REQUEST FOR PROPOSAL

ACTUARIAL SERVICES

AUGUST 10, 2026

Monroe County Water Authority
475 Norris Drive
Rochester, New York 14610

SECTION 1 – INVITATION TO PARTICIPATE

1.1 PURPOSE

The Monroe County Water Authority ("the Authority") sponsors post-retirement health care plans and is seeking proposals from experienced and qualified entities to prepare annual actuarial valuations and associated services, as required by Government Accounting Standards Board (GASB) Statement No. 75 for fiscal year ending December 31, 2026 through 2028, with the option to renew for two 1-year terms upon mutual agreement.

In responding to this RFP, Proposers must follow the prescribed format as outlined in Section 2. By so doing, each Proposer will be providing the Authority with comparable data submitted by other Proposers and, thus, be assured of fair and objective treatment in the Authority review and evaluation process. Proposals should not exceed 50 pages.

1.2 PROCUREMENT OFFICER

The Procurement Officer identified below is the sole point of contact regarding this RFP from the date of issuance until the selection of the successful Proposer.

Amy A. Molinari
Director of Finance & Business Services
Monroe County Water Authority
475 Norris Drive
Rochester, NY 14610
E-mail: Amy.Molinari@mcwa.com

1.3 PRESENTATION AND CLARIFICATION OF THE AUTHORITY'S RIGHTS AND INTENTIONS

The Authority intends to enter into a contract with the selected Proposer to supply the services described in Section 2. However, this intent does not commit the Authority to award a contract to any responding Proposer, or to pay any costs incurred in the preparation of the proposal or a cost proposal in repsonse to this request, or to procure or contract for any services. The Authority reserves the right, in its sole discretion, to accept or reject in part or in its entirety any proposal received as a result of this RFP if it is in the best interest of the Authority to do so.

1.4 Tentative Schedule

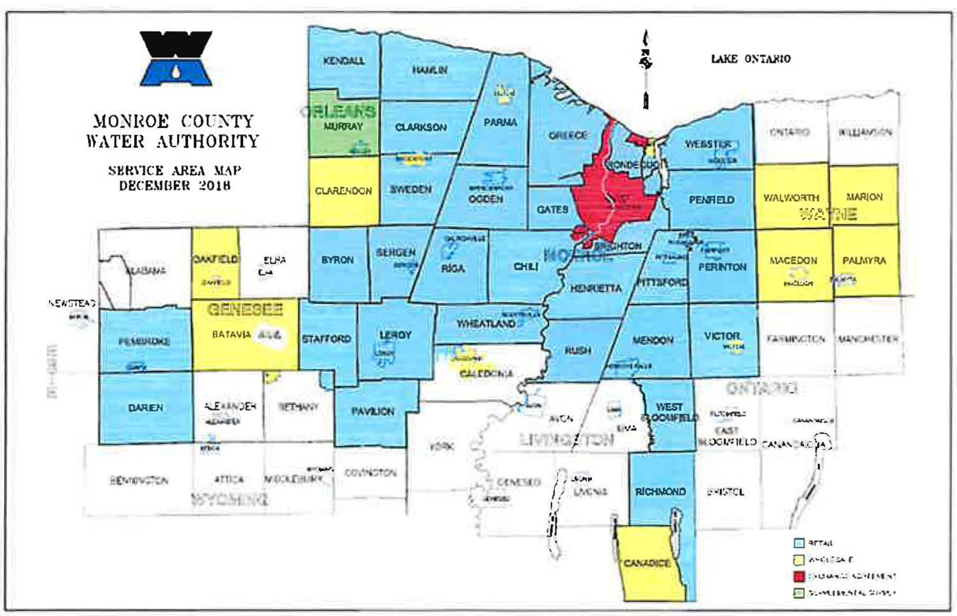
August 10, 2026	RFP distributed; announced on the Authority website.
August 19, 2026	Pre-proposal questions due, in writing to Procurement Officer.
August 21, 2026	Addenda issued with answers to Proposer's questions (if necessary).
August 31, 2026	Proposals due.
September 10, 2026	Estimated award date.
December 31, 2026	Actuarial Valuation for FYE 12/31/2026 completed and to the Authority.

1.5 Overview of Organization

The Authority provides a high quality, safe, and reliable water supply in a financially-responsible manner.

The Authority was created by State legislation in 1950 to solve the water supply needs of this community. In 1959, the Authority took over the assets of the private New York Water Service Corporation and had 27,000 retail customers, serving just portions of the County's inner ring towns and portions of the City of Rochester. As surrounding towns and villages faced new water supply challenges, the the Authority service area has steadily grown. Today, the Authority serves approximately 190,000 customers in every town and village in Monroe County, plus towns, villages, and other water authorities in each of the five adjacent counties.

The Authority system infrastructure includes its main operations center, meter shop, three water treatment plants, 46 remote pumping stations, 51 tanks and 2 storage reservoirs, and over 3,500 miles of transmission and distribution water mains.



For additional information on the Authority, go to www.mcwa.com.

SECTION 2 – SPECIFIC PROPOSAL REQUIREMENTS (SCOPE OF WORK)

The successful proposer shall prepare an actuarial valuation and provide associated services which will place the Authority in compliance with Government Accounting Standards Board (GASB) Statement No. 75 for fiscal year ending December 31, 2026 through 2028, with the option to renew for two 1-year terms upon mutual agreement.

As part of their proposal, proposers shall provide a detailed scope of work related to this deliverable. To aid respondents, Appendix A of this RFP is our last Actuarial Valuation Report (GASB 75) prepared for the Year Ending December 31, 2025 (with estimated disclosures for the Year Ending December 31, 2026).

In order for the Authority to be able to adequately compare and evaluate proposals, all proposals must be submitted in accordance with the format detailed below. Proposals should not exceed 50 pages.

2.1 SUBMISSION OF PROPOSAL

A. To be considered, five (5) copies of the proposal must be received by Amy Molinari, Director of Finance & Business Services, 475 Norris Drive, Rochester, New York 14610, by 12:00 p.m. EDT on Monday, August 31, 2026.

