Computer: Watch the live streaming of the meeting from a computer by navigating to: https://us02web.zoom.us/j/86277212629
Mobile: Log in through the Zoom mobile app on a smartphone and enter **Meeting ID#** 862 7721 2629

HOW TO SUBMIT PUBLIC COMMENTS:

Before the Meeting: Please email your comments to acmad@mosquitoes.org, write "Public Comment" in the subject line. In the body of the email, include the agenda item number and title, as well as your comments. If you would like your comment to be read aloud at the meeting (not to exceed three minutes at staff's cadence), prominently write "Read Aloud at Meeting" at the top of the email. All comments received before 12:00 PM the day of the meeting will be included as an agenda supplement on the District's website under the relevant meeting date and provided to the Trustees at the meeting. Comments received after this time will not be read aloud but will be added to the record after the meeting.

During the Meeting: The Board President or designee will announce the opportunity to make public comments. Speakers will be asked to provide their name and city of residence, although providing this is not required for participation. Each speaker will be afforded up to 3 minutes to speak unless another time is specified. Speakers should remain silent and/or will be muted until their opportunity to provide public comment.
In Person: Members of the public may raise their hand and wait to be recognized by the Board President or designee.
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PUBLIC RECORDS:

Public records that relate to any item on the open session agenda for a meeting are available for public inspection. Those records that are distributed after the agenda posting deadline for the meeting are available for public inspection at the same time they are distributed to all or a majority of the members of the Board. The Board has designated the District's website located at https://www.mosquitoes.org/board-of-trustees-regular-meetings as the place for making those public records available for inspection. The documents may also be obtained by emailing acmad@mosquitoes.org.

CEQA NOTICE:

Unless expressly stated otherwise on the agenda (that an MND or EIR is being considered), discretionary actions taken on agenda items will include a finding by the Board that the action is exempt under CEQA. More information about the CEQA determination can be found in the corresponding staff report.

23187 Connecticut Street
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ACMAD Finance Committee
Minutes
4/10/2024

Committee Members:
Eric Hentschke
Kashef Qaadri
Cathy Roache

Topics:
The General Manager called the meeting to order at 4:32 P.M.
1. Trustees Hentschke and Roache were present. Trustee Qaadri was absent. Ryan Clausnitzer was present representing the district and recording the minutes.

2. Public Comment: None

3. Approval of the March 13th, 2024 meeting minutes.
Motion: Trustee Hentschke moved to approve the minutes
Second: Trustee Roache
Vote: motion carries: unanimous

4. Review 2nd draft of 2024-2025 ACMAD Budget.
Discussion:
After a presentation by the General Manager, Trustee Roache asked if the OPEB revenue is us paying ourselves (yes, via a restricted fund) and if the replacement public education van will be a "stow and go" (yes), and, along with Trustee Hentschke, asked if the energy consultant will consider battery storage along with increased solar, service, and vehicle charging (yes).

5. Adjourn at 4:50 P.M.

Respectfully submitted,

Approved as written and/or corrected at the Finance Committee meeting held ______

Trustee ___________________
Finance Committee Member

23187 Connecticut Street
Hayward, CA 94545

T: (510) 783-7744

acmad@mosquitoes.org

March 12th, 2025
RE: ACMAD's 2025-26 Budget: First Draft

Dear ACMAD Finance Committee,

Please accept the first draft of the 2025/26 budget.

Revenues: The District projects a 7% revenue increase, driven by a rise in Ad Valorem revenue and reimbursements from the PARS: Pension Stabilization Fund. A new revenue line has been added for PARS reimbursements, similar to the OPEB reimbursements, and for future VCJPA: Member Contingency Fund reimbursements for insurance premiums, though no funds will be drawn this year. The District maintains a conservative approach to budgeting for interest revenue. Estimates for the Special Tax & Benefit Assessment are based on current rates, excluding the proposed increase.

Salaries & Fringe Benefits – Costs are projected to increase by 11%, driven by board-approved salary adjustments, a new laboratory position, and role overlap due to an anticipated retirement. CalPERS employer contribution rates will rise from 13.31% to 13.38% for Classic Members and from 8.18% to 8.27% for PEPRA Members, with a significant increase in unfunded liability costs. Medicare and Social Security expenses are expected to rise by 5%. Fringe benefits are projected to increase by 8%, primarily due to the new position and higher Kaiser premiums. A 6% increase has been assumed for 2026 health rates, with final rates expected in June.

Staff Budget – The overall staff budget is increasing by 1%, with specific categories seeing larger increases. Laundry services & supplies are expected to rise by 10% due to a rate adjustment. Memberships, dues, and subscriptions are projected to increase by 38% due to higher fees and the District joining HASPA. Insurance costs (VCJPA) are anticipated to increase by 5%, with preliminary estimates available by April. Operations expenses are expected to rise by 6% due to higher pesticide and safety supply costs. Information Technology/ Communication expenses are projected to increase by 13% due to software consolidation under one account.

Capital: There are no vehicles up for replacement this year. However, in alignment with our strategic plan, we will continue transitioning from gasoline-powered equipment to fully electric alternatives and implementing LED upgrades at our facilities to ensure energy efficiency and sustainability.

Reserves: The District planned to deposit $214,943 into the PARS Pension Stabilization Fund at FY2025 year-end. However, due to increased unfunded liability costs, these funds will remain in the Operational Fund. Since 2018, the District has proactively funded the PARS account, and in FY 2023/24, earned $197,665 in interest, which will be the first time these funds have been used. Due to limited customization and portfolio size, transitioning the OPEB 40/60 Passive Only portfolio to an ESG-orientated fund is not in the District's best interest at this time; staff will re-evaluate.

Based on these estimates without increasing the benefit assessment, we would project an initial net income **deficit of $37,932**, not including cash carryover. When we factor in the cash carried over and conservatively subtract the amount needed for operations from July to December, along with reserve transfers from prior years, and the reimbursement from PARS, the District anticipates a **surplus of $567,916.**

We are happy to answer any questions.

Sincerely,
ACMAD Staff
attachments:2025/26 budget & visuals, capital asset replacement plan, finance policies

REVENUES	Budget 25/26	Year to year % budget change	Budget 24/25	Actual 23/24	A vs B	Budget 23/24	Actual 22/23	Budget 22/23	Actual 21/22	Budget 21/22
Ad Valorem Property Taxes	$ 3,333,425	7%	$ 3,125,578	$ 3,205,216	13%	$ 2,842,050	$ 3,005,363	$ 2,755,397	$ 2,759,272	$ 2,580,814
Special Tax & Benefit Assessment	$ 2,022,546	0%	$ 2,019,779	$ 2,002,521	0%	$ 2,008,405	$ 1,999,781	$ 1,981,814	$ 1,988,520	$ 1,981,959
Redevelopment	$ 100,000	0%	$ 100,000	$ 506,903		$ -	$ 456,130	$ -	$ 401,310	$ -
Interest earned (restricted fund interest NOT included as revenue)	$ 20,000	0%	$ 20,000	$ 494,404	2372%	$ 20,000	$ 288,784	$ 20,000	$ (4,799)	$ 30,000
Sale of Property and Equipment & Misc.	$ 25,000	-50%	$ 50,000	$ 40,617	712%	$ 5,000	$ 12,304	$ 2,500	$ 121,218	$ 5,000
Reimbursement from OPEB: Retiree Health Benefits/ fees	$ 153,339	-3%	$ 158,398	$ 142,690	-10%	$ 158,348	$ 142,690	$ 140,946	$ 135,592	$ 168,091
Reimbursement from Pension Rate Stabilization Fund	$ 214,943		$ -	$ -		$ -	$ -	$ -	$ -	$ -
Reimbursement from VCJPA: Member Contingency Fund	$ -		$ -	$ -		$ -	$ -	$ -	$ -	$ -
Total Revenue (see figure 1)	**$ 5,869,252**	**7%**	**$ 5,473,754**	**$ 6,392,351**	27%	**$ 5,033,804**	**$ 5,905,052**	**$ 4,900,658**	**$ 5,401,113**	**$ 4,765,864**
EXPENDITURES										
Salaries (including deferred comp.& trustee in lieu payments)	$ 3,102,362	11%	$ 2,790,251	$ 2,318,987	-6%	$ 2,462,469	$ 2,318,987	$ 2,371,703	$ 2,121,872	$ 2,236,282
CalPERS Retirement	$ 748,174	15%	$ 651,597	$ 525,487	-5%	$ 553,955	$ 525,487	$ 534,559	$ 471,085	$ 473,950
Medicare & Social Security	$ 48,758	5%	$ 46,366	$ 33,692	-16%	$ 40,292	$ 33,692	$ 38,763	$ 30,026	$ 33,062
Fringe Benefits	$ 739,477	8%	$ 683,132	$ 604,258	0%	$ 605,491	$ 604,258	$ 564,969	$ 484,487	$ 579,596
Total Salaries, Retirement, & Benefits *(pgs. 2,3)* (see figure 3)	**$ 4,638,771**	**11%**	**$ 4,171,345**	**$ 3,482,424**	-5%	**$ 3,662,207**	**$ 3,482,424**	**$ 3,509,995**	**$ 3,107,470**	**$ 3,322,891**
Service & Supplies (Clothing & Personal supplies)	$ 9,000	-5%	$ 9,500	$ 5,152	-43%	$ 9,000	$ 7,518	$ 9,000	$ 7,882	$ 10,000
Service & Supplies (Laundry services & supplies)	$ 17,600	10%	$ 16,000	$ 14,404	11%	$ 13,000	$ 12,853	$ 13,000	$ 10,417	$ 15,000
Utilities	$ 26,300	1%	$ 26,000	$ 20,059	-15%	$ 23,700	$ 19,416	$ 21,700	$ 18,135	$ 17,000
Small tools and instruments	$ 2,500	-17%	$ 3,000	$ 1,645	-45%	$ 3,000	$ 2,120	$ 3,000	$ 1,963	$ 3,000
Maintenance (Landscaping & Facility)	$ 27,000	-10%	$ 30,000	$ 20,777	-31%	$ 30,000	$ 18,062	$ 30,000	$ 26,671	$ 35,000
Maintenance (Equipment)	$ 25,000	-11%	$ 28,000	$ 31,326	4%	$ 30,000	$ 36,210	$ 30,000	$ 25,355	$ 35,000
Transportation, travel, training, & board	$ 114,525	0%	$ 114,525	$ 129,999	2%	$ 127,990	$ 133,125	$ 119,840	$ 120,419	$ 127,630
Professional services	$ 128,000	-20%	$ 160,600	$ 99,674	-19%	$ 122,950	$ 93,115	$ 152,200	$ 97,726	$ 203,450
Memberships, dues, & subscriptions.	$ 40,000	38%	$ 29,000	$ 22,114	-18%	$ 27,000	$ 24,594	$ 37,000	$ 25,103	$ 24,000
Insurance - VCJPA	$ 214,000	5%	$ 203,198	$ 209,342	-1%	$ 211,959	$ 177,963	$ 179,436	$ 160,933	$ 150,611
Community education	$ 50,000	-9%	$ 55,000	$ 37,729	-29%	$ 53,000	$ 28,194	$ 55,000	$ 26,225	$ 39,500
Operations	$ 304,000	6%	$ 287,500	$ 304,478	16%	$ 261,500	$ 120,639	$ 227,500	$ 182,576	$ 239,000
Household expenses	$ 23,200	2%	$ 22,700	$ 20,057	-6%	$ 21,350	$ 18,517	$ 19,950	$ 25,388	$ 17,350
Office expenses	$ 9,500	-5%	$ 10,000	$ 9,975	-23%	$ 13,000	$ 7,248	$ 12,000	$ 7,003	$ 12,000
Information Technology/ Communication	$ 141,988	13%	$ 125,500	$ 81,051	-22%	$ 104,000	$ 97,711	$ 107,400	$ 74,950	$ 112,400
Laboratory	$ 135,800	4%	$ 130,000	$ 139,128	-1%	$ 140,000	$ 106,784	$ 132,500	$ 82,354	$ 144,000
Total Staff Budget *(pg. 4)* (see figure 4)	**$ 1,268,413**	**1%**	**$ 1,250,523**	**$ 1,146,910**	-4%	**$ 1,191,449**	**$ 904,069**	**$ 1,149,526**	**$ 893,100**	**$ 1,184,941**
Contingency	$ -	-100%	$ 40,000	$ -		$ 48,000	$ -	$ 46,000	$ -	$ 50,000
Total Expenditures (see figure 2)	**$ 5,907,184**	**8%**	**$ 5,461,868**	**$ 4,629,334**	-6%	**$ 4,901,656**	**$ 4,386,493**	**$ 4,705,521**	**$ 4,000,570**	**$ 4,557,832**
SURPLUS (DEFICIT)	$ (37,932)		$ 11,886	$ 1,763,017		**$ 132,148**	**$ 1,518,559**	**$ 195,136**	**$ 1,400,543**	**$ 208,032**
CASH CARRIED OVER *(pg. 5)*	**$ 605,847**		**$ 847,885**			**$ 1,081,183**		**$ 882,264**		**$ 1,530,673**
SURPLUS (DEFICIT) AFTER OPERATIONAL CASH NEEDS	**$ 567,916**		**$ 859,771**			**$ 1,188,331**		**$ 1,077,400**		**$ 1,738,705**
RESERVE ACCOUNT ALLOCATIONS	**Transfers**		**Transfers**	**Actual 23/24**		**Budget 23/24**	**Actual 22/23**	**Budget 22/23**	**Actual 21/22**	**Budget 21/22**
VCJPA Member Contingency Fund	$ -		$ -	$ (43,103)		$ (4,351)	$ (43,103)	$ (43,103)	$ -	$ -
PARS: Pension Rate Stabilization	$ 141,979		$ 214,943	$ 269,350		$ 297,083	$ 269,350	$ 269,350	$ 434,676	$ 434,676
CA CLASS: Public Health Emergency Fund	$ (24,945)		$ (43,636)	$ (26,732)		$ (41,085)	$ (26,732)	$ (26,732)	$ -	$ -
CA CLASS: Repair and Replace Fund *(pg. 7)*	$ 191,784		$ 203,815	$ 537,912		$ 866,684	$ 537,912	$ 510,179	$ 1,311,625	$ 1,311,625
CA CLASS: District Contingency Fund	$ 72,964		$ -	$ -		$ -	$ -	$ 27,733	$ -	$ 0
CAMP: New Asset & Large Project Fund	$ 186,134		$ 484,649	$ 70,009		$ 70,000	$ 70,009	$ 339,974	$ 10,006	$ (7,596)
Total reserve allocations *(pg. 7)* (see figure 5)	**$ 567,916**		**$ 859,771**	**$ 807,436**		**$ 1,188,331**	**$ 807,436**	**$ 1,077,400**	**$ 1,756,307**	**$ 1,738,705**
SURPLUS (DEFICIT) AFTER RESERVE ALLOCATIONS	**$ -**		**$ -**			**$ -**		**$ -**		**$ -**

Salaries 7/1/25 - 6/30/26

Date of hire	Position	2025-26	Longevity	Longevity Amount	New Salary	# mo	Subtotal	Deferred Comp.	(per pay period)
Jul-99	VS3	$ 11,988.15	5%	$ 599.41	$ 12,587.56	12	$ 151,051	$ 755.25	$ 31.47
Mar-14	VB2	$ 11,257.90	2%	$ 225.16	$ 11,483.06	12	$ 137,797	$ 688.98	$ 28.71
Aug-18	AVS5	$ 10,229.39	1%	$ 102.29	$ 10,331.69	3	$ 30,995	$ 154.98	$ 25.83
	VS1	$ 10,832.12	1%	$ 108.32	$ 10,940.44	6	$ 65,643	$ 328.21	$ 27.35
	VS2	$ 11,394.44	1%	$ 113.94	$ 11,508.39	3	$ 34,525	$ 172.63	$ 28.77
Apr-02	VB2	$ 11,257.90	4%	$ 450.32	$ 11,708.22	12	$ 140,499	$ 702.49	$ 29.27
Nov-03	VB2	$ 11,257.90	4%	$ 450.32	$ 11,708.22	12	$ 140,499	$ 702.49	$ 29.27
Mar-02	RPA4	$ 13,935.73	4%	$ 557.43	$ 14,493.16	1	$ 14,493	$ 72.47	$ 36.23
	RPA5	$ 14,632.52	4%	$ 585.30	$ 15,217.82	11	$ 167,396	$ 836.98	$ 38.04
Jul-15	Mgr	$ 19,631.58	2%	$ 392.63	$ 20,024.21	12	$ 240,291		
Sep-15	VB2	$ 11,257.90	1%	$ 112.58	$ 11,370.48	2.5	$ 28,426	$ 142.13	$ 28.43
	VB2	$ 11,257.90	2%	$ 225.16	$ 11,483.06	9.5	$ 109,089	$ 545.45	$ 28.71
Jul-15	IT5	$ 13,109.21	1%	$ 131.09	$ 13,240.30	0.5	$ 6,620	$ 33.10	$ 33.10
	IT5	$ 13,109.21	2%	$ 262.18	$ 13,371.39	11.5	$ 153,771	$ 768.86	$ 33.43
Nov-19	VB2	$ 11,257.90	1%	$ 112.58	$ 11,370.48	12	$ 136,446	$ 682.23	$ 75.80
Jul-15	LAB5	$ 14,926.63	2%	$ 298.53	$ 15,225.16	12	$ 182,702	$ 913.51	$ 38.06
Jul-91	Sup 5	$ 14,778.84	6%	$ 886.73	$ 15,665.58	6	$ 93,993	$ 469.97	$ 39.16
Jul-20	POC5	$ 11,793.45	0%	$ -	$ 11,793.45	0.5	$ 5,897	$ 29.48	$ 29.48
	POC5	$ 11,793.45	1%	$ 117.93	$ 11,911.39	11.5	$ 136,981	$ 684.90	$ 29.78
Dec-22	MCT4	$ 9,727.63	0%	$ -	$ 9,727.63	11	$ 107,004	$ 535.02	$ 24.32
	MCT5	$ 10,212.30	0%	$ -	$ 10,212.30	1	$ 10,212	$ 51.06	$ 25.53
Apr-16	FHS5	$ 11,809.99	1%	$ 118.10	$ 11,928.09	11	$ 131,209	$ 656.04	$ 29.82
	FHS5	$ 11,809.99	2%	$ 236.20	$ 12,046.19	1	$ 12,046	$ 60.23	$ 30.12
Sep-15	VB2	$ 11,257.90	1%	$ 112.58	$ 11,370.48	3	$ 34,111	$ 170.56	$ 28.43
	VB2	$ 11,257.90	2%	$ 225.16	$ 11,483.06	9	$ 103,348	$ 516.74	$ 28.71
Jan-23	MCT4	$ 9,727.63	0%	$ -	$ 9,727.63	6	$ 58,366	$ 291.83	$ 24.32
	MCT5	$ 10,212.30	0%	$ -	$ 10,212.30	6	$ 61,274	$ 306.37	$ 25.53
Feb-15	Mech 5	$ 11,759.75	2%	$ 235.19	$ 11,994.94	12	$ 143,939	$ 719.70	$ 29.99
Apr-25	CL1	$ 9,264.37	0%	$ -	$ 9,264.37	2.5	$ 23,161	$ 115.80	$ 23.16
	CL2	$ 9,727.63	0%	$ -	$ 9,727.63	6	$ 58,366	$ 291.83	$ 24.32
	CL3	$ 10,212.30	0%	$ -	$ 10,212.30	3.5	$ 35,743	$ 178.72	$ 25.53
	Sup 1	$ 12,158.59	0%	$ -	$ 12,158.59	6	$ 72,952	$ 364.76	$ 30.40
	Sup 2	$ 12,766.52	0%	$ -	$ 12,766.52	6	$ 76,599	$ 383.00	$ 31.92
	Asst.VS1	$ 7,989.89	0%	$ -	$ 7,989.89	6	$ 47,939	$ 239.70	$ 19.97
	AVS1	$ 8,410.42	0%	$ -	$ 8,410.42	6	$ 50,462	$ 252.31	$ 21.03
							$ 3,003,844	$ 13,817.77	

Seasonals:

Rate (ave)	#	Hours
$ 25.00	2	1,000
		$50,000

Unemployment	$ 12,000.00	$1,700.00
		$51,700.00

Trustee in Lieu:

Annual cost: $ 18,000.00

Salary	$ 3,003,843.96
CalPERS Ret.	$ 748,174.20
Seasonals	$51,700.00
Trustees	$18,000.00
Subtotal	*$ 3,803,718.16*
Mgr 457	$ 12,000.00
Mgr Vehicle All.	$ 3,000.00
Staff 457	$ 13,817.77
Medicare tax	$ 44,541.74
Social Security	$ 4,216.00
Grand Total	**$ 3,881,293.66**

CalPERS			Wages	Employer rate	Unfunded Liability Payment	Total PERS Payments
	13.38%	**Classic**	$ 1,428,773.14	$ 191,169.85	$ 418,315.00	$ 609,484.85
	8.27%	*Pepra*	$ 1,575,070.82	$ 130,258.36	$ 8,431	$ 138,689.36
						$ 748,174.20

CalPERS Plan Code	Current Year Health Rates	Next Year Health Rates (est)	Total Health Costs	Dental Rates	Total Dental	Life Ins. Rates	Total Life Insurance	Vision Rates	Total Vision	SDI	Benefit Cost per person
5331	1,112.90	1,179.67	13,755.44	94.06	1,128.72	6.11	73.32	13.40	160.80		15,118.28
5331	1,112.90	1,179.67	13,755.44	94.06	1,128.72	6.11	73.32	13.40	160.80		15,118.28
5331	1,112.90	1,179.67	13,755.44	94.06	1,128.72	6.11	73.32	13.40	160.80		15,118.28
5333	2,893.54	3,067.15	35,764.15	251.93	3,023.16	6.11	73.32	33.01	396.12		39,256.75
5251	1,112.90	1,179.67	13,755.44	251.93	3,023.16	6.11	73.32	33.01	396.12		17,248.04
5333	2,893.54	3,067.15	35,764.15	251.93	3,023.16	6.11	73.32	33.01	396.12		39,256.75
5253	2,893.54	3,067.15	35,764.15	251.93	3,023.16	6.11	73.32	33.01	396.12		39,256.75
5333	2,893.54	3,067.15	35,764.15	251.93	3,023.16	6.11	73.32	33.01	396.12		39,256.75
5252	2,225.80	2,359.35	27,510.89	161.05	1,932.60	6.11	73.32	20.81	249.72		29,766.53
5331	1,112.90	1,179.67	13,755.44	94.06	1,128.72	6.11	73.32	13.40	160.80		15,118.28
5252	2,225.80	2,359.35	27,510.89	161.05	1,932.60	6.11	73.32	20.81	249.72		29,766.53
5332	2,225.80	2,359.35	27,510.89	161.05	1,932.60	6.11	73.32	20.81	249.72		29,766.53
5333	2,893.54	3,067.15	35,764.15	251.93	3,023.16	6.11	73.32	33.01	396.12		39,256.75
5333	2,893.54	3,067.15	35,764.15	251.93	3,023.16	6.11	73.32	33.01	396.12		39,256.75
5332	2,225.80	2,359.35	27,510.89	161.05	1,932.60	6.11	73.32	20.81	249.72		29,766.53
5333	2,893.54	3,067.15	35,764.15	251.93	3,023.16	6.11	73.32	33.01	396.12		39,256.75
5332	2,225.80	2,359.35	27,510.89	161.05	1,932.60	6.11	73.32	20.81	249.72		29,766.53
5333	2,893.54	3,067.15	35,764.15	251.93	3,023.16	6.11	73.32	33.01	396.12		39,256.75
5331	1,112.90	1,179.67	13,755.44	94.06	1,128.72	6.11	73.32	13.40	160.80		15,118.28
5331	1,112.90	1,179.67	13,755.44	94.06	1,128.72	6.11	73.32	13.40	160.80		15,118.28
Subtotal	*42,067.62*		*519,955.78*	*3,636.98*	*43,643.76*	*122.20*	*1,466.40*	*481.54*	*5,778.48*	*36,046.13*	*606,890.55*
.24% Admin Cost			1,247.89								1,247.89
Staff Totals			**521,203.68**		**43,643.76**		**1,466.40**		**5,778.48**	**36,046.13**	**608,138.44**

CalPERS Plan Code	Current Year Health Rates	Next Year Health Rates (est)	Total Health Costs	Dental Rates	Total Dental	Life Ins. Rates	Total Life Ins.	Vision Rates	Total Vision	SDI	Benefit Cost per person
	-	-	-	94.06	1,128.72			20.81	249.72		1,378.44
6611	584.70	619.78	7,226.89	94.06	1,128.72			13.40	160.80		8,516.41
6642	1,169.40	1,239.56	14,453.78	161.05	1,932.60			20.81	249.72		16,636.10
6611	584.70	619.78	7,226.89	94.06	1,128.72			13.40	160.80		8,516.41
5361	343.08	363.66	4,240.47	161.05	1,932.60			20.81	249.72		6,422.79
5361	343.08	363.66	4,240.47	94.06	1,128.72			13.40	160.80		5,529.99
151	448.28	475.18	5,540.74	94.06	1,128.72			13.40	160.80		6,830.26
6612	1,169.40	1,239.56	14,453.78	161.05	1,932.60			20.81	249.72		16,636.10
5362	686.16	727.33	8,480.94	161.05	1,932.60			20.81	249.72		10,663.26
5362	686.16	727.33	8,480.94	161.05	1,932.60			20.81	249.72		10,663.26
5362	686.16	727.33	8,480.94	161.05	1,932.60			20.81	249.72		10,663.26
5362	686.16	727.33	8,480.94	161.05	1,932.60			20.81	249.72		10,663.26
	7,387.28		91,306.78		*19,171.80*			*220.08*	*2,640.96*		113,119.54
.24% Admin Costs=			219.14								219.14
Annuitant Totals			**91,525.92**		**19,171.80**				**2,640.96**		**113,338.68**
Grand Total			612,729.59		62,815.56		1,466.40		8,419.44	36,046.13	721,477.12
										Medicare Part B Reimb.	18,000.00
											739,477.12

A/C #	BUDGET CATEGORY	staff	Budget 25/26	% change	Budget 24/25	% change	Actual 23/24	A vs B	Budget 23/24	Actual 22/23	Actual 21/22
	SERVICE AND SUPPLIES										
5201	Clothing and personal supplies (purchased)	MW	$ 9,000	-5%	$ 9,500	-6%	$ 5,152	-43%	$ 9,000	$ 7,518	$ 7,882
5202	Laundry service and supplies (rented)	MW	$ 17,600	10%	$ 16,000	23%	$ 14,404	11%	$ 13,000	$ 12,853	$ 10,417
	UTILITIES										
5301	Garbage (Waste Mgmt)	MR	$ 4,300	8%	$ 4,000	-5%	$ 4,072	-3%	$ 4,200	$ 3,373	$ 3,788
5302	PG & E	MR/ MW	$ 18,000	0%	$ 18,000	20%	$ 12,942	-14%	$ 15,000	$ 12,673	$ 10,959
5303	Hayward Water & Sewage	MR	$ 4,000	0%	$ 4,000	-11%	$ 3,045	-32%	$ 4,500	$ 3,370	$ 3,388
5401	**SMALL TOOLS AND INSTRUMENTS**	MW	$ 2,500	-17%	$ 3,000	0%	$1,645	-45%	$ 3,000	$ 2,120	$ 1,963
	MAINTENANCE										
5501	Landscaping service	MW	$ 4,500	-10%	$ 5,000	0%	$ 3,492	-30%	$ 5,000	$ 2,988	$ 2,780
5502	Facility Maintenance	MW	$ 22,500	-10%	$ 25,000	0%	$ 17,285	-31%	$ 25,000	$ 15,074	$ 23,891
5503	Maintenance of equipment	MW	$ 25,000	-11%	$ 28,000	-7%	$ 31,326	4%	$ 30,000	$ 36,210	$ 25,355
	TRANSPORTATION, TRAVEL, TRAINING, & BOARD										
5601	Fuel and GPS (WexMart)	MW/MR	$ 55,000	0%	$ 55,000	-8%	$ 60,823	1%	$ 60,000	$ 60,798	$ 56,272
5602	Meetings, conferences, & travel	RC	$ 40,000	0%	$ 40,000	21%	$ 43,803	33%	$ 33,000	$ 51,432	$ 30,366
5603	Board meeting expenses	RC	$ 950	0%	$ 950	19%	$ 1,239	55%	$ 800	$ 698	$ 542
5605	Board plaques and nameplates	RC	$ 225	0%	$ 225	18%	$ 221	16%	$ 190	$ 221	$ 146
5606	Continuing Education fees	RC	$ 3,350	0%	$ 3,350	12%	$ 6,868	129%	$ 3,000	$ 240	$ 2,700
5607	Staff Training (staff dev./ college courses)	RC	$ 15,000	0%	$ 15,000	0%	$ 9,545	-36%	$ 15,000	$ 4,936	$ 15,693
	PROFESSIONAL SERVICES										
5701	Audit	MR	$ 18,000	17%	$ 15,400	3%	$ 15,275	2%	$ 15,000	$ 14,650	$ 14,347
5702	Actuarial reports	MR	$ 1,200	-68%	$ 3,700	68%	$ 1,200	-45%	$ 2,200	$ 3,700	$ 2,200
5704	Legal Services	RC	$ 6,000	-25%	$ 8,000	0%	$ 7,312	-9%	$ 8,000	$ 7,932	$ 4,258
5706	Tax collection service (SCI)	RC	$ 39,000	0%	$ 39,000	0%	$ 37,567	-4%	$ 39,000	$ 37,642	$ 36,673
5707	Payroll service (OnePoint)	MR	$ 10,000	0%	$ 10,000	0%	$ 8,998	-10%	$ 10,000	$ 8,816	$ 8,650
5708	Environmental consultant/ EcoAtlas	EC	$ 26,000	-9%	$ 28,700	44%	$ 2,801	-86%	$ 20,000	$ -	$ 4,121
5709	HR Services (RGS & other)	RC	$ 5,000	0%	$ 5,000	100%	$ 4,163	67%	$ 2,500	$ -	$ 4,245
5710	OPEB management (PFM & US Bank)	RC	$ 22,000	-12%	$ 25,000	0%	$ 21,113	-16%	$ 25,000	$ 19,565	$ 22,542
5711	Financial advising	RC	$ -	-100%	$ 25,000	4900%	$ -	-100%	$ 500	$ -	$ -
5712	Pre-employment physicals	RC	$ 800	0%	$ 800	7%	$ 1,245	66%	$ 750	$ 810	$ 690
5801	**MEMBERSHIPS, DUES & SUBSCRIPTIONS**	RC	$ 40,000	38%	$ 29,000	7%	$ 22,114	-18%	$ 27,000	$ 24,594	$ 25,103
5802	**INSURANCE - VCJPA**	RC	$ 214,000	5%	$ 203,198	-4%	$ 209,342	-1%	$ 211,959	$ 176,982	$ 159,952
5901	**COMMUNITY EDUCATION**	EC	$ 50,000	-9%	$ 55,000	4%	$ 37,729	-29%	$ 53,000	$ 28,194	$ 26,225
	OPERATIONS										
6101	Pesticides	JH	$ 230,000	10%	$ 210,000	11%	$ 259,814	37%	$ 190,000	$ 92,820	$ 143,588
6102	Field supplies (dippers etc)	JH	$ 2,000	0%	$ 2,000	-33%	$ 1,199	-60%	$ 3,000	$ 999	$ 750
6103	Mosquitofish program	MW	$ 5,000	-33%	$ 7,500	50%	$ 1,482	-70%	$ 5,000	$ 2,119	$ 1,315
6104	Spray equipment	MW	$ 7,500	-6%	$ 8,000	0%	$ 5,586	-30%	$ 8,000	$ 1,513	$ 5,367
6105	Safety	MW	$ 10,000	18%	$ 8,500	0%	$ 11,729	38%	$ 8,500	$ 6,725	$ 8,894
6106	Aerial Pool Survey	RF	$ 25,000	0%	$ 25,000	25%	$ 23,285	16%	$ 20,000	$ 15,100	$ 21,300
6107	Permits	EC	$ 2,000	-50%	$ 4,000	100%	$ 1,383	-31%	$ 2,000	$ 1,363	$ 1,362
6108	Helicopter service	JH	$ 15,000	0%	$ 15,000	-40%	$ -	-100%	$ 25,000	$ -	$ -
6109	Drone (NEW)	EHS	$ 7,500	0%	$ 7,500	#DIV/0!	$ -	#DIV/0!	$ -	$ -	$ -
	HOUSEHOLD EXPENSES										
6201	Janitorial service	MW	$ 9,000	6%	$ 8,500	13%	$ 5,646	-25%	$ 7,500	$ 7,294	$ 5,940
6202	Supplies (+ emergency)	MW	$ 3,200	0%	$ 3,200	12%	$ 2,679	-6%	$ 2,850	$ 2,023	$ 1,753
6203	Alarm service	RF	$ 11,000	0%	$ 11,000	0%	$ 11,732	7%	$ 11,000	$ 9,200	$ 17,695
6301	**OFFICE EXPENSES**	MR	$ 9,500	-5%	$ 10,000	-23%	$ 9,975	-23%	$ 13,000	$ 7,248	$ 7,003
	IT/ COMMUNICATIONS										
6401	IT Expenses	RF	$ 106,000	18%	$ 90,000	29%	$ 56,098	-20%	$ 70,000	$ 71,063	$ 50,704
6402	Telephone Service & Internet	RF	$ 11,000	0%	$ 11,000	10%	$ 9,509	-5%	$ 10,000	$ 8,753	$ 10,018
6403	Website hosting	RF	$ 2,988	0%	$ 3,000	0%	$ 2,988	0%	$ 3,000	$ 2,400	$ 2,400
6404	Cell phone service	RF	$ 15,000	0%	$ 15,000	0%	$ 10,356	-31%	$ 15,000	$ 12,871	$ 8,942
6405	Microsoft Office 365	RF	$ 7,000	8%	$ 6,500	8%	$ 2,100	-65%	$ 6,000	$ 2,611	$ 2,886
	LABORATORY										
6501	Mosquito and pathogen monitoring	EHS	$ 126,000	26%	$ 100,000	0%	$ 123,050	23%	$ 100,000	$ 74,530	$ 66,017
6502	Insecticide resistance	EHS	$ 1,800	-64%	$ 5,000	0%	$ 1,692	-66%	$ 5,000	$ 8,226	$ 11
6503	Research	EHS	$ 8,000	-68%	$ 25,000	-29%	$ 14,386	-59%	$ 35,000	$ 24,028	$ 16,326
	Total		**$ 1,268,413**	1%	**$ 1,250,523**	5%	**$ 1,146,910**	-4%	**$ 1,191,449**	**$ 904,069**	**$ 893,100**

