ADAMS COUNTY

COLORADO

BOARD OF COUNTY COMMISSIONERS

STUDY SESSION AGENDA
TUESDAY
August 11, 2015

STUDY SESSION WILL BEGIN APPROXIMATELY 15 MINUTES AFTER CONCLUSION OF PUBLIC HEARING.

ALL TIMES LISTED ON THIS AGENDA ARE SUBJECT TO CHANGE.

10:30 A.M.	**ATTENDEE(S):**	**Jeffery Maxwell / Kristin Sullivan / Rene Valdez**
	ITEM:	**CDBG-DR Grant**
11:00 A.M.	**ATTENDEE(S):**	**Pamela Mathisen / Board of Retirement Members**
	ITEM:	**Board of Retirement Annual Plan Presentation and Update**
12:00 P.M.	**ATTENDEE(S):**	**Norman Wright / Kristin Sullivan / Jeffery Maxwell**
	ITEM:	**Fee-in-Lieu Policy**
12:30 P.M.	**ATTENDEE(S):**	**Todd Leopold**
	ITEM:	**Administrative Item Review / Commissioner Communications**
1:00 P.M.	**ATTENDEE(S):**	**Heidi Miller**
	ITEM:	**Executive Session Pursuant to C.R.S. 24-6-402(4)(b) for the Purpose of Receiving Legal Advice Regarding Ballot Question Language**

(AND SUCH OTHER MATTERS OF PUBLIC BUSINESS WHICH MAY ARISE)

*****AGENDA IS SUBJECT TO CHANGE*****

STUDY SESSION AGENDA ITEM

DATE OF STUDY SESSION: August 11, 2015
SUBJECT: CDBG-DR Grant for Kenwood Dahlia Outfall Project
FROM: Jeffery Maxwell, P.E., PTOE, Director of Transportation Department
AGENCY/DEPARTMENT: Transportation
ATTENDEES: René Valdez, Kristin Sullivan
PURPOSE OF ITEM: Direction from the BOCC for funding allocations associated with CDBG-DR grant for Kenwood Dahlia Outfall Project
STAFF RECOMMENDATION: Option 1 – Adams County bids, awards, and manages project with assistance from Urban Drainage Flood Control District

BACKGROUND:

The county has been implementing portions of the Kenwood Outfall Master Drainage Plan for several years. Installation of an 84-inch storm pipe is required to finalize the connection of a drainage system to the South Platte River for the southern half of the Dupont neighborhood in Commerce City.

The county applied for CDBG-DR grant funding for the Kenwood Dahlia Outfall Project and was approved for funding in the amount of $2,530,645. The total estimated cost of this project is $2,982,166. The county approved 2015 budget includes $524,615 in the Stormwater Utility Fund for this project, which is adequate for the required county match.

The county has two options for project construction:

Option 1:

Adams County bids, awards and manages the project with assistance from Urban Drainage Flood Control District (UDFCD). The project cost of $2,982,166 must be allocated in the budget, however payments to the contractor will be monthly based on percentage completion and reimbursement of the grant funds can be requested on a monthly basis as well.

- Advantages
  - Monthly or quarterly reimbursement requests to DOLA
  - Reimbursements will allow other projects in the Stormwater CIP plan to advance
- Disadvantages
  - UDFCD has managed all previous phases of this overall project
  - UDFCD can expedite the awarding to a contractor with their pre-approved contractors list whereas the county would use a competitive bid process.

Option 2:
Urban Drainage Flood Control District bids, awards, and manages the project with assistance from the county. The entire project cost of $2,982,166 must be paid to UDFCD up front and reimbursement of the grant funds will be delayed until project completion.

- Advantages
  - Expedited awarding process with pre-approved contractor list.
  - Consistency in management of bid documents.
- Disadvantages
  - County must advance the $2.9 million project funding to UDFCD.
  - Reimbursement to county will be after project is completed and accepted (slower process).

The Transportation Department recommends Option 1, which will expedite grant funding reimbursements.

AGENCIES, DEPARTMENTS OR OTHER OFFICES INVOLVED:

Urban Drainage and Flood Control District

ATTACHED DOCUMENTS:

FISCAL IMPACT:

Either mark X ☐ if there is no fiscal impact or provide the following information for the recommended action:

Fund(s):07 Cost center(s):3704	
Self-generated / dedicated revenues:	$2,530,645
Annual operating costs:	$
Annual net operating (cost) / income:	$
Capital costs:	$2,982,166
Expenditure included in approved operating budget:	$
Expenditure included in approved capital budget:	$524,615
New FTEs requested:	

Additional Note:

Revenue mentioned above is a CDBG-DR grant from DOLA. Agreement is forthcoming as we recently received email verification of award.

APPROVAL SIGNATURES:

Todd m Leopold

Todd Leopold, County Manager

Raymond H. Gonzales, Deputy County Manager

Ed Finger, Deputy County Manager

APPROVAL OF FISCAL IMPACT:

Theresa M Wilson

Budget / Finance

ADAMS COUNTY
COLORADO

STUDY SESSION AGENDA ITEM

DATE OF STUDY SESSION: August 11, 2014
SUBJECT: Adams County Board of Retirement Presentation – Annual Review
FROM: Pamela R. Mathisen, Executive Director
AGENCY/DEPARTMENT: Retirement
ATTENDEES: Joe Pacyga, Chairman Ben Dahlman, Vice-Chairman Marlise Bruno, Secretary Brigitte Grimm, Treasurer Marc Osborne, Member-at-Large Cindy Birley, Esq., Davis Graham & Stubbs, LLP (Retirement Plan Legal Counsel) Leslie Thompson, Gabriel Roeder & Smith (Retirement Plan Actuary) Dale Connors, Watershed Investment Consultants, Inc. (Retirement Plan Investment) Pamela Mathisen, Executive Director Debbie Haines, Senior Benefits Manager
PURPOSE OF ITEM: Adams County Retirement Plan – Annual review
STAFF RECOMMENDATION: None

BACKGROUND:

The Adams County Board of Retirement Board will present an overview of the Plan's historical data as well as the results of the January 1, 2015 Actuarial Valuation.

AGENCIES, DEPARTMENTS OR OTHER OFFICES INVOLVED:

None

ATTACHED DOCUMENTS:

Adams County Retirement Plan Presentation – August 11, 2015
Adams County Retirement Plan Actuarial Valuation as of January 1, 2015

FISCAL IMPACT:

Either mark X ☒ if there is no fiscal impact or provide the following information for the recommended action:

Fund(s):	
Cost center(s):	
Self-generated / dedicated revenues:	$
Annual operating costs:	$
Annual net operating (cost) / income:	$
Capital costs:	$
Expenditure included in approved operating budget:	$
Expenditure included in approved capital budget:	$
New FTEs requested:	

APPROVAL SIGNATURES:

Todd M Leopold

Todd Leopold, County Manager

Raymond H. Gonzales, Deputy County Manager

Ed Finger, Deputy County Manager

APPROVAL OF FISCAL IMPACT:

