

Business Manager's Report – April 8, 2025

Needing Board Approval:

- 2024 Flows
- Actuarial Valuation Report
- GHD - IWPP Extension Letter Agreement

Discussion:

- Bid documents for Crane Purchase and Installation

Every practical effort has been made to include all business discussion items at least 24 hours in advance of scheduled Board meetings. But this is a real-time operating Plant and some items may come up that cannot wait a month for permissions or action.

**BINGHAMTON-JOHNSON CITY JOINT SEWAGE
2024 FLOWS
(Board Approved on __/__/____)**

	REPORTED FLOWS 100 Cu Ft	Adjustments	BILLABLE TOTAL	<i>% of Owner</i>	<i>% of TOTAL</i>
City of Binghamton	1,585,466	1,890	1,587,356	65.0%	49.0%
SUNY at Binghamton	180,843	0	180,843	7.4%	5.6%
Town of Vestal Bing Service Area	189,272	454	189,726	7.8%	5.9%
Town of Kirkwood	259,328	0	259,328	10.6%	8.0%
Town of Binghamton	50,141	0	50,141	2.1%	1.5%
Town of Dickinson Bing Service Area	86,036	127	86,163	3.5%	2.7%
Village of Port Dickinson	34,836	0	34,836	1.4%	1.1%
Town of Conklin	39,004	11	39,015	1.6%	1.2%
Town of Fenton	12,858	0	12,858	<u>0.5%</u>	<u>0.4%</u>
Subtotal for Binghamton Side	2,437,784	2,482	2,440,266	100.0%	75.3%
Village of Johnson City	471,662	0	471,662	58.9%	14.5%
Town of Vestal JC Service Area	214,219	1,203	215,422	26.9%	6.6%
Town of Dickinson JC Service Area	34,622	85	34,707	4.3%	1.1%
Town of Union	79,641	0	79,641	<u>9.9%</u>	<u>2.5%</u>
Subtotal for JC Side	800,144	1,288	801,432	100.0%	24.7%
TOTAL	3,237,928	3,770	3,241,698		<u>100.0%</u>

**BINGHAMTON-JOHNSON CITY JOINT SEWAGE
2024 FLOWS**

Approved by Board on: __/__/__

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2024	2024
	BILLABLE	BILLABLE	BILLABLE	BILLABLE	BILLABLE	BILLABLE	BILLABLE	BILLABLE	BILLABLE	BILLABLE	BILLABLE	BILLABLE	% of	% of
	TOTAL	TOTAL	TOTAL	TOTAL	TOTAL	TOTAL	TOTAL	TOTAL	TOTAL	TOTAL	TOTAL	TOTAL	Owner	TOTAL
City of Binghamton	1,687,689	1,776,228	1,663,546	1,675,262	1,698,929	1,571,587	1,593,522	1,500,153	1,523,107	1,490,253	1,481,983	1,587,356	63.6%	47.6%
SUNY at Binghamton	170,961	168,164	172,104	188,678	187,401	180,304	179,434	117,710	150,626	161,482	173,386	180,843	7.4%	5.6%
Town of Vestal														
Bing Service Area	190,671	198,114	202,503	186,264	182,344	165,362	177,982	156,160	172,210	176,391	186,195	189,726		6.0%
Town of Kirkwood	247,350	254,770	269,661	276,789	266,584	270,561	259,109	256,690	277,145	284,478	268,545	259,328	11.5%	8.6%
Town of Binghamton	64,569	60,666	55,440	56,149	52,993	53,212	52,691	53,822	52,863	51,680	51,260	50,141	2.2%	1.6%
Town of Dickinson														
Bing Service Area	124,542	89,541	121,720	102,441	99,528	100,229	96,166	84,268	83,138	87,100	81,939	86,163	3.5%	2.6%
Village of Port Dickinson	44,887	41,139	41,445	39,513	39,633	41,121	36,452	38,368	36,351	35,664	35,927	34,836	1.5%	1.2%
Town of Conklin	38,579	39,947	41,194	41,056	39,359	43,774	40,881	43,242	43,210	36,160	37,778	39,015	1.6%	1.2%
Town of Fenton	15,126	11,892	12,011	10,317	12,752	13,778	11,477	10,939	11,258	10,441	13,177	12,858	0.6%	0.4%
Subtotal for Binghamton Side	2,584,374	2,640,461	2,579,624	2,576,469	2,579,523	2,439,928	2,447,714	2,261,352	2,349,908	2,333,649	2,330,190	2,440,266	100.0%	74.9%
Village of Johnson City	684,393	650,792	553,122	539,897	539,980	539,638	488,552	482,056	466,844	465,020	455,982	471,662	58.3%	14.6%
Town of Vestal														
JC Service Area	237,890	229,173	238,525	235,975	233,374	228,137	225,791	222,082	217,952	221,917	222,922	215,422	28.5%	7.2%
Town of Dickinson														
JC Service Area	62,922	41,198	48,283	36,848	31,709	32,946	35,897	34,083	34,053	33,303	33,730	34,707	4.3%	1.1%
Town of Union	83,061	81,317	79,664	74,914	71,970	77,096	65,301	62,226	63,109	65,830	69,833	79,641	8.9%	2.2%
Subtotal for JC Side	1,068,266	1,002,480	919,594	887,634	877,033	877,817	815,541	800,447	781,958	786,070	782,467	801,432	100.0%	25.1%
TOTAL	3,652,640	3,642,941	3,499,218	3,464,103	3,456,556	3,317,745	3,263,255	3,061,799	3,131,866	3,119,719	3,112,657	3,241,698		100.0%

**BINGHAMTON-JOHNSON CITY JOINT SEWAGE
2024 FLOWS**

Approved by Board on: __/__/____

	FLOWS					BILLABLE
	<u>100 Cu Ft</u>	<u>Residential</u>	<u>Non-Residential</u>	<u>Mixed Use</u>	<u>Adjustments</u>	<u>TOTAL</u>
City of Binghamton	1,585,466	1,408,622	141,539	35,305	1,890	1,587,356
SUNY at Binghamton	180,843	0	0	180,843	0	180,843
Town of Vestal						
Bing Service Area	189,272	70,160	119,112	0	454	189,726
JC Service Area	214,219	115,513	98,706	0	1,203	215,422
Sub Total	403,491	185,673	217,818	0	1,657	405,148
Town of Binghamton	50,141	50,141	0		0	50,141
Town of Dickinson						
Bing Service Area	86,036	85,489	547	0	127	86,163
JC Service Area	34,622	19,555	15,067		85	34,707
Sub Total	120,658	105,044	15,614	0	212	120,870
Village of Port Dickinson	34,836	32,313	2,425	98	0	34,836
Town of Fenton	12,858	7,606	5,131	121	0	12,858
Town of Kirkwood	259,328	60,945	198,383		0	259,328
Town of Union	79,641	64,150	15,491	0	0	79,641
Village of Johnson City	471,662	294,137	159,452	18,073	0	471,662
Town of Conklin	<u>39,004</u>	<u>11,776</u>	<u>27,228</u>		<u>11</u>	<u>39,015</u>
TOTALS	3,237,928	2,220,407	783,081	234,440	3,770	3,241,698
Res/Non/Mix	100%	69%	24%	7%		
Res/Non	100%	74%	26%			3,003,488
Binghamton Side	2,437,784	1,727,052	494,365	216,367	2,482	2,440,265
Johnson City Side	800,144	493,355	288,716	18,073	1,288	801,432
	3,237,928	2,220,407	783,081	234,440	3,770	3,241,697