The Authority reserves the right to reject any or all proposals submitted. **Requests for extension of the submission date will not be granted.**

B. To be considered, Proposers must submit a complete response to this RFP. Proposers not responding to all information requested, or indicating exceptions to those items not responded to, may be rejected. **The Offerer/Bidder Disclosure Form and Offerer's Affirmation of Understanding of *and* Agreement Form must be completed, signed, and returned with your proposal** (attached to RFP).

C. All proposals must be submitted in a sealed envelope clearly labeled "RFP – Actuarial Services". All proposals must be addressed to the Procurement Officer listed below and must be submitted via a delivery service, such as UPS or FedEx. Delivery service must also be instructed to "**Deliver to blue drop box located at Employee Entrance - Door 19**". The Authority cannot accommodate deliveries requiring signatures to confirm receipt. Proposers shall have sole responsibility to contact the Procurement Officer to confirm receipt of proposal. Proposals hand delivered or submitted via US Postal Service will be returned unopened.

Amy A. Molinari, Director of Finance & Business Services
RFP – Actuarial Services
Monroe County Water Authority
475 Norris Drive
Rochester, NY 14610
Deliver to blue drop box located at Employee Entrance - Door 19

D. **Economy of Preparation**: Proposals should be prepared as simply as possible and provide a straightforward, concise description of the Proposer's capabilities to satisfy the requirements of the RFP. Expensive bindings, color displays, promotional material, etc. are neither necessary nor desired. Emphasis should be concentrated on accuracy, completeness, and clarity of content. All parts, pages, figures, and tables should be numbered and clearly labeled. Vague terms such as "Proposer complies" or "Proposer understands" should be avoided.

2.2 Clarification of RFP and Questions

Questions that arise prior to or during proposal preparation must be submitted **via email** no later than August 19, 2026. No contact will be allowed between the Proposer and any member of the Authority, other than Procurement Officers named in Section 1.2, with regard to this RFP during the RFP process unless specifically authorized in writing by the RFP Procurement Officer. Prohibited contact may be grounds for Proposer disqualification.

2.3 Addenda to the RFP

In the event it becomes necessary to revise any part of this RFP, addenda will be issued by the Authority. **An acknowledgement of such addenda, if any, must be submitted with the RFP response.**

2.4 Organization of Proposal

This section outlines the information that must be included in your Proposal. Please respond with your information in the same order as the items in the section.

A. Provide a brief history and description of your firm. Describe any parent/subsidiary/affiliate relationships. Also describe any past or present litigation within the past five years related to the services you are proposing.

B. Provide the name(s) of principal staff who will be assigned to this engagement. Provide information on their specific qualifications and experience as it relates to the performance of this engagement.

C. Provide a minimum of five of the most significant engagements performed over the last five years that are similar to the engagement described in this request for proposals.

D. Describe the proposed scope of services to be utilized by your firm to meet the objectives stated in this RFP.

E. Proposed Fee – The total all-inclusive price to develop the standard valuation report and a description of the associated services provided as part of this engagement. Also, provide a schedule of fees for any services not part of this analysis.

F. Location of nearest office and number of employees in this office.

2.5 METHOD OF RFP EVALUATION

A. RFP Evaluation Committee: Selected personnel from the Authority will form the evaluation committee for this RFP. It will be the responsibility of this committee to evaluate all properly prepared and submitted proposals for the RFP and make a recommendation for award.

B. RFP Evaluation and Selection Criteria: All properly prepared and submitted proposals shall be subject to evaluation deemed appropriate for the purpose of selecting the Proposer with whom a contract may be signed. Evaluation of the proposals will consider several factors, each of which has an impact on the relative success of the Proposer to provide the services as outlined.

Responses to this RFP will be evaluated according to the following criteria:

EVALUATION CRITERIA AND PROPOSAL SCORING

Each Proposal has a total possible score of 100 points with the points assigned as follows:

CRITERIA	WEIGHT
Proposed Fees	15 Pts
Relevant Experience	25 Pts
Qualifications	25 Pts
Scope of Services	25 Pts
Local Office	5 Pts
Completeness of Response to RFP	5 Pts

C. Contract Approval Process: Proposers must be aware that any contract resulting from this request for proposals is subject to prior approval by the Authority Board.

SECTION 3 – GENERAL INFORMATION FOR THE PROPOSER

3.1 RESERVATION OF RIGHTS

The Authority reserves the right to refuse any and all submittals in part, or in their entirety, or select certain products from various Proposer proposals, or to waive any informality or defect in any proposal should it be deemed to be in the best interest of the Authority. The Authority is not committed, by virtue of this RFP, to award a contract or to procure or contract for services. The proposals submitted in response to this request become the property of the Authority. If it is in its best interest to do so, the Authority reserves the right to:

- Make selections based solely on the proposals or negotiate further with one or more Proposers. The Proposer(s) selected will be chosen on the basis of greatest benefit to the Authority.

- Negotiate contracts with the selected Proposer(s).

3.2 INVESTIGATIONS

The Authority reserves the right to conduct any investigations necessary to verify information submitted by the Proposer and/or to determine the Proposer's capability to fulfill the terms and conditions of the bidding documents and the anticipated contract. The Authority will not consider Proposers that are in bankruptcy or in the hands of a receiver at this time of tendering a proposal or at the time of entering into a contract.

3.3 INCURRING COSTS

The Authority is not liable for any costs incurred by Proposer prior to the effective date of the contract.

3.4 MATERIAL SUBMITTED

All right, title and interest in the material submitted by the Proposer shall vest in the Authority upon submission to the Authority without any obligation or liability by the Authority to the Proposer. The Authority has the right to use any or all ideas presented by a proposer.

The Authority reserves the right to ownership, without limitation, of all materials submitted. However, because the Authority could be required to disclose documents received under the New York Freedom of Information Law, the Authority will, to the extent permitted by law, seek to protect the Proposer's interests with respect to any trade secret information submitted as follows:

> Pursuant to Public Officers Law §87, MCWA will deny public access to Proposer's proposal to the extent the information constitutes a trade secret, which if disclosed, would cause substantial harm to the Proposer's competitive position, provided the Proposer identified the information it considers to be a trade secret and explains how disclosure would cause harm to the Proposer's competitive position.

