Demsey Filliger
+ ASSOCIATES

November 13, 2010

Mr. David A. Houser
Auditor-Controller
County of Butte
25 County Center Drive
Oroville, CA 95965

Re: County of Butte ("County") GASB 45 Valuation

Dear Mr. Houser:

This report sets forth the results of our GASB 45 actuarial valuation of the County's retiree health insurance program as of July 1, 2009.

In June, 2004, the Government Accounting Standards Board (GASB) issued its final accrual accounting standards for retiree healthcare benefits, GASB 43 and GASB 45. GASB 43/45 require public employers such as the County to perform periodic actuarial valuations to measure and disclose their retiree healthcare liabilities. They apply to the financial statements of both the employer and the trust, if any, set aside to pre-fund retiree healthcare benefits. The County is required to have biennial actuarial valuations to determine the liabilities and disclosure requirements of its retiree health insurance program under GASB 45.

To accomplish these objectives the County selected Demsey, Filliger and Associates (DF&A) to perform an actuarial valuation of the retiree health insurance program as of July 1, 2009. This report may be compared with the valuation performed by DF&A as of July 1, 2007, to see how the liabilities have changed since the last valuation. We are available to answer any questions the County may have concerning the report.

Financial Results

We have determined that the amount of actuarial liability for County-paid retiree benefits is $57,279,060 as of July 1, 2009. This represents the present value of all benefits expected to be paid by the County for its current and future retirees. If the County were to place this amount in a fund earning interest at the rate of 5.0% per year, and all other actuarial assumptions were exactly met, the fund would have exactly enough to pay all expected benefits.

This includes benefits for 381 retirees as well as 1,988 active employees who may become eligible to retire and receive benefits in the future. It excludes employees hired after the end of the 2009-10 fiscal year.

When we apportion the $57,279,060 into past service and future service components under the Projected Unit Credit Cost Method, the past service liability (or "Accrued Liability") component is $33,471,811 as of July 1, 2009. This represents the present value of all benefits earned to date assuming that an employee earns retiree healthcare benefits ratably over his or her career. The $33,471,811 is comprised of liabilities of $21,042,177 for active employees and $12,429,634 for retirees. Because the County has not established an irrevocable trust for the pre-funding of retiree healthcare benefits, the Unfunded Accrued Liability (called the UAL, equal to the AL less Assets) is also $33,471,811.

GASB 45 had an effective date of July 1, 2007 for the County. GASB 43, pertaining to the financial statements of a retiree trust itself, would have taken effect one year earlier (June 30, 2007); however, the County has no trust at present so GASB 43 is not yet applicable.

We have determined that County of Butte's "Annual Required Contributions", or "ARC", for the fiscal year 2009-10, is $4,673,770. The $4,673,770 is comprised of the present value of benefits accruing in the current year, called the "Service Cost", and a 30-year amortization of the UAL. We estimate that the County has paid approximately $1,466,062 for the 2009-10 fiscal year in healthcare costs for its retirees and their covered dependents, so the difference between the accrual accounting expense (ARC) and pay-as-you-go is an increase of $3,207,708.

There are two adjustments to the ARC that are required in order to determine the County's Annual OPEB Cost (AOC) for the 2009-10 fiscal year. We have calculated these adjustments based on a reported Net OPEB Obligation (NOO) of $6,015,223 as of June 30, 2009, resulting in an AOC for 2009-10 of $4,583,232.

The above numbers are summarized in the table on the following page and on Exhibit II at the end of the report. All numbers are net of expected future retiree contributions.

County of Butte

Annual Liabilities and Expense under

GASB 45 Accrual Accounting Standard

Projected Unit Credit Cost Method

Item	Amounts for Fiscal 2009-10
Present Value of Future Benefits (PVFB)	
Active	$44,849,426
Retired	12,429,634
Total: PVFB	**$57,279,060**
Accrued Liability (AL)	
Actives	$21,042,177
Retired	12,429,634
Total: AL	**$33,471,811**
Assets	(0)
Total: Unfunded AL	$33,471,811
Annual Required Contributions (ARC)	
Service Cost At Year-End	$2,496,381
30-year Amortization of Unfunded AL	2,177,389
Total: ARC	**$4,673,770**
Adjustments to ARC	
Interest on Net OPEB Obligation*	300,761
Adjustment to Annual Required Contributions*	(391,299)
Total: Annual OPEB Cost (AOC) for 2009-10	$4,583,232

*Amounts based on June 30, 2009 Net OPEB Obligation of $6,015,223.