Estimate of Cash Carryover from Fiscal Year 24/25 to 25/26

	debits	credits	balance	
LAIF, Operational Fund, County, and Five Star Balances as of January 31, 2025			$ 4,669,657	
February check batch #1	$ 167,965		$ 4,501,692	
February check batch #2	$ 213,530		$ 4,288,162	
Balance as of February 28, 2025			$ 4,216,055	*estimates below*
March check batch #1	$ 175,000		$ 4,041,055	
March check batch #2	$ 175,000		*$ 3,866,055*	
Balance as of March 31, 2025			$ 3,866,055	
April check batch #1	$ 175,000		$ 3,691,055	
Deposit		2,210,000		
April check batch #2	$ 200,000		$ 5,701,055	
Balance as of April 30, 2025			$ 5,701,055	
May check batch #1	*$ 200,000*		*$ 5,501,055*	
May check batch #2	*$ 200,000*		*$ 5,301,055*	
Balance as of May 31 ,2025			*$ 5,301,055*	
June check batch #1	*$ 200,000*		*$ 5,101,055*	
June check batch #2	*$ 200,000*		*$ 4,901,055*	
Balance as of June 30, 2025				
Totals	*$ 1,525,000*	*$ 2,210,000*	*$ 4,901,055*	
Unused capital funds (pg. 6)			*$ -*	
Reserve transfers from prior year			*$ 160,180*	
Operational requirement (July-December)			***$ 4,135,029***	
Estimated Cash Carried Over			***$ 605,847***	

CAPITAL EXPENDITURES (Outlay)	2021-22	2022-23	2023-24	2024-25	2025-26
21/22 Capital Reserve (new assets & non-capital projects)					
Lobby display	$30,000				
21/22 Repair and Replace (replacement assets)					
V42	$40,000				
21/22 Capital Reserve and Repair and Replace Total	**$70,000**				
Unused capital funds (cash carried over)	*$30,000*				
22/23 Capital Reserve (new assets & non-capital projects)					
Fish Enclosure		$ 250,000			
Lobby Display		$ 30,000			
22/23 Capital Reserve Total		**$ 280,000**			
22/23 Repair and Replace *(replacement assets)*					
MapVision - Gen 3		$ 70,000			
Microscope		$ 23,000			
22/23 Repair and Replace Total		**$ 93,000**			
Unused capital funds (cash carried over)		*$ 70,000*			
23/24 Capital Reserve (new assets & non-capital projects)			$ -		
			$ -		
23/24 Capital Reserve Total					
22/23 Repair and Replace (replacement assets)					
MapVision - Gen 3			$ 140,000		
23/24 Repair and Replace Total			**$ 140,000**		
Unused capital funds (cash carried over)			*$ 140,000*		
24/25 Capital Reserve (new assets & non-capital projects)					
				$ -	
24/25 Capital Reserve Total				**$ -**	
24/25 Repair and Replace (replacement assets)					
MapVision - Gen 3				$ 140,000	
V32 (Public Ed)				$ 40,000	
V36 (Spare Truck)				$ 40,000	
V39 (Joseph)				$ 40,000	
V43(Sarah)				$ 40,000	
V46(Erick)				$ 40,000	
V47(Ben)				$ 40,000	
V48(Alex)				$ 40,000	
V50(John)				$ 40,000	
Fish Tanks				$ 25,000	
24/25 Repair and Replace Total				**$ 485,000**	
Unused capital funds (cash carried over)				$ 140,000	
25/26 New Assets/ Large Projects					
North Gate - Automated					$ 12,000
Facility LED upgrade					$ 110,000
Polaris/ATV - Electric					$ 37,000
Trailer - Polaris					$ 5,500
Trailer - Argo					$ 5,500
Trailer - Argo					$ 5,500
Trailer - Argo					$ 5,500
Trailer - Argo					$ 5,500
25/26 New Assets/ Large Projects Total					**$ 186,500**
25/26 Repair and Replace (replacement assets)					
25/26 Repair and Replace Total					**$ -**
Unused capital funds (cash carried over)					$ -

Committed Reserve Funds	Target Level	As of February 28, 2025	Transfers[2]	Current Funded %	Proposed Funded %
VCJPA Member Contingency Fund [1]	$329,261	$329,261	$0	100%	100%
CA CLASS Enhanced: Public Health Emergency Fund	$500,000	$524,945	-$24,945	105%	100%
CA CLASS: Repair and Replace Fund	$4,319,711	$3,721,414	$191,784	86%	91%
CA CLASS Enhanced: District Contingency Fund	$3,544,310	$2,206,463	$72,964	62%	64%
CAMP: New Asset/ Large Projects [2]	$186,500	$366	$186,134	NA	NA
Restricted Reserve Funds					
PARS: Pension Rate Stabililzation[3]	$5,018,276	$3,056,108	$141,979	61%	64%
Other Post Employment Benefit Fund (OPEB)[4]	$3,308,985	$5,167,920		156%	156%
TOTAL		$15,006,477	$567,916		

[1] Balance as of December 31, 2024

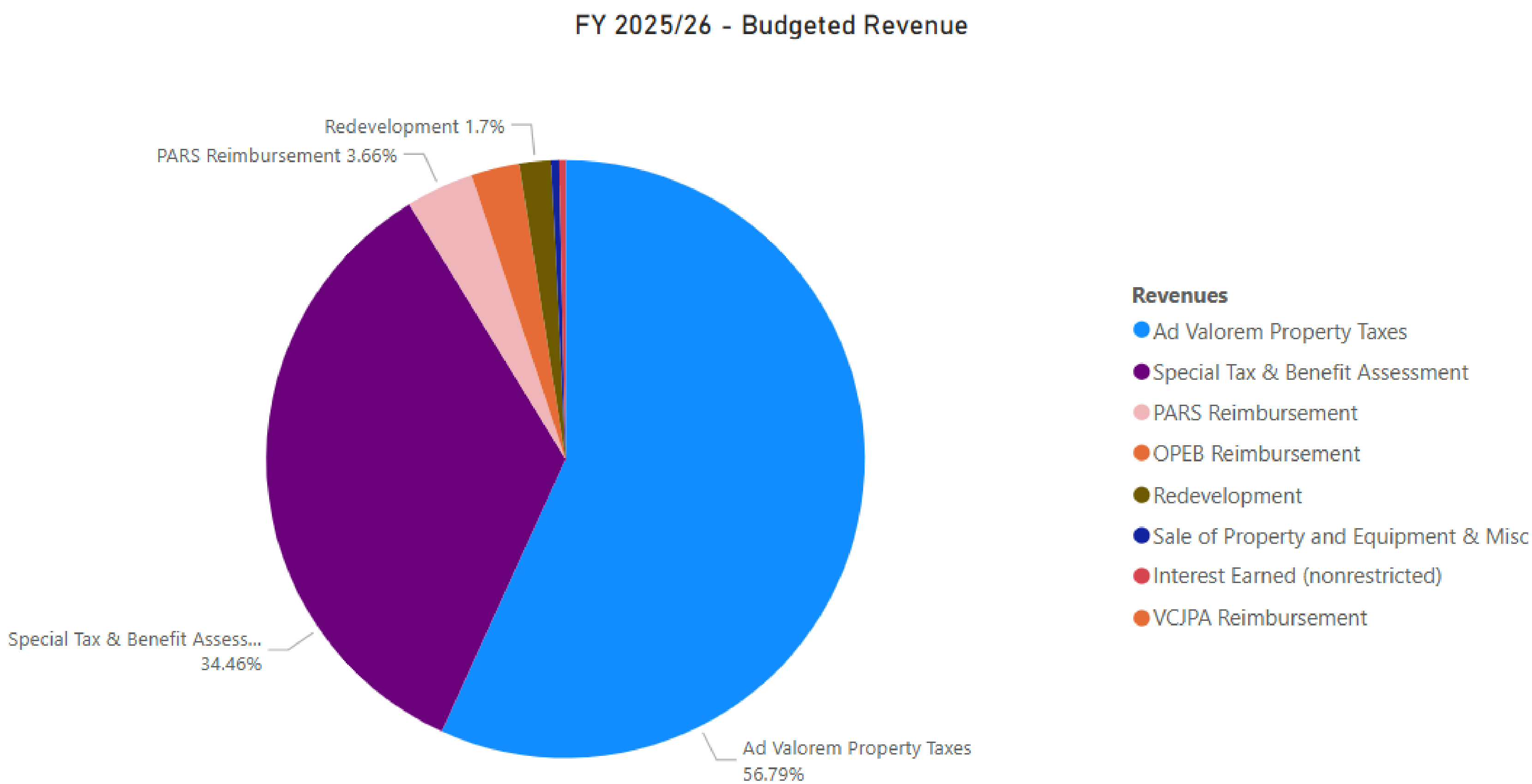
[2] - New Asset/ Large Projects to be transferred at start of fiscal year, all other transfers occur after the fiscal year.

[3] - Balance as of January 31, 2025. Unfunded Accrued Liability as of June 30, 2023.

[4] - OPEB liability as of June 30, 2024.

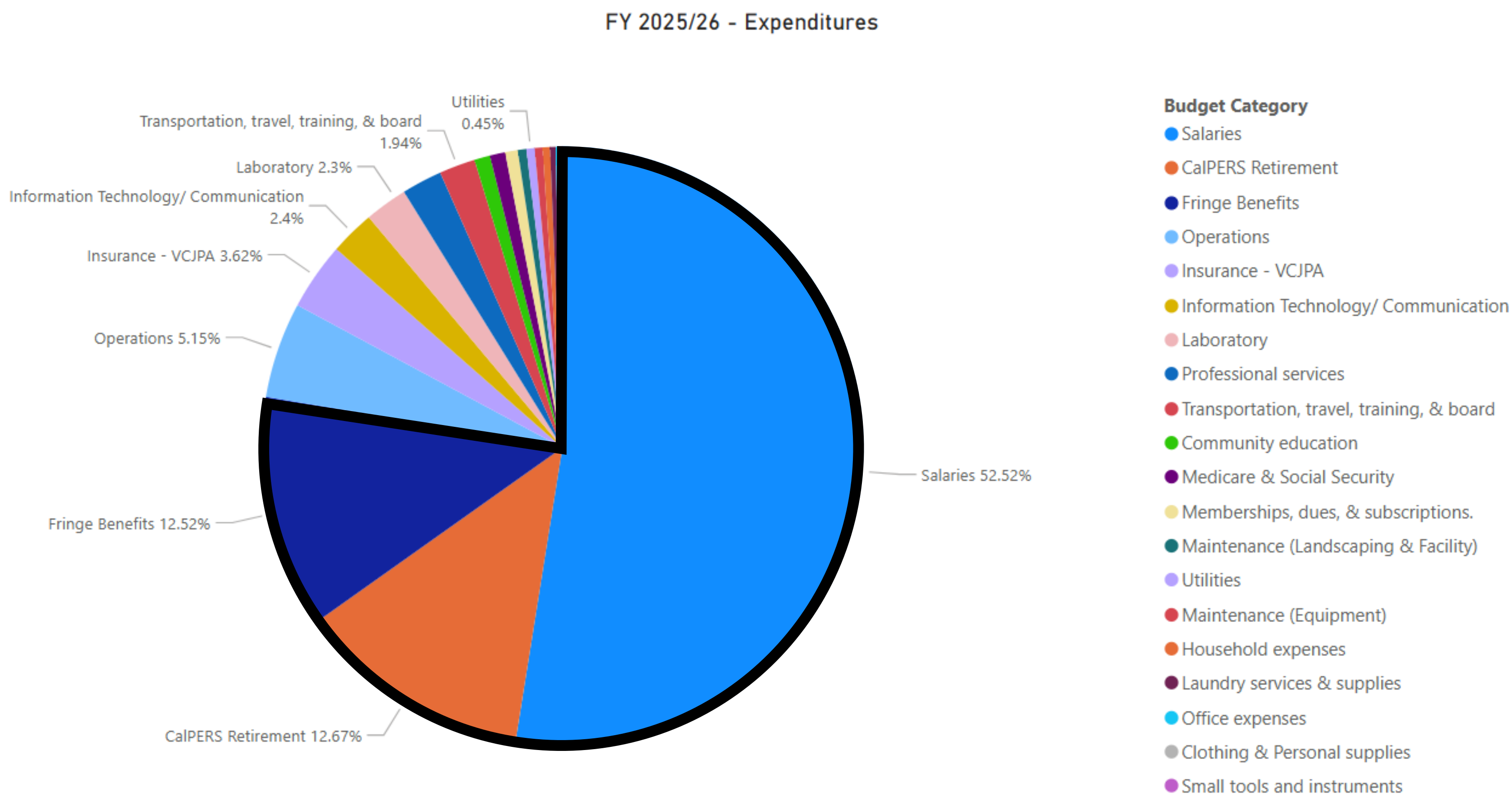
Alameda County Mosquito Abatement District
FY 2025/26

Figure 1: The District expects to receive a total revenue of $5,869,252 for the fiscal year 2025/26. The revenue breakdown is as follows: Ad Valoreum Property Taxes ($3,333,425), Special Tax & Benefit Assessment ($2,022,546), PARS Reimbursement ($214,943), OPEB Reimbursement ($153,339), Redevelopment ($100,000), Sale of Property and Equipment & Misc ($25,000). Interest Earned – non-restricted($20,000), and we anticipate a 7% increase in revenue compared to the budgeted amount for the preceding fiscal year.



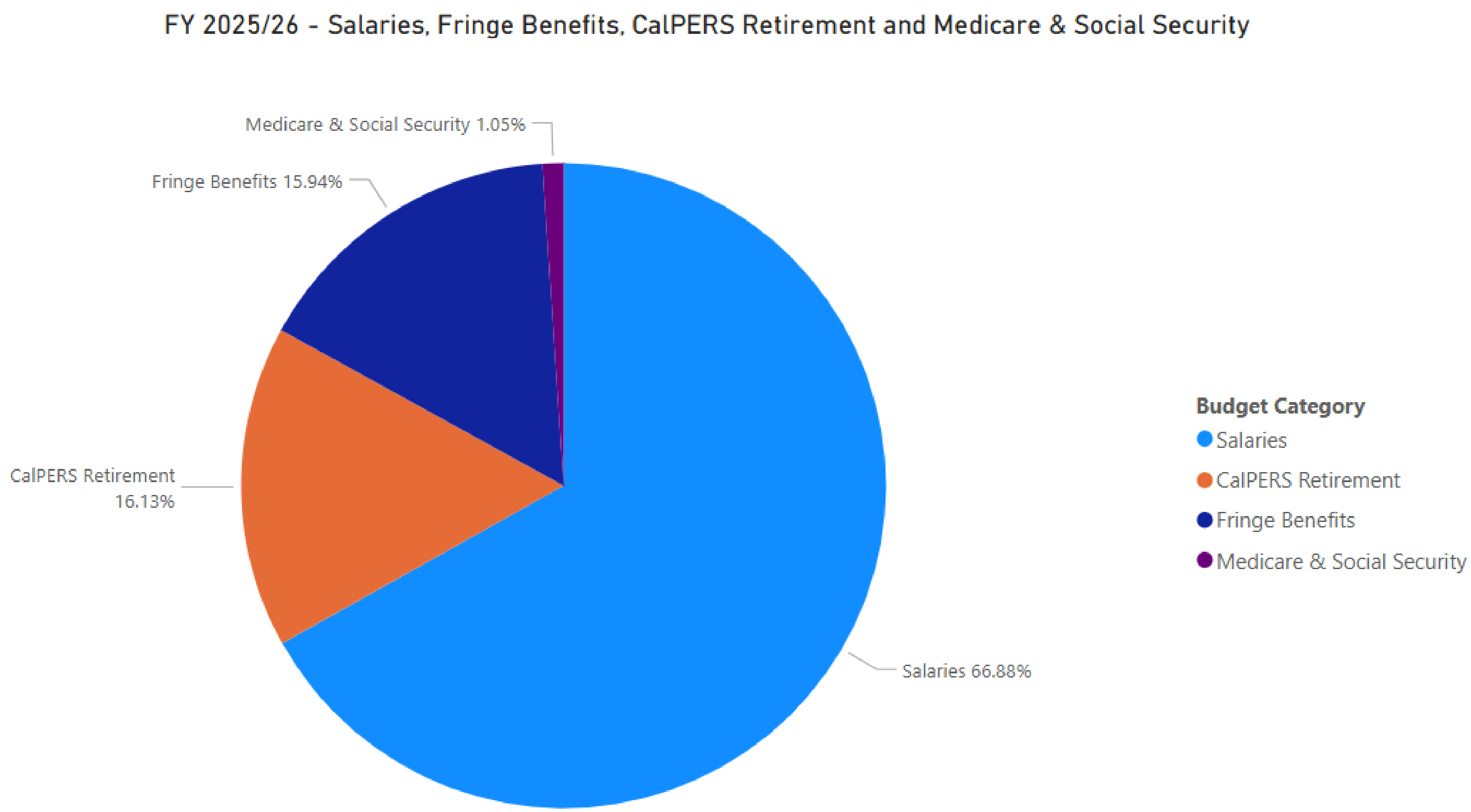
Alameda County Mosquito Abatement District
FY 2025/26

Figure 2: The pie chart illustrates the total expenditures amounting to $5,907,184. Total expenditures increased by 8% from the previous fiscal year.



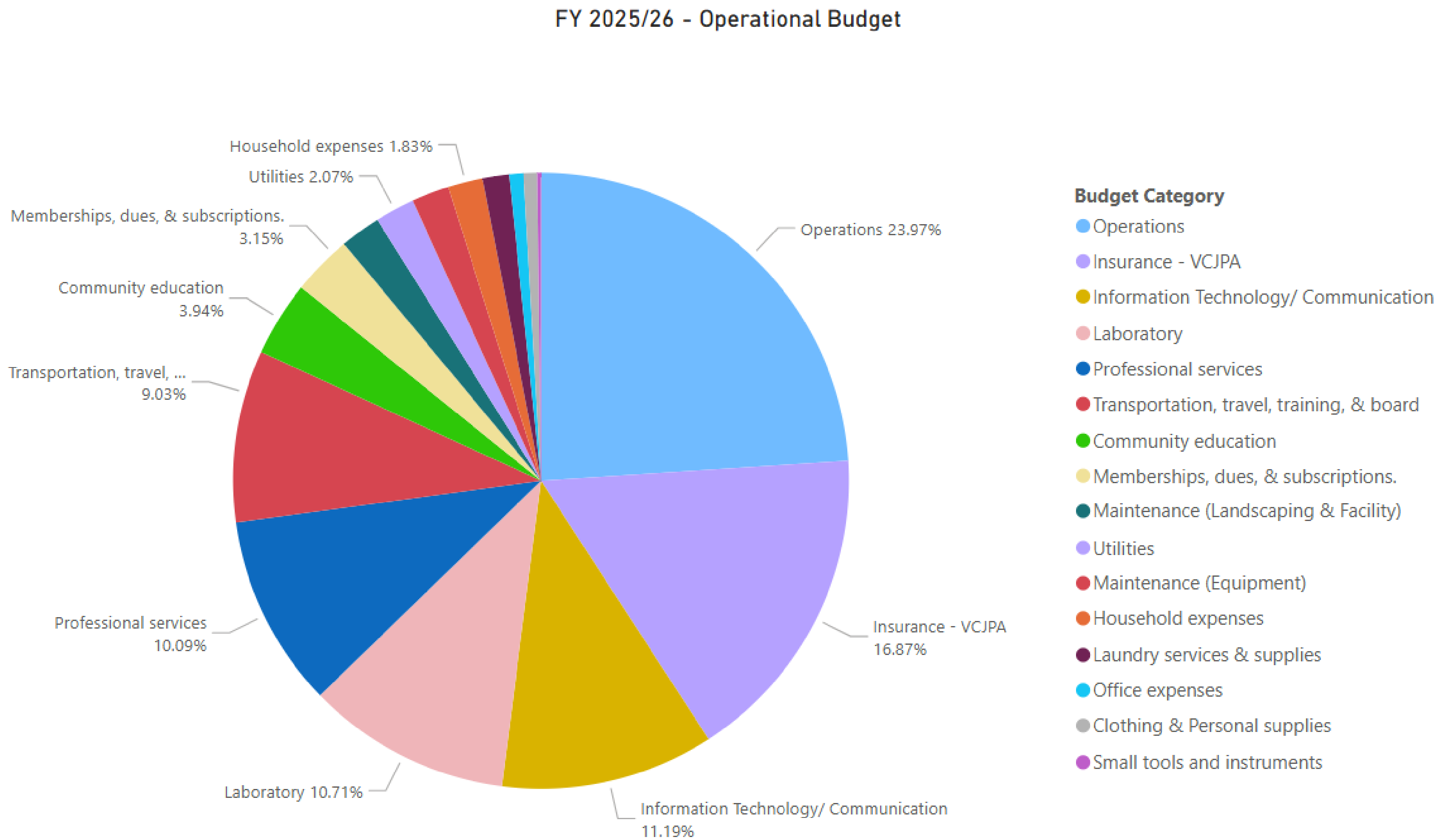
Alameda County Mosquito Abatement District
FY 2025/26

Figure 3: The pie chart below shows the distribution of Salaries ($3,102,362), CalPERS Retirement ($748,174), Fringe Benefits ($739,477), and Medicare & Social Security ($48,758). This indicates an 11% growth compared to the previous fiscal year.



Alameda County Mosquito Abatement District
FY 2025/26

Figure 4: The pie chart below displays the breakdown of the total staff budget, which amounts to $1,268,413. This reflects a 1% decrease from the previous fiscal year.



Alameda County Mosquito Abatement District
FY 2025/26

Figure 5: The chart below outlines the Proposed Reserve Funding for the fiscal year 2025/26.

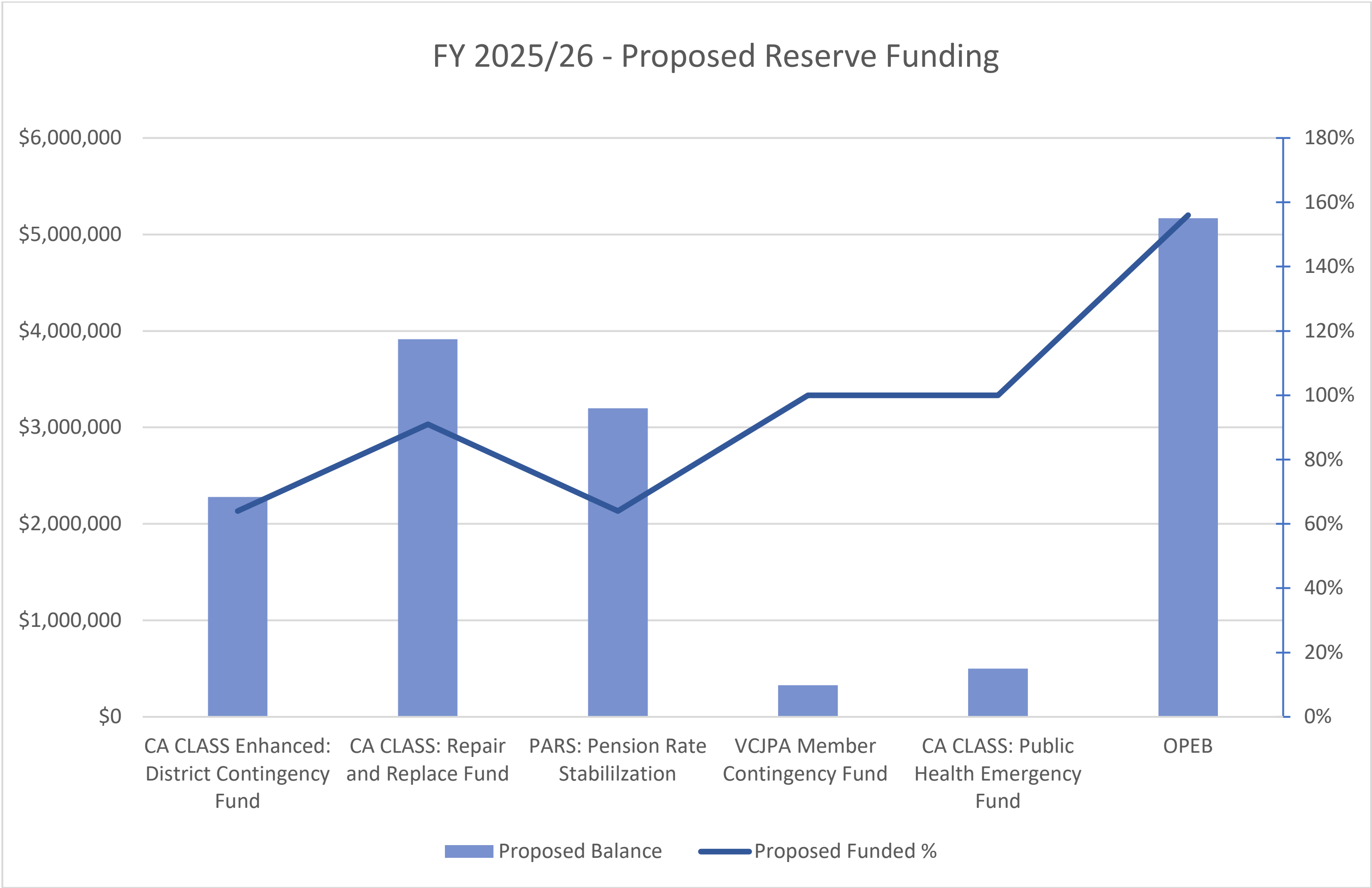
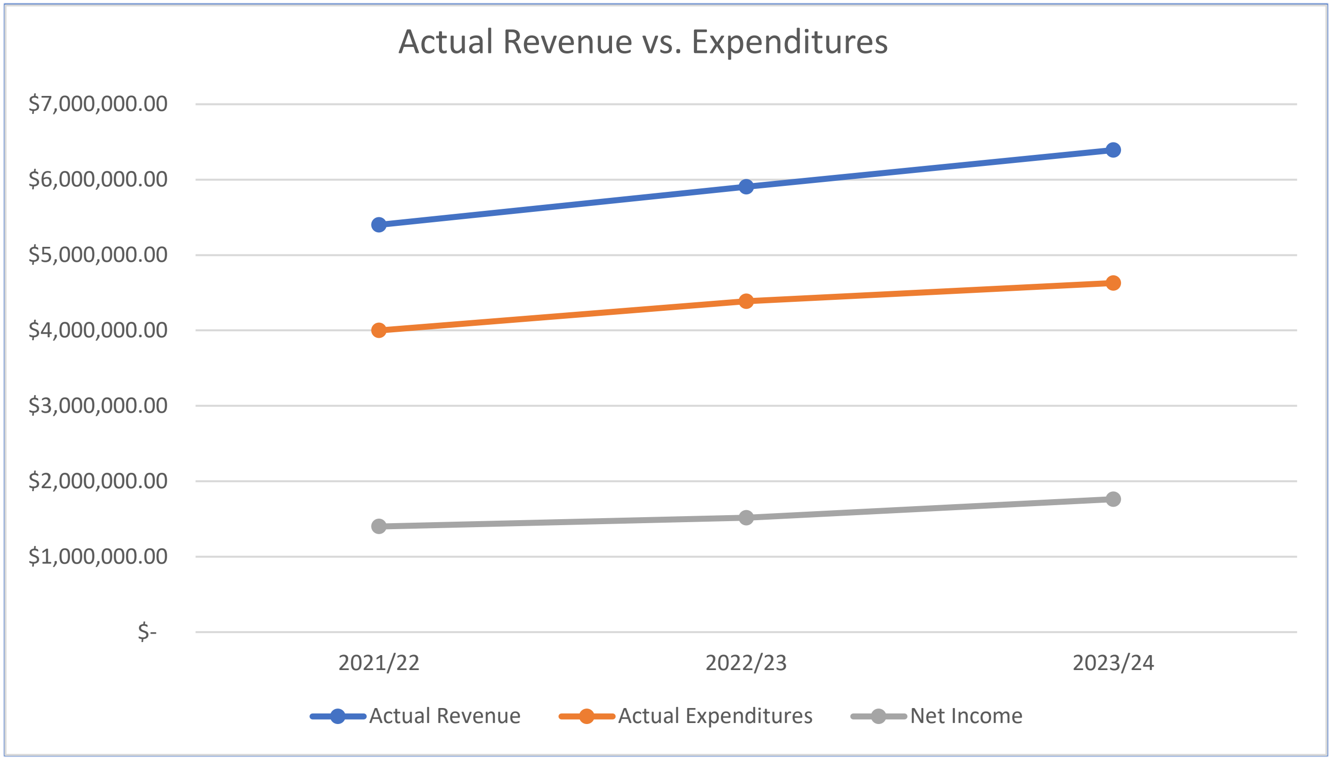


Figure 6: The chart displayed below presents a comparison of actual revenue versus expenditures for the previous three fiscal years.