3.5 PROCUREMENT POLICY

Pursuant to State Finance Law §139-j and 139-k, this Request for Proposal includes and imposes certain restrictions on communications between a Governmental Entity (including the Authority) and Bidder/Offerer during the Procurement Process. A Bidder/Offerer is restricted from making contacts from the earliest notice of intent to solicit offers through final award and approval of the Procurement Process by the Authority to other than the Authority's Procurement Officer(s) unless it is a contact that is included among certain statutory exceptions set forth in State Finance Law §139-j(3)(a).

The Authority's Procurement Officer for this Governmental Procurement, as of the date hereof, is identified herein. The Authority employees are also required to obtain certain information when contacted during the restricted period and make a determination of the responsibility of the Bidder/Offerer pursuant to these two statutes. Certain findings of non-responsibility can result in rejection for contract award, and in the event of two findings within a four (4) year period, the Bidder/Offerer is debarred from obtaining government Procurement Contracts. Further information about these requirements may be obtained from the Procurement Officer.

The Authority reserves the right to terminate this contract in the event it is found that the certification filed by the Bidder/Offerer in accordance with State Finance Law §139-k(5) was intentionally false or intentionally incomplete. Upon such finding, the Authority may exercise its termination right by providing written notification to the Bidder/Offerer in accordance with the written notice terms of this contract.

BIDDER/OFFERER DISCLOSURE OF PRIOR NON-RESPONSIBILITY DETERMINATION & AFFIRMATION/CERTIFICATION IN ACCORDANCE WITH NYS FINANCE LAW 139-J AND 139-K

BACKGROUND

New York State Finance Law §139-k(5) requires that every Procurement Contract award subject to the provisions of State Finance Law §§139-k or 139-j shall contain a certification by the Offerer that all information provided to the procuring Governmental Entity with respect to State Finance Law §139-k is complete, true, and accurate.

INSTRUCTIONS

The Monroe County Water Authority must obtain the required certification that the information is complete, true, and accurate regarding any prior findings of non-responsibility, such as non-responsibility pursuant to State Finance Law §139-j. The Offerer must agree to the certification and provide it to the procuring Governmental Entity.

Name of Individual or Entity Seeking to Enter into the Procurement Contract:

____

Address ____

Name & Title of Person Submitting this Form: ________________________

CONTRACT PROCUREMENT NUMBER: 170413-01 Date: ____________________

1. In the previous four years, has any Governmental Entity made a finding of non-responsibility regarding the individual or entity seeking to enter into the Procurement Contract?

   ☐ No ☐ Yes

   If yes, answer the next questions.

2. Was the basis for the finding of non-responsibility due to a violation of State Finance Law 139-j?

   ☐ No ☐ Yes

3. Was the basis for the finding of non-responsibility due to the intentional provision of false or incomplete information to a Governmental Entity?

   ☐ No ☐ Yes

4. If you answered YES to any of the above questions, provide details regarding the finding of non-responsibility below.

   Governmental Entity: ______________________________

   Date of Finding of Non-Responsibility: ______________________________

   Basis of Finding of Non-Responsibility: ______________________________

   ____

   ____

   ____

   ____

   (Add additional pages as necessary.)

5. Has any Governmental Entity or other governmental agency terminated or withheld a Procurement Contract with the above-named individual or entity due to the intentional provision of false or incomplete information?

   ❑ No ❑ Yes

6. If yes, provide details below:

   Governmental Entity: ______________________________

   Date of Termination or Withholding: ______________________________

   Basis of Termination or Withholding: ______________________________

   ____

   ____

   ____

   ____

   (Add additional pages as necessary.)

By signing below, Bidder/Offerer affirms that he/she understands and agrees to comply with the Monroe County Water Authority's Procurement Disclosure Policy, Code of Ethics Policy, and Conflict of Interest Policy as required by State Finance Law 139-J(3) and 139-j(6)(2) and certifies that all information provided to the Water Authority with respect to State Finance Law 139-j and 139-k is complete, true, and accurate.

By: ______________________________ Date: ______________
(Signature of Person Certifying)

Print Name: ______________________________

Print Title: ______________________________

Bidder/Offerer Name: ______________________________
(Company Name)

Bidder/Offerer Address: ______________________________

______________________________ Phone: ______________

Email: ______________________________

OFFERER'S AFFIRMATION OF UNDERSTANDING OF *AND* AGREEMENT PURSUANT TO STATE FINANCE LAW §139-J(3) AND §139-J(6)(2)

BACKGROUND

State Finance Law §139-j(6)(2) provides that:

> Every Governmental Entity shall seek written affirmations from all Offerers as to the Offerer's understanding of and agreement to comply with the Governmental Entity's procedures relating to permissible contacts during a Governmental Procurement pursuant to subdivision three of this section.

INSTRUCTIONS

The Monroe County Water Authority must obtain the required affirmation of understanding and agreement to comply with procedures on procurement lobbying restrictions regarding permissible contacts in the restricted period for a procurement contract in accordance with State Finance Law §§139-j and 139-k. It is recommended that this affirmation be obtained as early as possible in the procurement process, such as when the contractor submits its proposal or bid.

AFFIRMATION OF UNDERSTANDING & AGREEMENT

Offerer affirms that he/she understands and agrees to comply with the procedures of the Monroe County Water Authority relative to permissible Contacts as required by State Finance Law §139-j(3) and §139-j(6)(2).

By: ______________________________ **Date:** ____________
Signature of Offerer or Authorized Representative

Name: ______________________ **Title:** ____________________
Please Print

Contractor's Name ______________________________________

Contractor's Address ____________________________________

____

APPENDIX A

Monroe County Water Authority

Actuarial Valuation Report (GASB 75)

Prepared for the Year Ending December 31, 2025

(with estimated disclosures for the Year Ending December 31, 2026)

Prepared by:
Jefferson Solutions, Inc.
www.jefsi.com

Table of Contents

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 Authority, 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 Monroe County Water Authority Retiree Health Benefit Program ("the Plan") as of January 1, 2025. In our opinion, this report is complete and accurate and represents fairly the actuarial position of the Plan for the purposes stated herein.

The Monroe County Water Authority 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 Authority. 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.