The ARC of $4,673,770 and AOC of $4,583,232, shown above, should be used without adjustment for the 2009-10 fiscal year. The Annual OPEB Cost for the 2010-11 fiscal year must include adjustments based on the Net OPEB Obligation (NOO) as of June 30, 2010 financial statement, which has not yet been determined precisely.

When the County begins preparation of the June 30, 2010 financial statements, DF&A will provide the County and its auditors with complimentary assistance in preparation of footnotes and required supplemental information for compliance with GASB 45 and GASB 43.

Differences from Prior Valuation

The most recent prior valuation was completed as of July 1, 2007 by DF&A. The AL (Accrued Liability) as of that date was $27,660,497 (see page 3 of the prior report), compared to $33,471,811 as of July 1, 2009. In this section, we provide a reconciliation between the two numbers so that it is possible to trace the AL from one actuarial report to the next.

Several factors have caused the AL to change since 2007. The passage of time increases the AL as the employees accrue more service and get closer to receiving benefits. There are actuarial gains/losses from one valuation to the next, and changes in actuarial assumptions and methodology for the current valuation. To summarize, the most important changes were as follows:

1. There was a gain of $1,600,105 (a decrease in the AL) due to increases in healthcare premiums less than expected.
2. We lowered the discount rate to 5% (from 6%) given the County's decision not to establish an irrevocable trust. GASB 45 recommends the use of a lower discount rate for unfunded plans such as the County's. This change caused an increase in the AL of $3,875,007.
3. We lowered the assumed rate of medical inflation (used to index the PEMHCA statutory minimum) from 4.5% to 4.0%, to more closely reflect prevailing actuarial standards. This change caused a decrease in the AL of $1,053,795.
4. There was a net gain (a decrease in the AL) of $877,760 from all other causes, primarily fewer retirements than expected.

The estimated changes to the AL from July 1, 2007 to July 1, 2009 may be summarized as follows:

Changes to AL	AL
AL as of 7/1/07	**$27,660,497**
Passage of time	5,467,967
Gain from premium increases < expected	(1,600,105)
Change in medical CPI to 4%	(1,053,795)
Change in discount rate	3,875,007
Census and other changes	(877,760)
AL as of 7/1/09	**$33,471,811**

GASB 43 and GASB 45 Compliance Issues

There are two considerations regarding GASB 43 and GASB 45 that we would like to mention at this point:

(1) Both statements specify that in order for a retiree fund to be counted as "assets" for purposes of the statements, the fund must be set aside in a separate, irrevocable trust, that may not be used for any purpose besides the payment of plan benefits to retirees. The trust must also be beyond the reach of creditors of both the employer and/or the plan administrator, if any. For example, an earmarked reserve within the general fund is not expected to meet this definition of "assets". We recommend that the County consider taking steps to establish a retiree fund that meets the GASB requirements, as soon as possible.

(2) There has been some confusion among public agencies throughout California over what GASB 45 does and does not require. Specifically, many agencies initially believed that GASB 45 required pre-funding of retiree healthcare plans. This is not the case - the standard applies only to the expense to be charged to the agencies' income statements. Contributing to the confusion is the terminology used in both GASB 43 and GASB 45 for the annual expense - it's called the "Annual Required Contributions", even though it's neither required nor (necessarily) contributed.

Relationship between GASB 45 And County Funding Policy

We do not believe that it is necessary or even desirable for an agency to establish a policy of funding exactly the ARC on a cash basis each year. The reasons for this are a bit complex and beyond the scope of this report, but the important thing to understand is that GASB 45 pertains to the income statement, and funding pertains to cash flow, and there is no need for the two to be directly linked, at least for now.