Nancy Duma

Budget / Finance

Adams County Retirement Plan

Presentation to

Board of County Commissioners

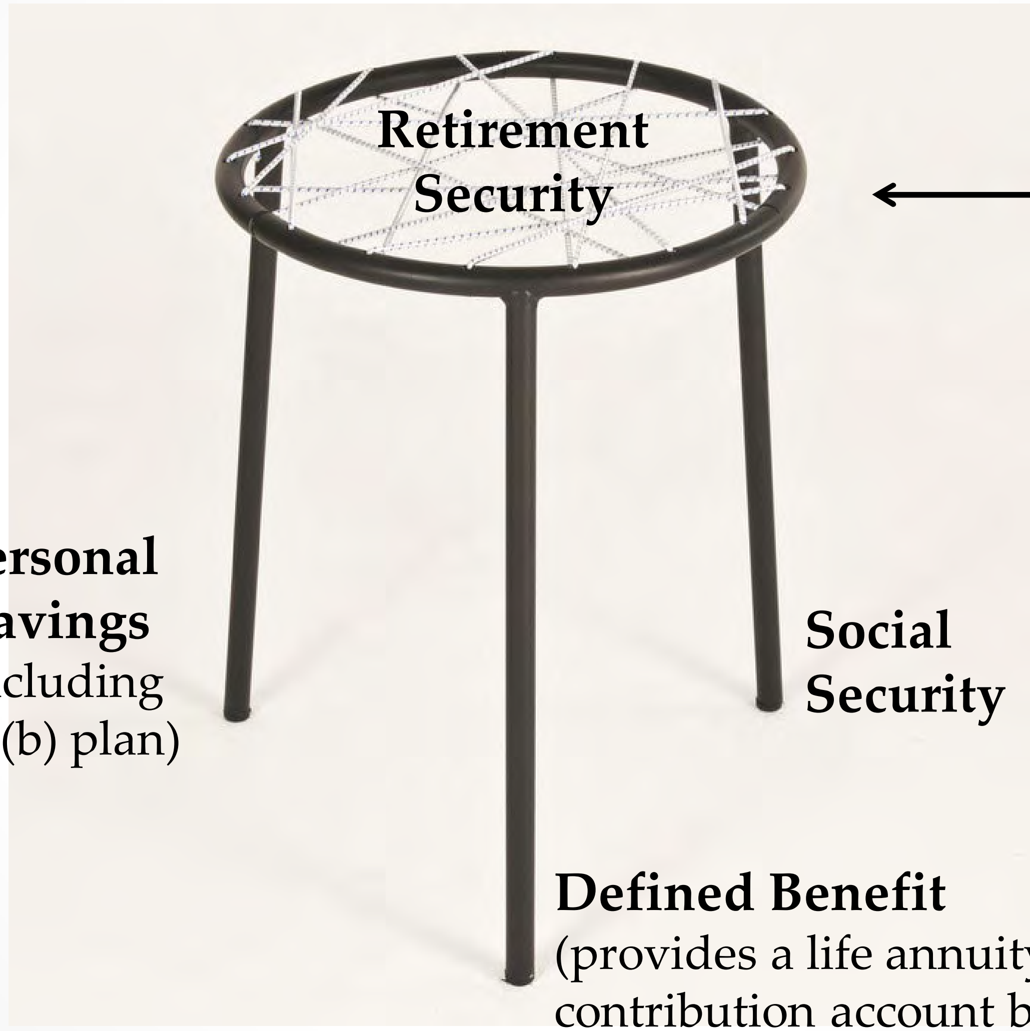
August 11, 2015

Overview

- Background
  - Prior to 2012
  - 2012 Legislative Changes
- 2014 Plan Year Highlights
- Impact of 2014 Changes
- Vesting versus Refund
- Comparison to Other County Plans
- Addressing BOCC Concerns
- Summary

Background

Three Legged Stool-Retirement Security



Retirement Security

All three legs needed to provide security at retirement

Personal Savings (including 457(b) plan)

Social Security

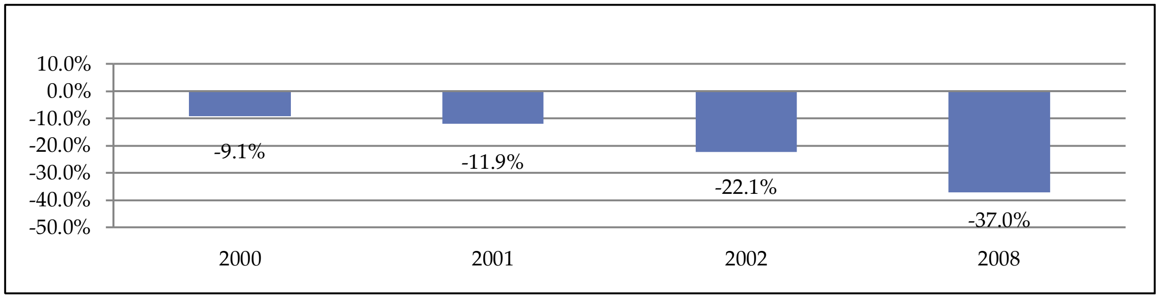
Defined Benefit (provides a life annuity versus defined contribution account balance)

Defined Contribution (DC) Versus Defined Benefit (DB)

- In a DC plan, vesting means entitlement to account balance derived from employer contributions
  - Example: Plan has 5 year cliff vesting
  - If an employee leaves with 5 or more years of service:
    - Get 100% of employee contributions (adjusted for earnings/losses), plus
    - Get 100% of employer contributions (adjusted for earnings/losses)
  - If an employee leaves with less than 5 years of service:
    - Get 100% of employee contributions (adjusted for earnings/losses)
    - Get 0% of employer contributions
- In a DB plan, vesting means entitlement to a monthly benefit
  - Example: Plan has 5 year cliff vesting
  - If an employee leaves with 5 or more years of service:
    - Get monthly annuity for life, or
    - Get refund of employee and employer contributions (adjusted for interest)
  - If an employee leaves with less than 5 years of service:
    - Get refund of employee contributions (adjusted for interest)

Historical Funded Status of Plan

- 100% funded in 1999
- The cumulative average annual investment return for the Plan for the 2000 decade was 3.21%, well below assumed rate of 7.5% (8% prior to 2005)
- Since 2000, there have been at least 4 significant declines in the S&P 500 leading to a decade return of -0.9%, worse than the -0.5% return in the 1930s



- In 2002, Plan updated mortality factors, which increased plan liabilities and further reduced the funded ratio
- By 2005, Plan's funded status declined to 70% (ratio of assets to accrued liability)