2024 preliminary Billable Wastewater Flows (if finalized, to be proposed to the Binghamton-Johnson City Joint Sewage Board for adoption 04/9/2024)

** DRAFT **	100 cu. ft. units Billable	Gallons Billable	% of Flow Side Billed	% of Total Billed Flow	# un-metered	Total Flow Reported (in ccf)	Equates to Avg. Flow per Day/Prop. (in gallons)	Total Adjustment Added (in ccf)	2023 units Billed	2023 is # change from 2024	2023 is % change fr2m 2024
BINGHAMTON FLOW SIDE (listed by order of total flow magnitude)											
City of Binghamton	1,587,356	= 1,187,424,831	65.05%	48.96784%	0 res. 18 n/r	0	0.00	0	1,480,093	107,263	7.25%
Town of Kirkwood	259,328	= 193,990,829	10.63%	7.99993%	9 res.	659	150.07	0	268,545	-9,217	-3.43%
Town of Vestal	189,726	= 141,924,839	7.77%	5.85279% *	23 res.	1,230	109.60	454	186,195	3,531	1.90%
Binghamton University (Vestal Campus only (w/o TTC))	180,843	= 135,279,887	7.41%	5.57876%	0				173,386	7,457	4.30%
Town of Dickinson	86,163	= 64,454,404	3.53%	2.65801% **	3 res.	92	63.14	127	81,939	4,224	5.16%
Town of Binghamton	50,141	= 37,508,075	2.05%	1.54678%	16 res.	2,342	299.99	0	51,260	-1,119	-2.18%
Town of Conklin	39,015	= 29,185,249	1.60%	1.20356%	10 res. 0 other	721	147.77	11	37,776	1,239	3.28%
Village of Port Dickinson	34,836	= 26,059,139	1.43%	1.07464%	0				35,927	-1,091	-3.04%
Town of Fenton	12,858	= 9,618,453	0.53%	0.39665%	0				13,177	-319	-2.42%
subtotal for side	2,440,266	= 1,825,445,706	100.00%	75.27898%					2,328,298	111,968	4.81%
JOHNSON CITY FLOW SIDE (listed by order of total flow magnitude)											
Village of Johnson City	471,662	= 352,776,849	58.85%	14.54805%	0				455,981	15,681	3.44%
Town of Vestal	215,422	= 161,146,858	26.88%	6.64548% *	61 res.	3,262	109.60	1,203	222,922	-7,500	-3.36%
Town of Union	79,641	= 59,575,609	9.94%	2.45682%	74 res.	7,924	219.46	0	69,833	9,808	14.04%
Town of Dickinson	34,707	= 25,962,641	4.33%	1.07067% **	2 res.	61	62.51	85	33,730	977	0
subtotal for side	801,432	= 599,461,957	100.00%	24.72102%					782,466	18,966	2.42%
2023 TOTAL	3,241,698	= 2,424,907,663		100.00000%					3,110,764	130,934	4.21%

FOOTNOTES -

* - the Town of Vestal is the Facilities' largest Outside User (third largest User overall); its combined flow/billing information is computed as follows:

Town of Vestal - Bgm	189,726	141,924,839	5.85279%	23 res.	1,230	109.60	454	186,195	3,531	1.90%
Town of Vestal - JC	215,422	161,146,858	6.64548%	61 res.	3,262	109.60	1,203	222,922	-7,500	-3.36%
Town of Vestal - JC	405,148	303,071,697	12.49827%	84 res.	4,492	109.60 av.	1,657	409,117	-3,969	-0.97% av.

** - the Town of Dickinson is the Facilities' fourth-largest Outside User (sixth largest User overall); its combined flow/billing information is computed as follows:

Town of Dickinson - Bgm	86,163	64,454,404	2.65801%	3 res.	92	63.14	127	81,939	4,224	5.16%
Town of Dickinson - JC	34,707	25,962,641	1.07067%	2 res.	61	62.51	85	33,730	977	0
Town of Dickinson - JC	120,870	90,417,045	3.72868%	5 res.	153	62.89 av.	212	115,669	5,201	4.50% av.

CONVERSION FACTORS:

as published 03/05/14 by NYS-DEC

748.052	gallons per 100 cu. ft.
1	gallon = 0.1337 cu. ft.
1,000	gallons = 133.7 cu. ft.

Please see the link below for an explanation on how to calculate Total Adjustment Added.
<http://bjcwtp.org/rulesandreg>

2024 Sewer Connection Census Data

** DRAFT **	TOTAL # OF CONNECTIONS	TOTAL # OF BGM FLOW SIDE CONNECTIONS	TOTAL # OF JC FLOW SIDE CONNECTIONS	Residential Metered and Billed	Mixed-Use Metered and Billed	Non-R/Comm. Metered and Billed	Industrial Metered and Billed	Mixed-Use Metered & Not Billed	Non-R/Comm. Metered & Not Billed	Residential Not Metered but Billed	Mixed-Use Not Metered & Not Billed	Non-R/Comm. Not Metered & Not Billed
BINGHAMTON FLOW SIDE (listed by order of total flow magnitude)												
City of Binghamton	13,646	13,646		13,418	60	126 ?	15	0	3	0	18	6
Town of Kirkwood	618	618		486	0	123 ?		0	0	9	0	0
Town of Vestal	1,371	1,371		1,117	0	230	0	0	1 ^{RSU}	23	0	0
Binghamton University (Vestal Campus only (w/o TTC))	91	91		0	0	0	0	0	1	0	0	90 ^(# individually)
Town of Dickinson	733	733		685	0	45	0	0	0	3	0	0
Town of Binghamton	895	895		879	0	0	0	0	0	16	0	0
Town of Conklin	252	252		189	0	53	0	0	0	10	0	0
Village of Port Dickinson	587	587		568	1	14	1	0	3	0	0	0
Town of Fenton	205	205		183	1	21	0	0	0	0	0	0
subtotal for side	18,398	18,398		17,525	62	612	16	0	8	61	18	96
JOHNSON CITY FLOW SIDE (listed by order of total flow magnitude)												
Village of Johnson City	4,957		4,957	4,553	87	317	0	0	0	0	0	0
Town of Vestal	2,120		2,120	1,801	0	258	0	0	0	61	0	0
Town of Union	660		660	525	0	61	0	0	0	74	0	0
Town of Dickinson	422		422	398	0	22	0	0	0	2	0	0
subtotal for side	8,159		8,159	7,277	87	658	0	0	0	137	0	0
TOTAL OF BINGHAMTON FLOW SIDE CONNECTIONS - PLUS - JOHNSON CITY FLOW SIDE CONNECTIONS												
2023 TOTAL	26,557	18,398	8,159	24,802	149	1,270	16	0	8	198	18	96
* - the Town of Vestal is the Facilities' largest Outside User (third largest User overall); its combined connection/billing information is computed as follows:												
Town of Vestal - Bgm	1,371	1,371		1,117	0	230	0	0	1	23	0	0
Town of Vestal - JC	2,120		2,120	1,801	0	258	0	0	0	61	0	0
Town of Vestal - JC	3,491		3,491	2,918	0	488	0	0	1	84	0	0
** - the Town of Dickinson is the Facilities' fourth-largest Outside User (sixth largest User overall); its combined connection/billing information is computed as follows:												
Town of Dickinson - Bgm	733	733		685	0	45	0	0	0	3	0	0
Town of Dickinson - JC	422		422	398	0	22	0	0	0	2	0	0
Town of Dickinson - JC	1,155		1,155	1,083	0	67	0	0	0	5	0	0

Binghamton-Johnson City Joint Sewage Board

Actuarial Valuation Report (GASB 75)

Prepared for the Year Ending December 31, 2024

(with estimated disclosures for the Year Ending December 31, 2025)

Prepared by:
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Overview of GASB 74 and 75

GASB - Acronym that stands for Governmental Accounting Standards Board. This is the accounting board that sets standards for governmental entities. Following GASB standards allows for the preparation of financial statements that are in conformity with Generally Accepted Accounting Principles (GAAP).