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Reimbursement from PARS: Pension Stabilization Fund

Background: Since 2018, the District has proactively contributed to the PARS: Pension Stabilization Fund to prepare for anticipated increases in unfunded liability payments, as projected in the annual CalPERS Valuation Reports. As of January 31, 2025, the balance of the restricted PARS Fund stands at $3,056,108. The District had initially planned to deposit $214,942 into the PARS Fund at the end of FY 2025. However, given the rising unfunded liability payments, the District will retain the $214,943 into the Operational Fund.

Furthermore, a new revenue line has been established to account for PARS reimbursements, aligning with the existing process for OPEB reimbursements and future VCJPA: Member Contingency Fund reimbursements. This will be the first time the District utilizes these funds, which earned $197,665 in interest during FY 2023/24.

Recommendation: Staff recommends reimbursing the District $214,943 from the PARS: Pension Stabilization Fund, following the established process for OPEB reimbursements. This will allow the funds to remain in the Operational Fund to help cover the increasing unfunded liability payments.

Additionally, a newly established revenue line for PARS reimbursements will remain in the budget. This will enhance financial tracking and transparency, aligning with the District's approach to managing OPEB and future VCJPA Member Contingency Fund reimbursements. Staff will continue to monitor liability projections and funding needs to determine when future reimbursements are necessary. The next CalPERS Valuation Report, which will provide updated projections on unfunded liabilities, is expected to be available in August 2025.

Attachments:

- Valuation Report - As of June 30, 2023 – Classic Plan
- Valuation Report – As of June 30, 2023 – PEPRA Plan

California Public Employees' Retirement System
Actuarial Office
400 Q Street, Sacramento, CA 95811 | Phone: (916) 795-3000 | Fax: (916) 795-2744
888 CalPERS (or **888**-225-7377) | TTY: (877) 249-7442 | **www.calpers.ca.gov**

July 2024

Miscellaneous Plan of the Alameda County Mosquito Abatement District (CalPERS ID: 5854416969)
Annual Valuation Report as of June 30, 2023

Dear Employer,

Attached to this letter is Section 1 of the June 30, 2023 actuarial valuation report for the rate plan noted above. **Provided in this report is the determination of the minimum required employer contributions for fiscal year (FY) 2025-26**. In addition, the report contains important information regarding the current financial status of the plan as well as projections and risk measures to aid in planning for the future.

Because this plan is in a risk pool, the following valuation report has been separated into two sections:

- Section 1 contains specific information for the plan including the development of the current and projected employer contributions, and
- Section 2 contains the Risk Pool Actuarial Valuation appropriate to the plan as of June 30, 2023.

Section 2 can be found on the CalPERS website (www.calpers.ca.gov). From the home page, go to *"Forms & Publications*" and select *"View All*". In the search box, enter *"Risk Pool*" and from the results list download the Miscellaneous Risk Pool Actuarial Valuation Report for June 30, 2023.

Required Contributions

The table below shows the minimum required employer contributions for FY 2025-26 along with an estimate of the employer contribution requirements for FY 2026-27. Employee contributions other than cost sharing (whether paid by the employer or the employee) are in addition to the results shown below. **The required employer contributions in this report do not reflect any cost sharing arrangement between the agency and the employees.**

Fiscal Year	Employer Normal Cost Rate	Employer Amortization of Unfunded Accrued Liability
2025-26	13.38%	$418,315
Projected Results		
2026-27	*13.4%*	*$449,000*

The actual investment return for FY 2023-24 was not known at the time this report was prepared. The projections above assume the investment return for that year would be 6.8%. To the extent the actual investment return for FY 2023-24 differs from 6.8%, the actual contribution requirements for FY 2026-27 will differ from those shown above. For additional details regarding the assumptions and methods used for these projections, please refer to Projected Employer Contributions. This section also contains projected required contributions through FY 2030-31.

Report Enhancements

A number of enhancements were made to the report this year to ease navigation and allow the reader to find specific information more quickly. The tables of contents are now "clickable." This is true for the main table of contents that follows the title page and the intermediate tables of contents at the beginning of sections. The Adobe navigation pane on the left can also be used to skip to specific exhibits.

There are a number of links throughout the document in blue text. Links that are internal to the document are not underlined, while underlined links will take you to the CalPERS website. Examples are shown below.

Internal Bookmarks	CalPERS Website Links
Required Employer Contributions	Required Employer Contribution Search Tool
Member Contribution Rates	Public Agency PEPRA Member Contribution Rates
Summary of Key Valuation Results	Pension Outlook Overview
Funded Status – Funding Policy Basis	Interactive Summary of Public Agency Valuation Results
Projected Employer Contributions	Public Agency Actuarial Valuation Reports

Further descriptions of general changes are included in the Highlights and Executive Summary section and in Appendix A - Actuarial Methods and Assumptions in Section 2.

Questions

A CalPERS actuary is available to answer questions about this report. Other questions may be directed to the Customer Contact Center at **888 CalPERS** (or **888**-225-7377).

Sincerely,

Eddie W. Lee, ASA, EA, FCA, MAAA
Senior Actuary, CalPERS

Randall Dziubek, ASA, MAAA
Deputy Chief Actuary, Valuation Services, CalPERS

Scott Terando, ASA, EA, MAAA, FCA, CFA
Chief Actuary, CalPERS

California Public Employees' Retirement System

Actuarial Valuation for the Miscellaneous Plan of the Alameda County Mosquito Abatement District

as of June 30, 2023

(CalPERS ID: 5854416969)
(Rate Plan ID: 111)

Required Contributions for Fiscal Year

July 1, 2025 — June 30, 2026

CalPERS

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Section 1

California Public Employees' Retirement System

Plan Specific Information for the Miscellaneous Plan of the Alameda County Mosquito Abatement District

(CalPERS ID: 5854416969)
(Rate Plan ID: 111)

Table of Contents — Section 1

Actuarial Certification

It is our opinion that the valuation has been performed in accordance with generally accepted actuarial principles as well as the applicable Standards of Practice promulgated by the Actuarial Standards Board. While this report, consisting of Section 1 and Section 2, is intended to be complete, our office is available to answer questions as needed. All of the undersigned are actuaries who satisfy the *Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States* of the American Academy of Actuaries with regard to pensions.

Actuarial Methods and Assumptions

It is our opinion that the assumptions and methods, as recommended by the Chief Actuary and adopted by the CalPERS Board of Administration, are internally consistent and reasonable for this plan.

Randall Dziubek, ASA, MAAA
Deputy Chief Actuary, Valuation Services, CalPERS

Scott Terando, ASA, EA, MAAA, FCA, CFA
Chief Actuary, CalPERS

Actuarial Data and Rate Plan Results

To the best of my knowledge and having relied upon the attestation above that the actuarial methods and assumptions are reasonable as well as the information in Section 2 of this report, this report is complete and accurate and contains sufficient information to disclose, fully and fairly, the funded condition of the Miscellaneous Plan of the Alameda County Mosquito Abatement District and satisfies the actuarial valuation requirements of Government Code section 7504. This valuation and related validation work was performed by the CalPERS Actuarial Office. The valuation was based on the member and financial data as of June 30, 2023, provided by the various CalPERS databases and the benefits under this plan with CalPERS as of the date this report was produced. Section 1 of this report is based on the member and financial data for Alameda County Mosquito Abatement District, while Section 2 is based on the corresponding information for all agencies participating in the Miscellaneous Risk Pool to which the plan belongs.

Eddie W. Lee, ASA, EA, FCA, MAAA
Senior Actuary, CalPERS

Highlights and Executive Summary

Introduction

This report presents the results of the June 30, 2023, actuarial valuation of the Miscellaneous Plan of the Alameda County Mosquito Abatement District of the California Public Employees' Retirement System (CalPERS). This actuarial valuation sets the minimum required contributions for fiscal year (FY) 2025-26.

Purpose of Section 1

This Section 1 report for the Miscellaneous Plan of the Alameda County Mosquito Abatement District of CalPERS was prepared by the Actuarial Office using data as of June 30, 2023. The purpose of the valuation is to:

- Set forth the assets and accrued liabilities of this rate plan as of June 30, 2023;
- Determine the minimum required employer contributions for this rate plan for FY July 1, 2025, through June 30, 2026;
- Determine the required member contribution rate for FY July 1, 2025, through June 30, 2026, for employees subject to the California Public Employees' Pension Reform Act of 2013 (PEPRA); and
- Provide actuarial information as of June 30, 2023, to the CalPERS Board of Administration (board) and other interested parties.

The pension funding information presented in this report should not be used in financial reports subject to Governmental Accounting Standards Board (GASB) Statement No. 68 for a Cost Sharing Employer Defined Benefit Pension Plan. A separate accounting valuation report for such purposes is available on the CalPERS website (www.calpers.ca.gov).

The measurements shown in this actuarial valuation may not be applicable for other purposes. The agency should contact a CalPERS actuary before disseminating any portion of this report for any reason that is not explicitly described above.

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; changes in actuarial policies; changes in plan provisions or applicable law; and differences between the required contributions determined by the valuation and the actual contributions made by the agency.

Assessment and Disclosure of Risk

This report includes the following risk disclosures consistent with the guidance of Actuarial Standards of Practice No. 51 and recommended by the California Actuarial Advisory Panel (CAAP) in the Model Disclosure Elements document:

- A "Scenario Test," projecting future results under different investment income returns.
- A "Sensitivity Analysis," showing the impact on current valuation results using alternative discount rates of 5.8% and 7.8%.
- A "Sensitivity Analysis," showing the impact on current valuation results assuming rates of mortality are 10% lower or 10% higher than our current post-retirement mortality assumptions adopted in 2021.
- Plan maturity measures indicating how sensitive a plan may be to the risks noted above.

Summary of Key Valuation Results

Below is a brief summary of key valuation results along with page references where more detailed information can be found.

Required Employer Contributions — page 8

	Fiscal Year 2024-25	Fiscal Year 2025-26
Employer Normal Cost Rate	13.31%	13.38%
Unfunded Accrued Liability (UAL) Contribution Amount	$360,298	$418,315
Paid either as		
Option 1) 12 Monthly Payments of	$30,024.83	$34,859.58
Option 2) Annual Prepayment in July	$348,639	$404,779

Member Contribution Rates — page 9

	Fiscal Year 2024-25	Fiscal Year 2025-26
Member Contribution Rate	7.00%	7.00%

Projected Employer Contributions — page 14

Fiscal Year	Normal Cost (% of payroll)	Annual UAL Payment
2026-27	13.4%	$449,000
2027-28	13.4%	$474,000
2028-29	13.4%	$530,000
2029-30	13.4%	$542,000
2030-31	13.4%	$553,000

Funded Status — Funding Policy Basis — page 12

	June 30, 2022	June 30, 2023
Entry Age Accrued Liability (AL)	$16,275,206	$16,577,965
Market Value of Assets (MVA)	11,605,164	11,559,689
Unfunded Accrued Liability (UAL) [AL – MVA]	$4,670,042	$5,018,276
Funded Ratio [MVA ÷ AL]	71.3%	69.7%

Summary of Valuation Data — Page 27

	June 30, 2022	June 30, 2023
Active Member Count	10	9
Annual Covered Payroll	$1,294,404	$1,237,849
Transferred Member Count	3	3
Separated Member Count	4	4
Retired Members and Beneficiaries Count	20	20

Changes Since the Prior Year's Valuation

Benefits

The standard actuarial practice at CalPERS is to recognize mandated legislative benefit changes in the first annual valuation following the effective date of the legislation. For pooled rate plans, voluntary benefit changes by plan amendment are generally included in the first valuation with a valuation date on or after the effective date of the amendment.

Please refer to the Plan's Major Benefit Options in this report and Appendix B of the Section 2 Report for a summary of the plan provisions used in this valuation.

Actuarial Methods and Assumptions

There are no significant changes to the actuarial methods or assumptions for the June 30, 2023, actuarial valuation.

New Disclosure Items

In December 2021, the Actuarial Standards Board issued a revision of Actuarial Standard of Practice No. 4 (ASOP 4) requiring actuaries to disclose a low-default-risk obligation measure (LDROM) of the benefits earned. This information is shown in a new exhibit, Funded Status – Low-Default-Risk Basis.

Subsequent Events

This actuarial valuation report reflects fund investment return through June 30, 2023, as well as statutory changes, regulatory changes and board actions through January 2024.

During the time period between the valuation date and the publication of this report, inflation has been higher than the expected inflation of 2.3% per annum. Since inflation influences cost-of-living increases for retirees and beneficiaries and active member pay increases, higher inflation is likely to put at least some upward pressure on contribution requirements and downward pressure on the funded status in the June 30, 2024, valuation. The actual impact of higher inflation on future valuation results will depend on, among other factors, how long higher inflation persists.

The 2023 annual benefit limit under Internal Revenue Code (IRC) section 415(b) and annual compensation limits under IRC section 401(a)(17) and Government Code section 7522.10 were used for this valuation and are assumed to increase 2.3% per year based on the price inflation assumption. The actual 2024 limits, determined in October 2023, are not reflected.

On April 16, 2024, the board took action to modify the Funding Risk Mitigation Policy to remove the automatic change to the discount rate when the investment return exceeds various thresholds. Rather than an automatic change to the discount rate, a board discussion would be placed on the calendar. The 95th percentile return in the Future Investment Return Scenarios exhibit in this report has not been modified and still reflects the projected contribution requirements associated with a reduction in the discount rate.

To the best of our knowledge, there have been no other subsequent events that could materially affect current or future certifications rendered in this report.

Liabilities and Contributions

Determination of Required Contributions

Contributions to fund the plan are determined by an actuarial valuation performed each year. The valuation employs complex calculations based on a set of actuarial assumptions and methods. See Appendix A in Section 2 for information on the assumptions and methods used in this valuation. The valuation incorporates all plan experience through the valuation date and sets required contributions for the fiscal year that begins two years after the valuation date.

Contribution Components

Two components comprise required contributions:

- Normal Cost — expressed as a percentage of pensionable payroll
- Unfunded Accrued Liability (UAL) Contribution — expressed as a dollar amount

Normal Cost represents the value of benefits allocated to the upcoming year for active employees. If all plan experience exactly matched the actuarial assumptions, normal cost would be sufficient to fully fund all benefits. The employer and employees each pay a share of the normal cost with contributions payable as part of the regular payroll reporting process. The contribution rate for Classic members is set by statute based on benefit formula whereas for PEPRA members it is based on 50% of the total normal cost.

When plan experience differs from the actuarial assumptions, unfunded accrued liability (UAL) emerges. The new UAL may be positive or negative. If the total UAL is positive (i.e., accrued liability exceeds assets), the employer is required to make contributions to pay off the UAL over time. This is called the Unfunded Accrued Liability Contribution component. There is an option to prepay this amount during July of each fiscal year, otherwise it is paid monthly.

In measuring the UAL each year, plan experience is split by source. Common sources of UAL include investment experience different than expected, non-investment experience different than expected, assumption changes and benefit changes. Each source of UAL (positive or negative) forms a base that is amortized, or paid off, over a specified period of time in accordance with the CalPERS Actuarial Amortization Policy. The Unfunded Accrued Liability Contribution is the sum of the payments on all bases. See the Schedule of Amortization Bases section of this report for an inventory of existing bases and Appendix A in Section 2 for more information on the amortization policy.

Required Employer Contributions

The required employer contributions in this report do not reflect any cost sharing arrangement between the agency and the employees.

Required Employer Contributions	Fiscal Year 2025-26
Employer Normal Cost Rate	**13.38%**
Plus	
Unfunded Accrued Liability (UAL) Contribution Amount[1]	**$418,315**
Paid either as	
1) Monthly Payment	**$34,859.58**
Or	
2) Annual Prepayment Option*	**$404,779**

The total minimum required employer contribution is the sum of the Plan's Employer Normal Cost Rate (expressed as a percentage of payroll and paid as payroll is reported) and the Unfunded Accrued Liability (UAL) Contribution Amount (billed monthly (1) or prepaid annually (2) in dollars).

* Only the UAL portion of the employer contribution can be prepaid **(which must be received in full no later than July 31)**.

For Member Contribution Rates see the following page.

Development of Normal Cost as a Percentage of Payroll	Fiscal Year 2024-25	Fiscal Year 2025-26
Base Total Normal Cost for Formula	18.81%	18.87%
Surcharge for Class 1 Benefits[2]		
a) FAC 1	0.64%	0.64%
b) PRSA	0.79%	0.80%
Plan's Total Normal Cost	20.24%	20.31%
Offset Due to Employee Contributions[3]	6.93%	6.93%
Employer Normal Cost	13.31%	13.38%

[1] The required payment on amortization bases does not take into account any additional discretionary payment made after April 30, 2024.

[2] Section 2 of this report contains a list of Class 1 benefits and corresponding surcharges.

[3] This is the expected employee contributions, taking into account individual benefit formula and any offset from the use of a modified formula, divided by projected annual payroll. For member contribution rates above the breakpoint for each benefit formula, see Member Contribution Rates.

Member Contribution Rates

The required member contributions in this report do not reflect any cost sharing arrangement between the agency and the employees.

Each member contributes toward their retirement based upon the retirement formula. The standard Classic member contribution rate above the breakpoint, if any, is as described below.

Benefit Formula	Percent Contributed above the Breakpoint
Miscellaneous, 1.5% at age 65	2%
Miscellaneous, 2% at age 60	7%
Miscellaneous, 2% at age 55	7%
Miscellaneous, 2.5% at age 55	8%
Miscellaneous, 2.7% at age 55	8%
Miscellaneous, 3% at age 60	8%

Auxiliary organizations of the CSU system may elect reduced contribution rates for Miscellaneous members, in which case the contribution rate above the breakpoint is 6% if members are not covered by Social Security and 5% if they are.

Other Pooled Miscellaneous Risk Pool Rate Plans

All of the results presented in this Section 1 report, except those shown on this page, correspond to rate plan 111. In many cases, employers have additional rate plans within the same risk pool. For cost analysis and budgeting it is useful to consider contributions for these rate plans as a whole rather than individually. The estimated contribution amounts and rates for all of the employer's rate plans in the Miscellaneous Risk Pool are shown below and assume that the total employer payroll within the Miscellaneous Risk Pool will grow according to the overall payroll growth assumption of 2.80% per year for three years. Classic members who are projected to terminate employment are assumed to be replaced by PEPRA members.

Estimated Employer Contributions for all Pooled Miscellaneous Rate Plans	Fiscal Year 2024-25	Fiscal Year 2025-26
Projected Payroll for the Contribution Year	$2,260,466	$2,386,749
Estimated Employer Normal Cost	$246,533	$257,184
Required Payment on Amortization Bases	$364,247	$426,746
Estimated Total Employer Contributions	$610,780	$683,930
Estimated Total Employer Contribution Rate (illustrative only)	27.02%	28.66%

Breakdown of Entry Age Accrued Liability

Active Members	$5,952,003
Transferred Members	679,469
Separated Members	352,938
Members and Beneficiaries Receiving Payments	9,593,555
Total	$16,577,965

Allocation of Plan's Share of Pool's Experience

It is the policy of CalPERS to ensure equity within the risk pools by allocating the pool's experience gains/losses and assumption changes in a manner that treats each employer equitably and maintains benefit security for the members of the System while minimizing substantial variations in employer contributions. The pool's experience gains/losses and impact of assumption/method changes is allocated to the plan as follows:

1.	Plan's Accrued Liability	$16,577,965
2.	Projected UAL Balance at 6/30/2023	4,687,240
3.	Other UAL Adjustments (Golden Handshake, Prior Service Purchase, etc.)	0
4.	Adjusted UAL Balance at 6/30/2023 for Asset Share	4,687,240
5.	Pool's Accrued Liability[1]	23,349,910,053
6.	Sum of Pool's Individual Plan UAL Balances at 6/30/2023[1]	5,227,602,209
7.	Pool's 2022-23 Investment (Gain)/Loss[1]	114,855,623
8.	Pool's 2022-23 Non-Investment (Gain)/Loss[1]	360,116,330
9.	Plan's Share of Pool's Investment (Gain)/Loss: [(1) - (4)] ÷ [(5) - (6)] × (7)	75,361
10.	Plan's Share of Pool's Non-Investment (Gain)/Loss: (1) ÷ (5) × (8)	255,675
11.	Plan's New (Gain)/Loss as of 6/30/2023: (9) + (10)	331,036
12.	Increase in Pool's Accrued Liability due to Change in Assumptions[1]	0
13.	Plan's Share of Pool's Change in Assumptions: (1) ÷ (5) × (12)	0
14.	Increase in Pool's Accrued Liability due to Funding Risk Mitigation[1]	0
15.	Plan's Share of Pool's Change due to Funding Risk Mitigation: (1) ÷ (5) × (14)	0
16.	Offset due to Funding Risk Mitigation	0
17.	Plan's Investment (Gain)/Loss: (9) – (16)	75,361

[1] Does not include plans that transferred to the pool on the valuation date.

Development of the Plan's Share of Pool's Assets

18.	Plan's UAL: (2) + (3) + (11) + (13) + (15)	$5,018,276
19.	Plan's Share of Pool's Market Value of Assets (MVA): (1) - (18)	$11,559,689

For a reconciliation of the pool's Market Value of Assets (MVA), information on the fund's asset allocation and a history of CalPERS investment returns, see Section 2, which can be found on the CalPERS website (www.calpers.ca.gov).

Funded Status – Funding Policy Basis

The table below provides information on the current funded status of the plan under the funding policy. The funded status for this purpose is based on the market value of assets relative to the funding target produced by the entry age actuarial cost method and actuarial assumptions adopted by the board. The actuarial cost method allocates the total expected cost of a member's projected benefit (Present Value of Benefits) to individual years of service (the Normal Cost). The value of the projected benefit that is not allocated to future service is referred to as the Accrued Liability and is the plan's funding target on the valuation date. The Unfunded Accrued Liability (UAL) equals the funding target minus the assets. The UAL is an absolute measure of funded status and can be viewed as employer debt. The funded ratio equals the assets divided by the funding target. The funded ratio is a relative measure of the funded status and allows for comparisons between plans of different sizes.

	June 30, 2022	June 30, 2023
1. Present Value of Benefits	$18,259,709	$18,476,018
2. Entry Age Accrued Liability	16,275,206	16,577,965
3. Market Value of Assets (MVA)	11,605,164	11,559,689
4. Unfunded Accrued Liability (UAL) [(2) – (3)]	$4,670,042	$5,018,276
5. Funded Ratio [(3) ÷ (2)]	71.3%	69.7%

A funded ratio of 100% (UAL of $0) implies that the funding of the plan is on target and that future contributions equal to the normal cost of the active plan members will be sufficient to fully fund all retirement benefits if future experience matches the actuarial assumptions. A funded ratio of less than 100% (positive UAL) implies that in addition to normal costs, payments toward the UAL will be required. Plans with a funded ratio greater than 100% have a negative UAL (or surplus) but are required under current law to continue contributing the normal cost in most cases, preserving the surplus for future contingencies.

Calculations for the funding target reflect the expected long-term investment return of 6.8%. If it were known on the valuation date that future investment returns will average something greater/less than the expected return, calculated normal costs and accrued liabilities provided in this report would be less/greater than the results shown. Therefore, for example, if actual average future returns are less than the expected return, calculated normal costs and UAL contributions will not be sufficient to fully fund all retirement benefits. Under this scenario, required future normal cost contributions will need to increase from those provided in this report, and the plan will develop unfunded liabilities that will also add to required future contributions. For illustrative purposes, funded statuses based on a 1% lower and higher average future investment return (discount rate) are as follows:

	1% Lower Average Return	Current Assumption	1% Higher Average Return
Discount Rate	5.8%	6.8%	7.8%
1. Entry Age Accrued Liability	$18,691,359	$16,577,965	$14,817,695
2. Market Value of Assets (MVA)	11,559,689	11,559,689	11,559,689
3. Unfunded Accrued Liability (UAL) [(1) – (2)]	$7,131,670	$5,018,276	$3,258,006
4. Funded Ratio [(2) ÷ (1)]	61.8%	69.7%	78.0%

The Risk Analysis section of the report provides additional information regarding the sensitivity of valuation results to the expected investment return and other factors. Also provided in that section are measures of funded status that are appropriate for assessing the sufficiency of plan assets to cover estimated termination liabilities.

Additional Employer Contributions

The minimum required employer contribution towards the Unfunded Accrued Liability (UAL) for this rate plan for FY 2025-26 is $418,315. CalPERS allows agencies to make additional discretionary payments (ADPs) at any time. These optional payments serve to reduce the UAL and future required contributions and can result in significant long-term savings. Agencies can also use ADPs to stabilize annual contributions as a fixed dollar amount, percent of payroll or percent of revenue.

Provided below are select ADP options for consideration. Making such an ADP during FY 2025-26 does not require an ADP be made in any future year, nor does it change the remaining amortization period of any portion of unfunded liability. For information on permanent changes to amortization periods, see Amortization Schedule and Alternatives. Agencies considering making an ADP should contact CalPERS for additional information.

Fiscal Year 2025-26 Employer Contributions — Illustrative Scenarios

Funding Approach	Estimated Normal Cost	Minimum UAL Contribution	ADP[1]	Total UAL Contribution	Estimated Total Contribution
Minimum required only	$156,579	$418,315	0	$418,315	$574,894
20 year funding horizon	$156,579	$418,315	$33,423	$451,738	$608,317
15 year funding horizon	$156,579	$418,315	$108,677	$526,992	$683,571
10 year funding horizon	$156,579	$418,315	$267,401	$685,716	$842,295
5 year funding horizon	$156,579	$418,315	$760,901	$1,179,216	$1,335,795

[1] The ADP amounts are assumed to be made in the middle of the fiscal year. A payment made earlier or later in the fiscal year would have to be less or more than the amount shown to have the same effect on the UAL amortization.

The calculations above are based on the projected UAL as of June 30, 2025, as determined in the June 30, 2023, actuarial valuation. New unfunded liabilities can emerge in future years due to assumption or method changes, changes in plan provisions, and actuarial experience different than assumed. Making an ADP illustrated above for the indicated number of years will not result in a plan that is exactly 100% funded in the indicated number of years. Valuation results will vary from one year to the next and can diverge significantly from projections over a period of several years.

Additional Discretionary Payment History

The following table provides a recent history of actual ADPs made to the plan.

Fiscal Year	ADP	Fiscal Year	ADP
2019-20	$0	2022-23	$0
2020-21	$0	2023-24[2]	$0
2021-22	$0		

[2] Excludes payments made after April 30, 2024

Projected Employer Contributions

The table below shows the required and projected employer contributions (before cost sharing) for the next six fiscal years. The projection assumes that all actuarial assumptions will be realized and that no further changes to assumptions, contributions, benefits, or funding will occur during the projection period. In particular, the investment return beginning with FY 2023-24 is assumed to be 6.80% per year, net of investment and administrative expenses. Future contribution requirements may differ significantly from those shown below. The actual long-term cost of the plan will depend on the actual benefits and expenses paid and the actual investment experience of the fund.

	Required Contribution	**Projected Future Employer Contributions (Assumes 6.80% Return for Fiscal Year 2023-24 and Beyond)**				
Fiscal Year	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31
	Rate Plan 111 Results					
Normal Cost %	13.38%	13.4%	13.4%	13.4%	13.4%	13.4%
UAL Payment	$418,315	$449,000	$474,000	$530,000	$542,000	$553,000

For ongoing plans, investment gains and losses are amortized using a 5-year ramp up. For more information, please see Amortization of Unfunded Actuarial Accrued Liability in Appendix A of the Section 2 Report. This method phases in the impact of the change in UAL over a 5-year period in order to reduce employer cost volatility from year to year. As a result of this methodology, dramatic changes in the required employer contributions in any one year are less likely. However, required contributions can change gradually and significantly over the next five years. In years when there is a large investment loss, the relatively small amortization payments during the ramp up period could result in contributions that are less than interest on the UAL (i.e. negative amortization) while the contribution impact of the increase in the UAL is phased in.

For projected contributions under alternate investment return scenarios, please see the Future Investment Return Scenarios exhibit. Our online pension plan projection tool, Pension Outlook, is available in the Employers section of the CalPERS website. Pension Outlook can help plan and budget pension costs under various scenarios.

Schedule of Amortization Bases

Below is the schedule of the plan's amortization bases. Note that there is a two-year lag between the valuation date and the start of the contribution year.

- The assets, liabilities and funded status of the plan are measured as of the valuation date: June 30, 2023.
- The required employer contributions determined by the valuation are for the fiscal year beginning two years after the valuation date: FY 2025-26.

This two-year lag is necessary due to the amount of time needed to extract and test the membership and financial data, and the need to provide public agencies with their required employer contribution well in advance of the start of the fiscal year.

The Unfunded Accrued Liability (UAL) is used to determine the employer contribution and therefore must be rolled forward two years from the valuation date to the first day of the fiscal year for which the contribution is being determined. The UAL is rolled forward each year by subtracting the expected payment on the UAL for the fiscal year and adjusting for interest. The expected payment on the UAL for FY 2023-24 is based on the actuarial valuation two years ago, adjusted for additional discretionary payments made on or before April 30, 2024, if necessary, and the expected payment for FY 2024-25 is based on the actuarial valuation one year ago.