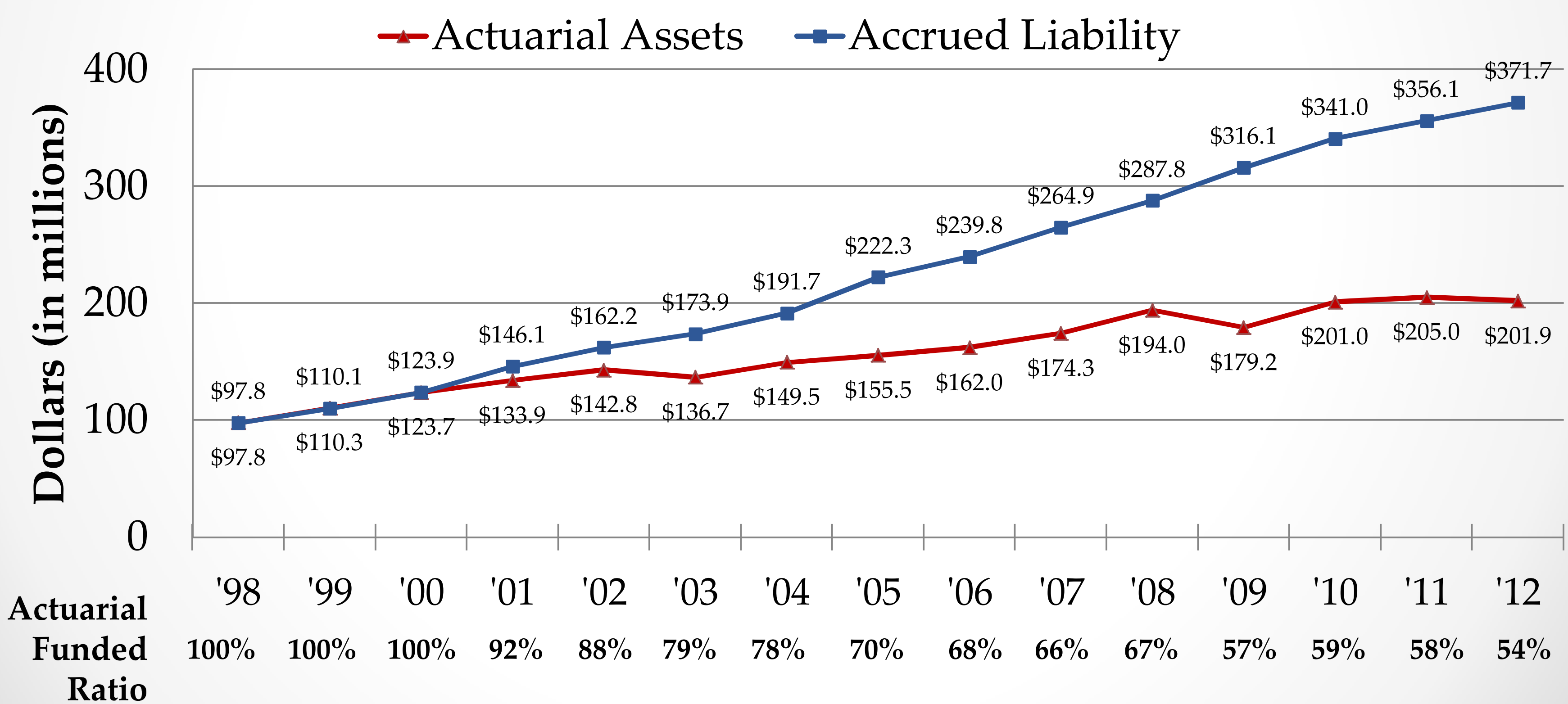
Addressing Plan Funded Status

- Increased employer ("ER") and employee ("EE") contributions
  - Contributions were 6% each from July 1991 to Dec. 2004
    - Current rate 9% each as of Jan. 1, 2015
  - Law prohibited and still prohibits the employer contribution from exceeding the employee contribution. C.R.S. § 24-54-104(1)
- Created two new Tiers changing benefits for new employees (they accrue benefits at lower rates than Tier 1)
  - Tier 2: Employees hired on or after Jan.1, 2005 and before Jan. 1, 2010
  - Tier 3: Employees hired on or after Jan. 1, 2010

Background: Prior to 2012

History of Plan's Funded Ratio

- Despite Plan design changes, with negative asset returns in the 2000s, as of Jan. 1, 2012, the Plan was only 54.3% funded based on actuarial value of assets (48.9% based on market value of assets)



Passage of SB 12-149

- County and Retirement Board obtained passage of bill to allow Retirement Board to address underfunded status via reductions to future benefit accruals for existing employees
- Permits reductions to future benefit accruals to ensure the sustainability of the Plan if changes made prior to July 1, 2017
- Reductions primarily affected employees hired prior to Jan. 1, 2010
- Retirement Plan benefits should not be increased until after statute repealed (i.e., July 1, 2017)

Tiers 1 & 2 Benefit Redesign

- Studied multiple scenarios
- Focused on options which projected Plan to be at least 95% funded by 2044
- Balanced population growth with valuation assumptions
- Aligned Tier 1 and Tier 2 benefits with Tier 3

Changes to Tiers 1 & 2 as of Jan. 1, 2014[1]

Creation of Two Component Benefits

- Component A – Benefits accrued prior to Jan. 1, 2014
  - Were not reduced
  - Continue to grow with salary increases after 2013
- Component B - Benefits accruing after Jan. 1, 2014
  - Uses Total Career Compensation rather than Average Monthly Compensation to determine salary used in formula
  - Reduced benefit multiplier to 1.75% from 2.5% for employees in Tiers 1 and 2

[1] No changes to employees in Tier 3

2014 Plan Changes

Benefit Overview

	Tier 1 Hired Before Jan. 1, 2005	Tier 2 Hired on or After Jan. 1, 2005 and Before Jan. 1, 2010	Tier 3 Hired on or After Jan. 1, 2010
Current Benefit Multiplier (Effective Jan. 1, 2014)	1.75%	1.75%	1.75%
Compensation Used (Effective Jan. 1, 2014)	Total Career Compensation	Total Career Compensation	Total Career Compensation
Benefit Multiplier Before Jan. 1, 2014	2.50%	2.50%	1.75%
Average Monthly Compensation (AMC)	36 Month Average	60 Month Average	Total Career Compensation
Special Early Retirement Eligibility (no reduction for early commencement)	Rule of 70 No Minimum Age	Rule of 70 Minimum Age 50	Rule of 80 Minimum Age 55
Early Retirement Eligibility (reduced for early commencement)	Age 55 and 5 years of service	Age 55 and 10 years of service	Age 55 and 10 years of service
Basic Form of Benefit	Life and 10 Year Certain	Life and 10 Year Certain	Single Life

Steps Addressing Plan's Funded Status

- Due in part to 2014 changes, as of Jan. 1, 2015, funded status is 59% based on market value of assets (was 49% at 2012)
- Goal at time of 2014 Plan changes was to be 100% funded by 2044
    - 2044 is 30 years after Plan changes became effective on Jan. 1, 2014
- Only one year into changes, now projected to be 100% funded by 2039

January 1, 2015 Actuarial Valuation Summary

- Actual market return was slightly less than the assumed rate of return
  - 7.1% return versus 7.5% assumption
- Five-year average return exceeded the assumed rate of return
  - 8.7% return versus 7.5% assumption
- Funded ratio (ratio of assets to liabilities) as of Jan. 1, 2015
  - Actuarial value funded ratio increased to 57.1% from 56.4% last year
  - Market value funded ratio decreased slightly to 59.0% from 59.1% last year
- Contribution shortfall decreased to 5.14% of payroll in 2015 from 6.34% of payroll in 2014
- In 2015, employer and employee contributions increased from 8.75% to 9% of payroll

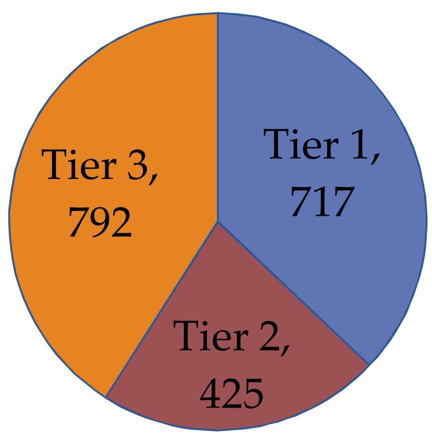
Change in Market Value of Assets

- Benefit payments exceed contributions due to being mature retirement plan
- Net cash outflow of approximately $5.2 million
- Employee refunds (including employees who elected to withdraw their contributions in lieu of a monthly annuity) increased in 2014 to $3.3 million vs. $2 million in 2013