GASB statements 74 and 75, establish the reporting standards for Other Postemployment Benefit (“OPEB”) plans. It is designed to recognize the Other Postemployment Benefits earned by employees throughout their working career vs. when they are paid in retirement - accrual accounting vs. “pay-as-you-go” accounting. Additionally, each eligible active employee earns benefits each year representing benefits to be paid in retirement or a “Service Cost”. These amounts are reflected in the financial statement each year so that OPEB benefits for an eligible employee shall be fully charged to the financial statement when that eligible employee terminates employment.

In 2012 GASB issued GASB Statements 67 and 68 to update and standardize the financial reporting of pension liabilities. This increased the transparency of pension liabilities by moving them to the balance sheet and made financial statement disclosures of pension liabilities more comparable between municipal entities. GASB Statements 74 and 75 are designed to have the same effect on OPEB plans.

GASB 74 and 75 require retiree medical plans to disclose information about asset and liability levels and show historical contribution information. GASB 74 only applies in situations where a separate trust is established to prefund these benefits. GASB 75 requires employers to perform periodic actuarial valuations to determine annual accounting costs and to keep a running tally of the extent to which these amounts are over or under funded.

GASB 74 and 75 apply to those benefits provided after retirement, except for pension benefits, such as medical, dental and life insurance. The philosophy behind the accounting standard is that these postemployment benefits are part of the compensation earned by employees in return for their services, and the cost of these benefits should be recognized while employees are providing those services, rather than after they have retired. This philosophy has already been applied for years to defined benefit pensions. GASB 74 and 75 extend this practice to all other postemployment benefits.

The process of determining the liability for OPEB benefits is based on many assumptions about future events. The key actuarial assumptions are:

- Turnover and retirement rates: How likely is it that an employee will qualify for postemployment benefits and when will they start?
- Medical inflation and per capita cost assumptions: When an employee starts receiving postemployment benefits many years from now, how much will be paid each year for the benefits and how rapidly will the costs grow?
- Mortality assumption: How long is a retiree likely to receive benefits?
- Discount rate assumption: What is the present value of those future benefit payments in terms of today’s dollars?

Since the liability is being recognized over the employee’s whole career with the Board, the present value is divided into three pieces: the part that is attributed to past years (the “Total OPEB Liability” or “Past Service Liability”), the part that is being earned this year (the “Service Cost”), and the part that will be earned in future years (the “Future Service Liability”).

Actuarial Valuation Opinion

This report presents results of the actuarial valuation of the Binghamton-Johnson City Joint Sewage Board Retiree Health Benefit Program (“the Plan”) as of January 1, 2024. In our opinion, this report is complete and accurate and represents fairly the actuarial position of the Plan for the purposes stated herein.

The Binghamton-Johnson City Joint Sewage Board provided the participant data, financial information and plan descriptions used in this valuation. The actuary has analyzed the data and other information provided for reasonableness but has not independently audited the data or other information provided. The actuary has no reason to believe the data or other information provided is not complete and accurate and knows of no further information that is essential to the preparation of the actuarial valuation.

Actuarial information under Government Accounting Standards Board Statement No. 75 (GASB No. 75) is for the purpose of fulfilling employer financial accounting requirements. The results have been prepared on a basis consistent with our understanding of GASB No. 75 and are based upon assumptions prescribed by the Board. Determinations for purposes other than meeting employer financial accounting requirements may be significantly different from the results reported herein.

In our opinion, all costs, liabilities, rates of interest, and other factors underlying these actuarial computations have been determined on the basis of actuarial assumptions and methods that are each reasonable (or consistent with authoritative guidance) for the purposes herein taking into account the experience of the Plan and future expectations.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operations of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the Plan's funded status); and changes in program provisions or applicable law.

Our scope for this actuarial valuation did not include analyzing the potential range of such future measurements, and we did not perform that analysis.

The undersigned with actuarial credentials collectively meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein.

This report was prepared solely for the benefit and internal use of the plan sponsor. This report is not intended for the benefit of any other party and may not be relied upon by any third party for any purpose, and Jefferson Solutions, Inc. accepts no responsibility or liability with respect to any party other than the plan sponsor.

To the best of our knowledge, no employee of Jefferson Solutions, Inc. is an officer or director of the employer. In addition, we are not aware of any relationship between the Jefferson Solutions, Inc. and the employer that may impair or appear to impair the objectivity of the work detailed in this report.

Jefferson Solutions, Inc.

April 1, 2025



Alexander E. Kirimov, FCA, ASA, EA, MAAA

Specialist Leader and Consulting Actuary



Raymond R. Cerrone

Project Leader

Executive Summary

Governmental Accounting Requirements and Report Purposes

The Governmental Accounting Standards Board released the Statement of Governmental Accounting Standards No. 74 and No. 75 in June 2015. These statements require trusts (GASB No. 74) and employers (GASB No. 75) to accrue the cost of post-employment benefits other than pensions ("OPEB") while eligible employees are providing services to the employer.

The purposes of this actuarial valuation report are to provide the Board with:

- 1) Status of the retiree health benefit program's accrued liabilities (Total OPEB Liability) using the most recent census data and health plan rates;
- 2) Projected cash contributions (pay-as-you-go costs); and
- 3) Projected GASB No. 75 expense for the current fiscal year. GASB No. 75 disclosure information to fulfill the Board's financial reporting requirements is provided in this valuation report.

Funding Policy

Currently, the Board does not pre-fund retiree health benefits and instead provides for benefits on a pay-as-you-go basis.

Use of Estimates

The OPEB Expense and OPEB Liability amounts for both fiscal years are based on the same 4.08% 20-year tax-exempt general obligation municipal bond index rate effective December 31, 2024. For the fiscal year ended December 31, 2025 the 4.08% discount rate is used as an estimate of what the bond index rate will be on December 31, 2025. This may have a material impact on the final OPEB expense and OPEB liability amounts for the fiscal year ended December 31, 2025 to the extent that the actual bond index rate as of December 31, 2025 differs from 4.08%.

The key measures from the actuarial valuation of retiree health benefits with valuation date of January 1, 2024 and measurement dates of December 31, 2024 and December 31, 2025 are:

	January 1, 2024	January 1, 2025 (estimated)
Present Value of Future Benefits	\$ 4,180,631	\$ 4,228,588
Total OPEB liability	\$ 2,647,321	\$ 2,747,074

	Fiscal Year Ending	
	December 31, 2024	December 31, 2025 (estimated)
OPEB Expense	\$ (252,261)	\$ (246,667)
Projected cash and implicit contributions	\$ 120,161	\$ 125,064

OPEB Liability and Participant Information:

	January 1, 2024	January 1, 2025 (estimated)	Head Count
Active	\$ 1,482,096	\$ 1,648,369	36
Retired (Inactive)	1,165,225	1,098,705	21
Total OPEB liability	\$ 2,647,321	\$ 2,747,074	57

Continued

JEFFERSON SOLUTIONS, INC.