Reason for Base	Date Est.	Ramp Level 2025-26	Ramp Shape	Escala-tion Rate	Amort. Period	Balance 6/30/23	Expected Payment 2023-24	Balance 6/30/24	Expected Payment 2024-25	Balance 6/30/25	Minimum Required Payment 2025-26
Investment (Gain)/Loss	6/30/13	100%	Up/Dn	2.80%	20	1,391,357	100,988	1,381,604	103,816	1,368,265	106,722
Non-Investment (Gain)/Loss	6/30/13	100%	Up/Dn	2.80%	20	(13,378)	(971)	(13,284)	(998)	(13,156)	(1,026)
Share of Pre-2013 Pool UAL	6/30/13	No Ramp		2.80%	12	672,923	62,915	653,663	64,676	631,273	66,487
Assumption Change	6/30/14	100%	Up/Dn	2.80%	11	577,538	65,376	549,248	67,207	517,142	69,088
Investment (Gain)/Loss	6/30/14	100%	Up/Dn	2.80%	21	(1,087,156)	(76,404)	(1,082,124)	(78,543)	(1,074,539)	(80,742)
Non-Investment (Gain)/Loss	6/30/14	100%	Up/Dn	2.80%	21	1,169	82	1,164	84	1,156	87
Investment (Gain)/Loss	6/30/15	100%	Up/Dn	2.80%	22	680,515	46,408	678,830	47,707	675,688	49,043
Non-Investment (Gain)/Loss	6/30/15	100%	Up/Dn	2.80%	22	(54,612)	(3,724)	(54,477)	(3,829)	(54,224)	(3,936)
Assumption Change	6/30/16	100%	Up/Dn	2.80%	13	233,847	23,190	225,783	23,840	216,499	24,507
Investment (Gain)/Loss	6/30/16	100%	Up/Dn	2.80%	23	840,134	55,704	839,696	57,263	837,617	58,867
Non-Investment (Gain)/Loss	6/30/16	100%	Up/Dn	2.80%	23	(102,969)	(6,827)	(102,916)	(7,018)	(102,662)	(7,215)
Assumption Change	6/30/17	100%	Up/Dn	2.80%	14	279,778	26,212	271,714	26,946	262,343	27,700
Investment (Gain)/Loss	6/30/17	100%	Up/Dn	2.80%	24	(450,169)	(29,071)	(450,737)	(29,885)	(450,503)	(30,722)
Non-Investment (Gain)/Loss	6/30/17	100%	Up/Dn	2.80%	24	(22,649)	(1,463)	(22,677)	(1,504)	(22,665)	(1,546)
Assumption Change	6/30/18	100%	Up/Dn	2.80%	15	468,748	33,942	465,546	43,616	452,129	44,837
Investment (Gain)/Loss	6/30/18	100%	Up/Dn	2.80%	25	(138,686)	(7,076)	(140,804)	(9,093)	(140,982)	(9,348)
Method Change	6/30/18	100%	Up/Dn	2.80%	15	129,188	9,355	128,305	12,021	124,607	12,357
Non-Investment (Gain)/Loss	6/30/18	100%	Up/Dn	2.80%	25	67,755	3,457	68,790	4,442	68,877	4,567
Investment (Gain)/Loss	6/30/19	100%	Up Only	0.00%	16	62,517	3,759	62,883	5,012	61,979	6,265
Non-Investment (Gain)/Loss	6/30/19	No Ramp		0.00%	16	58,360	5,533	56,610	5,533	54,741	5,533

Schedule of Amortization Bases (continued)

Reason for Base	Date Est.	Ramp Level 2025-26	Ramp Shape	Escala-tion Rate	Amort. Period	Balance 6/30/23	Expected Payment 2023-24	Balance 6/30/24	Expected Payment 2024-25	Balance 6/30/25	Minimum Required Payment 2025-26
Investment (Gain)/Loss	6/30/20	80%	Up Only	0.00%	17	299,152	12,297	306,786	18,446	308,585	24,595
Non-Investment (Gain)/Loss	6/30/20		No Ramp	0.00%	17	50,646	4,671	49,263	4,671	47,786	4,671
Assumption Change	6/30/21		No Ramp	0.00%	18	71,736	6,451	69,947	6,451	68,037	6,451
Net Investment (Gain)	6/30/21	60%	Up Only	0.00%	18	(1,450,106)	(31,170)	(1,516,501)	(62,339)	(1,555,199)	(93,509)
Non-Investment (Gain)/Loss	6/30/21		No Ramp	0.00%	18	(71,411)	(6,422)	(69,630)	(6,421)	(67,729)	(6,422)
Risk Mitigation	6/30/21		No Ramp	0.00%	0	441,329	456,087	0	0	0	0
Risk Mitigation Offset	6/30/21		No Ramp	0.00%	0	(441,329)	(456,087)	0	0	0	0
Investment (Gain)/Loss	6/30/22	40%	Up Only	0.00%	19	1,948,729	0	2,081,243	44,736	2,176,536	89,471
Non-Investment (Gain)/Loss	6/30/22		No Ramp	0.00%	19	244,284	0	260,895	23,461	254,390	23,461
Investment (Gain)/Loss	6/30/23	20%	Up Only	0.00%	20	75,361	0	80,486	0	85,959	1,848
Non-Investment (Gain)/Loss	6/30/23		No Ramp	0.00%	20	255,675	0	273,061	0	291,629	26,224
Total						**5,018,276**	**297,212**	**5,052,367**	**360,298**	**5,023,579**	**418,315**

The (gain)/loss bases are the plan's allocated share of the risk pool's (gain)/loss for the fiscal year as disclosed in Allocation of Plan's Share of Pool's Experience earlier in this report. These (gain)/loss bases will be amortized in accordance with the CalPERS amortization policy in effect at the time the base was established.

Amortization Schedule and Alternatives

The amortization schedule on the previous page(s) shows the minimum contributions required according to the CalPERS amortization policy. Many agencies have expressed a desire for a more stable pattern of payments or have indicated interest in paying off the unfunded accrued liabilities more quickly than required. As such, we have provided alternative amortization schedules to help analyze the current amortization schedule and illustrate the potential savings of accelerating unfunded liability payments.

Shown on the following page are future year amortization payments based on 1) the current amortization schedule reflecting the individual bases and remaining periods shown on the previous page, and 2) alternative "fresh start" amortization schedules using two sample periods that would both result in interest savings relative to the current amortization schedule. To initiate a fresh start, please contact a CalPERS actuary.

The current amortization schedule typically contains both positive and negative bases. Positive bases result from plan changes, assumption changes, method changes or plan experience that increase unfunded liability. Negative bases result from plan changes, assumption changes, method changes, or plan experience that decrease unfunded liability. The combination of positive and negative bases within an amortization schedule can result in unusual or problematic circumstances in future years, such as:

- When a negative payment would be required on a positive unfunded actuarial liability; or
- When the payment would completely amortize the total unfunded liability in a very short time period, and results in a large change in the employer contribution requirement.

In any year when one of the above scenarios occurs, the actuary will consider corrective action such as replacing the existing unfunded liability bases with a single "fresh start" base and amortizing it over an appropriate period.

The current amortization schedule on the following page may appear to show that, based on the current amortization bases, one of the above scenarios will occur at some point in the future. It is impossible to know today whether such a scenario will in fact arise since there will be additional bases added to the amortization schedule in each future year. Should such a scenario arise in any future year, the actuary will take appropriate action based on guidelines in the CalPERS Actuarial Amortization Policy.

Amortization Schedule and Alternatives (continued)

			Alternative Schedules			
	Current Amortization Schedule		15 Year Amortization		10 Year Amortization	
Date	**Balance**	**Payment**	**Balance**	**Payment**	**Balance**	**Payment**
6/30/2025	5,023,579	418,315	5,023,579	526,992	5,023,579	685,716
6/30/2026	4,932,874	449,112	4,820,567	526,992	4,656,535	685,715
6/30/2027	4,804,179	474,017	4,603,750	526,992	4,264,533	685,716
6/30/2028	4,640,992	530,356	4,372,190	526,992	3,845,874	685,715
6/30/2029	4,408,489	542,229	4,124,884	526,992	3,398,748	685,716
6/30/2030	4,147,906	552,543	3,860,761	526,992	2,921,216	685,715
6/30/2031	3,858,942	563,143	3,578,678	526,992	2,411,213	685,716
6/30/2032	3,539,375	557,271	3,277,413	526,992	1,866,529	685,716
6/30/2033	3,204,142	550,773	2,955,662	526,991	1,284,806	685,715
6/30/2034	2,852,835	537,322	2,612,033	526,992	663,527	685,716
6/30/2035	2,491,535	515,522	2,245,036	526,991		
6/30/2036	2,128,196	476,712	1,853,084	526,991		
6/30/2037	1,780,259	362,104	1,434,480	526,992		
6/30/2038	1,527,102	336,036	987,410	526,992		
6/30/2039	1,283,672	315,583	509,939	526,992		
6/30/2040	1,044,826	302,240				
6/30/2041	803,526	261,148				
6/30/2042	588,285	220,496				
6/30/2043	400,420	355,879				
6/30/2044	59,869	61,871				
6/30/2045						
6/30/2046						
6/30/2047						
6/30/2048						
6/30/2049						
Total		**8,382,672**		**7,904,877**		**6,857,156**
Interest Paid		**3,359,093**		**2,881,298**		**1,833,577**
Estimated Savings				**477,795**		**1,525,516**

Employer Contribution History

The table below provides a recent history of the employer contribution requirements for the plan, as determined by the annual actuarial valuation. Changes due to prepayments or plan amendments after the valuation report was finalized are not reflected.

Valuation Date	Contribution Year	Employer Normal Cost Rate	Unfunded Liability Payment
06/30/2014	2016 - 17	9.558%	$101,476
06/30/2015	2017 - 18	9.599%	127,933
06/30/2016	2018 - 19	10.152%	151,625
06/30/2017	2019 - 20	10.868%	192,789
06/30/2018	2020 - 21	11.746%	223,400
06/30/2019	2021 - 22	11.60%	267,426
06/30/2020	2022 - 23	11.61%	310,190
06/30/2021	2023 - 24	13.26%	297,212
06/30/2022	2024 - 25	13.31%	360,298
06/30/2023	2025 - 26	13.38%	418,315

Funding History

The table below shows the recent history of the actuarial accrued liability, share of the pool's market value of assets, unfunded accrued liability, funded ratio and annual covered payroll.

Valuation Date	Accrued Liability (AL)	Share of Pool's Market Value of Assets (MVA)	Unfunded Accrued Liability (UAL)	Funded Ratio	Annual Covered Payroll
06/30/2014	$11,279,511	$9,569,301	$1,710,210	84.8%	$1,363,267
06/30/2015	11,663,490	9,392,360	2,271,130	80.5%	897,921
06/30/2016	12,080,425	9,177,513	2,902,912	76.0%	986,978
06/30/2017	12,861,499	9,978,719	2,882,780	77.6%	955,435
06/30/2018	13,785,793	10,392,461	3,393,332	75.4%	1,100,635
06/30/2019	13,968,713	10,373,669	3,595,044	74.3%	1,139,768
06/30/2020	14,550,670	10,598,648	3,952,022	72.8%	1,195,979
06/30/2021	15,484,380	12,793,951	2,690,429	82.6%	1,242,135
06/30/2022	16,275,206	11,605,164	4,670,042	71.3%	1,294,404
06/30/2023	16,577,965	11,559,689	5,018,276	69.7%	1,237,849

Risk Analysis

Future Investment Return Scenarios

Analysis using the investment return scenarios from the Asset Liability Management process completed in 2021 was performed to determine the effects of various future investment returns on required employer contributions. The projections below reflect the impact of the CalPERS Funding Risk Mitigation Policy. The projections also assume that all other actuarial assumptions will be realized and that no further changes in assumptions, contributions, benefits, or funding will occur.

The first table shows projected contribution requirements if the fund were to earn either 3.0% or 10.8% annually. These alternate investment returns were chosen because 90% of long-term average returns are expected to fall between them over the 20-year period ending June 30, 2043.

Assumed Annual Return FY 2023-24 through FY 2042-43	Projected Employer Contributions				
	2026-27	2027-28	2028-29	2029-30	2030-31
3.0% (5th percentile)					
Discount Rate	6.80%	6.80%	6.80%	6.80%	6.80%
Normal Cost Rate	13.4%	13.4%	13.4%	13.4%	13.4%
UAL Contribution	$460,000	$506,000	$596,000	$652,000	$719,000
10.8% (95th percentile)					
Discount Rate	6.75%	6.70%	6.65%	6.60%	6.55%
Normal Cost Rate	13.6%	13.9%	14.2%	14.4%	14.7%
UAL Contribution	$439,000	$443,000	$468,000	$436,000	$389,000

Required contributions outside of this range are also possible. In particular, whereas it is unlikely that investment returns will average less than 3.0% or greater than 10.8% over a 20-year period, the likelihood of a single investment return less than 3.0% or greater than 10.8% in any given year is much greater. The following analysis illustrates the effect of an extreme, single year investment return.

The portfolio has an expected volatility (or standard deviation) of 12.0% per year. Accordingly, in any given year there is a 16% probability that the annual return will be -5.2% or less and a 2.5% probability that the annual return will be -17.2% or less. These returns represent one and two standard deviations below the expected return of 6.8%.

The following table shows the effect of one and two standard deviation investment losses in FY 2023-24 on the FY 2026-27 contribution requirements. Note that a single-year investment gain or loss decreases or increases the required UAL contribution amount incrementally for each of the next five years, not just one, due to the 5-year ramp in the amortization policy. However, the contribution requirements beyond the first year are also impacted by investment returns beyond the first year. Historically, significant downturns in the market are often followed by higher than average returns. Such investment gains would offset the impact of these single year negative returns in years beyond FY 2026-27.

Assumed Annual Return for Fiscal Year 2023-24	Required Employer Contributions	Projected Employer Contributions
	2025-26	2026-27
(17.2%) (2 standard deviation loss)		
Discount Rate	6.80%	6.80%
Normal Cost Rate	13.38%	13.4%
UAL Contribution	$418,315	$517,000
(5.2%) (1 standard deviation loss)		
Discount Rate	6.80%	6.80%
Normal Cost Rate	13.38%	13.4%
UAL Contribution	$418,315	$483,000

- Without investment gains (returns higher than 6.8%) in FY 2024-25 or later, projected contributions rates would continue to rise over the next four years due to the continued phase-in of the impact of the illustrated investment loss in FY 2023-24.
- The Pension Outlook Tool can be used to model projected contributions for these scenarios beyond FY 2026-27 as well as to model other investment return scenarios.

Discount Rate Sensitivity

The discount rate assumption is calculated as the sum of the assumed real rate of return and the assumed annual price inflation, currently 4.5% and 2.3%, respectively. Changing either the price inflation assumption or the real rate of return assumption will change the discount rate. The sensitivity of the valuation results to the discount rate assumption depends on which component of the discount rate is changed. Shown below are various valuation results as of June 30, 2023, assuming alternate discount rates by changing the two components independently. Results are shown using the current discount rate of 6.8% as well as alternate discount rates of 5.8% and 7.8%. The rates of 5.8% and 7.8% were selected since they illustrate the impact of a 1.0% increase or decrease to the 6.8% assumption.

Sensitivity to the Real Rate of Return Assumption

As of June 30, 2023	1% Lower Real Return Rate	Current Assumptions	1% Higher Real Return Rate
Discount Rate	**5.8%**	**6.8%**	**7.8%**
Price Inflation	2.3%	2.3%	2.3%
Real Rate of Return	**3.5%**	**4.5%**	**5.5%**
a) Total Normal Cost	25.56%	20.31%	16.31%
b) Accrued Liability	$18,691,359	$16,577,965	$14,817,695
c) Market Value of Assets	$11,559,689	$11,559,689	$11,559,689
d) Unfunded Liability/(Surplus) [(b) - (c)]	$7,131,670	$5,018,276	$3,258,006
e) Funded Ratio	61.8%	69.7%	78.0%

Sensitivity to the Price Inflation Assumption

As of June 30, 2023	1% Lower Price Inflation	Current Assumptions	1% Higher Price Inflation
Discount Rate	**5.8%**	**6.8%**	**7.8%**
Price Inflation	**1.3%**	**2.3%**	**3.3%**
Real Rate of Return	4.5%	4.5%	4.5%
a) Total Normal Cost	21.29%	20.31%	18.54%
b) Accrued Liability	$17,087,361	$16,577,965	$15,410,785
c) Market Value of Assets	$11,559,689	$11,559,689	$11,559,689
d) Unfunded Liability/(Surplus) [(b) - (c)]	$5,527,672	$5,018,276	$3,851,096
e) Funded Ratio	67.7%	69.7%	75.0%

Mortality Rate Sensitivity

The following table looks at the change in the June 30, 2023, plan costs and funded status under two different longevity scenarios, namely assuming rates of post-retirement mortality are 10% lower or 10% higher than our current mortality assumptions adopted in 2021. This type of analysis highlights the impact on the plan of a change in the mortality assumption.

As of June 30, 2023	10% Lower Mortality Rates	Current Assumptions	10% Higher Mortality Rates
a) Total Normal Cost	20.66%	20.31%	19.99%
b) Accrued Liability	$16,939,783	$16,577,965	$16,246,160
c) Market Value of Assets	$11,559,689	$11,559,689	$11,559,689
d) Unfunded Liability/(Surplus) [(b) - (c)]	$5,380,094	$5,018,276	$4,686,471
e) Funded Ratio	68.2%	69.7%	71.2%

Maturity Measures

As pension plans mature they become more sensitive to risks. Understanding plan maturity and how it affects the ability of a pension plan sponsor to tolerate risk is important in understanding how the pension plan is impacted by investment return volatility, other economic variables and changes in longevity or other demographic assumptions.

Since it is the employer that bears the risk, it is appropriate to perform this analysis on a pension plan level considering all rate plans. The following measures are for one rate plan only. One way to look at the maturity level of CalPERS and its plans is to look at the ratio of a plan's retiree liability to its total liability. A pension plan in its infancy will have a very low ratio of retiree liability to total liability. As the plan matures, the ratio increases. A mature plan will often have a ratio above 60%-65%.

Ratio of Retiree Accrued Liability to Total Accrued Liability	June 30, 2022	June 30, 2023
1. Retiree Accrued Liability	$9,265,536	$9,593,555
2. Total Accrued Liability	$16,275,206	$16,577,965
3. Ratio of Retiree AL to Total AL [(1) ÷ (2)]	57%	58%

Another measure of the maturity level of CalPERS and its plans is the ratio of actives to retirees, also called the support ratio. A pension plan in its infancy will have a very high ratio of active to retired members. As the plan matures and members retire, the ratio declines. A mature plan will often have a ratio near or below one.

To calculate the support ratio for the rate plan, retirees and beneficiaries receiving a continuance are each counted as one, even though they may have only worked a portion of their careers as an active member of this rate plan. For this reason, the support ratio, while intuitive, may be less informative than the ratio of retiree liability to total accrued liability above.

For comparison, the support ratio for all CalPERS public agency plans as of June 30, 2022, was 0.77 and was calculated consistently with how it is for the individual rate plan. Note that to calculate the support ratio for all public agency plans, a retiree with service from more than one CalPERS agency is counted as a retiree more than once.

Support Ratio	June 30, 2022	June 30, 2023
1. Number of Actives	10	9
2. Number of Retirees	20	20
3. Support Ratio [(1) ÷ (2)]	0.50	0.45

Maturity Measures (continued)

The actuarial calculations supplied in this communication are based on various assumptions about long-term demographic and economic behavior. Unless these assumptions (e.g., terminations, deaths, disabilities, retirements, salary increases, investment return) are exactly realized each year, there will be differences on a year-to-year basis. The year-to-year differences between actual experience and the assumptions are called actuarial gains and losses and serve to lower or raise required employer contributions from one year to the next. Therefore, employer contributions will inevitably fluctuate, especially due to the ups and downs of investment returns.

Asset Volatility Ratio

Shown in the table below is the asset volatility ratio (AVR), which is the ratio of market value of assets to payroll. Plans that have a higher AVR experience more volatile employer contributions (as a percentage of payroll) due to investment return. For example, a plan with an AVR of 8 may experience twice the contribution volatility due to investment return volatility than a plan with an AVR of 4. It should be noted that this ratio is a measure of the current situation. It increases over time but generally tends to stabilize as a plan matures.

Liability Volatility Ratio

Also shown in the table below is the liability volatility ratio (LVR), which is the ratio of accrued liability to payroll. Plans that have a higher LVR experience more volatile employer contributions (as a percentage of payroll) due to changes in liability. For example, a plan with an LVR of 8 is expected to have twice the contribution volatility of a plan with an LVR of 4 when there is a change in accrued liability, such as when there is a change in actuarial assumptions. It should be noted that this ratio indicates a longer-term potential for contribution volatility, since the AVR, described above, will tend to move closer to the LVR as the funded ratio approaches 100%.

Contribution Volatility	June 30, 2022	June 30, 2023
1. Market Value of Assets	$11,605,164	$11,559,689
2. Payroll	$1,294,404	$1,237,849
3. Asset Volatility Ratio (AVR) [(1) ÷ (2)]	9.0	9.3
4. Accrued Liability	$16,275,206	$16,577,965
5. Liability Volatility Ratio (LVR) [(4) ÷ (2)]	12.6	13.4

Maturity Measures History

Valuation Date	Ratio of Retiree Accrued Liability to Total Accrued Liability	Support Ratio	Asset Volatility Ratio	Liability Volatility Ratio
06/30/2017	70%	0.45	10.4	13.5
06/30/2018	66%	0.50	9.4	12.5
06/30/2019	65%	0.53	9.1	12.3
06/30/2020	62%	0.53	8.9	12.2
06/30/2021	59%	0.50	10.3	12.5
06/30/2022	57%	0.50	9.0	12.6
06/30/2023	58%	0.45	9.3	13.4

Funded Status – Termination Basis

The funded status measured on a termination basis is an estimate of the financial position of the plan had the contract with CalPERS been terminated as of June 30, 2023. The accrued liability on a termination basis (termination liability) is calculated differently from the plan's ongoing funding liability. For the termination liability calculation, both compensation and service are frozen as of the valuation date and no future pay increases or service accruals are assumed. This measure of funded status is not appropriate for assessing the need for future employer contributions in the case of an ongoing plan, that is, for an employer that continues to provide CalPERS retirement benefits to active employees. Unlike the actuarial cost method used for ongoing plans, the termination liability is the present value of the benefits earned through the valuation date.

A more conservative investment policy and asset allocation strategy was adopted by the board for the Terminated Agency Pool. The Terminated Agency Pool has limited funding sources since no future employer contributions will be made. Therefore, expected benefit payments are secured by risk-free assets and benefit security for members is increased while limiting the funding risk. However, this asset allocation has a lower expected rate of return than the remainder of the PERF and consequently, a lower discount rate assumption. The lower discount rate for the Terminated Agency Pool results in higher liabilities for terminated plans.

The discount rate used for actual termination valuations is a weighted average of the 10-year and 30-year Treasury yields where the weights are based on matching asset and liability durations as of the termination date. The discount rates used in the following analysis is based on 20-year Treasury bonds, which is a good proxy for most plans. The discount rate upon contract termination will depend on actual Treasury rates on the date of termination, which varies over time, as shown below.

Valuation Date	20-Year Treasury Rate	Valuation Date	20-Year Treasury Rate
06/30/2014	3.08%	06/30/2019	2.31%
06/30/2015	2.83%	06/30/2020	1.18%
06/30/2016	1.86%	06/30/2021	2.00%
06/30/2017	2.61%	06/30/2022	3.38%
06/30/2018	2.91%	06/30/2023	4.06%

As Treasury rates are variable, the table below shows a range for the termination liability using discount rates 1% below and above the 20-year Treasury rate on the valuation date. The price inflation assumption is the 20-year Treasury breakeven inflation rate, that is, the difference between the 20-year inflation indexed bond and the 20-year fixed-rate bond.

The Market Value of Assets (MVA) also varies with interest rates and will fluctuate depending on other market conditions on the date of termination. Since it is not possible to approximate how the MVA will change in different interest rate environments, the results below use the MVA as of the valuation date.

	Discount Rate: 3.06% Price Inflation: 2.50%	Discount Rate: 5.06% Price Inflation: 2.50%
1. Termination Liability[1]	$26,263,123	$19,873,253
2. Market Value of Assets (MVA)	11,559,689	11,559,689
3. Unfunded Termination Liability [(1) – (2)]	$14,703,434	$8,313,564
4. Funded Ratio [(2) ÷ (1)]	44.0%	58.2%

[1] The termination liabilities calculated above include a 5% contingency load. The contingency load and other actuarial assumptions can be found in Appendix A of the Section 2 report.

In order to terminate the plan, first contact our Pension Contract Services unit to initiate a Resolution of Intent to Terminate. The completed Resolution will allow a CalPERS actuary to provide a preliminary termination valuation with a more up-to-date estimate of the plan's assets and liabilities. Before beginning this process, please consult with a CalPERS actuary.

Funded Status – Low-Default-Risk Basis

Actuarial Standard of Practice (ASOP) No. 4, *Measuring Pension Obligations and Determining Pension Plan Costs or Contributions*, requires the disclosure of a low-default-risk obligation measure (LDROM) of benefit costs accrued as of the valuation date using a discount rate based on the yields of high quality fixed income securities with cash flows that replicate expected benefit payments. Conceptually, this measure represents the level at which financial markets would value the accrued plan costs, and would be approximately equal to the cost of a portfolio of low-default-risk bonds with similar financial characteristics to accrued plan costs.

As permitted in ASOP No. 4, the Actuarial Office uses the Entry Age Actuarial Cost Method to calculate the LDROM. This methodology is in line with the measure of "benefit entitlements" calculated by the Bureau of Economic Analysis and used by the Federal Reserve to report the indebtedness due to pensions of plan sponsors and, conversely, the household wealth due to pensions of plan members.

As shown below, the discount rate used for the LDROM is 4.82%, which is the Standard FTSE Pension Liability Index[1] discount rate as of June 30, 2023, net of assumed administrative expenses.

Selected Measures on a Low-Default-Risk Basis	June 30, 2023
Discount Rate	4.82%
1. Accrued Liability[2] – Low-Default-Risk Basis (LDROM)	
a) Active Members	$8,237,142
b) Transferred Members	998,609
c) Separated Members	458,466
d) Members and Beneficiaries Receiving Payments	11,507,475
e) Total	$21,201,692
2. Market Value of Assets (MVA)	11,559,689
3. Unfunded Accrued Liability – Low-Default-Risk Basis [(1e) – (2)]	$9,642,003
4. Unfunded Accrued Liability – Funding Policy Basis	5,018,276
5. Present Value of Unearned Investment Risk Premium [(3) – (4)]	$4,623,727

The difference between the unfunded liabilities on a low-default-risk basis and on the funding policy basis represents the present value of the investment risk premium that must be earned in future years to keep future contributions for currently accrued plan costs at the levels anticipated by the funding policy.

Benefit security for members of the plan relies on a combination of the assets in the plan, the investment income generated from those assets, and the ability of the plan sponsor to make necessary future contributions. If future returns fall short of 6.8%, benefit security could be at risk without higher than currently anticipated future contributions.

The funded status on a low-default-risk basis is not appropriate for assessing the sufficiency of plan assets to cover the cost of settling the plan's benefit obligations (see Funded Status – Termination Basis), nor is it appropriate for assessing the need for future contributions (see Funded Status – Funding Policy Basis).

[1] This index is based on a yield curve of hypothetical AA-rated zero coupon corporate bonds whose maturities range from 6 months to 30 years. The index represents the single discount rate that would produce the same present value as discounting a standardized set of liability cash flows for a fully open pension plan using the yield curve. The liability cash flows are reasonably consistent with the pattern of benefits expected to be paid from the entire Public Employees' Retirement Fund for current and former plan members. A different index, hence a different discount rate, may be needed to measure the LDROM for a subset of the fund, such as a single rate plan or a group of retirees.

[2] If plan assets were invested entirely in the AA fixed income securities used to determine the discount rate of 4.82%, the CalPERS discount rate could, at various times, be below 4.5% or 5.25%, and some automatic annual retiree COLAs could be suspended (Gov. Code sections 21329 and 21335). Since there is currently no proposal to adopt an asset allocation entirely comprised of fixed income securities, the automatic COLAs have been fully valued in the measures above based on the assumptions used for plan funding. Removing future COLAs from the measurement would understate the statutory obligation.

Summary of Valuation Data

The table below shows a summary of the plan's member data upon which this valuation is based:

	June 30, 2022	June 30, 2023
Active Members		
Counts	10	9
Average Attained Age	51.5	51.2
Average Entry Age to Rate Plan	33.9	34.5
Average Years of Credited Service	16.4	16.7
Average Annual Covered Pay	$129,440	$137,539
Annual Covered Payroll	$1,294,404	$1,237,849
Present Value of Future Payroll	$9,944,687	$9,488,648
Transferred Members	3	3
Separated Members	4	4
Retired Members and Beneficiaries*		
Counts	20	20
Average Annual Benefits	$39,259	$41,220
Total Annual Benefits	$785,186	$824,406

Counts of members included in the valuation are counts of the records processed by the valuation. Multiple records may exist for those who have service in more than one valuation group. This does not result in double counting of liabilities.

* Values include community property settlements.

List of Class 1 Benefit Provisions

This plan has the following Class 1 Benefit Provisions:

- One Year Final Compensation (FAC 1)
- Post-Retirement Survivor Allowance (PRSA)

Plan's Major Benefit Options

Shown below is a summary of the major optional benefits for which the agency has contracted. A description of principal standard and optional plan provisions is in Section 2.

	Benefit Group			
Member Category	**Misc**	**Misc**	**Misc**	
Demographics				
Actives	Yes	No	No	
Transfers/Separated	Yes	No	No	
Receiving	Yes	Yes	Yes	
Benefit Provision				
Benefit Formula	2% @ 55			
Social Security Coverage	No			
Full/Modified	Full			
Employee Contribution Rate	7.00%			
Final Average Compensation Period	One Year			
Sick Leave Credit	Yes			
Non-Industrial Disability	Standard			
Industrial Disability	No			
Pre-Retirement Death Benefits				
Optional Settlement 2	Yes			
1959 Survivor Benefit Level	Level 3			
Special	No			
Alternate (firefighters)	No			
Post-Retirement Death Benefits				
Lump Sum	$2,000	$2,000	$2,000	
Survivor Allowance (PRSA)	Yes	Yes	Yes	
COLA	2%	2%	2%	

Section 2

California Public Employees' Retirement System

Risk Pool Actuarial Valuation Information

Section 2 may be found on the
CalPERS website (www.calpers.ca.gov)
in the Forms & Publications section

California Public Employees' Retirement System
Actuarial Office
400 Q Street, Sacramento, CA 95811 | Phone: (916) 795-3000 | Fax: (916) 795-2744
888 CalPERS (or **888**-225-7377) | TTY: (877) 249-7442 | **www.calpers.ca.gov**

July 2024

PEPRA Miscellaneous Plan of the Alameda County Mosquito Abatement District (CalPERS ID: 5854416969)
Annual Valuation Report as of June 30, 2023

Dear Employer,

Attached to this letter is Section 1 of the June 30, 2023 actuarial valuation report for the rate plan noted above. **Provided in this report is the determination of the minimum required employer contributions for fiscal year (FY) 2025-26**. In addition, the report contains important information regarding the current financial status of the plan as well as projections and risk measures to aid in planning for the future.