Despite these concerns, we do recommend that the County adopt a policy of pre-funding its retiree healthcare plan as soon as possible. The benefits of pre-funding into an irrevocable retiree trust are numerous. To name a few, the County can expect the establishment of an irrevocable trust to result in:

(1) improved return on investments;

(2) healthier County financial statements;

(3) lower ARC in future years (since pre-funded amounts reduce future years' amortization charges on the Unfunded AL, and the actuary may use a higher discount rate);

(4) more predictable and manageable cash flows; and

(5) greater economic security for County employees and retirees.

Funding Schedules

There are many ways to approach the pre-funding of retiree healthcare benefits. In the *Financial Results* section, we determined the annual expense for all County-paid benefits. The expense is an orderly methodology, developed by the GASB, to account for retiree healthcare benefits. This amount will fluctuate from year to year based on the asset performance and as the population matures. It will eventually reach zero when the last eligible retiree dies. The GASB 45 expense has no direct relation to amounts the County may set aside to pre-fund healthcare benefits.

The table on the next page provides the County with three alternative schedules for funding (as contrasted with expensing) retiree healthcare benefits. The schedules all assume that the retiree fund earns 5.0% per annum on its investments, and that contributions and benefits are paid mid-year.

The schedules are:

1. A level contribution amount for the next 20 years.
2. A level percent of the Unfunded Accrued Liability.
3. A constant percentage (3%) increase for the next 20 years.

We provide these funding schedules to give the County a sense of the various alternatives available to it to pre-fund its retiree healthcare obligation. The three funding schedules are simply three different examples of how the County may choose to spread its costs.

By comparing the schedules, you can see the effect that early pre-funding has on the total amount the County will eventually have to pay. Because of investment earnings on fund assets, the earlier contributions are made, the less the County will have to pay in the long run. Of course, the advantages of pre-funding will have to be weighed against other uses of the money.

The table on the following page shows the required annual outlay under the pay-as-you-go method and each of the above schedules. **The three funding schedules include the "pay-as-you-go" costs; therefore, the amount of pre-funding is the excess over the "pay-as-you-go" amount.**

These numbers are computed on a closed group basis, assuming no new entrants, and using unadjusted premiums.

County of Butte

Sample Funding Schedules (Closed Group)

Fiscal Year Beginning	Pay-as-you-go	Level Contribution for 20 years	Level % of Unfunded Liability	Constant Percentage Increase
2009	$1,466,062	$4,485,450	$6,627,419	$3,501,372
2010	1,648,590	4,485,450	5,824,553	3,606,413
2011	1,896,083	4,485,450	5,159,228	3,714,606
2012	2,037,164	4,485,450	4,614,850	3,826,044
2013	2,288,329	4,485,450	4,163,535	3,940,825
2014	2,646,857	4,485,450	3,798,929	4,059,050
2015	2,815,076	4,485,450	3,514,759	4,180,821
2016	2,937,483	4,485,450	3,283,084	4,306,246
2017	3,179,570	4,485,450	3,091,818	4,435,433
2018	3,478,409	4,485,450	2,942,695	4,568,496
2019	3,619,777	4,485,450	2,832,083	4,705,551
2020	3,666,489	4,485,450	2,742,045	4,846,718
2021	3,763,233	4,485,450	2,662,488	4,992,119
2022	3,923,820	4,485,450	2,594,782	5,141,883
2023	3,972,539	4,485,450	2,540,642	5,296,139
2024	4,110,356	4,485,450	2,490,302	5,455,023
2025	4,095,845	4,485,450	2,448,228	5,618,674
2026	4,161,869	4,485,450	2,403,520	5,787,234
2027	4,169,563	4,485,450	2,361,140	5,960,851
2028	4,257,359	4,485,450	2,317,086	6,139,677
2029	4,266,062	0	2,275,790	0
2030	4,263,681	0	2,232,155	0
2031	4,213,212	0	2,185,804	0
2032	4,239,789	0	2,134,648	0
2033	4,313,123	0	2,083,200	0
2034	4,232,078	0	2,033,398	0
2035	4,062,035	0	1,977,572	0
2036	3,935,097	0	1,912,994	0
2037	3,820,842	0	1,843,417	0
2038	3,627,143	0	1,770,538	0
2039	3,537,296	0	1,692,144	0
2040	3,405,675	0	1,613,678	0
2041	3,250,329	0	1,533,916	0
2042	3,086,432	0	1,452,695	0
2043	2,901,352	0	1,370,521	0
2044	2,705,789	0	1,287,489	0
2045	2,502,613	0	1,204,129	0
2050	1,724,506	0	810,817	0
2055	1,185,908	0	506,260	0
2060	755,566	0	291,039	0
2065	425,184	0	148,331	0
2070	200,812	0	64,750	0