Executive Summary (Continued)

Significant Changes from the Previous Actuarial Valuation

- Increasing the discount rate from 3.72% to 4.08%.
- Initial trend rates were advanced, the model for trends in subsequent years is based on the Getzen Model as updated through September 2024.
- The percentage of future retirees electing benefits has been reduced to 95% based on future expectations.
- The payroll growth rate was increased to 5.00%.
- The marital assumption was changed to 65% based on future expectations.

Key Assumptions:

Census Collection Date.....	January 1, 2024
Discount Rate	4.08%
Year 1 Inflation Rate (Pre 65 / Post 65)	7.77% / 7.76%
Year 2 Inflation Rate (Pre 65 / Post 65)	8.00% / 5.00%
Ultimate Inflation Rate	4.54%
Year Ultimate Inflation Rate is Reached (Pre 65 / Post 65)	2090 / 2027
Actuarial Cost Method	Entry Age Normal (Percent of Salary)

Discount Rate Comment:

As prescribed by GASB No. 75, the discount rate will be based on the index rate for 20-year tax-exempt general obligation municipal bond index rate with an average rating of AA/Aa or higher as of the measurement date. To comply with this provision, the *Bond Buyer 20-Bond General Obligation Index* will be used. The discount rate of 4.08% is the December 31, 2024, and 4.08% is the assumed December 31, 2025 value of this index.

Cash Costs vs. Implicit Rate Subsidy:

GASB No. 75 requires that employers recognize the expected claims of the retiree population less the expected contributions by those retirees. This is not necessarily the same determination as the expected cash payments of the employer for retiree health benefits. The difference is that many post-employment health plans (including the Board’s program) charge the same premium rates for all participants in a non-Medicare plan regardless of their age. This single premium rate is called a blended premium rate because it blends the expected claims of both active and retired participants. Retirees are generally older than the average participant in a non-Medicare plan, which means they are expected to generate higher claims than the average participant of the plan; therefore, they are receiving a subsidy even if they pay 100% of the blended premium rate because they would be paying less in premiums than their claims costs. This subsidy is referred to as the “Implicit Rate Subsidy”.

Another way of considering the Implicit Rate Subsidy is to assume the retirees were removed from a blended plan and, instead, separately rated. In this scenario, the premium rate for the remaining active population would be lower; therefore, the retirees’ premium rate is being subsidized by the premiums for active employees. Since the employer generally pays a portion of the premiums for the active employees, this subsidy creates a liability for the employer.

By comparison, the cash costs are the actual dollars paid by the employer to cover a portion or all the retirees’ premium rates. This is sometimes referred to as the “Explicit Rate Subsidy”. This is the benefit that is explicitly stated by the Board that will be paid on behalf of retirees.

GASB 75 reports are required to value both the Implicit Rate Subsidy and the Explicit Rate Subsidy. This report values both the Explicit Subsidy and the Implicit Rate Subsidy.

Overview of OPEB Plan

1. **PLAN TYPES:** The benefits are provided through fully insured plans that are sponsored by Excellus - Blue Cross / Blue Shield. Beginning 01/01/2021 the post 65 benefits will be administered through Aetna.
2. **BENEFITS PROVIDED:** The Employer offers medical insurance and prescription drug coverage to eligible fulltime employees after they retire from employment with the Binghamton - Johnson City Joint Sewage Treatment Plant and are receiving retirement benefits under the New York State Retirement System.

Coverage is also available for the retiree's eligible spouse if the spouse was covered under the Employer's medical insurance plan on the retiree's last date of employment with the Employer.
3. **ELIGIBILITY:** Employee are eligible to retire as follows:
 - Employees Hired Before January 1, 2007 are eligible for benefits at age 55 with ten (10) years of service.
 - Employees on or after January 1, 2007 are eligible for benefits at age 55 with twenty (20) years of service.
4. **BENEFIT COST SHARING:**
 - A. Employees with dates of hire before 2007 that are age 55 with 15 years of service shall pay 25% of health insurance premium costs.
 - B. Employees hired on or after January 1, 2007 that are age 55 with 20 years of service will contribute 50% of health insurance premium.
 - C. Eligible Surviving Spouses of qualifying Retirees, as described above, who maintained Retiree coverage, shall pay 100% of health insurance program costs during 2024 to continue their coverage on an individual basis.

See examples for the calculation of the per capita cost on page 19.
5. **SURVIVING SPOUSE BENEFIT:** In the event the retiree predeceases the retiree's eligible spouse, the spouse may continue medical insurance and prescription drug coverage provided the spouse pays the full cost of the premiums (COBRA ONLY). In the event of legal separation or divorce, the retiree's spouse shall not be eligible for coverage except as provided under COBRA or as ordered by a Court Order (such as a Qualified Domestic Relations Order [QDRO] or a Qualified Medical Child Support Order [QMCSO])
6. **DURATION OF BENEFITS:** Benefits are payable for the lifetime of the retiree. Surviving spouses are permitted to remain in the plan by paying 100% of the premium and could therefore continue benefits for their lifetime.
7. **ANNUAL GROSS PREMIUMS:**

Plan Description	January 1, 2024		January 1, 2025	
	Single	Two Person	Single	Two Person
Pre 65 Medical	\$8,137.08	\$16,273.80	\$8,769.60	\$17,539.44
Post 65 Medical	\$2,951.28	\$5,902.56	\$3,180.24	\$6,360.48

Principal Results

This section provides a summary of the actuarial valuation results. All information is provided as of the measurement date except for census data. The valuation results were based on January 1, 2024 census data. All liabilities are net of expected retiree contributions.

	January 1, 2024	January 1, 2025 (estimated)
Present Value of Future Benefits		
Actives	\$ 3,015,406	\$ 3,129,883
Retired	1,165,225	1,098,705
Total	<u>\$ 4,180,631</u>	<u>\$ 4,228,588</u>

Total OPEB Liability (Individual Entry Age Normal)

Active	\$ 1,482,096	\$ 1,648,369
Retired	1,165,225	1,098,705
Total	<u>\$ 2,647,321</u>	<u>\$ 2,747,074</u>

	Fiscal Year Ending	
	December 31, 2024	December 31, 2025 (estimated)
OPEB Costs:		
Service Cost	\$ 109,872	\$ 114,355
Plan Change	-	-
Interest	110,042	114,195
Deferred (Inflows)/Outflows from Expected & Actual Experience	(488,599)	(480,240)
Deferred (Inflows)/Outflows from Changes in Assumptions	16,424	5,023
Net OPEB Expense	<u>\$ (252,261)</u>	<u>\$ (246,667)</u>
Funded Ratio	NA	NA
Annual Covered Payroll	\$2,780,375	\$2,919,394
Total OPEB Liability / Net OPEB Liability (Asset) as % of Covered Payroll	95.21%	94.10%
Discount Rate	4.08%	4.08%

Summary of Assets

The plan Retiree Health Benefit Program is currently funded on a pay-as-you-go basis. Therefore, at all times the net assets available for plan benefits is zero.

