

AGENDA ITEM 1 E  
Consent Item

**MEMORANDUM**

**DATE:** October 1, 2026

**TO:** El Dorado County Transit Authority

**FROM:** Jenelle Sathre, Fiscal Manager

**SUBJECT:** California Employer's Retiree Benefit Trust Program  
(CERBT) Funding for Other Post-Employment Benefits  
(OPEB) Funding

**REQUESTED ACTION:**  
**BY MOTION,**

1. Accept Actuarial Valuation of Other Post-Employee Benefit Program for fiscal year ending June 30, 2025
2. Authorize Executive Director to execute all documents necessary for continued participation

**BACKGROUND**

In July 2004, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pension*. GASB 45 mandates disclosure of Other Post-Employment Benefits (OPEB) liabilities for public employees. OPEB may include retiree benefits such as medical, dental, prescription drug, vision, and life insurance plans. GASB 45 establishes a standard for measuring and reporting the liability of retirement benefits other than pensions; however, it does not require funding the liability.

In June 2015, GASB issued Statement No. 75 replacing Statements No. 45 and 57. The basis point of GASB No. 75 expands the financial statement disclosures to ten (10) years and changed the measurement dates. Currently there are three (3) years of calculations available and will be reported by El Dorado Transit.

During Fiscal Year (FY) 2007/08 El Dorado Transit contracted with California Public Employers' Retirement System (CalPERS) to provide cost effective medical insurance for the unrepresented employee group. CalPERS contractually requires El Dorado Transit to contribute an amount towards the cost of retiree medical coverage as a condition of participating in the CalPERS medical plans. The monthly cost to the agency is currently at the lowest level possible at \$142.20 per eligible retiree. This contribution is based on a formula and increases a modest amount each year.

On August 5, 2010, the Board adopted Resolution No. 10-10 to pre-fund the Other Post-Employment Benefits (OPEB) future liability by placing assets in the CERBT program to allow for a manageable dollar amount to be budgeted each year for contributions to build reserves and earn interest to offset the cost of the program.

In March 2011, the CalPERS Board approved a change to the classes in which assets of the CERBT are invested in public market securities. The Executive Director approved the development of the actuarial valuation based on “Strategy 1” which is the class most similar to the strategy previously chosen by the Board and the class El Dorado Transit is currently participating in.

## **DISCUSSION**

The El Dorado Transit continuing retiree health plan allows eligible retirees to enroll in the agency group medical plan through CalPERS at the time of their separation or at any subsequent open enrollment period. The plan includes only medical insurance coverage excluding other possible retiree benefits e.g., dental, vision, etc. Since the plan’s inception in 2007, six (6) eligible participants have elected coverage.

Actuarial valuations are used as a method of qualifying the changing conditions of an agency’s workforce that impact the annual cost of OPEB obligations and future potential liabilities. CalPERS requires an actuarial valuation every two (2) years under the CERBT pooling program.

El Dorado Transit contracted MacLeod Watts to complete an actuarial valuation of other post-employment benefits to capture and report the current and future potential liabilities of this benefit. This report provides statistics as of June 30, 2025, for the years ending June 30, 2026, June 30, 2027, and June 30, 2028.

The El Dorado County Transit Authority GASB 75 Actuarial Report Measured as of June 30, 2025, for Fiscal Year End June 30, 2026, Financial Reporting, represents the CERBT Trust is in a surplus position as of the June 30, 2025, valuation date.

As discussed in the Actuarial Report, El Dorado Transit is currently using the “Pay-As-You-Go” method for six (6) retirees currently enrolled. The total of those expenses for FY 2025/26 equaled \$10,114.20.

Staff is recommending the acceptance of the Report as presented and the continued “Pay-As-You-Go” methodology, covering current retirees, for fiscal years 2026/27 and 2027/28.

A copy of the CERBT Valuation Packet has been included to verify funding recommendations.

The full actuarial document is available upon request.

### **FISCAL IMPACT**

The projected actuarial expense for FY 2024/25 of \$35,130 and FY 2025/26 of \$0.00 and FY 2026/2027 of \$0.00 totaling \$35,130 to capture all years.

Costs for FY 2024/25 and FY 2025/26 are included in the adopted budget. Costs for additional fiscal years are represented. Detailed funding information can be found on page 24 of the actuarial report.

# CERBT Valuation Packet

The California Employers' Retiree Benefit Trust (CERBT) Fund is an Internal Revenue Code Section 115, multiple-employer OPEB trust fund and has a fiduciary responsibility for financial reporting in accordance to the Governmental Accounting Standards Statement No. 74. As such, we request all participating employers to submit a renewal OPEB Valuation or AMM Report at least every two years, along with this valuation packet consisting of the Certification of Funding Policy, the Summary of Actuarial Information, and the Certification of Actuarial Information. The information provided in the OPEB valuation or AMM report is essential to the accuracy of the administration and reporting of the CERBT Fund.