Actuarial Assumptions

In order to perform the valuation, the actuary must make certain assumptions regarding such items as rates of employee turnover, retirement, and mortality, as well as economic assumptions regarding healthcare inflation and interest rates. Our assumptions are based on a standard set of assumptions we have used for similar valuations, modified as appropriate for the County. For example, turnover rates are taken from a standard actuarial table, T-5, multiplied by 150% at all ages. This closely matches the County's historic turnover patterns. Retirement rates were also based on recent County retirement patterns. Both assumptions should be reviewed in the next valuation to see if they are tracking well with experience.

The discount rate of 5.0% is based on our best estimate of expected long-term plan experience. It is in accordance with our understanding of the guidelines for selection of this rate under GASB 45 for unfunded plans such as the County's. The healthcare trend rates are based on our analysis of recent County experience and our knowledge of the general healthcare environment.

A complete description of the actuarial assumptions used in the valuation is set forth in the "Actuarial Assumptions" section.

Projected Annual Pay-as-you go Costs

As part of the valuation, we prepared a projection of the expected annual cost to the County to pay benefits on behalf of its retirees on a pay-as-you-go basis. These numbers are computed on a closed group basis, assuming no new entrants, and are net of retiree contributions. The annual cost reaches a maximum of $4,313,123 in FYB 2043. Projected pay-as-you-go costs for selected years are as follows:

FYB	Pay-as-you-go
2009	$1,466,062
2010	1,648,590
2011	1,896,083
2012	2,037,164
2013	2,288,329
2014	2,646,857
2015	2,815,076
2020	3,666,489
2025	4,095,845
2030	4,263,681
2035	4,062,035
2040	3,405,675
2045	2,502,613
2050	1,724,506
2055	1,185,908
2060	755,566
2065	425,184
2070	200,812

Breakdown by Employee/Retiree Group

Exhibit I, attached at the end of the report, shows a breakdown of the GASB 45 components (ARC, AL, Service Cost, and PVFB) by bargaining unit (or non-represented group) and separately by active employees (future retirees) and current retirees.

Net OPEB Obligation (NOO) and Annual OPEB Cost (AOC)

Exhibit II shows a development of the County's Net OPEB Obligation/(Asset) as of June 30, 2008 and 2009, and the Annual OPEB Cost for the fiscal years 2008-9 and 2009-10.

Certification

The actuarial certification, including a caveat regarding limitations of scope, if any, is contained in the "Actuarial Certification" section at the end of the report.

We have enjoyed working with the County on this report, and are available to answer any questions you may have concerning any information contained herein.

Sincerely,
DEMSEY, FILLIGER AND ASSOCIATES

T. Louis Filliger

T. Louis Filliger, FSA, EA, MAAA
Partner & Actuary

Benefit Plan Provisions

Active Employee Coverage

The County sponsors healthcare coverage under the California Public Employees Medical and Hospital Care Act ("PEMHCA"), commonly referred to as PERS Health. PEMHCA provides health insurance through a variety of Health Maintenance Organization (HMO) and Preferred Provider Organization (PPO) options. Participation in PEMHCA is financed in part by the County through a contribution to PEMHCA of $101.00 per employee per month. The $101.00 per month increased by law to $105.00 on January 1, 2010, and will be indexed with medical inflation (CPI) for years 2011 and thereafter. Delta Dental (Premier and DPO), vision and life insurance are also available.

Post-Retirement Coverage

The County also offers medical, dental and vision coverage (but not life insurance) to its retirees. The County makes the required statutory PEMHCA contribution as described above, subject to the "Unequal Contribution Method" under which the County's contribution for retirees increases each year to 5% of its contribution for active employees multiplied by years the County has participated in PEMHCA until the two amounts are equal, except that Elected, Appointed, and Assistant Department Heads are covered under the Equal Contribution Method. Furthermore, the County will make additional contributions towards certain eligible retirees' premiums until age 65 according to the County's agreements with its various employee groups, as described below.