Because this plan is in a risk pool, the following valuation report has been separated into two sections:

- Section 1 contains specific information for the plan including the development of the current and projected employer contributions, and
- Section 2 contains the Risk Pool Actuarial Valuation appropriate to the plan as of June 30, 2023.

Section 2 can be found on the CalPERS website (www.calpers.ca.gov). From the home page, go to *"Forms & Publications"* and select *"View All"*. In the search box, enter *"Risk Pool"* and from the results list download the Miscellaneous Risk Pool Actuarial Valuation Report for June 30, 2023.

Required Contributions

The table below shows the minimum required employer contributions and the PEPRA member contribution rate for FY 2025-26 along with an estimate of the employer contribution requirements for FY 2026-27. Employee contributions other than cost sharing (whether paid by the employer or the employee) are in addition to the results shown below. **The required employer contributions in this report do not reflect any cost sharing arrangement between the agency and the employees.**

Fiscal Year	Employer Normal Cost Rate	Employer Amortization of Unfunded Accrued Liability	PEPRA Member Contribution Rate
2025-26	8.27%	$8,431	8.25%
Projected Results			
2026-27	*8.3%*	*$11,000*	*TBD*

The actual investment return for FY 2023-24 was not known at the time this report was prepared. The projections above assume the investment return for that year would be 6.8%. To the extent the actual investment return for FY 2023-24 differs from 6.8%, the actual contribution requirements for FY 2026-27 will differ from those shown above. For additional details regarding the assumptions and methods used for these projections, please refer to Projected Employer Contributions. This section also contains projected required contributions through FY 2030-31.

Report Enhancements

A number of enhancements were made to the report this year to ease navigation and allow the reader to find specific information more quickly. The tables of contents are now "clickable." This is true for the main table of contents that follows the title page and the intermediate tables of contents at the beginning of sections. The Adobe navigation pane on the left can also be used to skip to specific exhibits.

There are a number of links throughout the document in blue text. Links that are internal to the document are not underlined, while underlined links will take you to the CalPERS website. Examples are shown below.

Internal Bookmarks	CalPERS Website Links
Required Employer Contributions	Required Employer Contribution Search Tool
Member Contribution Rates	Public Agency PEPRA Member Contribution Rates
Summary of Key Valuation Results	Pension Outlook Overview
Funded Status – Funding Policy Basis	Interactive Summary of Public Agency Valuation Results
Projected Employer Contributions	Public Agency Actuarial Valuation Reports

Further descriptions of general changes are included in the Highlights and Executive Summary section and in Appendix A - Actuarial Methods and Assumptions in Section 2.

Questions

A CalPERS actuary is available to answer questions about this report. Other questions may be directed to the Customer Contact Center at **888 CalPERS** (or **888**-225-7377).

Sincerely,

Eddie W. Lee, ASA, EA, FCA, MAAA
Senior Actuary, CalPERS

Randall Dziubek, ASA, MAAA
Deputy Chief Actuary, Valuation Services, CalPERS

Scott Terando, ASA, EA, MAAA, FCA, CFA
Chief Actuary, CalPERS

California Public Employees' Retirement System

Actuarial Valuation for the PEPRA Miscellaneous Plan of the Alameda County Mosquito Abatement District

as of June 30, 2023

(CalPERS ID: 5854416969)
(Rate Plan ID: 26060)

Required Contributions for Fiscal Year

July 1, 2025 — June 30, 2026

CalPERS

Table of Contents

Section 1

California Public Employees' Retirement System

Plan Specific Information
for the
PEPRA Miscellaneous Plan
of the
Alameda County Mosquito Abatement District

(CalPERS ID: 5854416969)
(Rate Plan ID: 26060)

Table of Contents — Section 1

Actuarial Certification

It is our opinion that the valuation has been performed in accordance with generally accepted actuarial principles as well as the applicable Standards of Practice promulgated by the Actuarial Standards Board. While this report, consisting of Section 1 and Section 2, is intended to be complete, our office is available to answer questions as needed. All of the undersigned are actuaries who satisfy the *Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States* of the American Academy of Actuaries with regard to pensions.

Actuarial Methods and Assumptions

It is our opinion that the assumptions and methods, as recommended by the Chief Actuary and adopted by the CalPERS Board of Administration, are internally consistent and reasonable for this plan.

Randall Dziubek, ASA, MAAA
Deputy Chief Actuary, Valuation Services, CalPERS

Scott Terando, ASA, EA, MAAA, FCA, CFA
Chief Actuary, CalPERS

Actuarial Data and Rate Plan Results

To the best of my knowledge and having relied upon the attestation above that the actuarial methods and assumptions are reasonable as well as the information in Section 2 of this report, this report is complete and accurate and contains sufficient information to disclose, fully and fairly, the funded condition of the PEPRA Miscellaneous Plan of the Alameda County Mosquito Abatement District and satisfies the actuarial valuation requirements of Government Code section 7504. This valuation and related validation work was performed by the CalPERS Actuarial Office. The valuation was based on the member and financial data as of June 30, 2023, provided by the various CalPERS databases and the benefits under this plan with CalPERS as of the date this report was produced. Section 1 of this report is based on the member and financial data for Alameda County Mosquito Abatement District, while Section 2 is based on the corresponding information for all agencies participating in the Miscellaneous Risk Pool to which the plan belongs.

Eddie W. Lee, ASA, EA, FCA, MAAA
Senior Actuary, CalPERS

Highlights and Executive Summary

Introduction

This report presents the results of the June 30, 2023, actuarial valuation of the PEPRA Miscellaneous Plan of the Alameda County Mosquito Abatement District of the California Public Employees' Retirement System (CalPERS). This actuarial valuation sets the minimum required contributions for fiscal year (FY) 2025-26.

Purpose of Section 1

This Section 1 report for the PEPRA Miscellaneous Plan of the Alameda County Mosquito Abatement District of CalPERS was prepared by the Actuarial Office using data as of June 30, 2023. The purpose of the valuation is to:

- Set forth the assets and accrued liabilities of this rate plan as of June 30, 2023;
- Determine the minimum required employer contributions for this rate plan for FY July 1, 2025, through June 30, 2026;
- Determine the required member contribution rate for FY July 1, 2025, through June 30, 2026, for employees subject to the California Public Employees' Pension Reform Act of 2013 (PEPRA); and
- Provide actuarial information as of June 30, 2023, to the CalPERS Board of Administration (board) and other interested parties.

The pension funding information presented in this report should not be used in financial reports subject to Governmental Accounting Standards Board (GASB) Statement No. 68 for a Cost Sharing Employer Defined Benefit Pension Plan. A separate accounting valuation report for such purposes is available on the CalPERS website (www.calpers.ca.gov).

The measurements shown in this actuarial valuation may not be applicable for other purposes. The agency should contact a CalPERS actuary before disseminating any portion of this report for any reason that is not explicitly described above.

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; changes in actuarial policies; changes in plan provisions or applicable law ; and differences between the required contributions determined by the valuation and the actual contributions made by the agency.

Assessment and Disclosure of Risk

This report includes the following risk disclosures consistent with the guidance of Actuarial Standards of Practice No. 51 and recommended by the California Actuarial Advisory Panel (CAAP) in the Model Disclosure Elements document:

- A "Scenario Test," projecting future results under different investment income returns.
- A "Sensitivity Analysis," showing the impact on current valuation results using alternative discount rates of 5.8% and 7.8%.
- A "Sensitivity Analysis," showing the impact on current valuation results assuming rates of mortality are 10% lower or 10% higher than our current post-retirement mortality assumptions adopted in 2021.
- Plan maturity measures indicating how sensitive a plan may be to the risks noted above.

Summary of Key Valuation Results

Below is a brief summary of key valuation results along with page references where more detailed information can be found.

Required Employer Contributions — page 8

	Fiscal Year 2024-25	Fiscal Year 2025-26
Employer Normal Cost Rate	8.18%	8.27%
Unfunded Accrued Liability (UAL) Contribution Amount	$3,949	$8,431
Paid either as		
Option 1) 12 Monthly Payments of	$329.08	$702.58
Option 2) Annual Prepayment in July	$3,821	$8,158

Member Contribution Rates — page 9

	Fiscal Year 2024-25	Fiscal Year 2025-26
Member Contribution Rate	8.25%	8.25%

Projected Employer Contributions — page 14

Fiscal Year	Normal Cost (% of payroll)	Annual UAL Payment
2026-27	8.3%	$11,000
2027-28	8.3%	$14,000
2028-29	8.3%	$17,000
2029-30	8.3%	$17,000
2030-31	8.3%	$17,000

Funded Status — Funding Policy Basis — page 12

	June 30, 2022	June 30, 2023
Entry Age Accrued Liability (AL)	$840,882	$1,016,610
Market Value of Assets (MVA)	725,716	863,482
Unfunded Accrued Liability (UAL) [AL – MVA]	$115,166	$153,128
Funded Ratio [MVA ÷ AL]	86.3%	84.9%

Summary of Valuation Data — Page 26

	June 30, 2022	June 30, 2023
Active Member Count	8	9
Annual Covered Payroll	$786,340	$959,138
Transferred Member Count	0	0
Separated Member Count	1	2
Retired Members and Beneficiaries Count	0	0

Changes Since the Prior Year's Valuation

Benefits

The standard actuarial practice at CalPERS is to recognize mandated legislative benefit changes in the first annual valuation following the effective date of the legislation. For pooled rate plans, voluntary benefit changes by plan amendment are generally included in the first valuation with a valuation date on or after the effective date of the amendment.

Please refer to the Plan's Major Benefit Options in this report and Appendix B of the Section 2 Report for a summary of the plan provisions used in this valuation.

Actuarial Methods and Assumptions

There are no significant changes to the actuarial methods or assumptions for the June 30, 2023, actuarial valuation.

New Disclosure Items

In December 2021, the Actuarial Standards Board issued a revision of Actuarial Standard of Practice No. 4 (ASOP 4) requiring actuaries to disclose a low-default-risk obligation measure (LDROM) of the benefits earned. This information is shown in a new exhibit, Funded Status – Low-Default-Risk Basis.

Subsequent Events

This actuarial valuation report reflects fund investment return through June 30, 2023, as well as statutory changes, regulatory changes and board actions through January 2024.

During the time period between the valuation date and the publication of this report, inflation has been higher than the expected inflation of 2.3% per annum. Since inflation influences cost-of-living increases for retirees and beneficiaries and active member pay increases, higher inflation is likely to put at least some upward pressure on contribution requirements and downward pressure on the funded status in the June 30, 2024, valuation. The actual impact of higher inflation on future valuation results will depend on, among other factors, how long higher inflation persists.

The 2023 annual benefit limit under Internal Revenue Code (IRC) section 415(b) and annual compensation limits under IRC section 401(a)(17) and Government Code section 7522.10 were used for this valuation and are assumed to increase 2.3% per year based on the price inflation assumption. The actual 2024 limits, determined in October 2023, are not reflected.

On April 16, 2024, the board took action to modify the Funding Risk Mitigation Policy to remove the automatic change to the discount rate when the investment return exceeds various thresholds. Rather than an automatic change to the discount rate, a board discussion would be placed on the calendar. The 95th percentile return in the Future Investment Return Scenarios exhibit in this report has not been modified and still reflects the projected contribution requirements associated with a reduction in the discount rate.

To the best of our knowledge, there have been no other subsequent events that could materially affect current or future certifications rendered in this report.

Liabilities and Contributions

Determination of Required Contributions

Contributions to fund the plan are determined by an actuarial valuation performed each year. The valuation employs complex calculations based on a set of actuarial assumptions and methods. See Appendix A in Section 2 for information on the assumptions and methods used in this valuation. The valuation incorporates all plan experience through the valuation date and sets required contributions for the fiscal year that begins two years after the valuation date.

Contribution Components

Two components comprise required contributions:

- Normal Cost — expressed as a percentage of pensionable payroll
- Unfunded Accrued Liability (UAL) Contribution — expressed as a dollar amount

Normal Cost represents the value of benefits allocated to the upcoming year for active employees. If all plan experience exactly matched the actuarial assumptions, normal cost would be sufficient to fully fund all benefits. The employer and employees each pay a share of the normal cost with contributions payable as part of the regular payroll reporting process. The contribution rate for Classic members is set by statute based on benefit formula whereas for PEPRA members it is based on 50% of the total normal cost.

When plan experience differs from the actuarial assumptions, unfunded accrued liability (UAL) emerges. The new UAL may be positive or negative. If the total UAL is positive (i.e., accrued liability exceeds assets), the employer is required to make contributions to pay off the UAL over time. This is called the Unfunded Accrued Liability Contribution component. There is an option to prepay this amount during July of each fiscal year, otherwise it is paid monthly.

In measuring the UAL each year, plan experience is split by source. Common sources of UAL include investment experience different than expected, non-investment experience different than expected, assumption changes and benefit changes. Each source of UAL (positive or negative) forms a base that is amortized, or paid off, over a specified period of time in accordance with the CalPERS Actuarial Amortization Policy. The Unfunded Accrued Liability Contribution is the sum of the payments on all bases. See the Schedule of Amortization Bases section of this report for an inventory of existing bases and Appendix A in Section 2 for more information on the amortization policy.

Required Employer Contributions

The required employer contributions in this report do not reflect any cost sharing arrangement between the agency and the employees.

Required Employer Contributions	Fiscal Year 2025-26
Employer Normal Cost Rate	**8.27%**
Plus	
Unfunded Accrued Liability (UAL) Contribution Amount[1]	**$8,431**
Paid either as	
1) Monthly Payment	**$702.58**
Or	
2) Annual Prepayment Option*	**$8,158**

The total minimum required employer contribution is the sum of the Plan's Employer Normal Cost Rate (expressed as a percentage of payroll and paid as payroll is reported) and the Unfunded Accrued Liability (UAL) Contribution Amount (billed monthly (1) or prepaid annually (2) in dollars).

* Only the UAL portion of the employer contribution can be prepaid **(which must be received in full no later than July 31)**.

For Member Contribution Rates see the following page.

Development of Normal Cost as a Percentage of Payroll	Fiscal Year 2024-25	Fiscal Year 2025-26
Base Total Normal Cost for Formula	15.62%	15.71%
Surcharge for Class 1 Benefits[2]		
a) PRSA	0.81%	0.81%
Plan's Total Normal Cost	16.43%	16.52%
Offset Due to Employee Contributions[3]	8.25%	8.25%
Employer Normal Cost	8.18%	8.27%

[1] The required payment on amortization bases does not take into account any additional discretionary payment made after April 30, 2024.

[2] Section 2 of this report contains a list of Class 1 benefits and corresponding surcharges.

[3] This is the expected employee contributions, taking into account individual benefit formula and any offset from the use of a modified formula, divided by projected annual payroll. For member contribution rates above the breakpoint for each benefit formula, see Member Contribution Rates.

Member Contribution Rates

The required member contributions in this report do not reflect any cost sharing arrangement between the agency and the employees.

The California Public Employees' Pension Reform Act of 2013 (PEPRA) established new benefit formulas, final compensation period, and contribution requirements for "new" employees (generally those first hired into a CalPERS-covered position on or after January 1, 2013). In accordance with Government Code Section 7522.30(b), "new members … shall have an initial contribution rate of at least 50% of the normal cost rate." The normal cost rate for the plan is dependent on the benefit levels, actuarial assumptions and demographics of the risk pool, particularly members' entry age. Should the total normal cost rate of the plan change by more than 1% from the base total normal cost rate established for the plan, the new member rate shall be 50% of the new normal cost rate rounded to the nearest quarter percent.

The table below shows the determination of the PEPRA member contribution rates effective July 1, 2025, based on 50% of the total normal cost rate as of the June 30, 2023, valuation.

		Basis for Current Rate		Rates Effective July 1, 2025			
Rate Plan Identifier	Benefit Group Name	Total Normal Cost	Member Rate	Total Normal Cost	Change	Change Needed	Member Rate
26060	Miscellaneous PEPRA Level	16.25%	8.25%	16.52%	0.27%	No	8.25%

Other Pooled Miscellaneous Risk Pool Rate Plans

All of the results presented in this Section 1 report, except those shown on this page, correspond to rate plan 26060. In many cases, employers have additional rate plans within the same risk pool. For cost analysis and budgeting it is useful to consider contributions for these rate plans as a whole rather than individually. The estimated contribution amounts and rates for all of the employer's rate plans in the Miscellaneous Risk Pool are shown below and assume that the total employer payroll within the Miscellaneous Risk Pool will grow according to the overall payroll growth assumption of 2.80% per year for three years. Classic members who are projected to terminate employment are assumed to be replaced by PEPRA members.

Estimated Employer Contributions for all Pooled Miscellaneous Rate Plans	**Fiscal Year 2024-25**	**Fiscal Year 2025-26**
Projected Payroll for the Contribution Year	$2,260,466	$2,386,749
Estimated Employer Normal Cost	$246,533	$257,184
Required Payment on Amortization Bases	$364,247	$426,746
Estimated Total Employer Contributions	$610,780	$683,930
Estimated Total Employer Contribution Rate (illustrative only)	27.02%	28.66%

Breakdown of Entry Age Accrued Liability

Active Members	$947,104
Transferred Members	0
Separated Members	69,506
Members and Beneficiaries Receiving Payments	0
Total	$1,016,610

Allocation of Plan's Share of Pool's Experience

It is the policy of CalPERS to ensure equity within the risk pools by allocating the pool's experience gains/losses and assumption changes in a manner that treats each employer equitably and maintains benefit security for the members of the System while minimizing substantial variations in employer contributions. The pool's experience gains/losses and impact of assumption/method changes is allocated to the plan as follows:

1.	Plan's Accrued Liability	$1,016,610
2.	Projected UAL Balance at 6/30/2023	131,842
3.	Other UAL Adjustments (Golden Handshake, Prior Service Purchase, etc.)	0
4.	Adjusted UAL Balance at 6/30/2023 for Asset Share	131,842
5.	Pool's Accrued Liability[1]	23,349,910,053
6.	Sum of Pool's Individual Plan UAL Balances at 6/30/2023[1]	5,227,602,209
7.	Pool's 2022-23 Investment (Gain)/Loss[1]	114,855,623
8.	Pool's 2022-23 Non-Investment (Gain)/Loss[1]	360,116,330
9.	Plan's Share of Pool's Investment (Gain)/Loss: [(1) - (4)] ÷ [(5) - (6)] × (7)	5,607
10.	Plan's Share of Pool's Non-Investment (Gain)/Loss: (1) ÷ (5) × (8)	15,679
11.	Plan's New (Gain)/Loss as of 6/30/2023: (9) + (10)	21,286
12.	Increase in Pool's Accrued Liability due to Change in Assumptions[1]	0
13.	Plan's Share of Pool's Change in Assumptions: (1) ÷ (5) × (12)	0
14.	Increase in Pool's Accrued Liability due to Funding Risk Mitigation[1]	0
15.	Plan's Share of Pool's Change due to Funding Risk Mitigation: (1) ÷ (5) × (14)	0
16.	Offset due to Funding Risk Mitigation	0
17.	Plan's Investment (Gain)/Loss: (9) – (16)	5,607

[1] Does not include plans that transferred to the pool on the valuation date.

Development of the Plan's Share of Pool's Assets

18.	Plan's UAL: (2) + (3) + (11) + (13) + (15)	$153,128
19.	Plan's Share of Pool's Market Value of Assets (MVA): (1) - (18)	$863,482

For a reconciliation of the pool's Market Value of Assets (MVA), information on the fund's asset allocation and a history of CalPERS investment returns, see Section 2, which can be found on the CalPERS website (www.calpers.ca.gov).

Funded Status – Funding Policy Basis

The table below provides information on the current funded status of the plan under the funding policy. The funded status for this purpose is based on the market value of assets relative to the funding target produced by the entry age actuarial cost method and actuarial assumptions adopted by the board. The actuarial cost method allocates the total expected cost of a member's projected benefit (Present Value of Benefits) to individual years of service (the Normal Cost). The value of the projected benefit that is not allocated to future service is referred to as the Accrued Liability and is the plan's funding target on the valuation date. The Unfunded Accrued Liability (UAL) equals the funding target minus the assets. The UAL is an absolute measure of funded status and can be viewed as employer debt. The funded ratio equals the assets divided by the funding target. The funded ratio is a relative measure of the funded status and allows for comparisons between plans of different sizes.

	June 30, 2022	**June 30, 2023**
1. Present Value of Benefits	$2,290,474	$2,758,248
2. Entry Age Accrued Liability	840,882	1,016,610
3. Market Value of Assets (MVA)	725,716	863,482
4. Unfunded Accrued Liability (UAL) [(2) – (3)]	$115,166	$153,128
5. Funded Ratio [(3) ÷ (2)]	86.3%	84.9%

A funded ratio of 100% (UAL of $0) implies that the funding of the plan is on target and that future contributions equal to the normal cost of the active plan members will be sufficient to fully fund all retirement benefits if future experience matches the actuarial assumptions. A funded ratio of less than 100% (positive UAL) implies that in addition to normal costs, payments toward the UAL will be required. Plans with a funded ratio greater than 100% have a negative UAL (or surplus) but are required under current law to continue contributing the normal cost in most cases, preserving the surplus for future contingencies.

Calculations for the funding target reflect the expected long-term investment return of 6.8%. If it were known on the valuation date that future investment returns will average something greater/less than the expected return, calculated normal costs and accrued liabilities provided in this report would be less/greater than the results shown. Therefore, for example, if actual average future returns are less than the expected return, calculated normal costs and UAL contributions will not be sufficient to fully fund all retirement benefits. Under this scenario, required future normal cost contributions will need to increase from those provided in this report, and the plan will develop unfunded liabilities that will also add to required future contributions. For illustrative purposes, funded statuses based on a 1% lower and higher average future investment return (discount rate) are as follows:

	1% Lower Average Return	**Current Assumption**	**1% Higher Average Return**
Discount Rate	5.8%	6.8%	7.8%
1. Entry Age Accrued Liability	$1,304,144	$1,016,610	$798,951
2. Market Value of Assets (MVA)	863,482	863,482	863,482
3. Unfunded Accrued Liability (UAL) [(1) – (2)]	$440,662	$153,128	($64,531)
4. Funded Ratio [(2) ÷ (1)]	66.2%	84.9%	108.1%

The Risk Analysis section of the report provides additional information regarding the sensitivity of valuation results to the expected investment return and other factors. Also provided in that section are measures of funded status that are appropriate for assessing the sufficiency of plan assets to cover estimated termination liabilities.

Additional Employer Contributions

The minimum required employer contribution towards the Unfunded Accrued Liability (UAL) for this rate plan for FY 2025-26 is $8,431. CalPERS allows agencies to make additional discretionary payments (ADPs) at any time. These optional payments serve to reduce the UAL and future required contributions and can result in significant long-term savings. Agencies can also use ADPs to stabilize annual contributions as a fixed dollar amount, percent of payroll or percent of revenue.

Provided below are select ADP options for consideration. Making such an ADP during FY 2025-26 does not require an ADP be made in any future year, nor does it change the remaining amortization period of any portion of unfunded liability. For information on permanent changes to amortization periods, see Amortization Schedule and Alternatives. Agencies considering making an ADP should contact CalPERS for additional information.

Fiscal Year 2025-26 Employer Contributions — Illustrative Scenarios

Funding Approach	Estimated Normal Cost	Minimum UAL Contribution	ADP[1]	Total UAL Contribution	Estimated Total Contribution
Minimum required only	$100,605	$8,431	0	$8,431	$109,036
20 year funding horizon	$100,605	$8,431	$6,908	$15,339	$115,944
15 year funding horizon	$100,605	$8,431	$9,463	$17,894	$118,499
10 year funding horizon	$100,605	$8,431	$14,853	$23,284	$123,889
5 year funding horizon	$100,605	$8,431	$31,610	$40,041	$140,646

The minimum required contribution above is less than interest on the UAL. With no ADP the UAL is projected to increase over the following year. If the minimum UAL payment were split between interest and principal, the principal portion would be negative. This situation is referred to as **negative amortization**. If only the minimum required contribution is made, contributions are not expected to exceed interest on the UAL until FY **2027-28**, as shown in the Amortization Schedule and Alternatives section of the report (see columns labeled Current Amortization Schedule).

Fiscal Year 2025-26 Employer Contribution Necessary to Avoid Negative Amortization

Estimated Normal Cost	Minimum UAL Contribution	ADP[1]	Total UAL Contribution	Estimated Total Contribution
$100,605	$8,431	$2,793	$11,224	$111,829

[1] The ADP amounts are assumed to be made in the middle of the fiscal year. A payment made earlier or later in the fiscal year would have to be less or more than the amount shown to have the same effect on the UAL amortization.

The calculations above are based on the projected UAL as of June 30, 2025, as determined in the June 30, 2023, actuarial valuation. New unfunded liabilities can emerge in future years due to assumption or method changes, changes in plan provisions, and actuarial experience different than assumed. Making an ADP illustrated above for the indicated number of years will not result in a plan that is exactly 100% funded in the indicated number of years. Valuation results will vary from one year to the next and can diverge significantly from projections over a period of several years.

Additional Discretionary Payment History

The following table provides a recent history of actual ADPs made to the plan.

Fiscal Year	ADP	Fiscal Year	ADP
2019-20	$0	2022-23	$0
2020-21	$0	2023-24[2]	$0
2021-22	$0		

[2] Excludes payments made after April 30, 2024

Projected Employer Contributions

The table below shows the required and projected employer contributions (before cost sharing) for the next six fiscal years. The projection assumes that all actuarial assumptions will be realized and that no further changes to assumptions, contributions, benefits, or funding will occur during the projection period. In particular, the investment return beginning with FY 2023-24 is assumed to be 6.80% per year, net of investment and administrative expenses. Future contribution requirements may differ significantly from those shown below. The actual long-term cost of the plan will depend on the actual benefits and expenses paid and the actual investment experience of the fund.

	Required Contribution	**Projected Future Employer Contributions (Assumes 6.80% Return for Fiscal Year 2023-24 and Beyond)**				
Fiscal Year	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31
	Rate Plan 26060 Results					
Normal Cost %	8.27%	8.3%	8.3%	8.3%	8.3%	8.3%
UAL Payment	$8,431	$11,000	$14,000	$17,000	$17,000	$17,000

For ongoing plans, investment gains and losses are amortized using a 5-year ramp up. For more information, please see Amortization of Unfunded Actuarial Accrued Liability in Appendix A of the Section 2 Report. This method phases in the impact of the change in UAL over a 5-year period in order to reduce employer cost volatility from year to year. As a result of this methodology, dramatic changes in the required employer contributions in any one year are less likely. However, required contributions can change gradually and significantly over the next five years. In years when there is a large investment loss, the relatively small amortization payments during the ramp up period could result in contributions that are less than interest on the UAL (i.e. negative amortization) while the contribution impact of the increase in the UAL is phased in.

The required contribution for FY 2025-26 is less than interest on the UAL, a situation referred to as **negative amortization**, as explained in the Additional Employer Contributions section earlier in this report. If only the minimum required contribution is made, contributions are not expected to exceed interest on the UAL until FY 2027-28, as shown in the Amortization Schedule and Alternatives section of the report (see columns labelled “Current Amortization Schedule”).

For projected contributions under alternate investment return scenarios, please see the Future Investment Return Scenarios exhibit. Our online pension plan projection tool, Pension Outlook, is available in the Employers section of the CalPERS website. Pension Outlook can help plan and budget pension costs under various scenarios.

Schedule of Amortization Bases

Below is the schedule of the plan's amortization bases. Note that there is a two-year lag between the valuation date and the start of the contribution year.

- The assets, liabilities and funded status of the plan are measured as of the valuation date: June 30, 2023.
- The required employer contributions determined by the valuation are for the fiscal year beginning two years after the valuation date: FY 2025-26.

This two-year lag is necessary due to the amount of time needed to extract and test the membership and financial data, and the need to provide public agencies with their required employer contribution well in advance of the start of the fiscal year.

The Unfunded Accrued Liability (UAL) is used to determine the employer contribution and therefore must be rolled forward two years from the valuation date to the first day of the fiscal year for which the contribution is being determined. The UAL is rolled forward each year by subtracting the expected payment on the UAL for the fiscal year and adjusting for interest. The expected payment on the UAL for FY 2023-24 is based on the actuarial valuation two years ago, adjusted for additional discretionary payments made on or before April 30, 2024, if necessary, and the expected payment for FY 2024-25 is based on the actuarial valuation one year ago.

Reason for Base	Date Est.	Ramp Level 2025-26	Ramp Shape	Escala-tion Rate	Amort. Period	Balance 6/30/23	Expected Payment 2023-24	Balance 6/30/24	Expected Payment 2024-25	Balance 6/30/25	Minimum Required Payment 2025-26
Non-Investment (Gain)/Loss	6/30/22	No Ramp		0.00%	19	12,622	0	13,480	1,212	13,144	1,212
Partial Fresh Start	6/30/22	40%	Up Only	0.00%	19	119,220	0	127,327	2,737	133,157	5,474
Investment (Gain)/Loss	6/30/23	20%	Up Only	0.00%	20	5,607	0	5,988	0	6,395	137
Non-Investment (Gain)/Loss	6/30/23	No Ramp		0.00%	20	15,679	0	16,745	0	17,884	1,608
Total						**153,128**	**0**	**163,540**	**3,949**	**170,580**	**8,431**

The (gain)/loss bases are the plan's allocated share of the risk pool's (gain)/loss for the fiscal year as disclosed in Allocation of Plan's Share of Pool's Experience earlier in this report. These (gain)/loss bases will be amortized in accordance with the CalPERS amortization policy in effect at the time the base was established.

Amortization Schedule and Alternatives

The amortization schedule on the previous page(s) shows the minimum contributions required according to the CalPERS amortization policy. Many agencies have expressed a desire for a more stable pattern of payments or have indicated interest in paying off the unfunded accrued liabilities more quickly than required. As such, we have provided alternative amortization schedules to help analyze the current amortization schedule and illustrate the potential savings of accelerating unfunded liability payments.

Shown on the following page are future year amortization payments based on 1) the current amortization schedule reflecting the individual bases and remaining periods shown on the previous page, and 2) alternative "fresh start" amortization schedules using two sample periods that would both result in interest savings relative to the current amortization schedule. To initiate a fresh start, please contact a CalPERS actuary.

The current amortization schedule typically contains both positive and negative bases. Positive bases result from plan changes, assumption changes, method changes or plan experience that increase unfunded liability. Negative bases result from plan changes, assumption changes, method changes, or plan experience that decrease unfunded liability. The combination of positive and negative bases within an amortization schedule can result in unusual or problematic circumstances in future years, such as:

- When a negative payment would be required on a positive unfunded actuarial liability; or
- When the payment would completely amortize the total unfunded liability in a very short time period, and results in a large change in the employer contribution requirement.