(All $ in millions)	PY 2014	PY 2013
Assets at beginning of year	$224.3	$199.7
ER/EE Contributions	18.2	16.9
Benefit Payments	(22.6)	(19.4)
Expenses	(0.8)	(0.8)
Investment Income	15.7	27.9
Assets at end of year	$234.8	$224.3
Actual rate of return on assets	7.1%	14.1%

Active Demographic Information

January 1,	Active Counts	Projected Payroll ($ in Millions)	Actual Increase in Payroll	Average Age	Average Service
2014	1,830	$102.1	5.9%	44.4	9.4[1]
2015	1,934	$107.9	5.7%	43.8	8.8



[1] 2014 had more older, longer service employees retire, which impacted 2015 Average Service

Unfunded Accrued Liability and Normal Cost

- Unfunded actuarial accrued liability increased from last year but increased less than expected (asset gain exceeded liability loss)
- Normal cost (annual cost of benefits accruing during 1 year period) decreased as new hires entered Tier 3 and Tiers 1 and 2 employees accrued benefits under Component B
- Normal cost expected to be less than 9% of payroll by Jan. 1, 2019

Unfunded Accrued Liability (All $ in millions)	Jan. 1, 2015	Jan. 1, 2014
Actuarial Accrued Liability	$398.1	$379.8
Actuarial Value of Assets	227.4	214.1
Unfunded Actuarial Accrued Liability	$170.7	$165.7
Amortization of Unfunded as Percent of Payroll	12.46%	12.78%
Normal Cost		
Total normal cost in $	$10.7	$10.5
Total normal cost as percent of payroll	9.91%	10.29%

Impact of 2014 Plan Changes

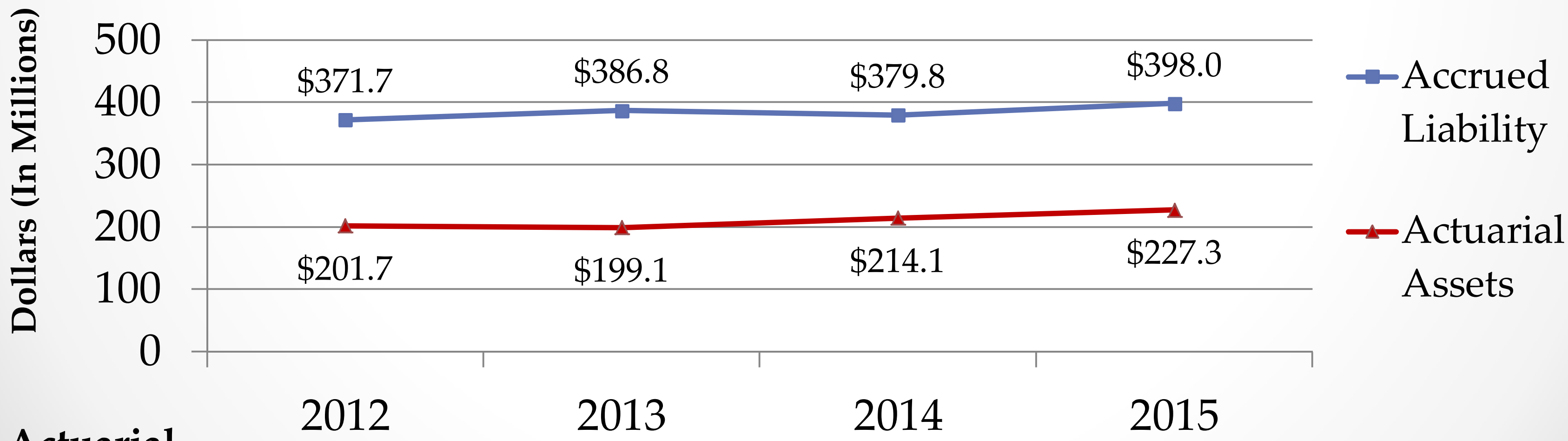
Funded Status Projection

Adams County Retirement Plan
Projection Results Based on January 1, 2015 Actuarial Valuation
Assumptions Based on the 2013 Experience Study & New Provisions Effective January 1, 2014
Projections Based on 0.25% Annual Population Growth and 3.8% Wage Growth

Valuation as of January 1, (1)	Market Return for Fiscal Year (2)	Actual Employer Contribution Rate (3)	Compensation for Fiscal Year (in Thousands) (4)	Employer Contributions for Fiscal Year (in Thousands) (5)	Actuarial Accrued Liability at Valuation Date (AAL, in Thousands) (6)	Actuarial Value of Assets at Valuation Date (AVA, in Thousands) (7)	Unfunded Actuarial Accrued Liability at Valuation Date (UAAL, in Thousands) (8)	Funded Ratio at Valuation Date (9)	Total Normal Cost% (10)	30 Year Employer Annual Required Contribution (11)
2015	7.50%	9.00%	$ 107,862	$ 9,708	$ 398,076	$ 227,351	$ 170,725	57.1%	9.91%	14.14%
2016	7.50%	9.00%	111,971	10,077	415,896	242,646	173,250	58.3%	9.65%	13.61%
2017	7.50%	9.00%	116,239	10,462	433,302	261,032	172,270	60.2%	9.40%	12.84%
2018	7.50%	9.00%	120,631	10,857	450,589	278,420	172,169	61.8%	9.19%	12.20%
2019	7.50%	9.00%	125,193	11,267	467,678	293,687	173,991	62.8%	8.97%	11.68%
2020	7.50%	9.00%	129,865	11,688	484,476	309,409	175,068	63.9%	8.76%	11.15%
2021	7.50%	9.00%	134,737	12,126	500,837	325,217	175,621	64.9%	8.58%	10.61%
2022	7.50%	9.00%	139,866	12,588	516,881	341,285	175,596	66.0%	8.41%	10.06%
2023	7.50%	9.00%	145,182	13,066	532,642	357,770	174,872	67.2%	8.25%	9.51%
2024	7.50%	9.00%	150,708	13,564	548,077	374,740	173,337	68.4%	8.10%	8.93%
2025	7.50%	9.00%	156,448	14,080	563,246	392,335	170,911	69.7%	7.97%	8.33%
2026	7.50%	9.00%	162,414	14,617	578,276	410,693	167,583	71.0%	7.83%	7.73%
2027	7.50%	9.00%	168,553	15,170	593,025	429,857	163,168	72.5%	7.72%	7.11%
2028	7.50%	9.00%	175,047	15,754	607,488	449,902	157,586	74.1%	7.61%	6.47%
2029	7.50%	9.00%	181,735	16,356	621,757	471,056	150,701	75.8%	7.52%	5.82%
2030	7.50%	9.00%	188,864	16,998	635,905	493,489	142,416	77.6%	7.44%	5.14%
2031	7.50%	9.00%	196,233	17,661	650,048	517,477	132,571	79.6%	7.36%	4.45%
2032	7.50%	9.00%	203,946	18,355	664,201	543,173	121,028	81.8%	7.29%	3.73%
2033	7.50%	9.00%	212,034	19,083	678,513	570,884	107,629	84.1%	7.23%	2.99%
2034	7.50%	9.00%	220,440	19,840	693,104	600,909	92,195	86.7%	7.17%	2.23%
2035	7.50%	9.00%	229,176	20,626	707,994	633,451	74,543	89.5%	7.12%	1.45%
2036	7.50%	9.00%	238,264	21,444	723,255	668,787	54,468	92.5%	7.07%	0.64%
2037	7.50%	9.00%	247,768	22,299	739,025	707,270	31,755	95.7%	7.04%	0.00%
2038	7.50%	9.00%	257,691	23,192	755,472	749,297	6,175	99.2%	7.00%	0.00%
2039	7.50%	9.00%	267,983	24,118	772,652	795,190	(22,538)	102.9%	6.97%	0.00%
2040	7.50%	9.00%	278,679	25,081	790,590	845,252	(54,662)	106.9%	6.94%	0.00%
2041	7.50%	9.00%	289,784	26,081	809,373	899,859	(90,486)	111.2%	6.91%	0.00%
2042	7.50%	9.00%	301,380	27,124	829,034	959,367	(130,332)	115.7%	6.90%	0.00%
2043	7.50%	9.00%	313,504	28,215	849,688	1,024,227	(174,539)	120.5%	6.88%	0.00%
2044	7.50%	9.00%	326,081	29,347	871,438	1,094,940	(223,502)	125.6%	6.87%	0.00%
2045	7.50%	9.00%	339,196	30,528	894,277	1,171,896	(277,619)	131.0%	6.86%	0.00%
2046	7.50%	9.00%	352,835	31,755	918,281	1,255,612	(337,331)	136.7%	6.85%	0.00%