Retirees who have completed at least 10 continuous years of service with the County, have accrued sick leave in excess of 240 hours, and elect retiree health insurance rather than the sick leave payout option, are eligible to receive reimbursements from the County for the cost of medical, dental and vision insurance (offset by the County's statutory contribution to PEMHCA.)

For BCEA, BCMEA, CWA, BCPPOA, BCCOA (General and Management), Supervisor's Administrative Services Assistants, and Miscellaneous and Assistant Probation Officer positions within the "Assistant Department Heads and Non-Represented" group, the retiree may make an irrevocable election at the time of retirement to receive one of the following benefit options in addition to 12 months of County-paid health insurance:

(1) One month of retiree-only premiums for each day of accrued sick leave at retirement;

(2) One month of 2-party premiums (employee and spouse) for each 2 1/2 days in excess of 30 days accrued sick leave to cover both employee and spouse until age 65; or

(3) One month of retiree-only premiums for each day of accrued sick leave until the sick leave credit is exhausted or the retiree reaches age 65, and one month of premiums for spousal coverage for each day of accrued sick leave in excess of thirty days until the sick leave credit is exhausted or the spouse reaches age 65.

Benefit Plan Provisions (Continued)

For DSA General, DSA Management, Under Sheriffs, and BCPEA, the retiree will receive 12 months of County-paid retiree-only health coverage. In addition, each one day of accrued sick leave is converted to one month of retiree-only health insurance premiums and credited to an account for the retiree. Premiums for the retiree and dependents, if applicable, are deducted from the account until it is depleted, or until the retiree reaches age 65, if earlier.

Elected and appointed department heads or officials retiring in good standing before age 65 under the provisions of the County's contract with PERS may continue to cover themselves and eligible dependents under the health plans. The County pays the full premium until age 65.

In all cases, once the additional County contributions (as described above) end, the County pays the applicable PEMHCA statutory contribution for the remainder of the retiree's lifetime.

For 2009, the monthly County contributions are $80.80 and $101.00 for Unequal and Equal Contribution Methods, respectively. For 2010, those amounts increased to $89.25 and $105.00, respectively.

Changes in Eligibility for Sick-Leave Buy-out

The County is eliminating eligibility for sick-leave buy-out for new hires. The cutoff hire date for eligibility varies by bargaining unit but is most commonly June 30, 2010. Provisions applicable only to future hires do not affect a closed-group valuation and as such have not been taken into account in this report, which is as of July 1, 2009.

Healthcare Premiums

The following table shows January 1, 2009 monthly PERS Health (PEMHCA) premiums for retirees within the Other Northern California region (Bay Area/Sacramento for Kaiser). Dental and vision rates in effect for 2009-10 are also included.

	Blue Shield HMO	Kaiser HMO	PERS Choice PPO	PERS Care PPO	Delta Premier Dental	Delta Dental PPO	Vision
Basic Plan							
Retiree	$569.01	$519.62	$501.59	$779.53	$35.63	$31.22	$10.24
Retiree + 1	1,138.02	1,039.24	1,003.18	1,559.06	76.99	68.06	10.24
Family	1,479.43	1,351.01	1,304.13	2,026.78	113.25	105.88	10.24
Medicare Supplement							
Retiree	$341.44	$280.16	$349.11	$404.60	N/A	N/A	N/A
Retiree + 1	682.88	560.32	698.22	809.20	N/A	N/A	N/A
Family	1,024.32	840.48	1,047.33	1,213.80	N/A	N/A	N/A

Valuation Data

Active and Retiree Census

Age distribution of retirees included in the valuation

Age	Statutory Minimum Only	County Stipend	Total
Under 50	4	2	6
50-54	3	11	14
55-59	18	36	54
60-64	52	78	130
65-69	71	2	73
70-74	48	2	50
75-79	27	1	28
80-84	21	0	21
85-89	2	0	2
90+	3	0	3
All Ages	249	132	381
Average Age	68.49	60.14	65.60