January 13, 2026

Randolph Herzfeld

Randolph Herzfeld, FSA, MAAA

Specialist Leader and Consulting Actuary

Raymond R. Cerrone

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 Authority 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 Authority's financial reporting requirements is provided in this valuation report.

Funding Policy

Currently, the Authority 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 4.83% 20-year tax-exempt general obligation municipal bond index rate effective December 31, 2025. For the fiscal year ended December 31, 2026 the 4.83% discount rate is used as an estimate of what the bond index rate will be on December 31, 2026. This may have a material impact on the final OPEB expense and OPEB liability amounts for the fiscal year ended December 31, 2026 to the extent that the actual bond index rate as of December 31, 2026 differs from 4.83%.

The key measures from the actuarial valuation of retiree health benefits with valuation date of January 1, 2025 and measurement dates of December 31, 2025 and December 31, 2026 are:

	January 1, 2025	January 1, 2026 (estimated)
Present Value of Future Benefits	$ 77,356,204	$ 77,844,844
Total OPEB liability	$ 56,884,117	$ 57,958,102

	Fiscal Year Ending	
	December 31, 2025	December 31, 2026 (estimated)
OPEB Expense	$ 2,017,395	$ 3,789,837
Projected cash and implicit contributions	$ 3,171,083	$ 3,251,160

OPEB Liability and Participant Information:

	January 1, 2025	January 1, 2026 (estimated)	Head Count
Active	$ 23,917,090	$ 26,521,343	147
Retired (Inactive)	32,967,027	31,436,759	166
Total OPEB liability	$ 56,884,117	$ 57,958,102	313

Continued

Executive Summary (Continued)

Significant Changes from the Previous Actuarial Valuation

- Increasing the discount rate from 4.08% to 4.83%.
- Initial trend rates were advanced, the model for trends in subsequent years is based on the Getzen Model as updated through 2025.
- The retirement and withdrawal rates were updated to reflect the Annual Report to the Comptroller on Actuarial Assumptions dated August 2023 for ERS.
- The assumed post 65 plan was changed from the Excellus plan to the BCPPO plan based on current retiree enrollment.
- Clarifications to the benefits described on page 5 and 6.

Key Assumptions:

Census Collection Date	January 1, 2025
Discount Rate	4.83%
2025 Medical Inflation Rate (Pre 65 / Post 65)	13.90% / 9.00%
2026 Medical Inflation Rate (Pre 65 / Post 65)	9.00% / 5.00%
Ultimate Inflation Rate	4.75%
Year Ultimate Inflation Rate is Reached (Pre 65 / Post 65)	2092 / 2031
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 4.83% is the December 31, 2025, and 4.83% is the assumed December 31, 2026 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 Authority'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 Authority 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 authority provides medical and dental benefits to its eligible retirees. The medical benefits are provided through fully insured plans that are sponsored by Finger Lakes Municipal Health Insurance Trust ("FLMHIT"). The authority is self-insured for dental benefits.

2. **Eligibility:**
   - Board Members elected prior to March 2007 are eligible to receive retiree health benefits after 5 years of service or 1 full term with the Authority. Board members elected after March 2007 are not eligible for retiree health benefits.
   - All other employees are eligible to receive retiree health benefits at age 55 with at least 10 years of service with the authority and be retired from the NYS Retirement System or Social Security Disability Retirement.
     - Union employees are required to have worked at the Authority for at least the last 10 years of service and drawing a pension for the NYS Retirement System or a disability pension benefit to be entitled to health insurance.
     - Management and Executive Staff must have at least 5 years of service at the Authority and eligible for retirement from NYS Retirement System to be eligible for retiree health benefits.

3. **Benefit Cost Sharing:** For employees electing the traditional medical / RX and dental coverage at retirement:

   Management Employees:
   - The Authority pays the full cost of post-retirement health benefits for those hired prior to January 1, 2001.
   - The Authority pays 90% of the cost of post-retirement health benefits for those hired between January 1, 2001 and December 31, 2014.
   - The Authority pays 80% of the cost of post-retirement health benefits for those hired on or after January 1, 2015.
   - At the time of retirement, the Management Retiree may continue or enroll eligible dependents and his/her current spouse. Any dependent or spouse not covered at the time of the Management Retiree's retirement who later becomes eligible for any benefits may enroll. If the Management Retiree predeceases his or her dependents and/or spouse covered by plan, the coverage for spouse and/or dependents terminates. For employees hired on or after January 1, 2015, spousal and dependent coverage ends upon the Management Retiree's Medicare eligibility.

   UNION EMPLOYEES:
   - The Authority pays the full cost of post-retirement health benefits for those hired prior to January 1, 2001.
   - The Authority pays 90% of the cost of post-retirement health benefits for those hired between January 1, 2001 and May 13, 2018.
   - The Authority pays 80% of the cost of post-retirement health benefits for those hired on or after May 14, 2018.
   - The authority will pay the full cost of post-retirement health benefits for union employees with 20 or more years of service upon retirement. This plan provision was adopted in October 2023.
   - Union employees hired on or after May 1, 2018 do not get post 65 benefits once eligible for Medicare.

Continued

Overview of OPEB Plan (Continued)

4. **Additional Health benefits at Retirement:**

   In addition to the traditional medical / RX and dental coverage at retirement, the Authority offers two additional health benefits as described below:

   - **Buyout:** Retirees may choose to elect a buyout option in lieu of retiree health coverage. Executive Staff are eligible to receive the buyout for life, while Board Members, Management, and Union employees are only eligible to receive the buyout until age 65. The buyout amounts are $1,600 for single coverage and $4,000 for 2-person coverage. The Authority does not require that the retiree use the buy-out payment to purchase medical benefits; as a result, these buy-out payments are not OPEB as defined by GASB 75. No provision for a liability or expense has been included for the retiring employee that elects a buy-out.
   - **Medical Reimbursement:** For retirees who choose to elect retiree health coverage the Authority also offers a medical reimbursement to be used towards health plan deductible, copay, and coinsurance. Duration of the benefit is until age 65 for Management and Union employees, and for the lifetime of Executive Staff hired before January 1, 2014 and Board Members hire before March 1, 2007.