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## El Dorado County Transit Authority

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Employer Name

**06/30/2025**

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Valuation Date

### Renewal Valuation Checklist

Please email a copy of your agency's final OPEB valuation or AMM report, along with this completed packet to [CERBT4U@calpers.ca.gov](mailto:CERBT4U@calpers.ca.gov). If you have any questions, contact us at [CERBT4U@calpers.ca.gov](mailto:CERBT4U@calpers.ca.gov).

- ☒ OPEB Valuation or AMM Report (Final version)
- ☒ Certification of Funding Policy (pages 2-3, completed and signed)
- ☒ Summary of Actuarial Information (pages 4-5, completed)
- ☒ Certification of Actuarial Information (page 6, completed and signed)

**CERBT Valuation Packet  
Certification of Funding Policy (1 of 2)**

El Dorado County Transit Authority

Employer Name

06/30/2025

Valuation Date

**CERBT Asset Allocation Strategy Selection**

As the employer, I certify that my agency chooses the following CERBT asset allocation strategy:

| CERBT Asset Allocation Strategy                | Long-Term Expected Rate of Return | Expected Volatility (Standard Deviation) |
|------------------------------------------------|-----------------------------------|------------------------------------------|
| <input checked="" type="checkbox"/> Strategy 1 | 6.4%                              | 11.5%                                    |
| <input type="checkbox"/> Strategy 2            | 6.1%                              | 9.5%                                     |
| <input type="checkbox"/> Strategy 3            | 5.8%                              | 8.1%                                     |

**Funding Method**

As the employer, I certify that our OPEB funding method and intent for the period covered by our current OPEB valuation or AMM report is to contribute consistently an amount that is equal to:

- ☒ ADC funding method: 100 % of the Actuarially Determined Contribution (ADC) as determined in our OPEB valuation or AMM report.
- ☐ Other funding method: We will contribute to the trust using an approach not directly related to the ADC. Please describe in the comment section below.

If applicable, please provide ADC amounts and periods covered as determined in the report:

|                                |                                 |                                |
|--------------------------------|---------------------------------|--------------------------------|
| <u>First Fiscal Year-End :</u> | <u>06/30/2027</u><br>MM/DD/YYYY | <u>\$ 28,301</u><br>ADC Amount |
|--------------------------------|---------------------------------|--------------------------------|

|                                |                                 |                                |
|--------------------------------|---------------------------------|--------------------------------|
| <u>Second Fiscal Year-End:</u> | <u>06/30/2028</u><br>MM/DD/YYYY | <u>\$ 30,134</u><br>ADC Amount |
|--------------------------------|---------------------------------|--------------------------------|

**Comments**

The ADCs above were determined using a 6.30% discount rate.

## CERBT Valuation Packet Certification of Funding Policy (2 of 2)

### Contribution and Reimbursement Method

As the employer, I certify that we intend to make CERBT contributions and request eligible reimbursements in the following manner:

- ☐ Contribute full ADC payments to the trust and seek reimbursements for pay-go costs.
- ☒ Contribute ADC payments to the CERBT net of pay-go costs and not seek reimbursement (ADC minus pay-go = Trust Contribution).
- ☐ Other contribution and/or reimbursement method, e.g. initial/ ad hoc lump sum contribution. Please describe in the comment section below.

Comments

### Employer Certification

As the employer, we understand that we must obtain an OPEB valuation or AMM report on at least a biennial basis.

We understand that we will be asked to provide accounting information to CalPERS as required to facilitate CalPERS compliance with Governmental Accounting Standards Board (GASB) Statements for Accounting and Financial Reporting for Post-Employment Benefit Plans Other than Pension Plans (OPEB Standards) reporting requirements and we agree to make any information requested available to CalPERS on a timely basis.

We understand that CalPERS will provide us the Schedule of Changes in Fiduciary Net Position by Employer, which can be used to prepare our GASB OPEB Standards reporting. CalPERS will report information pertaining to GASB OPEB Standards for Agent OPEB Plans.

El Dorado County Transit Authority

Employer Name

06/30/2025

Valuation Date

Brian James

Name

Executive Director

Title

[Signature]

Signature

5/27/2026

Date

**CERBT Valuation Packet**  
**Summary of Actuarial Information (1 of 2)**

**El Dorado County Transit Authority**

Employer Name

**06/30/2025**

Valuation Date

**Actuarial Firm Contact Information**

Michael J. Papendieck, EA, FCA, MAAA

MacLeod Watts, Inc.

Actuary/Contact Name

Actuarial Firm

mpapendieck@macleodwatts.com

(503) 419-0469

Email

Phone Number

**Person Completing this Form**

Adam Fisher

MacLeod Watts, Inc.

Contact Name

Organization

afisher@macleodwatts.com

(503) 419-0463

Email

Phone Number

If using a GASB 75 accounting valuation or AMM report, complete sections I, II, IV, and V. If using a funding valuation, complete sections I, III, IV, and V. If using a blended valuation, complete all sections, as applicable.