Understanding Plan Liabilities

- The Plan's unfunded liability is a liability of the County and the Library District
  - Actuarial Unfunded Liability of $170.7 million on Jan. 1, 2015
  - By 2039, this unfunded liability is projected to be extinguished
- Projection based on new employees joining the Plan
  - If no new employees join the Plan, the unfunded liability would not decline to $0 and could increase



Actuarial Funded Ratio	54%	51%	56%	57%

Improving Funded Status Through Employers' Payment of Plan Expenses

- To improve funded status, the Employers (County and Library District) could pay Plan expenses
  - Direct payment of expenses by the Employers requires Plan amendment, agreement between Retirement Board and the Employers regarding Retirement Board's retention of control over Plan expenses and potential vendor contract renegotiation
  - The Employers could levy Retirement Fund tax to pay costs and expenses <u>and</u> employer contributions to Retirement Fund
  - *NOTE: Employers reimbursing Plan for Plan expenses could be a prohibited transaction*

Vesting

- Vesting is different than refund of contributions
  - Vesting is entitlement to receive a monthly benefit for life at retirement

Tier	Years of Service Needed to Receive a Monthly Benefit
1 and 2	5
3	10

Refund

- Refund of contribution accumulation available at termination of employment and prior to retirement eligibility
  - Refund is paid in lieu of monthly benefit
  - Once eligible for an immediate monthly benefit, may not elect refund
- Monthly benefit is generally more valuable than the refund

Refund

PERCENTAGE OF CONTRIBUTIONS[1] TO BE REFUNDED Contributions made prior to Jan. 1, 2014						
Completed Years of Continuous Service	Tier 1		Tier 2		Tier 3	
	EE	ER	EE	ER	EE	ER
Fewer than 5	100%	0%	100%	0%	100%	0%
5	100	10	100	0	100	0
6	100	25	100	10	100	0
7	100	40	100	20	100	0
8	100	55	100	30	100	0
9	100	70	100	40	100	0
10	100	85	100	50	100	0
11	100	100	100	60	100	0
12	100	100	100	70	100	0
13	100	100	100	80	100	0
14	100	100	100	90	100	0
15 or more	100	100	100	100	100	0
Contributions made on or after Jan. 1, 2014 regardless of years of service	100	0	100	0	100	0

[1] *Interest is paid on contributions at a rate of 3% per annum*

Consequences of Refund Prior to Retirement

- Purpose of retirement plan is to provide a source of income at retirement
- Taxes and potential penalties are due if money is withdrawn and not rolled over to another eligible retirement plan
- Studies show that a high percentage of employees in defined contribution (DC) plans cash out and spend their distributions on non-retirement related items
  - Significantly reduces the amounts available for retirement

Comparison to Other County Defined Benefit Plans

	Adams	Arapahoe	El Paso	Pueblo	Weld
Employer and Employee Contribution	9/9%	8/8%	8/8% (seeking increase to 8.5/8.5%)	8.25/ 8.25%	10.75/ 10.75%
100% Vested	Tier 1 – 5 yrs Tier 2 – 5 yrs Tier 3 – 10 yrs	8 yrs	Tier 1 – 5 yrs Tier 2 – 8 yrs	5 yrs	5 yrs
Interest Earned on Refund of Employee Contributions	3%	3%	3%	1%	3%
Post-2013 Contributions: Amount to be Refunded on Termination of Employment	Employee Contributions Plus Interest	Employee Contributions Plus Interest	Employee Contributions Plus Interest	Employee Contributions Plus Interest	Employee Contributions Plus Interest

Addressing BOCC Concerns

- Concerns
  - Recruiting
  - Equity
  - All employees under same formula now. *See* slide 11
- Retirement Board Statement of Intent from August 2009 is to conduct future management of the Plan in a prudent and conservative manner
- BOCC may consider seeking legislation which allows the Employers to contribute more than the employees to better fund the Plan
- Alternatives to consider in the future as funding allows to address BOCC concerns
  - Enable employees to receive after 15 years of service:
    - 100% refund of employee contributions
    - 100% refund of employer contributions
    - Plus interest thereon
  - Restore the 5-year cliff vesting schedule from the 10-year cliff vesting schedule

Summary

- 2014 Plan changes have had desired results so far
- Results indicate 2014 changes still necessary in order to improve the long term funded ratio of the plan
- Full funding of Plan by 2039 is highly dependent on asset returns
    - Market fluctuations will directly impact the funded status of the Plan, either in a positive or negative direction
    - Returns less than expected (7.5% annually) could significantly extend the date by which the Plan reaches full funding

Gabriel Roeder Smith & Company
Consultants & Actuaries

Adams County Retirement Plan

Actuarial Valuation Report

as of January 1, 2015

GRS
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June 1, 2015

Ms. Pamela Mathisen
Plan Administrator
Adams County
4430 South Adams County Parkway, Suite C3406
Brighton, CO 80601-8202

Re: Actuarial Valuation of the Adams County Retirement Plan as of January 1, 2015

Dear Pam:

We are pleased to present our Report on the actuarial valuation of the Adams County Retirement Plan as of January 1, 2015.

This Report presents the results of the January 1, 2015 actuarial valuation of the Adams County Retirement Plan. The Report describes the current actuarial condition of the Adams County Retirement Plan, determines the annual required contribution (ARC), and analyzes changes in these required rates.

We certify that the information included herein and contained in our January 1, 2015 Actuarial Valuation Report is accurate and fairly presents the actuarial position of the Adams County Retirement Plan as of the valuation date.

All of our work conforms with generally accepted actuarial principles and practices, and to the Actuarial Standards of Practice issued by the Actuarial Standards Board. In our opinion, our calculations also comply with the requirements of, where applicable, the Internal Revenue Code, ERISA, and the Statements of the Governmental Accounting Standards Board.