Actuarially Determined Contribution

	Fiscal Year Ending	
	December 31, 2024	December 31, 2025 (estimated)
Service Cost with Interest at 4.08%	\$ 114,355	\$ 119,021
30-year amortization of Net OPEB Liability	154,585	160,410
Actuarially Determined Contribution	\$ 268,940	\$ 279,431
Actual Contribution	(120,161)	(125,064)
Contribution deficiency	\$ 148,779	\$ 154,367
Covered payroll	\$2,780,375	\$2,919,394
Actuarially determined contribution as a % of covered payroll	9.67%	9.57%

Actuarial Gain / Loss

	Fiscal Year Ending December 31, 2024
Total OPEB Liability, December 31, 2023	\$ 2,385,560
Fiduciary Net Position, December 31, 2023	-
Net OPEB Liability, December 31, 2023	\$ 2,385,560
Service Cost	109,872
Plan Change	-
Interest @ 4.08%	110,042
Contributions	(120,161)
Changes in Assumptions	(504,463)
Expected Net OPEB Obligation, December 31, 2024	\$ 1,980,850
Loss attributable to experience	766,224
Total OPEB Liability, December 31, 2024	\$ 2,747,074
Fiduciary Net Position, December 31, 2024	-
Net OPEB Liability, December 31, 2024	\$ 2,747,074

Schedule of Deferred Outflows and Deferred Inflows of Resources

Differences between expected and actual experience

Measurement Period Ended	Initial Amount	Amortization Period	Annual Recognition	Amortized Through 12/31/2023	Amortized in Fiscal Year Ending							
					12/31/2024	12/31/2025	12/31/2026	12/31/2027	12/31/2028	12/31/2029	There After	
12/31/2017	(\$660,153)	7.90	(\$83,564)	(\$501,384)	(\$83,564)	(\$75,205)	-	-	-	-	-	-
12/31/2020	(\$3,030,577)	6.96	(\$435,428)	(\$1,741,712)	(\$435,428)	(\$435,428)	(\$418,009)	-	-	-	-	-
12/31/2022	(\$527,344)	7.73	(\$68,220)	(\$136,440)	(\$68,220)	(\$68,220)	(\$68,220)	(\$68,220)	(\$68,220)	(\$49,804)	-	-
12/31/2024	\$766,224	7.77	\$98,613	-	\$98,613	\$98,613	\$98,613	\$98,613	\$98,613	\$98,613	\$98,613	\$174,546
Net	(\$3,451,850)		(\$488,599)	(\$2,379,536)	(\$488,599)	(\$480,240)	(\$387,616)	\$30,393	\$30,393	\$48,809	\$174,546	

Changes in assumptions

Measurement Period Ended	Initial Amount	Amortization Period	Annual Recognition	Amortized Through 12/31/2023	Amortized in Fiscal Year Ending							
					12/31/2024	12/31/2025	12/31/2026	12/31/2027	12/31/2028	12/31/2029	There After	
12/31/2017	\$900,703	7.90	\$114,013	\$684,078	\$114,013	\$102,612	-	-	-	-	-	-
12/31/2020	\$913,401	6.96	\$131,236	\$524,944	\$131,236	\$131,236	\$125,985	-	-	-	-	-
12/31/2022	(\$1,266,957)	7.73	(\$163,901)	(\$327,802)	(\$163,901)	(\$163,901)	(\$163,901)	(\$163,901)	(\$163,901)	(\$119,650)	-	-
12/31/2024	(\$504,463)	7.77	(\$64,924)	-	(\$64,924)	(\$64,924)	(\$64,924)	(\$64,924)	(\$64,924)	(\$64,924)	(\$64,924)	(\$114,919)
Net	\$42,684		\$16,424	\$881,220	\$16,424	\$5,023	(\$102,840)	(\$228,825)	(\$228,825)	(\$184,574)	(\$114,919)	

	Deferred Balances December 31, 2024			Amortization FYE December 31, 2024	Amortization FYE December 31, 2025	Deferred Balances December 31, 2025		
	Deferred Outflows	Deferred (Inflows)	Net			Deferred Outflows	Deferred (Inflows)	Net
	Changes in assumptions	\$359,833	(\$1,214,793)			(\$854,960)	\$16,424	\$5,023
Differences between expected and actual experience	\$667,611	(\$1,251,326)	(\$583,715)	(\$488,599)	(\$480,240)	\$568,998	(\$672,473)	(\$103,475)
	\$1,027,444	(\$2,466,119)	(\$1,438,675)	(\$472,175)	(\$475,217)	\$694,983	(\$1,658,441)	(\$963,458)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending	Amortization	Fiscal Year Ending	Amortization
12/31/2025	(\$475,217)	12/31/2026	(\$490,456)
12/31/2026	(\$490,456)	12/31/2027	(\$198,432)
12/31/2027	(\$198,432)	12/31/2028	(\$198,432)
12/31/2028	(\$198,432)	12/31/2029	(\$135,765)
12/31/2029	(\$135,765)	12/31/2030	\$33,689
There After	\$59,627	There After	\$25,938
	(\$1,438,675)		(\$963,458)

10-Year Projection of Employer Benefit Payments

Presented in this section are the projected employer benefit payments for the next ten years based on the program design effective in the 2024 fiscal year. These projected benefit payments are based on the actuarial methods and assumptions are described in the section(s) Actuarial Methods on page 15 and Assumptions And Methodology beginning on page 16. If actual experience differs from those expected by the actuarial assumptions, the actual benefit payments will vary from those presented below.

Period	Explicit Subsidy	Implicit Subsidy	Total
12/31/2024	\$92,851	\$27,310	\$120,161
12/31/2025	\$96,640	\$28,424	\$125,064
12/31/2026	\$99,700	\$20,721	\$120,421
12/31/2027	\$96,091	\$13,166	\$109,257
12/31/2028	\$104,501	\$19,235	\$123,736
12/31/2029	\$113,876	\$14,956	\$128,832
12/31/2030	\$125,783	\$21,837	\$147,620
12/31/2031	\$140,593	\$32,971	\$173,564
12/31/2032	\$142,868	\$23,571	\$166,439
12/31/2033	\$152,139	\$32,510	\$184,649

Assumption Sensitivity

This section provides information about the sensitivity of the Total OPEB Liability to certain assumptions made in this actuarial valuation. The discount rate and benefit cost trend rate are the most significant assumptions used in this valuation. The table below shows the effect of increasing and decreasing those assumptions by 100 basis points above/below their projected levels in all future years.

Discount Rate Plus 1.00%

Current OPEB Liability, 12/31/2024	\$2,747,074
OPEB Liability - Discount Plus 1.00%	\$2,457,114
Decrease	\$289,960
Percent Decrease	10.56%

Discount Rate Minus 1.00%

Current OPEB Liability, 12/31/2024	\$2,747,074
OPEB Liability - Discount Minus 1.00%	\$3,089,932
Increase	\$342,858
Percent Increase	12.48%

Trend Plus 1.00%

Current OPEB Liability, 12/31/2024	\$2,747,074
OPEB Liability - Trend Plus 1.00%	\$3,214,283
Increase	\$467,209
Percent Increase	17.01%

Trend Minus 1.00%

Current OPEB Liability, 12/31/2024	\$2,747,074
OPEB Liability - Trend Minus 1.00%	\$2,372,054
Decrease	\$375,020
Percent Decrease	13.65%

Summary of Demographic Information

This section details the statistics related to the participants in the post-employment benefit plan. The census collection date is January 1, 2024.

The file that was used to prepare the GASB 75 valuation was provided by the Board. Our understanding is that this file represents the population of the Board's active and retired employees as of January 1, 2024, the census collection date.

CENSUS RECONCILIATION COMMENT: The census file contained 61 records. The GASB 75 valuation excluded 4 records because the employee may have been hired after the census collection date (January 1, 2024) or the records represented individuals that are not entitled to benefits.