     Annual medical reimbursement amounts are as shown below, and they are not expected to increase in the future:

     - Management, and Union: ....$600 Single / $900 Two Person
     - Executive Staff $2,750
     - Board Members hired before March 1, 2007................. $3,000

5. **Dental Benefit:** Board Members and Executive Staff are eligible for lifetime dental benefits.
6. **Surviving Spouse Benefit:** Surviving spouses of Board Members and Executive Staff are permitted to continue coverage after the death of the retiree by paying the same percentage of premium that was paid while the member was alive. Spouses of Management and Union employees are not allowed to continue coverage after the death of the retiree.
7. **Implicit Subsidy:** In addition to the Explicit Benefit subsidies described above, the valuation also reflects the Implicit Benefit Subsidy for Pre 65 benefits which is the difference between the per capita cost and the premium rate. See page 20 for more details on the calculation of the Implicit Benefit Subsidy.
8. **Duration of Benefits:** The benefits in this plan are payable for the lifetime of the retiree and surviving spouse.
9. **Annual Gross Premiums (for assumed plans elected in retirement):**

	Effective January 1, 2025		Effective January 1, 2026	
Plan Description	Single	Two Person	Single	Two Person
MVP Core Plan - Pre 65	$14,316.00	$32,212.00	$16,305.36	$36,688.20
BCPPO - Post 65	$6,607.44	$13,214.88	$7,202.16	$14,404.32

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, 2025 census data. All liabilities are net of expected retiree contributions.

	January 1, 2025	January 1, 2026 (estimated)
Present Value of Future Benefits		
Actives	$ 44,389,177	$ 46,408,085
Retired	32,967,027	31,436,759
Total	$ 77,356,204	$ 77,844,844
Total OPEB Liability (Individual Entry Age Normal)		
Active	$ 23,917,090	$ 26,521,343
Retired	32,967,027	31,436,759
Total	$ 56,884,117	$ 57,958,102

	Fiscal Year Ending	
OPEB Costs:	December 31, 2025	December 31, 2026 (estimated)
Service Cost	$ 1,501,619	$ 1,574,147
Plan Change	-	-
Interest	2,743,449	2,796,892
Deferred (Inflows)/Outflows from Expected & Actual Experience	(509,644)	(175,791)
Deferred (Inflows)/Outflows from Changes in Assumptions	(1,718,029)	(405,411)
Net OPEB Expense	$ 2,017,395	$ 3,789,837
Funded Ratio	NA	NA
Annual Covered Payroll	$13,565,804	$14,040,607
Total OPEB Liability / Net OPEB Liability (Asset) as % of Covered Payroll	419.32%	412.79%
Discount Rate	4.83%	4.83%

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, 2025	December 31, 2026 (estimated)
Service Cost with Interest at 4.83%	$ 1,574,147	$ 1,650,178
30-year amortization of Net OPEB Liability	3,628,996	3,697,512
Actuarially Determined Contribution	$ 5,203,143	$ 5,347,690
Actual Contribution	(3,171,083)	(3,251,160)
Contribution deficiency	$ 2,032,060	$ 2,096,530
Covered payroll	$13,565,804	$14,040,607
Actuarially determined contribution as a % of covered payroll	38.35%	38.09%

Actuarial Gain / Loss

		Fiscal Year Ending December 31, 2025
Total OPEB Liability, December 31, 2024	$	50,917,403
Fiduciary Net Position, December 31, 2024		-
Net OPEB Liability, December 31, 2024	$	50,917,403
Service Cost		1,501,619
Plan Change		-
Interest @ 4.83%		2,743,449
Contributions		(3,171,083)
Changes in Assumptions		(1,252,544)
Expected Net OPEB Obligation, December 31, 2025	$	50,738,844
Loss attributable to experience		7,219,258
Total OPEB Liability, December 31, 2025	$	57,958,102
Fiduciary Net Position, December 31, 2025		-
Net OPEB Liability, December 31, 2025	$	57,958,102

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 12/31/2024	Amortized in Fiscal Year Ending 12/31/2025	12/31/2026	12/31/2027	12/31/2028	12/31/2029	12/31/2030	There After
12/31/2019	($5,253,944)	7.00	($750,563)	($4,503,378)	($750,566)	-	-	-	-	-	-
12/31/2020	$1,081,653	7.00	$154,522	$772,610	$154,522	$154,521	-	-	-	-	-
12/31/2021	$11,489,334	5.79	$1,984,341	$7,937,364	$1,984,341	$1,567,629	-	-	-	-	-
12/31/2023	($18,445,189)	5.64	($3,270,424)	($6,540,848)	($3,270,424)	($3,270,424)	($3,270,424)	($2,093,069)	-	-	-
12/31/2025	$7,219,258	5.26	$1,372,483	-	$1,372,483	$1,372,483	$1,372,483	$1,372,483	$1,372,483	$356,843	-
Net	($3,908,888)		($509,641)	($2,334,252)	($509,644)	($175,791)	($1,897,941)	($720,586)	$1,372,483	$356,843	-

Changes in assumptions

Measurement Period Ended	Initial Amount	Amortization Period	Annual Recognition	Amortized Through 12/31/2024	Amortized in Fiscal Year Ending 12/31/2025	12/31/2026	12/31/2027	12/31/2028	12/31/2029	12/31/2030	There After
12/31/2019	($4,270,515)	7.00	($610,074)	($3,660,444)	($610,071)	-	-	-	-	-	-
12/31/2020	$5,879,065	7.00	$839,866	$4,199,330	$839,866	$839,869	-	-	-	-	-
12/31/2021	$11,312,724	5.79	$1,953,838	$7,815,352	$1,953,838	$1,543,534	-	-	-	-	-
12/31/2022	($25,383,557)	4.79	($5,299,281)	($15,897,843)	($5,299,281)	($4,186,433)	-	-	-	-	-
12/31/2023	$911,142	5.64	$161,550	$323,100	$161,550	$161,550	$161,550	$103,392	-	-	-
12/31/2024	$7,577,360	5.14	$1,474,195	$1,474,195	$1,474,195	$1,474,195	$1,474,195	$1,474,195	$206,385	-	-
12/31/2025	($1,252,544)	5.26	($238,126)	-	($238,126)	($238,126)	($238,126)	($238,126)	($238,126)	($61,914)	-
Net	($5,226,325)		($1,718,032)	($5,746,310)	($1,718,029)	($405,411)	$1,397,619	$1,339,461	($31,741)	($61,914)	-