In any year when one of the above scenarios occurs, the actuary will consider corrective action such as replacing the existing unfunded liability bases with a single "fresh start" base and amortizing it over an appropriate period.

The current amortization schedule on the following page may appear to show that, based on the current amortization bases, one of the above scenarios will occur at some point in the future. It is impossible to know today whether such a scenario will in fact arise since there will be additional bases added to the amortization schedule in each future year. Should such a scenario arise in any future year, the actuary will take appropriate action based on guidelines in the CalPERS Actuarial Amortization Policy.

Amortization Schedule and Alternatives (continued)

	Current Amortization Schedule		Alternative Schedules			
			20 Year Amortization		15 Year Amortization	
Date	**Balance**	**Payment**	**Balance**	**Payment**	**Balance**	**Payment**
6/30/2025	170,580	8,431	170,580	15,339	170,580	17,894
6/30/2026	173,466	11,306	166,327	15,339	163,687	17,895
6/30/2027	173,578	14,179	161,785	15,339	156,324	17,894
6/30/2028	170,729	17,054	156,934	15,339	148,462	17,895
6/30/2029	164,714	17,191	151,754	15,339	140,064	17,894
6/30/2030	158,148	17,191	146,221	15,339	131,096	17,895
6/30/2031	151,137	17,192	140,312	15,339	121,517	17,894
6/30/2032	143,648	17,192	134,001	15,339	111,288	17,895
6/30/2033	135,649	17,192	127,261	15,339	100,362	17,894
6/30/2034	127,107	17,192	120,063	15,339	88,694	17,894
6/30/2035	117,983	17,194	112,375	15,339	76,233	17,895
6/30/2036	108,238	17,194	104,165	15,339	62,923	17,894
6/30/2037	97,829	17,192	95,396	15,339	48,709	17,894
6/30/2038	86,714	17,193	86,031	15,339	33,529	17,895
6/30/2039	74,843	17,193	76,029	15,339	17,316	17,895
6/30/2040	62,165	17,194	65,347	15,339		
6/30/2041	48,623	17,192	53,939	15,340		
6/30/2042	34,162	17,193	41,754	15,339		
6/30/2043	18,717	17,193	28,741	15,339		
6/30/2044	2,222	2,296	14,843	15,339		
6/30/2045						
6/30/2046						
6/30/2047						
6/30/2048						
6/30/2049						
Total		**311,154**		**306,781**		**268,417**
Interest Paid		**140,574**		**136,201**		**97,837**
Estimated Savings				**4,373**		**42,737**

Employer Contribution History

The table below provides a recent history of the employer contribution requirements for the plan, as determined by the annual actuarial valuation. Changes due to prepayments or plan amendments after the valuation report was finalized are not reflected.

Valuation Date	Contribution Year	Employer Normal Cost Rate	Unfunded Liability Payment
06/30/2014	2016 - 17	6.930%	$141
06/30/2015	2017 - 18	6.908%	360
06/30/2016	2018 - 19	7.266%	568
06/30/2017	2019 - 20	7.072%	929
06/30/2018	2020 - 21	7.874%	1,650
06/30/2019	2021 - 22	7.73%	2,637
06/30/2020	2022 - 23	7.76%	3,489
06/30/2021	2023 - 24	8.00%	0
06/30/2022	2024 - 25	8.18%	3,949
06/30/2023	2025 - 26	8.27%	8,431

Funding History

The table below shows the recent history of the actuarial accrued liability, share of the pool's market value of assets, unfunded accrued liability, funded ratio and annual covered payroll.

Valuation Date	Accrued Liability (AL)	Share of Pool's Market Value of Assets (MVA)	Unfunded Accrued Liability (UAL)	Funded Ratio	Annual Covered Payroll
06/30/2014	$658	$687	($29)	104.5%	$61,347
06/30/2015	19,399	18,192	1,207	93.8%	212,227
06/30/2016	83,763	76,035	7,728	90.8%	516,269
06/30/2017	185,212	177,972	7,240	96.1%	574,230
06/30/2018	286,462	264,212	22,250	92.2%	577,005
06/30/2019	423,383	387,581	35,802	91.5%	666,618
06/30/2020	466,918	413,726	53,192	88.6%	692,790
06/30/2021	671,213	689,712	(18,499)	102.8%	765,689
06/30/2022	840,882	725,716	115,166	86.3%	786,340
06/30/2023	1,016,610	863,482	153,128	84.9%	959,138

Risk Analysis

Future Investment Return Scenarios

Analysis using the investment return scenarios from the Asset Liability Management process completed in 2021 was performed to determine the effects of various future investment returns on required employer contributions. The projections below reflect the impact of the CalPERS Funding Risk Mitigation Policy. The projections also assume that all other actuarial assumptions will be realized and that no further changes in assumptions, contributions, benefits, or funding will occur.

The first table shows projected contribution requirements if the fund were to earn either 3.0% or 10.8% annually. These alternate investment returns were chosen because 90% of long-term average returns are expected to fall between them over the 20-year period ending June 30, 2043.

Assumed Annual Return FY 2023-24 through FY 2042-43	Projected Employer Contributions				
	2026-27	2027-28	2028-29	2029-30	2030-31
3.0% (5th percentile)					
Discount Rate	6.80%	6.80%	6.80%	6.80%	6.80%
Normal Cost Rate	8.3%	8.3%	8.3%	8.3%	8.3%
UAL Contribution	$12,000	$17,000	$22,000	$25,000	$30,000
10.8% (95th percentile)					
Discount Rate	6.75%	6.70%	6.65%	6.60%	6.55%
Normal Cost Rate	8.5%	8.7%	8.9%	8.6%	8.8%
UAL Contribution	$11,000	$12,000	$13,000	$9,400	$0

Required contributions outside of this range are also possible. In particular, whereas it is unlikely that investment returns will average less than 3.0% or greater than 10.8% over a 20-year period, the likelihood of a single investment return less than 3.0% or greater than 10.8% in any given year is much greater. The following analysis illustrates the effect of an extreme, single year investment return.

The portfolio has an expected volatility (or standard deviation) of 12.0% per year. Accordingly, in any given year there is a 16% probability that the annual return will be -5.2% or less and a 2.5% probability that the annual return will be -17.2% or less. These returns represent one and two standard deviations below the expected return of 6.8%.

The following table shows the effect of one and two standard deviation investment losses in FY 2023-24 on the FY 2026-27 contribution requirements. Note that a single-year investment gain or loss decreases or increases the required UAL contribution amount incrementally for each of the next five years, not just one, due to the 5-year ramp in the amortization policy. However, the contribution requirements beyond the first year are also impacted by investment returns beyond the first year. Historically, significant downturns in the market are often followed by higher than average returns. Such investment gains would offset the impact of these single year negative returns in years beyond FY 2026-27.

Assumed Annual Return for Fiscal Year 2023-24	Required Employer Contributions	Projected Employer Contributions
	2025-26	2026-27
(17.2%) (2 standard deviation loss)		
Discount Rate	6.80%	6.80%
Normal Cost Rate	8.27%	8.3%
UAL Contribution	$8,431	$16,000
(5.2%) (1 standard deviation loss)		
Discount Rate	6.80%	6.80%
Normal Cost Rate	8.27%	8.3%
UAL Contribution	$8,431	$14,000

- Without investment gains (returns higher than 6.8%) in FY 2024-25 or later, projected contributions rates would continue to rise over the next four years due to the continued phase-in of the impact of the illustrated investment loss in FY 2023-24.
- The Pension Outlook Tool can be used to model projected contributions for these scenarios beyond FY 2026-27 as well as to model other investment return scenarios.

Discount Rate Sensitivity

The discount rate assumption is calculated as the sum of the assumed real rate of return and the assumed annual price inflation, currently 4.5% and 2.3%, respectively. Changing either the price inflation assumption or the real rate of return assumption will change the discount rate. The sensitivity of the valuation results to the discount rate assumption depends on which component of the discount rate is changed. Shown below are various valuation results as of June 30, 2023, assuming alternate discount rates by changing the two components independently. Results are shown using the current discount rate of 6.8% as well as alternate discount rates of 5.8% and 7.8%. The rates of 5.8% and 7.8% were selected since they illustrate the impact of a 1.0% increase or decrease to the 6.8% assumption.

Sensitivity to the Real Rate of Return Assumption

As of June 30, 2023	1% Lower Real Return Rate	Current Assumptions	1% Higher Real Return Rate
Discount Rate	**5.8%**	**6.8%**	**7.8%**
Price Inflation	2.3%	2.3%	2.3%
Real Rate of Return	**3.5%**	**4.5%**	**5.5%**
a) Total Normal Cost	20.67%	16.52%	13.37%
b) Accrued Liability	$1,304,144	$1,016,610	$798,951
c) Market Value of Assets	$863,482	$863,482	$863,482
d) Unfunded Liability/(Surplus) [(b) - (c)]	$440,662	$153,128	($64,531)
e) Funded Ratio	66.2%	84.9%	108.1%

Sensitivity to the Price Inflation Assumption

As of June 30, 2023	1% Lower Price Inflation	Current Assumptions	1% Higher Price Inflation
Discount Rate	**5.8%**	**6.8%**	**7.8%**
Price Inflation	**1.3%**	**2.3%**	**3.3%**
Real Rate of Return	4.5%	4.5%	4.5%
a) Total Normal Cost	17.42%	16.52%	15.02%
b) Accrued Liability	$1,082,263	$1,016,610	$907,824
c) Market Value of Assets	$863,482	$863,482	$863,482
d) Unfunded Liability/(Surplus) [(b) - (c)]	$218,781	$153,128	$44,342
e) Funded Ratio	79.8%	84.9%	95.1%

Mortality Rate Sensitivity

The following table looks at the change in the June 30, 2023, plan costs and funded status under two different longevity scenarios, namely assuming rates of post-retirement mortality are 10% lower or 10% higher than our current mortality assumptions adopted in 2021. This type of analysis highlights the impact on the plan of a change in the mortality assumption.

As of June 30, 2023	10% Lower Mortality Rates	Current Assumptions	10% Higher Mortality Rates
a) Total Normal Cost	16.81%	16.52%	16.25%
b) Accrued Liability	$1,033,674	$1,016,610	$1,000,799
c) Market Value of Assets	$863,482	$863,482	$863,482
d) Unfunded Liability/(Surplus) [(b) - (c)]	$170,192	$153,128	$137,317
e) Funded Ratio	83.5%	84.9%	86.3%

Maturity Measures

As pension plans mature they become more sensitive to risks. Understanding plan maturity and how it affects the ability of a pension plan sponsor to tolerate risk is important in understanding how the pension plan is impacted by investment return volatility, other economic variables and changes in longevity or other demographic assumptions.

Since it is the employer that bears the risk, it is appropriate to perform this analysis on a pension plan level considering all rate plans. The following measures are for one rate plan only. One way to look at the maturity level of CalPERS and its plans is to look at the ratio of a plan's retiree liability to its total liability. A pension plan in its infancy will have a very low ratio of retiree liability to total liability. As the plan matures, the ratio increases. A mature plan will often have a ratio above 60%-65%.

Ratio of Retiree Accrued Liability to Total Accrued Liability	June 30, 2022	June 30, 2023
1. Retiree Accrued Liability	$0	$0
2. Total Accrued Liability	$840,882	$1,016,610
3. Ratio of Retiree AL to Total AL [(1) ÷ (2)]	0%	0%

Another measure of the maturity level of CalPERS and its plans is the ratio of actives to retirees, also called the support ratio. A pension plan in its infancy will have a very high ratio of active to retired members. As the plan matures and members retire, the ratio declines. A mature plan will often have a ratio near or below one.

To calculate the support ratio for the rate plan, retirees and beneficiaries receiving a continuance are each counted as one, even though they may have only worked a portion of their careers as an active member of this rate plan. For this reason, the support ratio, while intuitive, may be less informative than the ratio of retiree liability to total accrued liability above.

For comparison, the support ratio for all CalPERS public agency plans as of June 30, 2022, was 0.77 and was calculated consistently with how it is for the individual rate plan. Note that to calculate the support ratio for all public agency plans, a retiree with service from more than one CalPERS agency is counted as a retiree more than once.

Support Ratio	June 30, 2022	June 30, 2023
1. Number of Actives	8	9
2. Number of Retirees	0	0
3. Support Ratio [(1) ÷ (2)]	N/A	N/A

Maturity Measures (continued)

The actuarial calculations supplied in this communication are based on various assumptions about long-term demographic and economic behavior. Unless these assumptions (e.g., terminations, deaths, disabilities, retirements, salary increases, investment return) are exactly realized each year, there will be differences on a year-to-year basis. The year-to-year differences between actual experience and the assumptions are called actuarial gains and losses and serve to lower or raise required employer contributions from one year to the next. Therefore, employer contributions will inevitably fluctuate, especially due to the ups and downs of investment returns.

Asset Volatility Ratio

Shown in the table below is the asset volatility ratio (AVR), which is the ratio of market value of assets to payroll. Plans that have a higher AVR experience more volatile employer contributions (as a percentage of payroll) due to investment return. For example, a plan with an AVR of 8 may experience twice the contribution volatility due to investment return volatility than a plan with an AVR of 4. It should be noted that this ratio is a measure of the current situation. It increases over time but generally tends to stabilize as a plan matures.

Liability Volatility Ratio

Also shown in the table below is the liability volatility ratio (LVR), which is the ratio of accrued liability to payroll. Plans that have a higher LVR experience more volatile employer contributions (as a percentage of payroll) due to changes in liability. For example, a plan with an LVR of 8 is expected to have twice the contribution volatility of a plan with an LVR of 4 when there is a change in accrued liability, such as when there is a change in actuarial assumptions. It should be noted that this ratio indicates a longer-term potential for contribution volatility, since the AVR, described above, will tend to move closer to the LVR as the funded ratio approaches 100%.

Contribution Volatility	June 30, 2022	June 30, 2023
1. Market Value of Assets	$725,716	$863,482
2. Payroll	$786,340	$959,138
3. Asset Volatility Ratio (AVR) [(1) ÷ (2)]	0.9	0.9
4. Accrued Liability	$840,882	$1,016,610
5. Liability Volatility Ratio (LVR) [(4) ÷ (2)]	1.1	1.1

Maturity Measures History

Valuation Date	Ratio of Retiree Accrued Liability to Total Accrued Liability	Support Ratio	Asset Volatility Ratio	Liability Volatility Ratio
06/30/2017	0%	N/A	0.3	0.3
06/30/2018	0%	N/A	0.5	0.5
06/30/2019	0%	N/A	0.6	0.6
06/30/2020	0%	N/A	0.6	0.7
06/30/2021	0%	N/A	0.9	0.9
06/30/2022	0%	N/A	0.9	1.1
06/30/2023	0%	N/A	0.9	1.1

Funded Status – Termination Basis

The funded status measured on a termination basis is an estimate of the financial position of the plan had the contract with CalPERS been terminated as of June 30, 2023. The accrued liability on a termination basis (termination liability) is calculated differently from the plan's ongoing funding liability. For the termination liability calculation, both compensation and service are frozen as of the valuation date and no future pay increases or service accruals are assumed. This measure of funded status is not appropriate for assessing the need for future employer contributions in the case of an ongoing plan, that is, for an employer that continues to provide CalPERS retirement benefits to active employees. Unlike the actuarial cost method used for ongoing plans, the termination liability is the present value of the benefits earned through the valuation date.

A more conservative investment policy and asset allocation strategy was adopted by the board for the Terminated Agency Pool. The Terminated Agency Pool has limited funding sources since no future employer contributions will be made. Therefore, expected benefit payments are secured by risk-free assets and benefit security for members is increased while limiting the funding risk. However, this asset allocation has a lower expected rate of return than the remainder of the PERF and consequently, a lower discount rate assumption. The lower discount rate for the Terminated Agency Pool results in higher liabilities for terminated plans.

The discount rate used for actual termination valuations is a weighted average of the 10-year and 30-year Treasury yields where the weights are based on matching asset and liability durations as of the termination date. The discount rates used in the following analysis is based on 20-year Treasury bonds, which is a good proxy for most plans. The discount rate upon contract termination will depend on actual Treasury rates on the date of termination, which varies over time, as shown below.

Valuation Date	20-Year Treasury Rate	Valuation Date	20-Year Treasury Rate
06/30/2014	3.08%	06/30/2019	2.31%
06/30/2015	2.83%	06/30/2020	1.18%
06/30/2016	1.86%	06/30/2021	2.00%
06/30/2017	2.61%	06/30/2022	3.38%
06/30/2018	2.91%	06/30/2023	4.06%

As Treasury rates are variable, the table below shows a range for the termination liability using discount rates 1% below and above the 20-year Treasury rate on the valuation date. The price inflation assumption is the 20-year Treasury breakeven inflation rate, that is, the difference between the 20-year inflation indexed bond and the 20-year fixed-rate bond.

The Market Value of Assets (MVA) also varies with interest rates and will fluctuate depending on other market conditions on the date of termination. Since it is not possible to approximate how the MVA will change in different interest rate environments, the results below use the MVA as of the valuation date.

	Discount Rate: 3.06% Price Inflation: 2.50%	Discount Rate: 5.06% Price Inflation: 2.50%
1. Termination Liability[1]	$1,494,381	$845,897
2. Market Value of Assets (MVA)	863,482	863,482
3. Unfunded Termination Liability [(1) – (2)]	$630,899	($17,585)
4. Funded Ratio [(2) ÷ (1)]	57.8%	102.1%

[1] The termination liabilities calculated above include a 5% contingency load. The contingency load and other actuarial assumptions can be found in Appendix A of the Section 2 report.

In order to terminate the plan, first contact our Pension Contract Services unit to initiate a Resolution of Intent to Terminate. The completed Resolution will allow a CalPERS actuary to provide a preliminary termination valuation with a more up-to-date estimate of the plan's assets and liabilities. Before beginning this process, please consult with a CalPERS actuary.

Funded Status – Low-Default-Risk Basis

Actuarial Standard of Practice (ASOP) No. 4, *Measuring Pension Obligations and Determining Pension Plan Costs or Contributions*, requires the disclosure of a low-default-risk obligation measure (LDROM) of benefit costs accrued as of the valuation date using a discount rate based on the yields of high quality fixed income securities with cash flows that replicate expected benefit payments. Conceptually, this measure represents the level at which financial markets would value the accrued plan costs, and would be approximately equal to the cost of a portfolio of low-default-risk bonds with similar financial characteristics to accrued plan costs.

As permitted in ASOP No. 4, the Actuarial Office uses the Entry Age Actuarial Cost Method to calculate the LDROM. This methodology is in line with the measure of "benefit entitlements" calculated by the Bureau of Economic Analysis and used by the Federal Reserve to report the indebtedness due to pensions of plan sponsors and, conversely, the household wealth due to pensions of plan members.

As shown below, the discount rate used for the LDROM is 4.82%, which is the Standard FTSE Pension Liability Index[1] discount rate as of June 30, 2023, net of assumed administrative expenses.

Selected Measures on a Low-Default-Risk Basis	June 30, 2023
Discount Rate	4.82%
1. Accrued Liability[2] – Low-Default-Risk Basis (LDROM)	
a) Active Members	$1,558,031
b) Transferred Members	0
c) Separated Members	119,880
d) Members and Beneficiaries Receiving Payments	0
e) Total	$1,677,911
2. Market Value of Assets (MVA)	863,482
3. Unfunded Accrued Liability – Low-Default-Risk Basis [(1e) – (2)]	$814,429
4. Unfunded Accrued Liability – Funding Policy Basis	153,128
5. Present Value of Unearned Investment Risk Premium [(3) – (4)]	$661,301

The difference between the unfunded liabilities on a low-default-risk basis and on the funding policy basis represents the present value of the investment risk premium that must be earned in future years to keep future contributions for currently accrued plan costs at the levels anticipated by the funding policy.

Benefit security for members of the plan relies on a combination of the assets in the plan, the investment income generated from those assets, and the ability of the plan sponsor to make necessary future contributions. If future returns fall short of 6.8%, benefit security could be at risk without higher than currently anticipated future contributions.

The funded status on a low-default-risk basis is not appropriate for assessing the sufficiency of plan assets to cover the cost of settling the plan's benefit obligations (see Funded Status – Termination Basis), nor is it appropriate for assessing the need for future contributions (see Funded Status – Funding Policy Basis).

[1] This index is based on a yield curve of hypothetical AA-rated zero coupon corporate bonds whose maturities range from 6 months to 30 years. The index represents the single discount rate that would produce the same present value as discounting a standardized set of liability cash flows for a fully open pension plan using the yield curve. The liability cash flows are reasonably consistent with the pattern of benefits expected to be paid from the entire Public Employees' Retirement Fund for current and former plan members. A different index, hence a different discount rate, may be needed to measure the LDROM for a subset of the fund, such as a single rate plan or a group of retirees.

[2] If plan assets were invested entirely in the AA fixed income securities used to determine the discount rate of 4.82%, the CalPERS discount rate could, at various times, be below 4.5% or 5.25%, and some automatic annual retiree COLAs could be suspended (Gov. Code sections 21329 and 21335). Since there is currently no proposal to adopt an asset allocation entirely comprised of fixed income securities, the automatic COLAs have been fully valued in the measures above based on the assumptions used for plan funding. Removing future COLAs from the measurement would understate the statutory obligation.

Summary of Valuation Data

The table below shows a summary of the plan's member data upon which this valuation is based:

	June 30, 2022	June 30, 2023
Active Members		
Counts	8	9
Average Attained Age	37.0	36.4
Average Entry Age to Rate Plan	31.4	31.3
Average Years of Credited Service	5.7	5.2
Average Annual Covered Pay	$98,293	$106,571
Annual Covered Payroll	$786,340	$959,138
Present Value of Future Payroll	$9,856,040	$12,049,065
Transferred Members	0	0
Separated Members	1	2
Retired Members and Beneficiaries*		
Counts	0	0
Average Annual Benefits	$0	$0
Total Annual Benefits	$0	$0

Counts of members included in the valuation are counts of the records processed by the valuation. Multiple records may exist for those who have service in more than one valuation group. This does not result in double counting of liabilities.

* Values include community property settlements.

List of Class 1 Benefit Provisions

This plan has the following Class 1 Benefit Provisions:

- Post-Retirement Survivor Allowance (PRSA)

Plan's Major Benefit Options

Shown below is a summary of the major optional benefits for which the agency has contracted. A description of principal standard and optional plan provisions is in Section 2.

	Benefit Group	
Member Category	**Misc**	
Demographics		
Actives	Yes	
Transfers/Separated	Yes	
Receiving	No	
Benefit Provision		
Benefit Formula	2% @ 62	
Social Security Coverage	No	
Full/Modified	Full	
Employee Contribution Rate	8.25%	
Final Average Compensation Period	Three Year	
Sick Leave Credit	Yes	
Non-Industrial Disability	Standard	
Industrial Disability	No	
Pre-Retirement Death Benefits		
Optional Settlement 2	Yes	
1959 Survivor Benefit Level	Level 3	
Special	No	
Alternate (firefighters)	No	
Post-Retirement Death Benefits		
Lump Sum	$2,000	
Survivor Allowance (PRSA)	Yes	
COLA	2%	

Section 2

California Public Employees' Retirement System

Risk Pool Actuarial Valuation Information

Section 2 may be found on the
CalPERS website (www.calpers.ca.gov)
in the Forms & Publications section

23187 Connecticut Street
Hayward, CA 94545

T: (510) 783-7744

acmad@mosquitoes.org

Increasing Benefit Assessment

Background:
In 2003, the introduction of West Nile Virus (WNV) into Alameda County via wild birds significantly increased the operational costs for the District. In response, the District's Long Range Benefit Committee proposed levying a benefit assessment to fund necessary initiatives for monitoring and controlling mosquito populations. This led to the establishment of the current benefit assessment rate of $2.50 per Single Family Equivalent (SFE) in 2008. The maximum allowable assessment rate is $7.75 per SFE.

Despite ongoing challenges related to mosquito-borne diseases and the need for enhanced control measures, the benefit assessment has remained unchanged. With the continued threat posed by invasive *Aedes* mosquitoes, it is crucial to reassess the funding mechanisms to ensure the District can effectively respond to these public health challenges.

Analysis:
1) Increasing the benefit assessment by $0.25 to $2.75 per SFE would result in an estimated annual revenue increase of $128,051.

2) Increasing the benefit assessment by $0.40 to $2.90 per SFE would result in an estimated annual revenue increase of $199,559.

3) Increasing the benefit assessment by $0.50 to $3.00 per SFE would result in an estimated annual revenue increase of $247,231.

Recommendation:
Staff recommends Option 2, increasing the benefit assessment from $2.50 to $2.90 per SFE to ensure the District has adequate resources to address the growing threat of invasive *Aedes* mosquitoes. The District's recent *Aedes* response in Pleasanton in October 2024 highlights the increasing need for funding to support surveillance, control efforts, and community outreach. This adjustment will strengthen mosquito control programs, help mitigate the spread of invasive species and support the District's mission to improve the health and comfort of Alameda County residents by controlling mosquitoes and limiting the transmission of mosquito-borne diseases.

Attachments:
- Preliminary Estimate Calculator template from SCI.

				Estimated			
	Current Rate		**20.0%**	**$0.500**			
Asmt:	$2.50	$1,182,925.35	**Proposed Asmt**	$3.000	$1,430,156.33	$247,230.98	Additional revenue per year

Choose the rate calculation

Actual CPI & Rate calculation — **maximum rate calculation**

San Francisco						**ROUNDING**	**TRUNCATING**
SF Area CPI history (Dec to Dec) - truncate CPI to 2 decimals only		**Fiscal Year**	max CPI allowed	remainder CPI carried over to next yr	Maximum Rate allowed	**actual asmt RATE/SFE used** (rounded down)	**actual asmt RATE/SFE used** (truncated, not rounding)
1st year		FY 08-09			**$5.000**	**$5.00**	**$5.00**
Dec-08	0.01%	FY 09-10	0.01%	0.00%	**$5.001**	**$5.00**	**$5.00**
Dec-09	2.61%	FY 10-11	2.61%	0.00%	**$5.131**	**$5.12**	**$5.13**
Dec-10	1.52%	FY 11-12	1.52%	0.00%	**$5.209**	**$5.20**	**$5.20**
Dec-11	2.92%	FY 12-13	2.92%	0.00%	**$5.361**	**$5.36**	**$5.36**
Dec-12	2.22%	FY 13-14	2.22%	0.00%	**$5.480**	**$5.48**	**$5.48**
Dec-13	2.57%	FY 14-15	2.57%	0.00%	**$5.621**	**$5.62**	**$5.62**
Dec-14	2.67%	FY 15-16	2.67%	0.00%	**$5.771**	**$5.76**	**$5.77**
Dec-15	3.17%	FY 16-17	3.00%	0.17%	**$5.944**	**$5.94**	**$5.94**
Dec-16	3.53%	FY 17-18	3.00%	0.70%	**$6.122**	**$6.12**	**$6.12**
Dec-17	2.94%	FY 18-19	3.00%	0.64%	**$6.306**	**$6.30**	**$6.30**
Dec-18	4.49%	FY 19-20	3.00%	2.13%	**$6.495**	**$6.48**	**$6.49**
Dec-19	2.45%	FY 20-21	3.00%	1.58%	**$6.690**	**$6.68**	**$6.69**
Dec-20	2.00%	FY 21-22	3.00%	0.58%	**$6.891**	**$6.88**	**$6.89**
Dec-21	4.24%	FY 22-23	3.00%	1.82%	**$7.098**	**$7.08**	**$7.09**
Dec-22	4.88%	FY 23-24	3.00%	3.71%	**$7.311**	**$7.30**	**$7.31**
Dec-23	2.62%	FY 24-25	3.00%	3.33%	**$7.530**	**$7.52**	**$7.52**
Dec-24	2.38%	FY 25-26	3.00%	2.71%	**$7.756**	**$7.74**	**$7.75**

				Estimated		
	Current Rate		16.0%	$0.400		
Asmt:	$2.50	$1,182,925.35	Proposed Asmt	$2.900	$1,382,484.45	$199,559.10 Additional revenue per year

Choose the rate calculation

Actual CPI & Rate calculation			maximum rate calculation			ROUNDING	TRUNCATING
San Francisco							
SF Area CPI history (Dec to Dec) - truncate CPI to 2 decimals only		**Fiscal Year**	max CPI allowed	remainder CPI carried over to next yr	Maximum Rate allowed	**actual asmt RATE/SFE used** (rounded down)	**actual asmt RATE/SFE used** (truncated, not rounding)
1st year		FY 08-09			**$5.000**	**$5.00**	**$5.00**
Dec-08	0.01%	FY 09-10	0.01%	0.00%	**$5.001**	**$5.00**	**$5.00**
Dec-09	2.61%	FY 10-11	2.61%	0.00%	**$5.131**	**$5.12**	**$5.13**
Dec-10	1.52%	FY 11-12	1.52%	0.00%	**$5.209**	**$5.20**	**$5.20**
Dec-11	2.92%	FY 12-13	2.92%	0.00%	**$5.361**	**$5.36**	**$5.36**
Dec-12	2.22%	FY 13-14	2.22%	0.00%	**$5.480**	**$5.48**	**$5.48**
Dec-13	2.57%	FY 14-15	2.57%	0.00%	**$5.621**	**$5.62**	**$5.62**
Dec-14	2.67%	FY 15-16	2.67%	0.00%	**$5.771**	**$5.76**	**$5.77**
Dec-15	3.17%	FY 16-17	3.00%	0.17%	**$5.944**	**$5.94**	**$5.94**
Dec-16	3.53%	FY 17-18	3.00%	0.70%	**$6.122**	**$6.12**	**$6.12**
Dec-17	2.94%	FY 18-19	3.00%	0.64%	**$6.306**	**$6.30**	**$6.30**
Dec-18	4.49%	FY 19-20	3.00%	2.13%	**$6.495**	**$6.48**	**$6.49**
Dec-19	2.45%	FY 20-21	3.00%	1.58%	**$6.690**	**$6.68**	**$6.69**
Dec-20	2.00%	FY 21-22	3.00%	0.58%	**$6.891**	**$6.88**	**$6.89**
Dec-21	4.24%	FY 22-23	3.00%	1.82%	**$7.098**	**$7.08**	**$7.09**
Dec-22	4.88%	FY 23-24	3.00%	3.71%	**$7.311**	**$7.30**	**$7.31**
Dec-23	2.62%	FY 24-25	3.00%	3.33%	**$7.530**	**$7.52**	**$7.52**
Dec-24	2.38%	FY 25-26	3.00%	2.71%	**$7.756**	**$7.74**	**$7.75**

	Current Rate		10.0%	Estimated $0.250			
Asmt:	$2.50	$1,182,925.35	**Proposed Asmt**	$2.750	$1,310,976.63	$128,051.28	Additional revenue per year

Actual CPI & Rate calculation | **maximum rate calculation** | Choose the rate calculation