Age/Years of service distribution of active employees included in the valuation

Years→	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35+	Total
Age									
<25	21								21
25-29	116	22							138
30-34	96	96	22						214
35-39	91	99	68	16	2				276
40-44	72	78	63	43	6	2			264
45-49	70	82	68	40	25	4			289
50-54	72	89	73	50	23	10	5		322
55-59	57	83	72	41	23	7	7	5	295
60-64	30	43	26	19	12	5	6	2	143
65+	2	10	6	2	3	1	1	1	26
All Ages	627	602	398	211	94	29	19	8	1,988

Average Age: 45.43
Average Service: 8.81

Actuarial Assumptions

The liabilities set forth in this report are based on the actuarial assumptions described in this section.

Valuation Date:	July 1, 2009
Actuarial Cost Method:	Projected Unit Credit
Amortization Method:	30-year level dollar, open
Discount Rate:	5.0% per annum
Return on Assets:	5.0% per annum
Pre-retirement Turnover:	According to 150% of the Crocker-Sarason Table T-5 Less Mortality. Sample rates are as follows:

Age	Turnover (%)
25	11.6%
30	10.8
35	9.4
40	7.7
45	6.0
50	3.8
55	1.4

Pre-retirement Mortality: 1994 Group Annuity Mortality, male and female tables. Sample deaths per 1,000 employees are as follows:

Age	Males	Females
25	0.71	0.31
30	0.86	0.38
35	0.92	0.51
40	1.15	0.76
45	1.70	1.05
50	2.77	1.54
55	4.76	2.47
60	8.58	4.77

Post-retirement Mortality: 1994 Group Annuity Mortality, male and female tables. Sample deaths per 1,000 retirees are as follows:

Age	Males	Females
65	15.63	9.29
70	25.52	14.73
75	40.01	24.39
80	66.70	42.36
85	104.56	72.84
90	164.44	125.02

Actuarial Assumptions (Continued)

Retirement Rates:

Age	Percent Retiring*
50	2.0%
51	3.0
52	4.0
53	5.0
54	6.0
55	7.0
56	8.0
57	10.0
58	12.0
59	15.0
60	18.0
61	20.0
62	30.0
63	40.0
64	50.0
65	100.0

* Of those having met eligibility to receive PERS retirement benefits. The percentage refers to the probability that an active employee who has reached the stated age will retire within the following year.

Trend Rates:

Year	Medical/Rx	Dental/Vision
2009	7.0%	4.0%
2010	6.0	4.0
2011+	5.0	4.0

Medical CPI: 4.0% (used for projecting statutory minimum benefit)

Percent Waiving Coverage: 30% (applies to future retirees only)

Future Sick Leave Accrual: Under age 30: 59 hours per year of employment
Age 30+: 34 hours per year of employment

Percent of Retirees with Spouses: Future Retirees: 60% of future retirees were assumed to have spouses. Female spouses assumed three years younger than male spouses.

Current Retirees: Based on actual spousal data.

Actuarial Assumptions (Continued)

Retiree Plan Selection (percentages add down to 100%):

	Under 65	65 +
Blue Shield HMO	62%	45%
Kaiser HMO	2%	3%
PERSChoice PPO	24%	33%
PERSSelect PPO	2%	1%
PERSCare PPO	7%	17%
PORAC	3%	1%

Retiree Percentage by PEMHCA Region (percentages add across to 100%):

Region-->	Other NoCal	Other/OOS
Blue Shield HMO	99%	1%
Kaiser HMO	0%	100%
PERSChoice PPO	87%	13%
PERSSelect PPO	100%	0%
PERSCare PPO	84%	16%
PORAC	0%	100%

Actuarial Certification

The results set forth in this report are based on our actuarial valuation of the health and welfare benefit plans of the County of Butte ("County") as of July 1, 2009.

The valuation was performed in accordance with generally accepted actuarial principles and practices. We relied on census data for active employees and retirees provided to us by the County in August, 2010. We also made use of claims, premium, expense, and enrollment data, and copies of relevant sections of healthcare documents provided to us by the County.