	Deferred Balances December 31, 2025 Deferred Outflows	Deferred (Inflows)	Net	Amortization FYE December 31, 2025	Amortization FYE December 31, 2026	Deferred Balances December 31, 2026 Deferred Outflows	Deferred (Inflows)	Net
Changes in assumptions	$7,438,865	($5,200,851)	$2,238,014	($1,718,029)	($405,411)	$3,419,717	($776,292)	$2,643,425
Differences between expected and actual experience	$7,568,925	($8,633,917)	($1,064,992)	($509,644)	($175,791)	$4,474,292	($5,363,493)	($889,201)
	$15,007,790	($13,834,768)	$1,173,022	($2,227,673)	($581,202)	$7,894,009	($6,139,785)	$1,754,224

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
12/31/2026	($581,202)
12/31/2027	($500,322)
12/31/2028	$618,875
12/31/2029	$1,340,742
12/31/2030	$294,929
There After	-
	$1,173,022

Fiscal Year Ending	Amortization
12/31/2027	($500,322)
12/31/2028	$618,875
12/31/2029	$1,340,742
12/31/2030	$294,929
12/31/2031	-
There After	-
	$1,754,224

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 2025 fiscal year. These projected benefit payments are based on the actuarial methods and assumptions are described in the section(s) Actuarial Methods on page 16 and Assumptions And Methodology beginning on page 17. 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
12/31/2025	$2,503,119	$667,964	$3,171,083
12/31/2026	$2,566,328	$684,832	$3,251,160
12/31/2027	$2,674,718	$701,303	$3,376,021
12/31/2028	$2,760,916	$715,483	$3,476,399
12/31/2029	$2,864,094	$734,480	$3,598,574
12/31/2030	$2,993,643	$796,567	$3,790,210
12/31/2031	$2,979,927	$711,400	$3,691,327
12/31/2032	$3,079,575	$742,285	$3,821,860
12/31/2033	$3,144,660	$735,900	$3,880,560
12/31/2034	$3,256,133	$811,224	$4,067,357

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, 12/31/2025	$57,958,102
OPEB Liability - Discount Plus 1.00%	$52,445,392
Decrease	$5,512,710
Percent Decrease	9.51%

Discount Rate Minus 1.00%

Current OPEB Liability, 12/31/2025	$57,958,102
OPEB Liability - Discount Minus 1.00%	$64,432,042
Increase	$6,473,940
Percent Increase	11.17%

Trend Plus 1.00%

Current OPEB Liability, 12/31/2025	$57,958,102
OPEB Liability - Trend Plus 1.00%	$66,439,910
Increase	$8,481,808
Percent Increase	14.63%

Trend Minus 1.00%

Current OPEB Liability, 12/31/2025	$57,958,102
OPEB Liability - Trend Minus 1.00%	$51,024,287
Decrease	$6,933,815
Percent Decrease	11.96%

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, 2025.

The file that was used to prepare the GASB 75 valuation was provided by the Authority. Our understanding is that this file represents the population of the Authority's active and retired employees as of January 1, 2025, the census collection date.

Census Reconciliation Comment: The census file contained 359 records. The GASB 75 valuation excluded 46 records because the employee may have been hired after the census collection date (January 1, 2025) or the records represented individuals that are not entitled to benefits.

All Active and Retired Employees:

	Actives	Retirees	Total
Male	121	132	253
Female	26	34	60
Total	147	166	313

Active Employees:

Age	Not Currently Eligible to Retire	Currently Eligible to Retire[1]	TOTAL
29 and Under	15	-	15
30 - 34	18	-	18
35 - 39	16	-	16
40 - 44	16	-	16
45 - 49	16	-	16
50 - 54	22	-	22
55 - 59	11	15	26
60 - 64	4	11	15
65 and Over	1	2	3
Total	119	28	147

Average Age	45.7
Average Service	13.9

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	-	7	7
55 - 59	15	7	22
60 - 64	25	17	42
65 - 69	27	16	43
70 - 74	44	23	67
75 - 79	23	16	39
80 and Over	32	12	44
Total	166	98	264

Average Age for Retired Employees: 70.6

Continued

Summary of Demographic Information (Continued)

Years of Service

Age	Under 5	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 Plus	TOTAL
<20	-	-	-	-	-	-	-	-	-
20 to 24	3	1	-	-	-	-	-	-	4
25 to 29	8	3	-	-	-	-	-	-	11
30 to 34	7	9	2	-	-	-	-	-	18
35 to 39	4	2	4	6	-	-	-	-	16
40 to 44	1	2	4	4	5	-	-	-	16
45 to 49	1	1	3	6	5	-	-	-	16
50 to 54	1	2	2	3	7	6	1	-	22
55 to 59	1	8	4	3	4	5	1	-	26
60 to 64	2	1	1	2	4	3	-	2	15
65 Plus	-	1	-	-	2	-	-	-	3
TOTAL	28	30	20	24	27	14	2	2	147

Average Age 45.7

Average Service 13.9

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 Authority 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 4.83% was used to calculate the net OPEB expense for the fiscal year ending December 31, 2025, and for the fiscal year ending December 31, 2026.
2. **Payroll Growth:** 3.50% 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 2025 for 2026 thru 2092 + .