San Francisco						ROUNDING	TRUNCATING
SF Area CPI history (Dec to Dec) - truncate CPI to 2 decimals only		**Fiscal Year**	max CPI allowed	remainder CPI carried over to next yr	Maximum Rate allowed	**actual asmt RATE/SFE used** (rounded down)	**actual asmt RATE/SFE used** (truncated, not rounding)
1st year		FY 08-09			**$5.000**	**$5.00**	**$5.00**
Dec-08	0.01%	FY 09-10	0.01%	0.00%	**$5.001**	**$5.00**	**$5.00**
Dec-09	2.61%	FY 10-11	2.61%	0.00%	**$5.131**	**$5.12**	**$5.13**
Dec-10	1.52%	FY 11-12	1.52%	0.00%	**$5.209**	**$5.20**	**$5.20**
Dec-11	2.92%	FY 12-13	2.92%	0.00%	**$5.361**	**$5.36**	**$5.36**
Dec-12	2.22%	FY 13-14	2.22%	0.00%	**$5.480**	**$5.48**	**$5.48**
Dec-13	2.57%	FY 14-15	2.57%	0.00%	**$5.621**	**$5.62**	**$5.62**
Dec-14	2.67%	FY 15-16	2.67%	0.00%	**$5.771**	**$5.76**	**$5.77**
Dec-15	3.17%	FY 16-17	3.00%	0.17%	**$5.944**	**$5.94**	**$5.94**
Dec-16	3.53%	FY 17-18	3.00%	0.70%	**$6.122**	**$6.12**	**$6.12**
Dec-17	2.94%	FY 18-19	3.00%	0.64%	**$6.306**	**$6.30**	**$6.30**
Dec-18	4.49%	FY 19-20	3.00%	2.13%	**$6.495**	**$6.48**	**$6.49**
Dec-19	2.45%	FY 20-21	3.00%	1.58%	**$6.690**	**$6.68**	**$6.69**
Dec-20	2.00%	FY 21-22	3.00%	0.58%	**$6.891**	**$6.88**	**$6.89**
Dec-21	4.24%	FY 22-23	3.00%	1.82%	**$7.098**	**$7.08**	**$7.09**
Dec-22	4.88%	FY 23-24	3.00%	3.71%	**$7.311**	**$7.30**	**$7.31**
Dec-23	2.62%	FY 24-25	3.00%	3.33%	**$7.530**	**$7.52**	**$7.52**
Dec-24	2.38%	FY 25-26	3.00%	2.71%	**$7.756**	**$7.74**	**$7.75**

ALAMEDA COUNTY MOSQUITO ABATEMENT DISTRICT

Capital Asset Replacement Program
Analysis and Report

Exhibits

YEAR PURCHASED / IN SERVICE	ASSET DESCRIPTION	SERVICE LIFE	ORIGINAL ACQUISITION COST	CURRENT REPLACEMENT COST	REPLACEMENT COST SOURCE
	BUILDING MAJOR SYSTEMS	Future Cost Based on Current Cost Plus 2.92% Annual ENR-BCI			
2005	HVAC (small)	20	n/a	$8,000	ALCO HVAC
2005	HVAC (small)	20	n/a	$8,000	ALCO HVAC
2005	HVAC (medium)	20	n/a	$9,000	ALCO HVAC
2005	HVAC (medium)	20	n/a	$9,000	ALCO HVAC
2005	HVAC (medium)	20	n/a	$9,000	ALCO HVAC
2005	HVAC (large)	20	n/a	$10,000	ALCO HVAC
2009	Electric Gate	20	$10,275	$14,000	Cost + ENR-BCI
2011	Roof Gutter System	15	$17,075	$21,000	Cost + ENR-BCI
2015	Parking Lot Asphalt Pavement	20	$77,668	$87,000	Cost + ENR-BCI
2005	Parking Lot Concrete Pavement (5,200 s. f.)	40	n/a	$104,000	MRG
2015	Roof - Shop	20	$50,608	$57,000	Cost + ENR-BCI
2018	Roof - Office	20	$107,000	$133,000	District
1990	Public Ed Shed	35	n/a	$8,000	MRG
1985	Wash Rack - Pad and Separator	40	$8,000	$50,000	Hydro Tech/MRG
1985	Parking Structure Roof (6,400 s.f.)	35	n/a	$96,000	MRG

YEAR PURCHASED / IN SERVICE	ASSET DESCRIPTION	SERVICE LIFE	ORIGINAL ACQUISITION COST	CURRENT REPLACEMENT COST	REPLACEMENT COST SOURCE
	VEHICLES	Future Cost Based on Current Cost Plus 2.79% Annual CPI			
2003	2003 Ford E-150 Cargo Van 4X2	20	$27,070	$42,000	Cost + CPI
2005	2005 Jeep Wrangler 4X4 RHD (White)	20	$30,140	$44,000	Cost + CPI
2005	2005 Jeep Wrangler 4X4 RHD (Red)	20	$30,140	$44,000	Cost + CPI
2019	2008 Ford Ranger 4DR 4X4	10	$22,530	$37,000	District
2009	2009 Ford F-150 4X4	12	$29,495	$39,000	Cost + CPI
2019	2009 Ford Ranger 4DR 4X2	10	$29,225	$37,000	District
2011	2011 Ford Ranger 4DR 4X4	10	$22,899	$37,000	District
2011	2011 Ford F-150 4X4	12	$29,582	$37,000	Cost + CPI
2011	2011 Ford Ranger 4DR 4X2	10	$22,899	$37,000	District
2012	2012 Ford F-150 4X4 Long Bed	12	$27,764	$34,000	Cost + CPI
2012	2012 Ford F-150 4X4 Long Bed	12	$27,764	$34,000	Cost + CPI
2012	2012 Ford F-150 4X4 Long Bed	12	$27,764	$34,000	Cost + CPI
2014	2013 Jeep Wrangler 4X4 RHD	20	$34,909	$40,000	Cost + CPI
2014	2014 Ford F-150 4X4 XTRA Cab	12	$30,783	$35,000	Cost + CPI
2014	2014 Ford F-150 4X4 XTRA Cab	12	$26,783	$31,000	Cost + CPI
2014	2014 Ford Fusion Hybrid	12	$28,146	$32,000	Cost + CPI
2015	2014 Ford F-150 4X2 Long Bed	12	$26,984	$30,000	Cost + CPI
2015	2015 Nissan Frontier 4X4 XTRA Cab	12	$26,690	$30,000	Cost + CPI
2017	2017 GMC Canyon 4X4	12	$37,000	$39,000	Cost + CPI
2017	2017 GMC Canyon 4X4	12	$37,000	$39,000	Cost + CPI
2018	2018 GMC Canyon 4X4	12	$37,910	$39,000	Cost + CPI
2011	Argo All-Terrain	10	$28,519	$30,000	Argo Advent.
2012	Argo All-Terrain	10	$23,949	$30,000	Argo Advent.
2014	Argo All-Terrain	10	$27,428	$30,000	Argo Advent.
2015	Argo All-Terrain	10	$27,687	$30,000	Argo Advent.

YEAR PURCHASED / IN SERVICE	ASSET DESCRIPTION	SERVICE LIFE	ORIGINAL ACQUISITION COST	CURRENT REPLACEMENT COST	REPLACEMENT COST SOURCE
	SHOP EQUIPMENT	Future Cost Based on Current Cost Plus 2.79% Annual CPI			
2016	Mar-Len, Pressure Water System	5	$6,875	$8,000	Mar-Len Supply
2000	Vehicle Lift	25	$10,000	$15,000	Ferris Hoist
2000	Tire Balancer	25	n/a	$5,000	District
2000	Tire Changer	25	n/a	$5,000	District
2000	Two Ton Crane Hoist	25	$5,000	$8,000	Ferris Hoist
1991	Oil Tank (BVA) and Slab	35	n/a	$50,000	District/MRG
2005	Mozzie Electric ULV	15	$8,000	$15,000	Leading Edge
1985	Leco Gas ULV/Larvicidal Rig	35	$7,000	$15,000	Leading Edge
2018	London Fogger	10	$17,000	$17,000	District

Alameda County Mosquito Abatement District
Capital Asset Replacement Schedule

Exhibit A

Municipal Resource Group LLC
February 2019

YEAR PURCHASED / IN SERVICE	ASSET DESCRIPTION	SERVICE LIFE	ORIGINAL ACQUISITION COST	CURRENT REPLACEMENT COST	REPLACEMENT COST SOURCE
	FISH EQUIPMENT	Future Cost Based on Current Cost Plus 2.79% Annual CPI			
1990	Fish Tank (2,400 gal)***	35	n/a	$24,000	Sac. Koi
2002	Filtration (large)	20	n/a	$12,000	Sac. Koi
2015	Fish Tank, Sac. Koi (800 gal)	25	$10,827	$12,000	Sac. Koi
2015	Filtration (small)	10	$7,000	$8,000	Sac. Koi
2016	Fish Tank, Sac. Koi (800 gal)	25	$10,469	$12,000	Sac. Koi
	LAB EQUIPMENT	Future Cost Based on Current Cost Plus 2.79% Annual CPI			
2015	Microscope	10	$6,267	$23,000	Fisher Scienbtific
2015	Microscope	10	$6,267	$23,000	Fisher Scienbtific
2015	Lifetech PCR Machine	5	$33,978	$31,000	Fisher Scienbtific
2015	Incubator	8	n/a	$11,000	Fisher Scienbtific
2016	Lifetech Nucleic Acid Isolator	5	$24,511	$25,000	Fisher Scienbtific
2016	Bio Tek Spec Plate Reader	8	$8,828	$11,000	Fisher Scienbtific
2018	Autoclave	10	$7,493	$7,000	District
2018	Minus 80 Freezer	8	$17,720	$17,000	District
2018	Drone	5	$26,820	$27,000	District
	NON-CAPITAL ASSETS	Future Cost Based on Current Cost Plus 2.79% Annual CPI			
2017	Mosquito District Database	5	$233,000	$246,000	Cost + CPI
2005	Painting - Exterior Main Building	15	n/a	$25,000	Shine Painting/MRG
2005	Painting - Interior Main Building	15	n/a	$15,000	Shine Painting/MRG
2005	Painting - Parking Structure	15	n/a	$15,000	Shine Painting/MRG
2005	Flooring - Main Building (7,200 s. f.)	15	n/a	$108,000	MRG
2000	Landscaping	20	n/a	$15,000	MRG

*** Fish Tank (2,400 gal) will be replaced by two Fish Tanks (800 gal) according to District

YEAR PURCHASED / IN SERVICE	ASSET DESCRIPTION	REASON
	BUILDINGS	
1985/2005	Main Building	buildings excluded by policy
2018	Pesticide Shed	buildings excluded by policy
Unknown	Parking Structures	buildings excluded by policy
	BUILDING MAJOR SYSTEMS	
2014	CCTV	will not be replaced
	VEHICLES	
2005	2005 Ford F-150 4X4	will not be replaced (spare vehicle)

Alameda County Mosquito Abtement District
Projected Capital Asset Replacement Costs

Exhibit C

Municipal Resource Group LLC
February 2019

YEAR PURCHASED / IN SERVICE	ASSET DESCRIPTION	SERVICE LIFE	ORIGINAL ACQUISITION COST	CURRENT REPLACEMENT COST	REPLACEMENT COST SOURCE	REPLACEMENT YEAR 2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037
	BUILDING MAJOR SYSTEMS	Future Cost Based on Current Cost Plus 2.92% Annual ENR-BCI																						
2005	HVAC (small)	20	n/a	$8,000	ALCO HVAC							$10,000												
2005	HVAC (small)	20	n/a	$8,000	ALCO HVAC							$10,000												
2005	HVAC (medium)	20	n/a	$9,000	ALCO HVAC							$11,000												
2005	HVAC (medium)	20	n/a	$9,000	ALCO HVAC							$11,000												
2005	HVAC (medium)	20	n/a	$9,000	ALCO HVAC							$11,000												
2005	HVAC (large)	20	n/a	$10,000	ALCO HVAC							$12,000												
2009	Electric Gate	20	$10,275	$14,000	Cost + ENR-BCI											$19,000								
2011	Roof Gutter System	15	$17,075	$21,000	Cost + ENR-BCI									$26,000										
2015	Parking Lot Asphalt Pavement	20	$77,668	$87,000	Cost + ENR-BCI																	$138,000		
2005	Parking Lot Concrete Pavement (5,200 s. f.)	40	n/a	$104,000	MRG																			
2015	Roof Installation - Shop	20	$50,608	$57,000	Cost + ENR-BCI																	$90,000		
2018	Roof Installation - Office	20	$107,000	$133,000	District																			
1990	Public Ed Shed	35	n/a	$8,000	MRG							$10,000												
1985	Wash Rack - Pad and Separator	40	$8,000	$50,000	Hydro Tech/MRG							$59,000												
1985	Parking Structure Roof (6,400 s.f.)	35	n/a	$96,000	MRG		$99,000																	
	VEHICLES	Future Cost Based on Current Cost Plus 2.79% Annual CPI																						
2003	2003 Ford E-150 Cargo Van 4X2	20	$27,070	$42,000	Cost + CPI		$43,000																	
2005	2005 Jeep Wrangler 4X4 RHD (White)	20	$30,140	$44,000	Cost + CPI							$52,000												
2005	2005 Jeep Wrangler 4X4 RHD (Red)	20	$30,140	$44,000	Cost + CPI							$52,000												
2019	2008 Ford Ranger 4DR 4X4	10	$22,530	$37,000	District	$37,000										$49,000								
2009	2009 Ford F-150 4X4	12	$29,495	$39,000	Cost + CPI			$41,000												$57,000				
2019	2009 Ford Ranger 4DR 4X2	10	$29,225	$37,000	District	$37,000										$49,000								
2011	2011 Ford Ranger 4DR 4X4	10	$22,899	$37,000	District			$39,000										$51,000						
2011	2011 Ford F-150 4X4	12	$29,582	$37,000	Cost + CPI					$41,000												$57,000		
2011	2011 Ford Ranger 4DR 4X2	10	$22,899	$37,000	District			$39,000										$51,000						
2012	2012 Ford F-150 4X4 Long Bed	12	$27,764	$34,000	Cost + CPI						$39,000												$54,000	
2012	2012 Ford F-150 4X4 Long Bed	12	$27,764	$34,000	Cost + CPI						$39,000												$54,000	
2012	2012 Ford F-150 4X4 Long Bed	12	$27,764	$34,000	Cost + CPI						$39,000												$54,000	
2014	2013 Jeep Wrangler 4X4 RHD	20	$34,909	$40,000	Cost + CPI																$60,000			
2014	2014 Ford F-150 4X4 XTRA Cab	12	$30,783	$35,000	Cost + CPI								$42,000											
2014	2014 Ford F-150 4X4X TRA Cab	12	$26,783	$31,000	Cost + CPI								$38,000											
2014	2014 Ford Fusion Hybrid	12	$28,146	$32,000	Cost + CPI								$39,000											
2015	2014 Ford F-150 4X2 Long Bed	12	$26,984	$30,000	Cost + CPI									$37,000										
2015	2015 Nissan Frontier 4X4 XTRA Cab	12	$26,690	$30,000	Cost + CPI									$37,000										
2017	2017 GMC Canyon 4X4	12	$37,000	$39,000	Cost + CPI											$51,000								
2017	2017 GMC Canyon 4X4	12	$37,000	$39,000	Cost + CPI											$51,000								
2018	2018 GMC Canyon 4X4	12	$37,910	$39,000	Cost + CPI												$53,000							
2011	Argo All Terrain Vehicle	10	$28,519	$30,000	Argo Advent.			$32,000										$42,000						
2012	Argo All Terrain Vehicle	10	$23,949	$30,000	Argo Advent.				$33,000										$43,000					
2014	Argo All Terrain Vehicle	10	$27,428	$30,000	Argo Advent.						$34,000										$45,000			
2015	Argo All Terrain Vehicle	10	$27,687	$30,000	Argo Advent.							$35,000										$47,000		
	SHOP EQUIPMENT	Future Cost Based on Current Cost Plus 2.79% Annual CPI																						
2016	Mar-Len, Pressure Water System	5	$6,875	$8,000	Mar-Len Supply			$8,000					$10,000					$11,000					$13,000	
2000	Vehicle Lift	25	$10,000	$15,000	Ferris Hoist							$18,000												
2000	Tire Balancer	25	n/a	$5,000	District							$6,000												
2000	Tire Changer	25	n/a	$5,000	District							$6,000												
2000	Two Ton Crane Hoist	25	$5,000	$8,000	Ferris Hoist							$9,000												
1991	Oil Tank (BVA) and Slab	35	n/a	$50,000	District/MRG								$61,000											
2005	Mozzie Electric ULV	15	$8,000	$15,000	Leading Edge		$15,000															$23,000		
1985	Leco Gas ULV/Larvicidal Rig	35	$7,000	$15,000	Leading Edge		$15,000																	
2018	London Fogger	10	$17,000	$17,000	District										$22,000									
	FISH EQUIPMENT	Future Cost Based on Current Cost Plus 2.79% Annual CPI																						
1990	Fish Tank (2,400 gal)	35	n/a	$24,000	Sac. Koi							$28,000												
2002	Filtration (large)	20	n/a	$12,000	Sac. Koi				$13,000															
2015	Fish Tank, Sac. Koi (800 gal)	25	$10,827	$12,000	Sac. Koi																			
2015	Filtration (small)	10	$7,000	$8,000	Sac. Koi							$9,000										$12,000		
2016	Fish Tank, Sac. Koi (800 gal)	25	$10,469	$12,000	Sac. Koi																			
	LAB EQUIPMENT	Future Cost Based on Current Cost Plus 2.79% Annual CPI																						
2015	Microscope	10	$6,267	$23,000	Fisher Scienbtific							$27,000										$36,000		
2015	Microscope	10	$6,267	$23,000	Fisher Scienbtific							$27,000										$36,000		
2015	Lifetech PCR Machine	5	$33,978	$31,000	Fisher Scienbtific		$32,000					$37,000					$42,000					$48,000		
2015	Incubator	8	n/a	$11,000	Fisher Scienbtific					$12,000								$15,000						
2016	Lifetech Nucleic Acid Isolator	5	$24,511	$25,000	Fisher Scienbtific			$26,000					$30,000					$35,000					$40,000	
2016	Bio Tek Spec Plate Reader	8	$8,828	$11,000	Fisher Scienbtific						$13,000								$16,000					
2018	Autoclave	10	$7,493	$7,000	District										$9,000									
2018	Minus 80 Freezer	8	$17,720	$17,000	District								$21,000								$26,000			
2018	Drone	5	$26,620	$27,000	District					$30,000					$35,000					$40,000				
	NON-CAPITAL ASSETS	Future Cost Based on Current Cost Plus 2.79% Annual CPI																						
2017	Mosquito District Database	5	$233,000	$246,000	Cost + CPI				$267,000					$307,000					$352,000					$404,000
2005	Painting - Exterior Main Building	15	n/a	$25,000	Shine Painting/MRG		$26,000														$38,000			
2005	Painting - Interior Main Building	15	n/a	$15,000	Shine Painting/MRG		$15,000														$23,000			
2005	Painting - Parking Structure	15	n/a	$15,000	Shine Painting/MRG		$15,000														$23,000			
2005	Flooring - Main Building (7,200 s. f.)	15	n/a	$108,000	MRG		$111,000														$163,000			
2000	Landscaping	20	n/a	$15,000	MRG		$15,000																	
	TOTAL, ALL ASSETS (Inflation-Adjusted Dollars)					$74,000	$386,000	$185,000	$313,000	$83,000	$164,000	$440,000	$241,000	$407,000	$66,000	$219,000	$95,000	$205,000	$411,000	$97,000	$378,000	$487,000	$215,000	$404,000

YEAR PURCHASED / IN SERVICE	ASSET DESCRIPTION	SERVICE LIFE	ORIGINAL ACQUISITION COST	CURRENT REPLACEMENT COST	2038	2039
	BUILDING MAJOR SYSTEMS	Future Cost Based on Current Cost Plus 2.92% Annual ENR-BCI				
2005	HVAC (small)	20	n/a	$8,000		
2005	HVAC (small)	20	n/a	$8,000		
2005	HVAC (medium)	20	n/a	$9,000		
2005	HVAC (medium)	20	n/a	$9,000		
2005	HVAC (medium)	20	n/a	$9,000		
2005	HVAC (large)	20	n/a	$10,000		
2009	Electric Gate	20	$10,275	$14,000		
2011	Roof Gutter System	15	$17,075	$21,000		
2015	Parking Lot Asphalt Pavement	20	$77,668	$87,000		
2005	Parking Lot Concrete Pavement (5,200 s. f.)	40	n/a	$104,000		
2015	Roof Installation - Shop	20	$50,608	$57,000		
2018	Roof Installation - Office	20	$107,000	$133,000	$230,000	
1990	Public Ed Shed	35	n/a	$8,000		
1985	Wash Rack - Pad and Separator	40	$8,000	$50,000		
1985	Parking Structure Roof (6,400 s.f.)	35	n/a	$96,000		
	VEHICLES	Future Cost Based on Current Cost Plus 2.79% Annual CPI				
2003	2003 Ford E-150 Cargo Van 4X2	20	$27,070	$42,000		
2005	2005 Jeep Wrangler 4X4 RHD (White)	20	$30,140	$44,000		
2005	2005 Jeep Wrangler 4X4 RHD (Red)	20	$30,140	$44,000		
2019	2008 Ford Ranger 4DR 4X4	10	$22,530	$37,000		$64,000
2009	2009 Ford F-150 4X4	12	$29,495	$39,000		
2019	2009 Ford Ranger 4DR 4X2	10	$29,225	$37,000		$64,000
2011	2011 Ford Ranger 4DR 4X4	10	$22,899	$37,000		
2011	2011 Ford F-150 4X4	12	$29,582	$37,000		
2011	2011 Ford Ranger 4DR 4X2	10	$22,899	$37,000		
2012	2012 Ford F-150 4X4 Long Bed	12	$27,764	$34,000		
2012	2012 Ford F-150 4X4 Long Bed	12	$27,764	$34,000		
2012	2012 Ford F-150 4X4 Long Bed	12	$27,764	$34,000		
2014	2013 Jeep Wrangler 4X4 RHD	20	$34,909	$40,000		
2014	2014 Ford F-150 4X4 XTRA Cab	12	$30,783	$35,000	$59,000	
2014	2014 Ford F-150 4X4X TRA Cab	12	$26,783	$31,000	$52,000	
2014	2014 Ford Fusion Hybrid	12	$28,146	$32,000	$54,000	
2015	2014 Ford F-150 4X2 Long Bed	12	$26,984	$30,000		$52,000
2015	2015 Nissan Frontier 4X4 XTRA Cab	12	$26,690	$30,000		$52,000
2017	2017 GMC Canyon 4X4	12	$37,000	$39,000		
2017	2017 GMC Canyon 4X4	12	$37,000	$39,000		
2018	2018 GMC Canyon 4X4	12	$37,910	$39,000		
2011	Argo All Terrain Vehicle	10	$28,519	$30,000		
2012	Argo All Terrain Vehicle	10	$23,949	$30,000		
2014	Argo All Terrain Vehicle	10	$27,428	$30,000		
2015	Argo All Terrain Vehicle	10	$27,687	$30,000		
	SHOP EQUIPMENT	Future Cost Based on Current Cost Plus 2.79% Annual CPI				
2016	Mar-Len, Pressure Water System	5	$6,875	$8,000		
2000	Vehicle Lift	25	$10,000	$15,000		
2000	Tire Balancer	25	n/a	$5,000		
2000	Tire Changer	25	n/a	$5,000		
2000	Two Ton Crane Hoist	25	$5,000	$8,000		
1991	Oil Tank (BVA) and Slab	35	n/a	$50,000		
2005	Mozzie Electric ULV	15	$8,000	$15,000		
1985	Leco Gas ULV/Larvicidal Rig	35	$7,000	$15,000		
2018	London Fogger	10	$17,000	$17,000	$29,000	
	FISH EQUIPMENT	Future Cost Based on Current Cost Plus 2.79% Annual CPI				
1990	Fish Tank (2,400 gal)	35	n/a	$24,000		
2002	Filtration (large)	20	n/a	$12,000		
2015	Fish Tank, Sac. Koi (800 gal)	25	$10,827	$12,000		
2015	Filtration (small)	10	$7,000	$8,000		
2016	Fish Tank, Sac. Koi (800 gal)	25	$10,469	$12,000		
	LAB EQUIPMENT	Future Cost Based on Current Cost Plus 2.79% Annual CPI				
2015	Microscope	10	$6,267	$23,000		
2015	Microscope	10	$6,267	$23,000		
2015	Lifetech PCR Machine	5	$33,978	$31,000		
2015	Incubator	8	n/a	$11,000		$19,000
2016	Lifetech Nucleic Acid Isolator	5	$24,511	$25,000		
2016	Bio Tek Spec Plate Reader	8	$8,828	$11,000		
2018	Autoclave	10	$7,493	$7,000	$12,000	
2018	Minus 80 Freezer	8	$17,720	$17,000		
2018	Drone	5	$26,820	$27,000	$46,000	
	NON-CAPITAL ASSETS	Future Cost Based on Current Cost Plus 2.79% Annual CPI				
2017	Mosquito District Database	5	$233,000	$246,000		
2005	Painting - Exterior Main Building	15	n/a	$25,000		
2005	Painting - Interior Main Building	15	n/a	$15,000		
2005	Painting - Parking Structure	15	n/a	$15,000		
2005	Flooring - Main Building (7,200 s. f.)	15	n/a	$108,000		
2000	Landscaping	20	n/a	$15,000		
	TOTAL, ALL ASSETS (Inflation-Adjusted Dollars)				$482,000	$251,000

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Summary of 2025 Proposed Policy Changes – Chapter 200:

During this annual fiscal policy review, we recommend the following updates to decrease confusion while providing flexibility. This includes renaming the **Operating Reserve Fund** to the **District Contingency Fund** and the **Capital Reserve Fund** to the **New Asset/ Large Project Fund.** Additionally, we propose allowing the **District Contingency Fund** to be used for acquiring new assets thus reducing the financial impact on the District's Operational Fund. Staff is asking the Finance Committee to recommend these changes to a to-be-formed ad-hoc policy committee for future adoption by the full board.

Highlights include:

218.3.1
- Rename Operating Reserve Fund to District Contingency Fund
- Rename Capital Reserve Fund to New Asset/ Large Project Fund

Appendix 200-3
- Rename Operating Reserve Fund to District Contingency Fund
- Revise the Fund description to authorize its use for acquisition of new assets.

Appendix 200-4
- Rename Capital Reserve Fund to New Asset/ Large Project Fund
- Revise the Fund description to specify that capital projects must be identified in the strategic plan or receive board approval.

CHAPTER 200. FINANCIAL

Section 201. Expenditures

By resolution of the Board of Trustees, the Board established the following policy to review and approve District expenditures more efficiently.

201.1 The District budget will be reviewed, approved, and modified as necessary by the Board, consistent with existing District policies, procedures, and state law.

201.2 The Board authorizes the General Manager to issue warrants that are consistent with the objectives of the budget.

201.3 The General Manager shall act as Purchasing Agent unless the Board of Trustees designates another employee. The General Manager may delegate purchasing authority to other personnel in accordance with work functions and operational feasibility.

201.4 Any designated Purchasing Agent, within the intent and limits of the District budget, can purchase all materials, supplies, equipment, furnishings, and other property for the District. No purchase of property by any person other than the General Manager or their designated Purchasing Agent shall be binding upon the District or constitute a lawful charge against any District funds.

Section 202. Bidding Policies

202.1 Less than $5,000. Bidding is not required when the item or service to be purchased is less than $4,999 in value.

202.2 $5,000 to $15,000. Informal bidding shall be required when the item or service to be purchased costs between $5,000 and $15,000. Such bidding may be accomplished by written request for bids sent to selected bidders; by telephone survey of prices; by electronic requests for bids or surveys of prices; or by such other efforts directed towards obtaining a minimum of three bids. The Purchasing Agent shall award the bid to the lowest responsible bidder, unless the Purchasing Agent determines that the public interest requires a different action. The Board will receive a report of all purchases in this cost range. The Board of Trustees authorizes the Purchasing Agent to purchase items described by this policy, provided they do not exceed $15,000 and do not exceed the District's approved budget amount for the item or service in consideration.

202.3 Above $15,000. When the cost of the item or service to be purchased exceeds $15,000, formal bidding shall be required. Such bidding process shall require that a notice be posted at the District office at least ten (10) days prior to the bid opening and that formal requests for bids be solicited either by newspaper publication, trade journal publication, use of a bid service, or other reasonable solicitation. Solicited sealed bids shall be reviewed by the Board and awarded to the lowest responsible bidder based on the Purchasing Agent's analysis and recommendation, unless the Board makes a determination that it would be in the public's best interest to do otherwise. All bids will be retained as part of the District's official record per District record retention policy. See Appendix 800-1.

202.4 Bidding is Not Required for the following:

(a) When an emergency exists – Designation of an emergency shall be determined General Manager with the consent of the Board President or available Board officer;

(b) When requiring the services of specialized professionals, such as scientists, engineers, attorneys, or accountants;

(c) When the item or service can only be obtained from one vendor; or

(d) When the public interest may otherwise require that bidding be dispensed with, provided that the facts constituting the basis for the exception are documented by the Board or General Manager as appropriate. Documentation for exceptions shall be retained as part of the District's official records for at least two years.

Any warrant issued under this Section 202.4 shall indicate on the warrant list the specific exemption relied upon.

202.5 The General Manager shall first review all bids received to determine if they are responsive to the bid request. The General Manager is authorized to waive minor deviations and irregularities in the bids.

202.6 The General Manager shall also have the authority to inspect and test products for quality and fitness described or identified in any bid to determine its appropriateness, and further, may investigate the character and reputation of any bidder to determine responsibility and capability. The General Manager's analysis of these factors shall be used in the determination and recommendation of the lowest responsible bidder.

202.7 The District contract shall be awarded to the lowest responsible bidder, except as otherwise provided above. When feasible, preference may be given to Alameda County vendors. If two or more bids are substantially identical, the District may accept any such bid. In its sole discretion, the District may reject any and all bids received, and it may re-advertise for additional bids, have District staff perform such work, or negotiate with the lowest bidder.

Section 203. Contracts

203.1 The General Manager is hereby authorized to sign and enter into contracts on the District's behalf when the dollar value of the contract is $25,000 or less.

203.2 The Board authorizes the General Manager to enter into contracts that are consistent with the objectives of the budget upon receiving approval from the Board.

Section 204. Warrants

204.1 The Board shall review warrants at least monthly to ensure expenditures are within the limitations of the budget, and to raise questions, when appropriate, about any of the listed expenditures.

204.2 The Board hereby authorizes the withdrawal of funds from the general fund upon a warrant signed by one member of the Board and the General Manager, or their designee. Following substantial deposits in April and December, funds are withdrawn from the general fund and deposited into the Operational Fund. A balance adequate for covering county adjustments and administrative fees is retained.