All Active and Retired Employees:

	Actives	Retirees	Total
Male	29	19	48
Female	7	2	9
Total	36	21	57

Active Employees:

Age	Not Currently Eligible to Retire	Currently Eligible to Retire ¹	TOTAL
29 and Under	3	-	3
30 - 34	2	-	2
35 - 39	3	-	3
40 - 44	3	-	3
45 - 49	8	-	8
50 - 54	4	-	4
55 - 59	4	-	4
60 - 64	9	-	9
65 and Over	-	-	-
Total	36	-	36
Average Age	48.7		
Average Service	10.5		

Continued

¹ These active employees have met the minimum age and service requirements needed to vest in an OPEB benefit upon retirement.

Summary of Demographic Information (Continued)

Current Retirees:

Age	Retirees	Spouses	TOTAL
54 and Under	-	-	-
55 - 59	-	-	-
60 - 64	1	3	4
65 - 69	4	2	6
70 - 74	6	5	11
75 - 79	8	-	8
80 and Over	2	-	2
Total	21	10	31

Average Age for Retired Employees: 71.6

Continued

Summary of Demographic Information (Continued)

Age	Years of Service								TOTAL
	Under 5	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 Plus	
<20	-	-	-	-	-	-	-	-	-
20 to 24	-	-	-	-	-	-	-	-	-
25 to 29	3	-	-	-	-	-	-	-	3
30 to 34	1	-	1	-	-	-	-	-	2
35 to 39	1	1	1	-	-	-	-	-	3
40 to 44	1	1	-	1	-	-	-	-	3
45 to 49	2	-	4	2	-	-	-	-	8
50 to 54	1	-	-	1	2	-	-	-	4
55 to 59	1	1	-	2	-	-	-	-	4
60 to 64	2	2	-	3	-	1	1	-	9
65 Plus	-	-	-	-	-	-	-	-	-
TOTAL	12	5	6	9	2	1	1	-	36

Average Age 48.7

Average Service 10.5

Actuarial Methods

Actuarial Cost Method

The Actuarial Cost Method used to determine the Total OPEB Liability, and the Annual Required Contribution is the Entry Age Normal (EAN) method as prescribed by GASB No. 75. This method is in the family of future benefit cost methods, which requires an estimate of the projected benefit payable at retirement to determine costs and liabilities.

The Normal Cost (or Service Cost) is the annual allocation required for each participant from entry date to the assumed retirement date so that the accumulated allocation at retirement is equal to the liability for the projected benefit. The projected benefits are based on estimates of future years of service and projected health benefit costs. The normal cost is developed as a level percent of compensation as prescribed by GASB No. 75.

The Present Value of Future Benefits is equal to the value of the projected benefit payable at retirement discounted back to the participant's current age. Discounts include such items as interest and mortality. The present value of future normal cost allocations is equal to the discounted value of the normal costs allocated from the member's current age to retirement age.

The difference between the Present Value of Future Benefits and the present value of future normal cost allocations represents the Total OPEB Liability at the participant's current age.

The Total OPEB Liability for participants currently receiving payments is calculated as the actuarial present value of future benefits expected to be paid. No normal cost is allocated for these participants.

Financial and Census Data

The Board provided the participant data, financial information and plan descriptions used in this valuation. The actuary has checked the data for reasonableness but has not independently audited the data. The actuary has no reason to believe the data is not complete and accurate and knows of no further information that is essential to the preparation of the actuarial valuation.

Plan Fiduciary Net Position

Market value of assets as of the measurement date is zero because the plan is funded on a pay-as-you-go basis.

Method Changes Since Last Year

None.

Assumptions and Methodology

Economic Assumptions

1. **DISCOUNT RATE:** An interest rate of 4.08% was used to calculate the net OPEB expense for the fiscal year ending December 31, 2024, and for the fiscal year ending December 31, 2025.
2. **PAYROLL GROWTH:** 5.00% per year.
3. **PRE 65 MEDICAL TREND:** Health care costs were modeled in accordance with the Society of Actuaries Getzen Model of Long-Run Medical Cost Trends as updated through September 2024 for 2025 thru 2090 + .

The long-term trend rates were based on the following assumptions:

- Rate of Inflation: 3.10%
- Rate of Growth in Real Income / GDP per capita: 1.40%
- Income Multiplier for Health Spending: 0.90%
- Health Share of GDP Resistance Point: 25.00%
- Year after which medical costs are limited to rate of growth in GDP 2090

The SOA Long-Run Medical Cost Trend Model and its baseline projection are based on an econometric analysis of historical US medical expenditures and the judgments of experts in the field. The long-run baseline projection and input variables have been developed under the guidance of an SOA Project Oversight Group. The above schedule represents a reasonable medical trend projection for the current plan provisions and demographics of the Retiree Welfare Benefits Plan, and no changes to these baseline assumptions are necessary.

Period	Trend Rate	Period	Trend Rate
2025	8.00%	2070	5.25%
2026	7.50%	2071	5.24%
2027	7.00%	2072	5.23%
2028	6.50%	2073	5.22%
2029	6.35%	2074	5.21%
2030	6.20%	2075	5.20%
2031	6.04%	2076	5.19%
2032	5.89%	2077	5.18%
2033	5.74%	2078	5.17%
2034 to 2057	5.59%	2079	5.16%
2058	5.51%	2080	5.15%
2059	5.46%	2081	5.08%
2060	5.43%	2082	5.02%
2061	5.40%	2083	4.95%
2062	5.38%	2084	4.89%
2063	5.36%	2085	4.83%
2064	5.34%	2086	4.77%
2065	5.32%	2087	4.71%
2066	5.31%	2088	4.66%
2067	5.29%	2089	4.60%
2068	5.28%	2090 +	4.54%
2069	5.26%		

Continued

Assumptions and Methodology (Continued)

4. **POST 65 MEDICAL TREND:** It the following increases are assumed to the post 65 benefits:

Year	Rate
2025	5.00%
2026	4.75%
Thereafter	4.54%

Demographic Assumptions

5. **CENSUS COLLECTION DATE:** The census used in this report represents the eligible population as of January 1, 2024. The valuation date is January 1, 2024 and the measurement dates are December 31, 2024 and December 31, 2025.
6. **RETIREMENT RATES:** The tables used for retirement and termination assumptions are from the New York State and Local Employee's Retirement System's Annual Report to the Comptroller on Actuarial Assumptions dated August 2020. Sample rate are below:

Age	General Tiers 2,3,4		
	Service < 20	20 ≤ Srv < 30	30 ≤ Service
55	0.0590	0.0859	0.4709
60	0.0483	0.0734	0.1937
65	0.1667	0.2879	0.2450
70	1.0000	1.0000	1.0000

Age	General Tier 5		
	Service < 20	20 ≤ Srv < 30	30 ≤ Service
55	0.0472	0.0687	0.0859
60	0.0386	0.0587	0.0734
65	0.1667	0.2879	0.2450
70	1.0000	1.0000	1.0000

Age	General Tier 6		
	Service < 20	20 ≤ Srv < 30	30 ≤ Service
55	0.0472	0.0687	0.0859
60	0.0386	0.0587	0.0734
65	0.1667	0.2879	0.2450
70	1.0000	1.0000	1.0000

7. **WITHDRAWAL RATES:** These rates represent the percentage of employees who will terminate employment at the given age each year, for reasons other than death, or retirement:

Withdrawal rates for employees enrolled in the New York State Employees Retirement System (ERS) are based on the assumptions used in the ERS dated August 2020.