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

   - Rate of Inflation: 3.25%
   - Rate of Growth in Real Income / GDP per capita: 1.45%
   - Income Multiplier for Health Spending: 1.00%
   - Health Share of GDP Resistance Point: 25.00%
   - Year after which medical costs are limited to rate of growth in GDP 2092

   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
2026	9.00%	2071	5.46%
2027	8.50%	2072	5.44%
2028	8.00%	2073	5.43%
2029	7.50%	2074	5.42%
2030	7.22%	2075	5.41%
2031	6.93%	2076	5.40%
2032	6.65%	2077	5.39%
2033	6.36%	2078	5.38%
2034	6.08%	2079	5.37%
2035 to 2058	5.79%	2080	5.36%
2059	5.72%	2081	5.36%
2060	5.67%	2082	5.35%
2061	5.63%	2083	5.28%
2062	5.61%	2084	5.21%
2063	5.58%	2085	5.15%
2064	5.56%	2086	5.09%
2065	5.54%	2087	5.03%
2066	5.53%	2088	4.97%
2067	5.51%	2089	4.92%
2068	5.50%	2090	4.86%
2069	5.48%	2091	4.80%
2070	5.47%	2092 +	4.75%

Continued

Assumptions and Methodology (Continued)

4. **Post 65 Medical Trend:** The following increases are assumed for the post 65 benefits:

Year	Trend Rate
2026	6.00%
2027	5.75%
2028	5.50%
2029	5.25%
2030	5.00%
2031	4.75%

Demographic Assumptions

5. **Census Collection Date:** The census used in this report represents the eligible population as of January 1, 2025. The valuation date is January 1, 2025 and the measurement dates are December 31, 2025 and December 31, 2026.

6. **Retirement Rates:** The following are representative assumed retirement rates for eligible employees:

   Sample Retirement rates for employees enrolled in the New York State Employees Retirement System (ERS) are based on the Annual Report to the Comptroller on Actuarial Assumptions dated August 2023.

	Tiers 2, 3, 4			Tier 5		
Age	Service < 20	20 ≤ Srv < 30	30 ≤ Service	Service < 20	20 ≤ Srv < 30	30 ≤ Service
55	0.05895	0.08590	0.47092	0.04716	0.06872	0.08590
60	0.04829	0.07343	0.19365	0.03863	0.05874	0.07343
65	0.16671	0.28793	0.24495	0.16671	0.28793	0.24495
70	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000

	Tiers 6		
Age	Service < 20	20 ≤ Srv < 30	30 ≤ Service
55	0.04716	0.06872	0.08590
60	0.03863	0.05874	0.07343
65	0.16671	0.28793	0.24495
70	1.00000	1.00000	1.00000

Continued

Assumptions and Methodology (Continued)

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.

   General Employees: Withdrawal rates for employees enrolled in the New York State Employees Retirement System (ERS) are based on the Annual Report to the Comptroller on Actuarial Assumptions dated August 2023.

Age	0 ≤ Service < 2	2 ≤ Service < 3	3 ≤ Service < 4	4 ≤ Service < 5	5 ≤ Service < 10	10 ≤ Service
20	0.26455	0.12105	0.08625	0.06565	0.05530	0.02160
25	0.20403	0.13556	0.10074	0.07480	0.05598	0.02160
30	0.14830	0.12340	0.09792	0.08243	0.05186	0.02147
35	0.13595	0.09459	0.08202	0.07401	0.05047	0.02052
40	0.13114	0.08239	0.07112	0.05897	0.04685	0.01961
45	0.12556	0.07846	0.06379	0.05430	0.04187	0.01896
50	0.12675	0.07746	0.05871	0.05060	0.03737	0.01428
55	0.13047	0.07277	0.05818	0.05166	0.03138	0.01274
60	0.14640	0.07900	0.06887	0.06781	0.02856	0.01292
65	0.16746	0.09364	0.08469	0.08600	0.03964	0.01312
70	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000

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 that 95% of future retirees eligible for subsidized benefits will elect coverage under the MVP Core plan for pre 65 benefits and the BCPPO plan (when eligible) for post 65 benefits.

10. **Percent Married:** It was assumed that 65% of future retirees will be married, with spouses who will also elect coverage under the MVP Core plans for pre 65 benefits, and BCPPO Plan for post 65 benefits. Male spouses are 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:

	Effective January 1, 2025		Effective January 1, 2026	
Plan Description	Single	Two Person	Single	Two Person
MVP Core Plan - Pre 65	$14,316.00	$32,212.00	$16,305.36	$36,688.20
BCPPO - Post 65	$6,607.44	$13,214.88	$7,202.16	$14,404.32

Continued

Assumptions and Methodology (Continued)

12. **Premiums by Plan:** The following premiums were assigned to the plans below for determining the cost of the benefits provided to the retirees.

Plan	Single Pre 65	Single Post 65	Two Person / Family Pre 65	Two Person / Family Post 65
BCBSSP	$14,316.00	$3,478.08	$28,632.00	$6,956.16
BCHC15	$14,316.00	$6,607.44	$28,632.00	$13,214.88
BCPPO	$14,316.00	$6,607.44	$28,632.00	$13,214.88
BHLT	$18,327.72	$6,607.44	$28,632.00	$13,214.88
CORE	$14,316.00	$6,607.44	$28,632.00	$13,214.88
HBO	$19,200.00	$6,607.44	$48,000.00	$13,214.88
HDBO	$19,776.00	$6,607.44	$49,440.00	$13,214.88
HDHP	$9,796.68	$6,607.44	$28,632.00	$13,214.88
MID	$14,927.04	$6,607.44	$28,632.00	$13,214.88
PPOJ	$20,167.92	$6,607.44	$28,632.00	$13,214.88

13. **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 Authority'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, 2025. 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 21.

Other Assumptions

14. **Actuarial Value Of Assets:** None
15. **Administrative Expenses:** Included in the premiums used.

Calculation of Per Capita Costs

This is an example for: a male Union Employee assumed to be age 57 with a spouse assumed to be age 54 with less then 20 years of service, with a contribution rate of 10.00%

	Retiree		Spouse	
	Pre 65	Post 65	Pre 65	Post 65
1. Medical Premium (MVP Core Plan / BCPPO)	$14,316.00	$6,607.44	$32,212.00	$13,214.88
2. Less Individual Premium	-	-	$14,316.00	$6,607.44
3. Adjusted cost for Medical Premium (1 - 2)	$14,316.00	$6,607.44	$17,896.00	$6,607.44
4. Age adjustment factor	1.37772	1.00	1.21998	1.00
5. Age Adjusted Medical (3 * 4)	$19,723.48	$6,607.44	$21,832.72	$6,607.44
6. Medical Reimbursement	$600.00	$600.00	$300.00	$300.00
7. Dental	-	-	-	-
8. Gross OPEB (5 + 6 + 7)	$20,323.48	$7,207.44	$22,132.72	$6,907.44
9. Contribution Percentage	10.00%	0.00%	10.00%	10.00%
10. Retiree Contribution (3 * 9)	$1,431.60	-	$1,789.60	$660.74
Net Cost to Authority (8 - 10)	$18,891.88	$7,207.44	$20,343.12	$6,246.70

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 Statement No. 75, "Accounting and Financial reporting for Postemployment Benefits Other than Pensions", established accounting and reporting requirements for postretirement benefits (OPEB). The standard does not require funding of OPEB expense, but any difference between the amount funded to the plan and the OPEB liability is required to be recorded in the employers' financial statements as an increase (or decrease) in the net OPEB liability. The authority is a pay as you go plan, there for the full OPEB liability is recorded in the statements.