204.3. In an emergency where there is not sufficient time to secure prior authorization from the Board, the Board hereby authorizes the General Manager emergency powers to withdraw funds up to $5,000, bypassing the dual signature requirement, as noted in Section 204.2 from the District's transfer bank only. If emergency funds are withdrawn, the Board shall be notified immediately, or as reasonably possible, and the issue shall be placed on the next Board agenda for discussion.

Section 205. Meeting Stipends

205.1 Consistent with Health and Safety Code section 2030, the members of the Board of Trustees may receive their actual and necessary travel~~ing~~ and incidental expenses incurred while on official business. In lieu of paying for actual expenses, the Board of Trustees may by resolution provide for the allowance and payment to each Trustee a sum not to exceed one hundred dollars ($100) per month for expenses incurred while on official business. A Trustee may waive the payments permitted by this subdivision. Such compensation is in addition to any reimbursement for meals, lodging, travel, and expenses consistent with this policy. (Health & Safety Code § 2051.)

205.2 Meetings and Service Subject Monthly In Lieu of Allowance. To be entitled to the monthly In Lieu Allowance under this policy, the official business in question must constitute one of the following:

(a) A meeting of the District Board of Trustees within the meaning of Government Code section 54952.2(a);

(b) A meeting of a District committee within the meaning of Government Code section 54952(b);

(c) An advisory body meeting within the meaning of Government Code section 54952(b);

(d) A conference within the meaning of Government Code section 54952.2(c)(2);

(e) A meeting of any multi-jurisdictional governmental body on which the General Manager serves as the District's designated representative; or

(f) Any meeting attended, or service provided, on a given day at the formal request of the District Board of Trustees and for which the District Board of Trustees approves payment of In Lieu of Allowance stipend.

Section 206. Travel and Payment of Expenses While on Official Business

206.1 Travel and Payment of Expenses While on Official Business will be approved if:

(a) There is a substantial benefit to the residents of Alameda County;

(b) It includes discussion of the community's concerns with local, regional, state, and federal officials;

(c) There is participation in local, regional, state, and national organizations whose activities affect the District;

(d) Educational seminars are attended designed to improve officials' skill and information levels; and

(e) Public service, team building, or leadership is promoted with service to ACMAD.

Section 207. ACMAD Expense Policy

The following policy governs expenditures of District funds and reimbursement of expenses:

207.1 Authorized Expenses. District funds, equipment, supplies (including letterhead), titles, and staff time must only be used for authorized District business. The following types of expenses generally constitute authorized expenses, as long as the other requirements of this policy are met:

(a) Expenses associated with communicating with representatives of regional, state, and national government on District adopted policy positions;

(b) Expenses associated with attending educational seminars designed to improve officials' skill and information levels;

(c) Expenses associated with participating in regional, state and national organizations whose activities affect the District's interests;

(d) Expenses associated with attending District events;

(e) Expenses associated with meetings, such as those listed above for which a meeting stipend is expressly authorized under this policy, or

(f) Expenses associated with legislative and other District-related local, regional, state, and federal agency business, conducted over meals, where each meal expenditure must also comply with the limits and reporting requirements of local, regional, state, and federal law.

207.2 Any expenditures not included in the budget require approval by the District Board of Trustees.

207.3 Examples of personal expenses that the District will not reimburse include, but are not limited to:

(a) The personal portion of any trip;

(b) Political or charitable contributions or events;

(c) Family expenses, including partner's expenses when accompanying official on District-related business, as well as children- or pet-related expenses;

(d) Entertainment expenses, including theater, movies (either in-room or at the theater), sporting events (including gym, massage, and/or golf related expenses), or other cultural events;

(e) Non-mileage personal automobile expenses, including repairs, traffic citations, insurance, or gasoline; and

(f) Personal losses incurred while on District business.

Any questions regarding the propriety of a particular type of expense should be resolved by the purchasing agent before the expense is incurred.

207.4 Expense Report Content and Submission Deadline. Expense reports must document that each expense claimed has met the requirements of the policy. For example, if the meeting is with a legislator, the local agency official should explain whose meals were purchased, what issues were discussed and how those relate

Commented [MR1]: Employees are no longer required to complete "travel expense reports" since we've made the move to SpendClarity to the District's adopted legislative positions and priorities. Trustees and employees must submit their expense reports within 30 days of an expense being incurred, accompanied by receipts documenting each expense. Restaurant receipts, in addition to any credit card receipts, are also part of the required documentation. Inability to provide such documentation in a timely fashion may result in the expense being borne by the individual.

207.5 Reports to Governing Board. At the following District Board meeting, each official shall provide a brief oral or written report on meetings or functions attended at District expense. If multiple District representatives attended, a joint report may be provided.

207.6 Compliance with Laws. District officials should keep in mind that some expenditures may be subject to reporting under the Political Reform Act and other laws. All agency expenditures are public records subject to disclosure under the Public Records Act.

207.7 Violation of this Policy. Use of public resources or falsifying expense reports in violation of this policy may result in any or all of the following: (1) loss of reimbursement privileges, (2) demand for restitution to the District, (3) the District's reporting the expenses as Trustee or employee income to state and federal tax authorities, and (4) prosecution for misuse of public resources.

Section 208. Cost Control

To conserve District resources and keep expenses within community standards for public officials, expenditures should adhere to the following guidelines.

208.1 Transportation. District personnel are expected to use the most economical mode and class of transportation reasonably consistent with scheduling needs and cargo space requirements, using the most direct and time-efficient route. If a more expensive transportation mode or route is used, the cost borne by the District will be limited to the cost of the most economical, direct, efficient, and reasonable mode of transportation. District personnel are encouraged to use public transit when available and feasible and to carpool/ride share when several people are traveling to the same event by automobile. Automobile mileage is reimbursable at Internal Revenue Service prevailing rates in effect. These rates are designed to compensate the driver for gasoline, insurance, maintenance, and other expenses associated with operating the vehicle. Parking, tolls, and other similar expenses relating to travel by auto are reimbursable if necessarily incurred in connection with a meeting or function authorized under this policy.

208.2 Lodging. Lodging costs will be reimbursed or paid for by the District when travel on official District business reasonably requires an overnight stay. If such lodging is in connection with a conference, lodging costs should not exceed any group rate published by the conference sponsor for the meeting in question. In any event, lodging expenses should be moderate, taking into account community standards and prevailing lodging costs for the area.

208.3 Meals. Meal expenses and associated gratuities should be moderate, taking into account community standards and the prevailing restaurant costs of the area. A helpful source of guidance is Internal Revenue Service per diem rates for meals and incidental expenses, which include adjustments for higher cost locations. Alcohol/personal bar bills are not an appropriate use of District resources and will not be reimbursed.

208.4 Telephone/Fax/Mobile. Individuals will be reimbursed for actual telephone and fax expenses incurred on District business. Telephone bills should identify which calls were made on District business.

208.5 Airport Parking. Long-term parking should be used for travel exceeding 24 hours.

208.6 Cash Advance Policy. From time to time, it may be necessary for a District representative to request a cash advance to cover anticipated expenses while traveling or doing business on the District's behalf. Such request for an advance should be submitted to the General Manager at least 14 days prior to the need for the advance with the following information:

(a) The purpose of the expenditure(s);

(b) The benefits of such expenditure to the residents of District;

(c) The anticipated amount of the expenditure(s) (for example, actual or expected hotel rates, meal costs, and transportation expenses); and

(d) The dates of the expenditure(s).

Any unused advance must be returned to the District treasury within two business days of the official's return, along with an expense report and receipts documenting how the advance was used in compliance with this expense policy.

208.7 Credit Card Use Policy. The District does not issue credit cards to individual Trustees, but does have credit cards for selected District expenses. Trustees may use the District's credit card for such purposes as airline tickets and hotel reservations by following the same procedures as for cash advances. Receipts documenting expenses incurred on the District credit card and compliance with this policy must be submitted within five business days of use. District credit cards may not be used for personal expenses, even if the Trustee or employee subsequently reimburses the District. Purchasing agents have a credit card. Employees can purchase items approved in the budget. Employees are responsible for submitting their receipts to the Districts credit card portal. The receipts are reconciled to the statements and then recorded to the general ledger. Disbursement goes through the warrant process noted above.

208.8 In the event circumstances should arise appearing to warrant deviation from these policies, the General Manager shall secure the approval of the Board before making any changes.

Section 209. Conference Policy

209.1 Out of State National Mosquito Control Conference. The General Manager or their delegate, trustees, and limited staff may be permitted to attend.

209.2 Mosquito and Vector Control Association of California (MVCAC) Conference - Outside of the Bay Area. The General Manager may require certain staff to attend. Any additional staff may request approval, and this approval will be based on workload and conference involvement.

209.3 MVCAC - Within the Bay Area. The General Manager may select any number of District personnel to attend such sessions as they may designate from which, in their opinion, the employees and the District would derive the most benefit.

209.4 MVCAC Seminars and Workshops. Trustees are encouraged to represent the District at MVCAC seminars, workshops, committee meetings and regional meetings. Approved cost for registration, travel, lodging, and meal will be reimbursed.

Section 210. Loss or Damage to Personal Property

The District will not be responsible for loss or damage to personal items when the loss or damage incurred was not work-related. Each occurrence of loss or damage to the employee's personal property will be reviewed by the Board on a case-by-case basis.

Section 211. Policy for Disposition of Fixed Assets

211.1 Fixed assets of $5,000 or greater current value are considered Capital Assets, have an expected useful life of three years or greater, and must have Board approval before disposal. Disposal of other fixed assets must be approved by the General Manager.

211.2 Disposition of fixed assets may be initiated by a Purchasing Agent. A disposal form must be completed by the initiator and approved by the General Manager and Board, consistent with District policy, before the item is disposed of, salvaged, or sold. Money received through the disposition of fixed assets shall be deposited in the Repair and Replace Fund.

Section 212. Policy on Petty Cash

The District shall maintain a petty cash fund of $500 to be used for incidental District expenditures. All reimbursements to employees must be approved by the General Manager~~,~~ and ~~the transaction~~ documented ~~by pre-numbered voucher~~ with a ~~attached~~ receipt of purchase and signed employee request for reimbursement form. The fund disbursements shall be reviewed by the Board.

Section 213. Fraud Policy

213.1 Designated positions as defined in appendix 100-1 are responsible for the detection and prevention of fraud, misappropriations, and other irregularities. "Fraud" is defined as the intentional, false representation, or concealment of a material fact for the purpose of inducing another to act upon it to their injury. Those defined as a designated position will be familiar with the types of improprieties that might occur within their area of responsibility and be alert for any indication of irregularity. Any fraud that is detected or suspected must be reported to the General Manager or alternatively, to the Finance Committee, who coordinates all investigations.

213.2 Actions Constituting Fraud. The terms "fraud," "embezzlement," "misappropriation," and other fiscal irregularities refer to, but are not limited to:

(a) Any dishonest or fraudulent act;

(b) Forgery or alteration of any document or account belonging to the District;

(c) Forgery or alteration of a check, bank draft, or any other financial document;

(d) Misappropriation of funds, securities, supplies, equipment, or other assets;

(e) Impropriety in the handling or reporting of money or financial transactions;

(f) Disclosing confidential and proprietary information to outside parties;

(g) Accepting or seeking anything of material value from contractors, vendors, or persons providing goods or services to the District;

(h) Destruction, removal or inappropriate use of records, furniture, fixtures, and equipment; or

(i) Any similar or related irregularity.

213.3 Investigation Responsibilities. The District Finance Committee has the primary responsibility for the investigation of all suspected fraudulent acts as defined in the policy. The Finance Committee may utilize whatever internal and/or external resources it considers necessary in conducting an investigation. If an investigation substantiates that fraudulent activities have occurred, the Finance Committee will issue reports to the appropriate personnel, and if appropriate, the District Board of Trustees. Decisions to prosecute or refer the investigation results to the appropriate law enforcement and/or regulatory agencies for independent investigation will be made in conjunction with legal counsel and senior management, as will final dispositions of the case.

213.4 Confidentiality. The Finance Committee will treat all information received confidentially. Any employee who suspects dishonest or fraudulent activity will notify the General Manager or the Finance Committee immediately and should not attempt to personally conduct investigations or interviews related to the suspected fraudulent act. (See Reporting Procedures in Section 213.6, below.) Investigation results will not be disclosed or discussed with anyone other than those who have a legitimate need to know. This is important to avoid damaging the reputations of persons suspected, but subsequently found innocent of wrongful conduct and to protect the District from potential civil liability.

213.5 Investigation Authority. Members of the District Finance Committee will have free and unrestricted access to all District records and premises and authority to examine, copy, and/or remove all or any portion of the contents of files, desks, cabinets, and other storage facilities on the premises, without the prior knowledge or consent of any individual who may use or have custody or any such items or facilities, when it is within the scope of the Committee's investigations.

213.6 Reporting Procedures. Care must be taken in the investigation of suspected improprieties or irregularities so as to avoid mistaken accusations or alerting suspected individuals that an investigation is underway.

An employee who discovers or suspects fraudulent activity will contact the General Manager or the Finance Committee immediately. Alternatively, the employee may use the Employee Risk Management Authority (ERMA), a part of the VCJPA self-insurance group coverage. Call Employee Reporting Line at 1-877-651-3924 to make an anonymous report. This line is monitored 24 hours a day.

The employee or other complainant may remain anonymous to the extent that the law will allow. All inquiries concerning the activity under investigation from the suspected individual(s), their legal counsel, or any other inquirer should be directed to the Finance Committee or District legal counsel. No information concerning the status of an investigation will be given out. The proper response to any inquiry is, "I am not at liberty to discuss this matter."

The individual making the report should be counseled to not contact the suspected individual in an effort to determine facts or demand restitution and to not discuss the case, facts, suspicions, or allegations with anyone unless specifically asked to do so by the District legal counsel or the Finance Committee.

Section 214. Security

214.1 Accounting Security. Petty cash is stored in a locked file cabinet. The General Manager and or designee will be the only employee(s) with keys to the petty cash cabinet.

214.2 Access to Electronically Stored Accounting Data. It is the policy of the District to utilize passwords to restrict access to accounting software and data. Only duly authorized accounting personnel with data input responsibilities will be assigned passwords that allow access to the system.

214.3 Storage of Backup Files. It is the policy of the District to maintain back-up copies of electronic data files. Access to back-up files shall be limited to individuals authorized by management.

214.4 General Office Security. During normal business hours, all visitors are required to check in at the front.. After hours, a key and security passcode are required for access to the District's office. Keys are issued only to employees (and janitorial services).

Section 215. Financial Transactions

215.1 Warrant Authorization Signers. Warrant Requests require two signatures from the following group: Board Members and the General Manager or their designee.

215.2 Electronic Funds Transfers. The General Manager is authorized to transfer funds between reserve accounts, the general fund, and any vendors where electronic payments are a more efficient process. The General Manager will get pre-approval via the warrant authorization process in the previous section.

215.3 Cash Receipts. When miscellaneous checks come in the mail, staff will deposit the funds to the transfer account, which will then be transferred to the Districts Operational Fund. . The District keeps the check for records. All revenue shall be entered in the ledger.

215.4 Bank and Cash Account Reconciliations. The Payroll account, transfer account, and reserve accounts are reconciled monthly. The county ~~general~~ fund ledger detail and VCJPA statements are reconciled quarterly.

Section 216. Liabilities and Assets

216.1 Pension Liability. The District's retirement fund shall be at least 80% funded.

216.2 Capital Assets. The Financial & HR Specialist maintains a capital depreciation schedule. Items valued over $5,000 are placed on the depreciation schedule. Disposal or sale of capital assets on this schedule must have Board approval.

Section 217. Payroll and Benefits

217.1 The District uses a third party administrator (TPA) for payroll. Payroll is paid semi-monthly. The TPA prepares and files the 941 and DE6 form.

217.2 Payroll will be recorded to the general ledger twice a month. Payroll is paid out of a separate imprest bank account.

217.3 Financial & HR Specialist prepares a payroll spreadsheet that is approved and signed by the General Manager or designee. This report is support for the transfer of funds from the Operational Fund to the payroll account. A float equivalent to one payroll is maintained in the payroll account.

Section 218. District Fund Policy

218.1 Policy Statement

218.1.1 The District recognizes the importance of adopting policies for financial reserves and reserve funds that adhere to Government Accounting Standards Board (GASB) guidelines and professional standards/best practices such as those identified by, but not limited to Government Finance Officers Association (GFOA). Written, adopted financial policies regarding designated reserves are a critical element of sound short- and long-term fiscal management. The designation of funds for long-term financial goals is an important element of prudent fiscal management.

218.2 Fund Policy

218.2.1 This policy follows the guidelines set in the Governmental Accounting Standards Board ("GASB") Statement No. 54, regarding Fund Balance Reporting and Governmental Fund Type Definitions.

218.2.2 In order to achieve the objectives of this policy, the Board of Trustees shall adhere to the guidelines as set forth herein.

218.2.3 Funds may be established from time to time by the Board of Trustees as an important component of sound financial management to meet both short- and long-term financial objectives, and to ensure prudent financial management practices.

218.2.4 Classification of Funds. Funds may be designated by the Board of Trustees as "restricted" or "non-restricted." These classifications are defined under GASB 54 as follows:

(a) Restricted Funds shall be segregated and limited in use to specific and designated purposes as defined and established by the Board of Trustees. According to GASB 54, Restricted Funds are those that are constrained to specific purposes by the constitution, external resource providers (such as grantors, bondholders, and higher levels of government), or through enabling legislation. Examples of Restricted Funds, but not limited to, are pension stabilization and Other Post-Employment Benefits (OPEB).

(b) Non-restricted Funds may be classified as “Committed” or “Assigned.” These funds do not require the physical segregation of funds but may be segregated if desirable.

(c) Committed Funds are defined by GASB 54 as those that are constrained to specific purposes by a formal action of the agency’s highest-level decision-making authority (the District’s Board of Trustees). Committed Funds cannot be used for any other purpose unless the District takes the same highest-level action to remove or change the constraint. The District’s Committed funds include the Public Health Emergency, Repair and Replace, Operating Reserve, and Capital Reserve funds.

(d) Assigned Funds are defined as those that are intended for a specific purpose, but do not meet the criteria to be classified as Restricted or Committed. Intent can be expressed by the Board of Trustees or by an official or body to which the Board of Trustees delegates the authority. The District currently has no Assigned Funds.

218.2.5 Approval by the District’s Board of Trustees shall be required prior to the expenditure of Restricted or Committed Funds. Approval shall be determined by action at a public meeting of the Board.

218.2.6 The Board of Trustees shall maintain a written Fund Policy.

218.2.7 The Board of Trustees shall annually review the District Policy at a public meeting to determine appropriate changes, additions, and/or deletions.

218.3. Funds

218.3.1 The Board of Trustees hereby establishes and **commits** the following funds:

(a) Public Health Emergency Fund. Appendix 200-1.

(b) Repair and Replace Fund. Appendix 200-2.

(c) ~~Operating Reserve~~District Contingency Fund. Appendix 200-3.

(d) ~~Capital Reserve~~New Assets/ Large Projects Fund. Appendix 200-4.

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218.3.2 The Board of Trustees hereby establishes and **restricts** the following funds:

(a) Pension Stabilization Fund. Appendix 200-5.

(b) Other Post-Employment Benefits (OPEB) Fund Appendix 200-6

218.4. Target Fund Levels

218.4.1 The Board of Trustees shall establish a stated target fund level for each designated fund.

218.5 Annual Evaluation

218.5.1 The General Manager shall perform a review and analysis of each designated fund for presentation to the Board of Trustees at a public meeting upon the occurrence of the following:

(a) Upon consideration by the Board of Trustees of the annual budget;

(b) Upon any significant change to and/or expenditure(s) from a designated fund; or

(c) Upon determination that a fund balance is less than the established target fund level for a designated fund.

218.6 Investment Authority

216.6.1 The District's investment program is derived from California Government Code Section 53607. The Board of Trustees retain ultimate fiduciary responsibility for the portfolio. Therefore, the Finance Committee and Board of Trustees shall receive monthly reports. The Finance Committee shall review policy 218 annually and provide feedback on the liquid assets investment strategy.

The Board has delegated the primary responsibility for the District's investment program and the authority to make investments on behalf of the District to the General Manager. Pursuant to Government Code Section 53607, this delegation shall be reconsidered during Policy 218's review.

Such investments shall be limited to the instruments authorized under applicable law, including California Government Code Sections 53601 and 53635, and includes only transfers between existing investment instruments utilized by the district. Unless removed by the General Manager, the District's Financial & HR Specialist has the authority to access online financial information from the asset manager.

APPENDIX 200-1

ALAMEDA COUNTY MOSQUITO ABATEMENT DISTRICT
PUBLIC HEALTH EMERGENCY FUND

Purpose of Fund:

The purpose of the Public Health Emergency Fund is to mitigate the financial impact of unusually high levels of vector-borne disease activity or prevent a future threat to public health from a newly detected invasive mosquito species.

Policy:

To achieve the objectives of this policy the Board of Trustees shall adhere to the following guidelines:

1. This fund shall be known as the "Public Health Emergency Fund."
2. The Public Health Emergency Fund shall be designated as a Committed Fund.
3. These funds will be used to replenish operating cash flow in the General Fund should circumstances cause the District to incur greater than normal expenses to prevent or manage an imminent threat to public health from vectors and vector-borne disease.
4. Expenditure of Public Health Emergency Funds must be authorized by the Board of Trustees at a publicly noticed meeting.
5. Expenditures from this designated fund that are subsequently recovered, either partially or fully, from State sources, shall be utilized solely for the purpose of refunding the Public Health Emergency Fund.
6. Investment earnings from the Public Health Emergency Fund may be credited to the District's General Fund.
7. The Public Health Emergency Fund may be invested in financial institutions and instruments that maintain the highest level of liquidity, such as checking, savings, and interest earning savings accounts.

8. Annual replenishment will vary, depending upon other designation requirements and current year expense requirements.

9. This policy shall be reviewed on an annual basis for long-term adequacy and use restriction.

Target Fund Level:

The target balance of this fund is based on an estimate of likely operational needs should the most likely public health threat scenario become reality. This target balance will be reviewed annually and adjusted as needed to remain current. However, it is recognized that having a minimum fund balance of $500,000 would be prudent.

APPENDIX 200-2

ALAMEDA COUNTY MOSQUITO ABATEMENT DISTRICT
REPAIR AND REPLACE FUND

Purpose of Fund:

The purpose of the Repair and Replace Fund is to set aside sufficient financial resources to ensure timely replacement and upgrade of the District's vehicles, mobile equipment, laboratory equipment, operational equipment, administrative equipment, and facilities.

Policy:

To achieve the objectives of this policy the Board of Trustees shall adhere to the following guidelines:

1. This fund shall be known as the "Repair and Replace Fund."

2. The Repair and Replace Fund shall be designated as a Committed Fund.

3. These funds will be used to pay for capital assets according to the District budget and purchasing policies.

4. ~~Each year, funds~~ Funds can be transferred from the Repair and Replace Fund to the General Fund to cover the cost of capital purchases designated and approved during the annual budgeting process.

5. Funds transferred from the Repair and Replace Fund shall be expended solely for the purpose of replacement, repair, and upgrade of existing District vehicles and equipment, or for renovations or replacement of District facilities.

6. The Repair and Replace Fund may be invested in financial institutions and instruments that maintain the highest level of liquidity, such as checking, savings, and reserve accounts.

7. Investment earnings from the Capital Improvement Fund may be credited to the District's General Fund.

8. Annual replenishment will vary, depending upon other designation requirements and current year expense requirements.

9. This policy shall be reviewed on an annual basis for long-term adequacy and use restriction.

Target Fund Level:

The target balance for this fund is determined by the District's capital asset replacement program and the total cumulative depreciation for the District's capital assets as stated in the District's Basic Financial Statements prepared by the auditor each year. This target will be reviewed annually and adjusted as needed with the additions, deletions, or replacements of capital assets. A more thorough review shall be completed every 5 years to update the escalation rates, the discount rate, net present value, and overall cash flow required to extend the replacement plan another 5 years. This fund shall be funded in order of preference in 3 or 4-year installments, a lump sum payment, or pay as you go.

APPENDIX 200-3

ALAMEDA COUNTY MOSQUITO ABATEMENT DISTRICT
DISTRICT CONTINGENCY~~OPERATING RESERVE~~ FUND

Purpose of Fund:

This fund will act as a rate stabilizer, covering unforeseen losses in revenue caused by drastic reductions in property taxes.~~,~~ Additionally, it may be utilized to acquire essential new assets that enhance operational efficiency and support the District's financial stability.~~and will preserve the District's credit worthiness.~~~~,~~ This fund will also ensure adequate financial resources are available for timely payment of District obligations, and provide liquidity throughout the fiscal year.

Policy:

To achieve the objectives of this policy the Board of Trustees shall adhere to the following guidelines:

1. The fund shall be known as the "~~Operating Reserve~~District Contingency Fund."
2. The ~~Operating Reserve~~District Contingency Fund shall be designated as a Committed reserve fund.
3. Each year, funds can be transferred from the General Fund to the ~~Operating Reserve~~ District Contingency Fund to ensure the target fund balance is met.
4. Funds transferred from the ~~Operating Reserve~~District Contingency Fund shall be expended solely for the purpose of covering unforeseen losses in revenue caused by drastic reductions in property taxes, or for the purchase of new assets that enhance operational efficiency.~~.~~
5. Investment earnings from the ~~Operating Reserve~~District Contingency Fund may be credited to the District's General Fund.
6. Annual replenishment will vary, depending upon other designation requirements and current year expense requirements.
7. This policy shall be reviewed on an annual basis for long-term adequacy and use restrictions.

Target Fund Level:

The target fund level for the ~~Operating Reserve~~District Contingency Fund is to maintain a minimum equal to 60% of discretionary General Fund revenues, as of July 1st of each fiscal year. If under-funded, 25% of excess revenues will be deposited into the ~~Operation Reserve~~ District Contingency Fund. This target fund level was established based upon

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the following general guidelines:

1. The District shall maintain a balance in the ~~Operating Reserve~~District Contingency Fund equal to approximately 60% of budgeted expenditures for the fiscal year.

2. For the purpose of this policy, budgeted expenditures shall include all expenditures associated with the following:

   (a) Salaries and Employee Benefits; and

   (b) Services and Supplies.

   © New Capital Asset

APPENDIX 200-4

ALAMEDA COUNTY MOSQUITO ABATEMENT DISTRICT
~~CAPITAL RESERVE~~NEW ASSET/ LARGE PROJECT FUND

Purpose of Fund:

The purpose of the ~~Capital Reserve~~New Asset/Large Project Fund is to set aside money for large projects rather than withdrawing those funds from the general fund account. Projects may include future capital assets that are ineligible for repair and replace funding such as flooring and painting, or adding new capital assets that are not listed in the capital asset replacement program.

Policy:

To achieve the objectives of this policy the Board of Trustees shall adhere to the following guidelines:

1. This fund shall be known as the "~~Capital Reserve~~New Asset/ Large Project Fund."
2. The ~~Capital Reserve~~New Asset/ Large Project Fund shall be designated as a Committed Fund.
3. These funds will be used to finance large projects that may be identified in the strategic plan.
4. Each year, funds can be transferred from the General Fund to ~~Capital Reserve~~New Asset/ Large Project Fund to ensure the target fund balance is met.
5. Funds transferred from the ~~Operating Capital Reserve~~New Asset/ Large Project Fund shall be expended solely on capital projects that have been identified in the strategic plan or receive Board approval.
6. This policy shall be reviewed on an annual basis for long-term adequacy and use restriction.

Commented [MR2]: The Automated gate for the north side isn't apart of the strategic plan - suggest adding in "or board approval" language.

Target Fund Level:

The target balance of this fund is based on large future capital project needs. This target balance will be reviewed annually and adjusted as needed to remain current. If under-funded, 25% of excess revenues will be deposited into the Capital Reserve Fund.

APPENDIX 200-5

ALAMEDA COUNTY MOSQUITO ABATEMENT DISTRICT
PENSION STABILIZATION FUND

Purpose of Fund:

The purpose of the Pension Stabilization Fund is to ensure that increasing pension costs are offset by investments in interest-earning accounts.

Policy:

To achieve the objectives of this policy the Board of Trustees shall adhere to the following guidelines:

1. This fund shall be known as the "Pension Stabilization Fund."
2. The Pension Stabilization Fund shall be designated as a Restricted Fund.
3. These funds will be used to offset increases in pension costs from unfunded liabilities.
4. The Pension Stabilization Fund will be invested in financial institutions that restrict the funds for only pension-related expenses.
5. This policy shall be reviewed on an annual basis for long-term adequacy and use restriction.

Target Fund Level:

The target balance of this fund is based on the annual CalPERS actuarial report of unfunded liability. This target balance will consider funds in CalPERS combined with the amount in PARS to not exceed 100% of liabilities. If under-funded, 25% of excess revenues will be deposited into the PARS 115 Trust.

Withdrawal:

Withdrawals may be considered when:

1. Pension costs affect operational costs;
2. The growth of pension contribution rates (in dollars) is greater than the growth in property tax revenue;
3. Paying off specific pension liabilities that will result in interest savings greater than interest earnings on the Trust Fund;
4. Economic conditions or fiscal demands arise, e.g. non-discretionary expenditures exceeding revenues.

APPENDIX 200-6

ALAMEDA COUNTY MOSQUITO ABATEMENT DISTRICT
OTHER POST-EMPLOYEE BENEFITS (OPEB) FUND

Purpose of Fund:

The purpose of the Other Post-Employee Benefits (OPEB) Fund is to ensure that agreed-upon health, dental, and vision benefits to retired employees will be fulfilled.

Policy:

To achieve the objectives of this policy the Board of Trustees shall adhere to the following guidelines:

1. This fund shall be known as the "Other Post-Employee Benefits (OPEB) Fund."
2. The Other Post-Employee Benefits (OPEB) Fund shall be designated as a Restricted Fund.
3. These funds will be used to annually replenish expenses occurred in the General Fund used to provide health, dental, and vision benefits to qualified retired employees along with fund management.
4. The Other Post-Employee Benefits (OPEB) Fund will be invested in financial institutions that restrict the funds for only OPEB-related expenses.
5. This policy shall be reviewed on an annual basis for long-term adequacy and use restriction.

Target Fund Level:

It is the intent of the District to fully fund the OPEB. The funded status of the OPEB will be assessed based upon the most recent actuarial valuation. Should the plan drop below 90% funded, the District shall consider making an annual contribution equal to at least 50% of the annual determined contribution (ADC) as defined by the most recent actuarial valuation (or whatever percentage the District deems appropriate) from excess revenues. Additionally, the District will review this policy at a minimum biennially, coincident with preparation of the actuarial valuation, to determine if changes to this policy are necessary to ensure adequate resources are being accumulated to fund OPEB benefits.

Withdrawal:

Annual withdrawals are calculated after the close of the fiscal year by adding the prior year's retiree health care, dental, and vision costs along with retiree reimbursements and US Bank and PFM administrative fees.