The assumptions used in performing the valuation, as summarized in this report, and the results based thereupon, represent our best estimate of the actuarial costs of the program under GASB 43 and GASB 45, and the existing and proposed Actuarial Standards of Practice for measuring post-retirement healthcare benefits.

Throughout the report, we have used unrounded numbers, because rounding and the reconciliation of the rounded results would add an additional, and in our opinion unnecessary, layer of complexity to the valuation process. By our publishing of unrounded results, no implication is made as to the degree of precision inherent in those results. Clients and their auditors should use their own judgment as to the desirability of rounding when transferring the results of this valuation report to the clients' financial statements.

The undersigned actuary meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained in this report.

Certified by:

T. Louis Filliger

T. Louis Filliger, FSA, EA, MAAA Date: 11/13/10
Partner & Actuary

County of Butte
7/1/09 GASB 45 valuation results
Broken down by Employee & Retiree group

Exhibit I

Employee/Retiree Group	Active Employees PVB	AL	30-Year Amortization of AL	SC	ARC Actives	Retirees PVB=AL	30-Year Amortization of AL	ARC Retirees	Total ARC Ret+Actives
Butte County Employees' Association	$15,905,101	$7,242,471	$471,133	$926,187	**$1,397,320**	$3,479,947	$226,376	**$226,376**	$1,623,696
Butte County Management Employees' Association	11,414,926	6,236,820	405,714	594,223	**999,937**	4,086,483	265,831	**265,831**	1,265,768
Child Welfare & Attendance (CWA)	7,148,138	3,030,287	197,125	390,026	**587,151**	931,270	60,580	**60,580**	647,731
Deputy Sheriff's Association - General	1,887,009	759,175	49,385	78,914	**128,299**	1,194,899	77,730	**77,730**	206,029
Deputy Sheriff's Association - Management	303,138	190,707	12,406	12,855	**25,261**	272,637	17,735	**17,735**	42,996
Butte County Probation Peace Officers' Association	1,674,918	634,479	41,274	66,365	**107,639**	369,423	24,031	**24,031**	131,670
Butte County Correctional Officers' Association - General	1,303,146	392,656	25,543	61,752	**87,295**	187,133	12,173	**12,173**	99,468
Butte County Correctional Officers' Association - Mgmt.	256,958	128,440	8,355	10,438	**18,793**	9,449	615	**615**	19,408
Butte County Professional Employees' Association	1,764,969	827,762	53,847	114,436	**168,283**	-	-	**-**	168,283
Appointed Department Heads	1,979,430	971,413	63,192	171,646	**234,838**	881,613	57,350	**57,350**	292,188
Board of Supervisor's Administrative Assistants	109,359	28,234	1,837	8,199	**10,036**	54,828	3,567	**3,567**	13,603
Assistant Department Heads & Non-Represented	684,925	325,941	21,203	37,939	**59,142**	544,828	35,442	**35,442**	94,584
Elected Department Heads & Board of Supervisors	417,409	273,792	17,811	23,401	**41,212**	286,930	18,665	**18,665**	59,877
Superior Court Employees and Retirees	-	-	-	-	**-**	130,194	8,469	**8,469**	8,469
Totals	**$44,849,426**	**$21,042,177**	**$1,368,825**	**$2,496,381**	**$3,865,206**	**$12,429,634**	**$808,564**	**$808,564**	**$4,673,770**

	Amount
Net OPEB Obligation 6/30/2007	-
ARC for 2007-8	4,248,160
Interest adjustment to ARC	-
Amortization adjustment to ARC	-
Annual OPEB Cost 2007-8	**4,248,160**
Employer Contribution	(1,180,848)
Net OPEB Obligation 6/30/2008	**3,067,312**
ARC for 2008-09	4,248,160
Interest adjustment to ARC	-
Amortization adjustment to ARC	-
Annual OPEB Cost 2008-9	**4,248,160**
Employer Contribution	(1,300,249)
Change in Net OPEB Obligation 2008-9	2,947,911
Net OPEB Obligation 6/30/2008	3,067,312
Net OPEB Obligation 6/30/2009	**6,015,223**
ARC for 2009-10	4,673,770
Interest adjustment to ARC	300,761
Amortization adjustment to ARC	(391,299)
Annual OPEB Cost 2009-10	**4,583,232**