Benefits Provided:

The Authority provides certain health care benefits for retired employees. The Authority administers the Retirement Benefits Plan (the Retirement Plan) as a single-employer defined benefit Other Postemployment Benefit Plan (OPEB). In general, the Authority provides health care benefits for those retired personnel who are eligible for a pension through the System. The Retirement Plan can be amended by action of the Authority subject to applicable collective bargaining and employment agreements.

The obligations of the Retirement Plan are established by action of the Authority pursuant to applicable collective bargaining and employment agreements. The required premium contribution rates of retirees range from 0% to 10%, depending on when the employee was hired. The Authority will pay its portion of the premium for the retiree and spouse for the lifetime of the retiree. The costs of administering the Retirement Plan are paid by the Authority. The Authority currently contributes enough money to the Retirement Plan to satisfy current obligations on a pay-as-you-go basis to cover annual premiums. (b) Employees Covered by Benefit Terms

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

Funding Policy:

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

Employees covered by benefit terms:

As of January 1, 2025, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	166
Inactive employees entitled to but not yet receiving benefit payments	-
Active Employees	147
Total Participants covered by OPEB Plan	313

Total OPEB Liability:

The Authority's total OPEB liability of $57,958,102 was measured as of December 31, 2025, and was determined by an actuarial valuation as of January 1, 2025.

Continued

Suggested Footnotes for OPEB (Continued)

Actuarial assumptions and other inputs:

The total OPEB liability in the January 1, 2025 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	4.83%
Healthcare Trend Rates:	
2025 Trend (Pre 65 / Post 65)	13.90% / 9.00%
2026 Trend (Pre 65 / Post 65)	9.00% / 5.00%
Ultimate Trend	4.75%
Year Ultimate Trend is Reached (Pre 65 / Post 65)	2092 / 2031
Salary Increases	3.50%

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, 2025.

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 4.08% to 4.83%.
- Initial trend rates were advanced, the model for trends in subsequent years is based on the Getzen Model as updated through 2025.
- The retirement and withdrawal rates were updated to reflect the Annual Report to the Comptroller on Actuarial Assumptions dated August 2023 for ERS.
- The assumed post 65 plan was changed from the Excellus plan to the BCPPO plan based on current retiree enrollment.
- Clarifications to the benefits described on page 5 and 6.

Changes in the Total OPEB Liability:

	Fiscal Year Ending	
	December 31, 2025	December 31, 2026 (estimated)
OPEB Liability Beginning of Year	$ 50,917,403	$ 57,958,102
Changes for the Year		
Service Cost	1,501,619	1,574,147
Plan Change	-	-
Interest	2,743,449	2,796,892
Assumption Changes	(1,252,544)	-
Difference Between Actual and Expected Experience	7,219,258	-
Benefit payments	(3,171,083)	(3,251,160)
OPEB Liability End of Year	$ 57,958,102	$ 59,077,981

Continued

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 4.83%, 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:

	Discount Rate		
Total OPEB Liability	1% Decrease	Baseline	1% Increase
December 31, 2025	$64,432,042	$57,958,102	$52,445,392
December 31, 2026 (estimated)	$65,555,321	$59,077,981	$53,407,118

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 13.90% / 9.00%, 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:

	Healthcare Cost Trend Rates		
Total OPEB Liability	1% Decrease	Baseline	1% Increase
December 31, 2025	$51,024,287	$57,958,102	$66,439,910
December 31, 2026 (estimated)	$51,463,454	$59,077,981	$68,242,365

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

For the year ended December 31, 2025, the Authority recognized OPEB expense of $2,017,395. The estimated OPEB expense for the year ending December 31, 2026 is $3,789,837.

At December 31, 2025, the Authority 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	$7,438,865	($5,200,851)	$2,238,014
Differences between expected and actual experience	$7,568,925	($8,633,917)	($1,064,992)
	$15,007,790	($13,834,768)	$1,173,022

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
12/31/2026	($581,202)
12/31/2027	($500,322)
12/31/2028	$618,875
12/31/2029	$1,340,742
12/31/2030	$294,929
There After	-
	$1,173,022

Schedules of Required Supplementary Information

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

	Fiscal Year Ending	
	December 31, 2025	December 31, 2026 (estimated)
OPEB Liability Beginning of Year	$ 50,917,403	$ 57,958,102
Changes for the Year		
Service Cost	1,501,619	1,574,147
Plan Change	-	-
Interest	2,743,449	2,796,892
Assumption Changes	(1,252,544)	-
Difference Between Actual and Expected Experience	7,219,258	-
Benefit payments	(3,171,083)	(3,251,160)
OPEB Liability End of Year	$ 57,958,102	$ 59,077,981
Covered payroll	$13,565,804	$14,040,607
Total OPEB liability as a percentage of covered payroll	427.24%	420.77%

Use of Estimates

The OPEB Expense and OPEB Liability amounts for both fiscal years are based on the same 4.83% 20-year tax-exempt general obligation municipal bond index rate effective December 31, 2025. For the fiscal year ended December 31, 2026 the 4.83% discount rate is used as an estimate of what the bond index rate will be on December 31, 2026. This may have a material impact on the final OPEB expense and OPEB liability amounts for the fiscal year ended December 31, 2026 to the extent that the actual bond index rate as of December 31, 2026 differs from 4.83%.