**Section I: Actuarial Data**

- |                                                  |                 |
|--------------------------------------------------|-----------------|
| 1. Valuation type (Accounting, Funding, or both) | Both            |
| 2. Valuation frequency (Annual or Biennial)      | Biennial        |
| 3. Total Present Value of Future Benefits (PVFB) | \$ 1,029,217.00 |
| i. Date PVFB was calculated as of                | 06/30/2025      |

**Section II: GASB 75 Accounting Valuation or AMM** (complete if using a GASB 75 accounting valuation or AMM)

- |                                                                            |                |
|----------------------------------------------------------------------------|----------------|
| 4. Measurement Date                                                        | 06/30/2025     |
| 5. Total OPEB Liability (TOL)                                              | \$ 614,521.00  |
| 6. Fiduciary Net Position (FNP) at Measurement Date                        | \$ 934,927.00  |
| 7. Net OPEB Liability (TOL-FNP)                                            | -\$ 320,406.00 |
| 8. This report provides financial reporting data for the following period: |                |
| Fiscal Year-End for your GASB 75 reporting                                 | 06/30/2026     |
|                                                                            | MM/DD/YYYY     |

## CERBT Valuation Packet

### Summary of Actuarial Information (2 of 2)

#### Section III: Funding Valuation (complete if using a funding valuation)

|                                                    |                |
|----------------------------------------------------|----------------|
| 9. Actuarial Accrued Liability (AAL)               | \$ 614,521.00  |
| 10. Actuarial Value of Assets (AVA)                | \$ 934,927.00  |
| 11. Unfunded Actuarial Accrued Liability (AAL-AVA) | -\$ 320,406.00 |

#### Section IV: Demographic Data (as of valuation date)

|                                                                                           |    |
|-------------------------------------------------------------------------------------------|----|
| 12. Number of active plan members                                                         | 28 |
| 13. Number of inactive plan members currently receiving benefit payments                  | 6  |
| 14. Number of inactive plan members entitled to<br>but not yet receiving benefit payments | 0  |

#### Section V: Benefit Payment Data

|        | Year ending date<br>of projected<br>benefit payments<br>(MM/DD/YYYY) | Projected employer<br>paid retiree premium<br>payments<br>(Do not include implicit<br>rate subsidy) | Projected implicit rate<br>subsidy payments |
|--------|----------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|---------------------------------------------|
| Year 1 | 06/30/2026                                                           | \$ 11,189.00                                                                                        | \$ 13,954.00                                |
| Year 2 | 06/30/2027                                                           | \$ 12,876.00                                                                                        | \$ 26,616.00                                |
| Year 3 | 06/30/2028                                                           | \$ 14,658.00                                                                                        | \$ 31,205.00                                |
| Year 4 | 06/30/2029                                                           | \$ 16,264.00                                                                                        | \$ 41,437.00                                |

#### Comments

Both plan funding (ADC) and accounting (GASB 75) liabilities were determined using a 6.30% discount rate. Regarding item 14, the number of unrepresented retirees eligible to but not currently receiving benefits was not determined.

# CERBT Valuation Packet

## Certification of Actuarial Information (1 of 1)

As Actuary of the plan, I certify that the Other Post-Employment Benefits (OPEB) actuarial valuation upon which the enclosed summary of actuarial information is based meets the following criteria:

- The valuation has been prepared and signed by a Fellow or Associate of the Society of Actuaries, or an Enrolled Actuary of the Joint Board for the Enrollment of Actuaries, and a Member of the American Academy of Actuaries.<sup>1</sup>
- The valuation has been prepared in accordance with the Actuarial Standards of Practice.
- If the valuation is an accounting valuation, then it has been prepared in accordance with the requirements set forth in Governmental Accounting Standards Board (GASB) Statements related to OPEB reporting.
- If employer assets to pre-fund other post-employment benefits are invested in an irrevocable OPEB trust other than the CERBT, the liabilities associated with those assets are not included in the summary of actuarial information.

I further certify that the discount rate is consistent with the anticipated level of funding pursuant to the relevant sections in GASB and ASOP, and the employer's certification.

El Dorado County Transit Authority

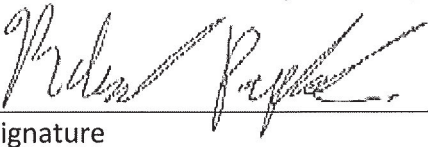
Employer Name

06/30/2025

Valuation Date

Michael J. Papendieck, EA, FCA, MAAA

Printed Name of Actuary and Designation

  
Signature

05/27/2026

Date

<sup>1</sup> In cases where the actuary performing the work does not meet these criteria, the valuation may be acceptable if the person has equivalent qualifications that are acceptable to the CalPERS Board. Please provide the qualifications of the actuary performing the valuation.