Age	Termination Rates - General						
	0 ≤ Service < 2	2 ≤ Service < 3	3 ≤ Service < 4	4 ≤ Service < 5	5 ≤ Service < 10	10 ≤ Service	
20	0.2646	0.1211	0.0863	0.0657	0.0553	0.0216	
25	0.2040	0.1356	0.1007	0.0748	0.0560	0.0216	
30	0.1483	0.1234	0.0979	0.0824	0.0519	0.0215	
35	0.1360	0.0946	0.0820	0.0740	0.0505	0.0205	
40	0.1311	0.0824	0.0711	0.0590	0.0469	0.0196	
45	0.1256	0.0785	0.0638	0.0543	0.0419	0.0190	
50	0.1268	0.0775	0.0587	0.0506	0.0374	0.0143	
55	0.1305	0.0728	0.0582	0.0517	0.0314	0.0127	
60	0.1464	0.0790	0.0689	0.0678	0.0286	0.0129	
65	0.1675	0.0936	0.0847	0.0860	0.0396	0.0131	
70	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	

Continued

Assumptions and Methodology (Continued)

8. **MORTALITY:** Pub-2010 General Employees Headcount-Weighted Mortality fully generational using Scale MP-2021, Pub-2010 General Retirees Headcount-Weighted Mortality fully generational using Scale MP-2021, and Pub-2010 General Contingent Survivors Headcount-Weighted Mortality.

Benefit Assumptions

9. **PARTICIPATION RATE:** It was assumed 95% of future retirees eligible for coverage will elect coverage under the plan.
10. **PERCENT MARRIED:** It was assumed that 65% of future retirees will be married, with spouses who will also elect coverage under the plan, with male spouses assumed to be 3 years older than female spouses. For current retirees, actual census information was used.
11. **PER CAPITA COSTS:** The following rates were used in the development of per capita costs:

Plan Description	January 1, 2024		January 1, 2025	
	Single	Two Person	Single	Two Person
Pre 65 Medical	\$8,137.08	\$16,273.80	\$8,769.60	\$17,539.44
Post 65 Medical	\$2,951.28	\$5,902.56	\$3,180.24	\$6,360.48

12. **IMPLICIT SUBSIDY:** GASB No. 75 requires that employers recognize the expected claims of the retiree population less the expected contributions by those retirees. This is not necessarily the same determination as the expected cash payments of the employer for retiree health benefits. The difference is that many post-employment health plans (including the Board's program) charge the same premium rates for all participants in a non-Medicare plan regardless of their age. This single premium rate is called a blended premium rate because it blends the expected claims of both active and retired participants. Retirees are generally older than the average participant in a non-Medicare plan, which means they are expected to generate higher claims than the average participant of the plan; therefore, they are receiving a subsidy even if they pay 100% of the blended premium rate because they would be paying less in premiums than their claims costs. This subsidy is referred to as the "Implicit Rate Subsidy".

The following age-based factors were used to adjust for the implicit subsidy and are based on an average age of 49 calculated as of January 1, 2024. These inputs are from the Society of Actuaries' June 2013 research report "Health Care Costs - From Birth to Death" by Dale Yamamoto (<https://www.soa.org/research-reports/2013/research-health-care-birth-death/>)

Age	Annual Increase Factor	Age Adjusted Claim Factor
40	1.88%	0.8079
45	3.05%	0.8868
50	4.31%	1.0305
55	4.05%	1.2726
60	4.28%	1.5520

See example of how this implicit subsidy is applied on page 19.

Other Assumptions

13. **ACTUARIAL VALUE OF ASSETS:** None
14. **ADMINISTRATIVE EXPENSES:** \$307 Per employee / retiree. Annual expected increase for administrative fees is 2.00%.

Calculation of Per Capita Costs

This is an example for: a male employee assumed to be age 58 with a spouse assumed to be age 55 with a contribution rate of 25.00%

	Retiree		Spouse	
	Pre 65	Post 65	Pre 65	Post 65
1. Medical Premium (Pre 65 Medical)	\$8,137.08	\$2,951.28	\$16,273.80	\$5,902.56
2. Less Individual Premium	-	-	\$8,137.08	\$2,951.28
3. Adjusted cost for Medical Premium (1 - 2)	\$8,137.08	\$2,951.28	\$8,136.72	\$2,951.28
4. Age adjustment factor	1.43352	1.00	1.27256	1.00
5. Age Adjusted Medical (3 * 4)	\$11,664.67	\$2,951.28	\$10,354.45	\$2,951.28
6. Contribution Percentage	25.00%	25.00%	25.00%	25.00%
7. Retiree Contribution (3 * 6)	\$2,034.27	\$737.82	\$2,034.18	\$737.82
Net Cost to Board (5 - 7)	\$9,630.40	\$2,213.46	\$8,320.27	\$2,213.46

Glossary

Brief explanations of terms used in this report:

Annual OPEB Expense

The amount recognized by an employer in each accounting period for contributions to a defined benefit OPEB plan on the modified accrual basis of accounting.

Collective deferred outflows of resources and deferred inflows of resources related to OPEB

Deferred outflows of resources and deferred inflows of resources related to OPEB arising from certain changes in the collective net OPEB liability or collective total OPEB liability.

Covered Payroll

Annual compensation paid (or expected to be paid) to active employees covered by an OPEB plan, in aggregate.

Net OPEB liability (NOL)

The liability in *excess of the Fiduciary Net Position* of employers and nonemployer contributing entities to plan members for benefits provided through a defined benefit OPEB plan that is administered through a trust that meets the criteria of the GASB Statements.

Normal Cost or Service Cost

The portion of the Total Present Value of Future Benefits attributed to employee service during the current fiscal year by the actuarial cost method. These terms are used interchangeably. Service cost appears as a component of the annual OPEB costs.

Other Postemployment Benefits (OPEB)

Retiree health care benefits and post-employment benefits provided separately from a pension plan (excluding termination offers and benefits).

Plan Fiduciary Net Position (FNP)

Set equal to the market value of assets as of the measurement date.

Present Value of Future Benefits (PVFB)

The value, as of the valuation date, of the projected benefits payable to all members for their accrued service and their expected future service, discounted to reflect the time value (present value) of money and adjusted for the probabilities of retirement, withdrawal, death and disability.

Total OPEB liability (TOL)

The portion of the actuarial present value of projected benefit payments that is attributed to past periods of member service in conformity with the GASB Statements. The TOL is the liability of employers and non-employer contributing entities to plan members for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria of the GASB Statements.

Suggested Footnotes for OPEB

Plan description:

GASB No. 75 requires that employers recognize the expected claims of the retiree population less the expected contributions by those retirees. This is not necessarily the same determination as the expected cash payments of the employer for retiree health benefits. The difference is that many post-employment health plans (including the Board’s program) charge the same premium rates for all participants in a non-Medicare plan regardless of their age. This single premium rate is called a blended premium rate because it blends the expected claims of both active and retired participants. Retirees are generally older than the average participant in a non-Medicare plan, which means they are expected to generate higher claims than the average participant of the plan; therefore, they are receiving a subsidy even if they pay 100% of the blended premium rate because they would be paying less in premiums than their claims costs. This subsidy is referred to as the “Implicit Rate Subsidy”.

The Board's OPEB plan is not administered through a trust that meets the criteria in paragraph 4 of GASB 75.

Benefits Provided:

The Board provides postemployment benefits to eligible retirees in the form of health insurance. The obligation of the Board and its employees to contribute to the cost of providing these benefits has been established pursuant to various collective bargaining agreements and Board policy for those individuals not included in one of the bargaining units.