The valuation was based upon information, furnished by the Plan, concerning Plan benefits, financial transactions, active members, terminated members, retirees and beneficiaries. We checked for internal and year-to-year consistency, but did not otherwise audit the data. This report and these calculations are not intended as legal or accounting advice, and we would recommend review by legal counsel for the compliance of these calculations with all relevant agreements.

The valuation results summarized in this report involve actuarial calculations that require assumptions about future events for the Pension Plan. 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 operation 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 plan provisions or applicable law.

We believe that the assumptions and methods used in this report are reasonable and appropriate for the purpose for which they have been used. However, other assumptions and methods could also be reasonable and could result in materially different results. In addition, because it is not possible or practical to consider every possible contingency, we may use summary information, estimates or simplifications of calculations to facilitate the modeling of future events. We may also exclude factors or data that are deemed to be immaterial.

Certification

The undersigned are independent actuaries and consultants. Leslie Thompson and Diane Hunt are Enrolled Actuaries and are Members of the American Academy of Actuaries, and meet the Qualification Standards of the American Academy of Actuaries. Finally, both of the undersigned are experienced in performing valuations for large public retirement systems.

Respectfully submitted,
Gabriel, Roeder, Smith & Company

Leslie L Thompson

Leslie Thompson, FSA, FCA, EA, MAAA
Senior Consultant

Diane L. Hunt

Diane Hunt, FSA, FCA, EA, MAAA
Consultant

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SECTION A

EXECUTIVE SUMMARY

Actuarial Valuation

Valuations are prepared annually, as of January 1 of each year, the first day of the fiscal year. The primary purposes of the valuation report are to measure the plan's liabilities, to determine the required contribution rate and to analyze changes in the Adams County Retirement Plan's actuarial position.

In addition, the report provides summaries of the member data, financial data, plan provisions, and actuarial assumptions and methods.

Financing Objectives

The Adams County Retirement Plan is supported by member contributions, employer contributions, and net earnings on the investments of the fund. Contribution rates are set in ordinance, currently at 9.00% for members and employers.

The combined member and employer contributions are intended to be sufficient to pay the normal cost and to amortize the Unfunded Actuarial Accrued Liability (UAAL) over a period of 30 years from the valuation date.

Progress toward Realization of Financing Objectives

The UAAL/(surplus) and the funded ratio (ratio of the actuarial value of assets to the actuarial accrued liability) illustrate the progress toward the realization of certain financing objectives. Based on the actuarial valuation as of January 1, 2015, the Plan has an unfunded liability of $170.72 million and a funded ratio of 57.1%. The funded ratio increased from 56.4% to 57.1% and the Net Employer Annual Required Contribution decreased, from 15.09% of pay, to 14.14% of pay.

The net employer Annual Required Contribution as a percentage of pay for the year beginning January 1, 2015 is 14.14%. The expected County contribution is 9.00% of pay which creates a contribution shortfall of 5.14% of pay.

The recent amendments to lower future benefit accruals help to decrease the future cost of the plan. Projections indicate an improvement in funded status over time. However, projections are built on assumptions from which experience may very over time. Ongoing monitoring of the funded levels of the plan is recommended.

Experience During the Year

The plan experienced a liability loss of $2.38 million during fiscal year 2014. This loss was largely due to more retirements than expected. The plan experienced an actuarial asset gain of $2.58 million during fiscal year 2014. This gain was due to the actuarial value of assets earning a return greater than the assumed 7.5% return. The overall result was an unfunded liability $202 thousand less than expected at January 1, 2015.

Assumptions and methods

There have not been changes in actuarial assumptions since the prior valuation. The assumptions have been selected by the Adams County Board of Retirement based upon the actuary's analysis and recommendations from the 2013 Experience Study.

The results of any actuarial valuation are dependent upon the actuarial assumptions used. Actual results can and almost certainly will differ, as actual experience deviates from the assumptions. Even seemingly minor changes in the assumptions can materially change the liabilities, calculated contribution rates and funding periods. The actuarial calculations presented in this Report are intended to provide information for rational decision making.

Benefit Provisions

All of the benefit provisions reflected in this valuation are those which were in effect on January 1, 2015. Beginning January 1, 2015, employee and employer contribution rates were increased from 8.75% to 9.00%.

On December 19, 2012, the Adams County Retirement Board adopted a resolution effective January 1, 2014, with changes in benefit provisions to the plan. These changes affect prospective service only for Tier 1 and Tier 2 members:

- Benefit accruals of 1.75% of Career Compensation earned on or after January 1, 2014.
- For members taking a refund of contributions, the County match percentage will not apply to any contributions made on or after January 1, 2014.

The benefit provisions are summarized in Section D of our Report.

Data

Adams County staff supplied data for retired, active and inactive members as of January 1, 2015. We did not audit this data, but we did apply a number of tests to the data, and we have concluded that the data is reasonable and consistent with the prior year's data. Adams County staff also supplied asset data as of January 1, 2015.

Financial Position

Due largely to the benefit changes enacted effective January 1, 2014 and to the investment gains on the actuarial value of assets, the funded ratio increased from January 1, 2014 to January 1, 2015.

Funded Status Summary ($ in millions)		
Valuation Date	**January 1, 2015**	**January 1, 2014**
Accrued Liability	$398.1	$379.8
Actuarial Value of Assets (smoothed)	227.4	214.1
Unfunded Accrued Liability	$170.7	$165.7
Funded Ratio (AVA basis)	57.1%	56.4%
Market Value of Assets	$234.8	$224.3
Unfunded Accrued Liability	$163.3	$155.5
Funded Ratio (MVA basis)	59.0%	59.1%
Market Value Rate of Return	7.1%	14.1%
Actuarial Value Rate of Return	8.7%	9.3%

Investment gains reduced the Total Annual Required Contribution by roughly 0.19%. Liability losses increased the Total Annual Required Contribution by approximately 0.17%. The Employer Net Annual Required Contribution of 15.09% of pay for Fiscal Year 2014 and 14.14% of pay for Fiscal Year 2015 are based on contributions being made throughout the year, consistent with the funding policy of the Plan.

Contribution Requirement Summary
All Numbers Reported Middle of Year, Percent of Pay

Fiscal Year Beginning	January 1, 2015	January 1, 2014
Total Annual Required Contribution	23.14%	23.84%
Estimated Member Contribution	9.00%	8.75%
Net Annual Required Contribution Mid-Year	14.14%	15.09%
Estimated County Contribution	9.00%	8.75%
Contribution Shortfall	5.14%	6.34%

Benefit changes were made as of January 1, 2014 which decrease the rate of benefits accrued for all service after January 1, 2014, both for current members and future members. The lower benefit accruals helped decrease the normal cost rate from 10.29% last year to 9.91% this year and will have the effect of continuing to decrease the normal cost rate over time. So while a contribution shortfall exists this year, this contribution shortfall is expected to decrease over time.

Exhibit A.1
Adams County Retirement Plan
Executive Summary

	January 1, 2015	January 1, 2014
1. **Annual Required Contribution**		
a. Total	$ 24,961,808	$ 24,338,999
b. Net Employer Contribution	15,254,244	15,406,279
c. Net Employer %	14.14%	15.09%
2. **Funded Status**		
a. Actuarial Accrued Liability	$ 398,075,505	$ 379,802,962
b. Actuarial Value of Assets (AVA)	227,350,888	214,140,815
c. Unfunded Liability (AVA-basis)	170,724,617	165,662,147
d. Funded Ratio (AVA-basis)	57.1%	56.4%
e. Market Value of Assets (MVA)	$ 234,812,371	$ 224,301,114
f. Unfunded Liability (MVA-basis)	163,263,134	155,501,848
g. Funded Ratio (MVA-basis)	59.0%	59.1%
3. **Summary of Census Data**		
a. Actives		
i. Counts	1,934	1,830
ii. Total Annual Projected Compensation	$ 107,861,819	$ 102,088,234
iii. Average Projected Compensation	55,771	55,786
iv. Average Age	43.8	44.4
v. Average Service	8.8	9.4
b. Members with Refunds Due Counts	98	128
c. Deferred Vested Member Counts	181	178
d. Retired Member Counts	804	747
e. Beneficiary Counts	91	93
f. Disabled Retiree Counts	35	27
g. Total Members Included in Valuation	3,143	3,003

SECTION B

VALUATION RESULTS

Exhibit B.1
Adams County Retirement Plan
Actuarial Valuation Results
Accrued Accrued Liability

	January 1, 2015	January 1, 2014
1. **Active Members**		
a. Retirement Benefits	$ 171,117,402	$ 175,993,199
b. Withdrawal Benefits	(1,537,796)	(1,052,546)
c. Refund Benefits	(4,929,033)	(5,232,208)
d. Disability Benefits	7,436,269	8,130,131
e. Death Benefits	2,593,798	2,638,154
f. Total	$ 174,680,640	$ 180,476,730
2. **Members with Deferred Benefits**	$ 11,357,300	$ 9,313,722
3. **Members Receiving Benefits**	$ 212,037,565	$ 190,012,510
4. **Total**	$ 398,075,505	$ 379,802,962
5. **Actuarial Value of Assets**	$ 227,350,888	$ 214,140,815
6. **Unfunded Actuarial Accrued Liability**	$ 170,724,617	$ 165,662,147

Exhibit B.2
Adams County Retirement Plan
Actuarial Valuation Results
Normal Cost

	January 1, 2015	January 1, 2014
1. **Total Dollar Normal Cost**		
a. Retirement Benefits	$ 7,331,354	$ 7,358,876
b. Withdrawal Benefits	2,583,309	2,458,128
c. Disability Benefits	520,202	452,901
d. Death Benefits	250,999	234,891
e. Total	$ 10,685,864	$ 10,504,796
2. **Normal Cost as a Percentage of Pay**	9.91%	10.29%
3. **Normal Cost as a Percentage of Pay by Tier**		
a. Tier 1	12.12%	12.11%
b. Tier 2	10.53%	10.40%
c. Tier 3	6.97%	6.88%

Exhibit B.3
Adams County Retirement Plan
Actuarial Valuation Results
Present Value of Projected Benefits

	January 1, 2015	January 1, 2014
1. **Active Members**		
a. Retirement Benefits	$ 227,597,168	$ 232,655,990
b. Withdrawal Benefits	15,295,984	14,393,304
c. Disability Benefits	11,175,818	11,298,442
d. Death Benefits	4,666,493	4,561,769
e. Total	$ 258,735,463	$ 262,909,505
2. **Members with Deferred Benefits**	$ 11,357,300	$ 9,313,722
3. **Members Receiving Benefits**	$ 212,037,565	$ 190,012,510
4. **Total**	$ 482,130,328	$ 462,235,737

Exhibit B.4
Adams County Retirement Plan
Development of the Annual Required Contribution

Fiscal Year Beginning	January 1, 2015		January 1, 2014	
	Dollar	Percent of Pay	Dollar	Percent of Pay
1. Total Normal Cost	$ 10,685,864	9.91%	$ 10,504,796	10.29%
2. Amortization of Unfunded Actuarial Accrued Liability Over 30 Years	13,446,944	12.46%	13,048,203	12.78%
3. Assumed Administrative Expenses	829,000	0.77%	786,000	0.77%
4. Annual Required Contribution (ARC)	$ 24,961,808	23.14%	$ 24,338,999	23.84%
5. Estimated Member Contribution	9,707,564	9.00%	8,932,720	8.75%
6. Net ARC Mid-Year	$ 15,254,244	14.14%	$ 15,406,279	15.09%
7. Estimated County Contribution Mid-Year	9,707,564	9.00%	8,932,720	8.75%
8. Contribution Shortfall	$ 5,546,680	5.14%	$ 6,473,559	6.34%
9. Annual Projected Payroll	$ 107,861,819		$ 102,088,234	

Exhibit B.5
Adams County Retirement Plan
Plan Experience for Fiscal Year 2014

	Liabilities	
1.	Actuarial Accrued Liability at January 1, 2014	$ 379,802,962
2.	Normal Cost for Fiscal Year 2014	10,504,796
3.	Benefit Payments during Fiscal Year 2014	22,638,658
4.	Interest on Items 1-3 to End of Year	28,030,202
5.	Change in Actuarial Accrued Liability Due to Assumption Changes	-
6.	Change in Actuarial Accrued Liability Due to Provision Changes	-
7.	Expected Actuarial Accrued Liability at January 1, 2015	395,699,302
8.	Actual Actuarial Accrued Liability at January 1, 2015	398,075,505
9.	Liability Gain/(Loss)	(2,376,203)
	Assets	
10.	Actuarial Value of Assets at January 1, 2014	$ 214,140,815
11.	Benefit Payments and Expenses during Fiscal Year 2014	23,444,968
12.	Contributions during Fiscal Year 2014	18,212,122
13.	Interest on Items 10-12 to End of Year	15,864,329
14.	Expected Actuarial Value of Assets at January 1, 2015	224,772,298
15.	Actual Actuarial Value of Assets at January 1, 2015	227,350,888
16.	Asset Gain/(Loss)	2,578,590
	Total	
17.	Total Gain/(Loss)	**$ 202,387**

SECTION C

PLAN ASSETS

Exhibit C.1
Adams County Retirement Plan
Statement of Plan Net Assets

	December 31, 2014	December 31, 2013
Assets		
Investments, at fair value:		
Cash	$ 67,684	$ 20,966
Money market funds and cash equivalents	5,424,082	3,983,373
U.S. Government obligations	9,705,959	3,937,065
Foreign bonds	1,393,553	890,935
Corporate bonds	12,906,266	8,314,515
Municipal bonds	1,377,335	431,630
Equity securities	29,973,837	20,863,820
Foreign equity securities	-	-
Real estate	25,787,116	22,871,790
Hedge fund of funds	31,766,757	30,589,860
Partnerships/joint ventures	24,469,393	17,566,276
Mutual funds	91,855,850	114,856,270
Total cash and investments	$ 234,727,832	$ 224,326,500
Receivables:		
Dividends and Interest	231,811	143,749
Other Assets:		
Prepaid insurance for retirees	-	-
Total assets	$ 234,959,643	$ 224,470,249
Liabilities and net assets held in trust for benefits		
Accrued liabilities	147,272	169,135
Total payables	$ 147,272	$ 169,135
Net assets held in trust for pension benefits	$ 234,812,371	$ 224,301,114