The Board provides continuation of medical and prescription drug coverage for employees hired before January 1, 2007 who retire and are at least age 55 and have 10 plus years of service. Employees hired after January 1, 2007 are eligible if they retire at least age 55 and have 20 plus years of service. All retirees and future retirees hired prior to January 1, 2007 with 10 years of service are required to contribute 50% towards the premium cost, with 15 years of service that drops to 25% for both individual and family coverage. All future retirees hired after January 1, 2007 are required to pay 50% of the individual and family premiums.

Funding Policy:

The Board's funding policy for the implicit rate subsidy is a pay-as-you-go basis.

Employees covered by benefit terms:

As of January 1, 2024, the following employees were covered by the benefit terms:

<i>Inactive employees or beneficiaries currently receiving benefit payments</i>	21
<i>Inactive employees entitled to but not yet receiving benefit payments</i>	-
<i>Active Employees</i>	36
<i>Total Participants covered by OPEB Plan</i>	57

Total OPEB Liability:

The Board’s total OPEB liability of \$2,747,074 was measured as of December 31, 2024, and was determined by an actuarial valuation as of January 1, 2024.

Continued

Suggested Footnotes for OPEB (Continued)

Actuarial assumptions and other inputs:

The total OPEB liability in the January 1, 2024 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate	4.08%
Healthcare Trend Rates:	
2024 Trend (Pre 65 / post 65)	7.77% / 7.76%
2025 Trend (Pre 65 / post 65)	8.00% / 5.00%
Ultimate Trend	4.54%
Year Ultimate Trend is Reached (Pre 65 / post 65)	2090 / 2027
Salary Increases	5.00%

The discount rate was based on the index provided by *Bond Buyer 20-Bond General Obligation Index* based on the 20 year AA municipal bond rate as of December 31, 2024.

Mortality rates: Pub-2010 General Employees Headcount-Weighted Mortality fully generational using Scale MP-2021, Pub-2010 General Retirees Headcount-Weighted Mortality fully generational using Scale MP-2021, and Pub-2010 General Contingent Survivors Headcount-Weighted Mortality.

Significant Changes from the Previous Actuarial Valuation

- Increasing the discount rate from 3.72% to 4.08%.
- Initial trend rates were advanced, the model for trends in subsequent years is based on the Getzen Model as updated through September 2024.
- The percentage of future retirees electing benefits has been reduced to 95% based on future expectations.
- The payroll growth rate was increased to 5.00%.
- The marital assumption was changed to 65% based on future expectations.

Changes in the Total OPEB Liability:

	Fiscal Year Ending	
	December 31, 2024	December 31, 2025 (estimated)
OPEB Liability Beginning of Year	\$ 2,385,560	\$ 2,747,074
Changes for the Year		
Service Cost	109,872	114,355
Plan Change	-	-
Interest	110,042	114,195
Assumption Changes	(504,463)	-
Difference Between Actual and Expected Experience	766,224	-
Benefit payments	(120,161)	(125,064)
OPEB Liability End of Year	\$ 2,747,074	\$ 2,850,560

Continued

JEFFERSON SOLUTIONS, INC.

Suggested Footnotes for OPEB (Continued)

Sensitivity of the total OPEB liability to changes in the discount rate:

The following presents the total OPEB Liability, calculated using the discount rate of 4.08%, as well as what the total OPEB Liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

Total OPEB Liability	Discount Rate		
	1% Decrease	Baseline	1% Increase
December 31, 2024	\$3,089,932	\$2,747,074	\$2,457,114
December 31, 2025 (estimated)	\$3,205,801	\$2,850,560	\$2,549,489

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates:

The following presents the total OPEB Liability, calculated using the trend rate starting at 7.77%, as well as what the total OPEB Liability would be if it were calculated using a trend rate that is one percentage point lower or one percentage point higher than the current rate:

Total OPEB Liability	Healthcare Cost Trend Rates		
	1% Decrease	Baseline	1% Increase
December 31, 2024	\$2,372,054	\$2,747,074	\$3,214,283
December 31, 2025 (estimated)	\$2,437,092	\$2,850,560	\$3,367,588

OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2024, the Board recognized OPEB expense of \$(252,261). The estimated OPEB expense for the year ending December 31, 2025 is \$(246,667).

At December 31, 2024, the Board reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows	Deferred (Inflows)	Net
Changes in assumptions	\$359,833	(\$1,214,793)	(\$854,960)
Differences between expected and actual experience	\$667,611	(\$1,251,326)	(\$583,715)
	<u>\$1,027,444</u>	<u>(\$2,466,119)</u>	<u>(\$1,438,675)</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending	Amortization
12/31/2025	(\$475,217)
12/31/2026	(\$490,456)
12/31/2027	(\$198,432)
12/31/2028	(\$198,432)
12/31/2029	(\$135,765)
There After	\$59,627
	<u>(\$1,438,675)</u>

Schedules of Required Supplementary Information

Schedule of Changes in the Board's Total OPEB Liability and Related Ratios

	Fiscal Year Ending	
	December 31, 2024	December 31, 2025 (estimated)
OPEB Liability Beginning of Year	\$ 2,385,560	\$ 2,747,074
Changes for the Year		
Service Cost	109,872	114,355
Plan Change	-	-
Interest	110,042	114,195
Assumption Changes	(504,463)	-
Difference Between Actual and Expected Experience	766,224	-
Benefit payments	(120,161)	(125,064)
OPEB Liability End of Year	<u>\$ 2,747,074</u>	<u>\$ 2,850,560</u>
Covered payroll	\$2,780,375	\$2,919,394
Total OPEB liability as a percentage of covered payroll	98.80%	97.64%

Use of Estimates

The OPEB Expense and OPEB Liability amounts for both fiscal years are based on the same 4.08% 20-year tax-exempt general obligation municipal bond index rate effective December 31, 2024. For the fiscal year ended December 31, 2025 the 4.08% discount rate is used as an estimate of what the bond index rate will be on December 31, 2025. This may have a material impact on the final OPEB expense and OPEB liability amounts for the fiscal year ended December 31, 2025 to the extent that the actual bond index rate as of December 31, 2025 differs from 4.08%.

April 8, 2025

GHD Consulting Services Inc.
5788 Widewaters Parkway
Syracuse, NY 130214

Attention: Jason Greene, PE, BCEE

Re: Extension of Contract; Agreement — Industrial Wastewater Pretreatment Program (IWPP) Consultant

Dear Mr. Greene:

At the April 8, 2025, meeting the Board approved the extension of the present agreement with your Company, to provide IWPP Consultant services for another 12-month period, at the previously agreed amount, which is not to exceed \$90,846, as detailed in the GHD Cost Table of the 3-14-2025 Proposal. The term of this extension is 12 months, beginning the day following the conclusion of the present agreement. The present agreement concluded on March 31, 2025, but has been extended using the same rate schedule. This extension will be from 04/01/2025 through 03/31/2025.

All terms and conditions of the present agreement are incorporated into this agreement, except for the effective dates and the attached revisions to the rate chart.

If your Company is in agreement with the terms hereof, please have an authorized representative of your Company to execute this letter agreement in the spaces provided below and then return the original to the Board. A copy of this letter agreement is enclosed for your records.

Sincerely,

Sincerely,

George Kolba Jr.
Chairman

ACCEPTED:

GHD Consulting Services, Inc.

by: _____
(signature)