Exhibit C.2
Adams County Retirement Plan
Statement of Changes in Plan Net Assets

		Year Ended December 31, 2014		Year Ended December 31, 2013
Additions to Net Assets Attributed to:				
Contributions:				
Employer contributions	$	8,964,812	$	8,289,767
Plan Members contributions		8,964,812		8,289,767
Plan Members for Purchase of service		282,498		343,286
Total contributions	$	18,212,122	$	16,922,820
Investment Income:				
Net appreciation in fair value of investments		13,829,930		25,761,023
Interest		967,680		929,676
Dividends		2,333,605		2,076,824
Other		117,307		192,412
Total Investment Income	$	17,248,522	$	28,959,935
Less Investment expense		(1,504,419)		(1,102,916)
Net investment income	$	15,744,103	$	27,857,019
Total additions	$	33,956,225	$	44,779,839
Deductions to Net Assets Attributed to:				
Benefit payments		19,385,185		17,392,107
Refunds		3,253,473		2,029,377
Administrative expenses		806,310		798,751
Total deductions	$	23,444,968	$	20,220,235
Change in net assets		10,511,257		24,559,604
Net assets held in trust for benefits:				
Beginning of year		224,301,114		199,741,510
End of year	$	234,812,371	$	224,301,114

Exhibit C.3
Adams County Retirement Plan
Development of the Actuarial Value of Assets

	Item	Year Ending December 31, 2014
1.	Actuarial value of assets, at beginning of year (prior to corridor)	$ 214,140,815
2.	Market value of assets, at beginning of year	224,301,114
3.	Net new investments	
	a. Contributions received for prior plan year	$ 18,212,122
	b. Benefits paid and administrative expenses	(23,444,968)
	c. Net	$ (5,232,846)
4.	Market value of assets, at end of year	$ 234,812,371
5.	Net MVA earnings [(4) - (2) - (3c)]	$ 15,744,103
6.	Assumed investment return rate	7.50%
7.	Expected return [(6)*(2)+(6)*(3c)/2]	$ 16,626,352
8.	Excess return [(5) - (7)]	$ (882,249)
9.	Expected actuarial value of assets as of December 31, 2014 [(1) + (3c) + (7)]	$ 225,534,321
10.	Deferred amounts for fiscal year ending December 31,	

	Year	Gain/(Loss)	20% Recognized This Year	Percent Deferred	Amount Deferred
a.	2014	$ (882,249)	$ (176,450)	80%	$ (705,799)
b.	2013	13,000,059	2,600,012	60%	7,800,036
c.	2012	8,279,413	1,655,883	40%	3,311,765
d.	2011	(14,722,595)	(2,944,519)	20%	(2,944,519)
e.	2010	3,408,205	681,641	0%	0
f.	Total	$ 9,082,833	$ 1,816,567		$ 7,461,483

11.	Asset gain/(loss) to be recognized as of December 31, 2014	1,816,567
12.	80% of Market Value	$ 187,849,897
13.	120% of Market Value	$ 281,774,845
14.	Actuarial value of assets [(Item 9 + Item 11), but not more than Item 13 or less than Item 12]	$ 227,350,888

Exhibit C.4
Average Annual Rates of Investment Return

Fiscal Year Ended December 31,	Actuarial Value		Market Value	
	Annual	Cumulative	Annual	Cumulative
1992	10.4 %	10.4 %	8.1 %	8.1 %
1993	11.4	10.9	12.2	10.1
1994	9.1	10.3	(1.6)	6.1
1995	12.1	10.7	22.9	10.1
1996	11.6	10.9	12.0	10.4
1997	13.0	11.3	17.0	11.5
1998	12.2	11.4	9.0	11.1
1999	12.0	11.5	4.0	10.2
2000	8.7	11.2	2.6	9.4
2001	6.2	10.7	(1.6)	8.2
2002	(4.5)	9.2	(10.9)	6.3
2003	9.7	9.2	22.4	7.6
2004	4.3	8.8	11.0	7.8
2005	4.4	8.5	6.2	7.7
2006	7.6	8.5	14.2	8.1
2007	11.1	8.6	8.2	8.1
2008	(7.9)	7.6	(26.2)	5.7
2009	11.6	7.8	12.5	6.1
2010	1.9	7.5	9.5	6.3
2011	(0.1)	7.1	(0.5)	5.9
2012	0.4	6.8	12.1	6.2
2013	9.3	6.9	14.1	6.6
2014	8.7	6.9	7.1	6.6

SECTION D

SUMMARY OF BENEFIT PROVISIONS

SUMMARY OF BENEFIT PROVISIONS

BASED ON THE PLAN ORIGINALLY EFFECTIVE JULY 1, 1968 AND AMENDED AND RESTATED EFFECTIVE JANUARY 1, 2014

Participation

Membership in the Retirement Plan is automatic upon the first day of Covered Employment. You are in Covered Employment when you are (1) an elected or appointed County official or deputy, or staff of such person, (2) an employee of an Employer who is in a regular position regularly scheduled to work or budgeted for at least 30 hours each week, or (3) an employee of the Retirement Board who meets these requirements. Any employee of the Retirement Board who meets these requirements is considered an employee of the County for purposes of the Plan.

You are not eligible to participate in the Retirement Plan if you are (1) an employee in a position regularly scheduled to work or budgeted for less than 30 hours each week, (2) a leased employee, (3) an independent contractor, or (4) in a position that does not meet the criteria in the above paragraph, such as a position designated as temporary, seasonal, provisional, regular part-time scheduled to work less than 30 hours per week, project designated full-time, project designated part-time, or an election judge.

Member Contributions

Effective January 1, 2015, each member contributes 9.00% of compensation on a monthly basis. Interest on contributions is credited at a rate of 3.0% per annum compounded monthly.

Contribution Accumulation means the total of the member Pre-2014 Contribution Accumulation and Post- 2013 Contribution Accumulation. The Pre-2014 Contribution Accumulation means the total of the member contributions to the retirement fund prior to January 1, 2014, plus interest. The Post-2013 Contribution Accumulation means the total of the member contributions to the retirement fund on or after January 1, 2014, plus interest. The Contribution Accumulation does not include any amounts paid to purchase previous service credit.

After December 31, 1983 member contributions are picked up and paid by the County as provided in Code Section 414(h).

County Contributions

The County will match member contributions.

Credited Service

All service completed during the elapsed time from the member's date of employment, excluding any breaks in service, to the member's date of termination on the basis of 1/365th year for each day of employment after January 1, 1965, provided an employee joined the plan on the first date eligible. Service prior to January 1, 1970 will be included (up to five years) provided the employee became a Member on the first date of eligibility.

Service is credited while a member is on long-term disability or is eligible for disability benefits from Social Security, even if the member does not receive disability benefits from Social Security because they are reduced to zero due to other disability benefits received. No credited service will be granted if the member chooses to receive a lump-sum payment from the Employer's LTD plan unless the member qualifies for disability benefits from Social Security (regardless of whether or not the member actually receives Social Security disability benefits).

Service Purchase

Eligible members may purchase additional years of service credit for any full-time, non-vested previous employment with any public or private employer in the United States, subject to certain restrictions.

Classification of Tiers

- *Tier 1* - Members hired prior to January 1, 2005
- *Tier 2* - Members hired on or after January 1, 2005 but before January 1, 2010
- *Tier 3* - Members hired on or after January 1, 2010

Compensation

Compensation is the total regular compensation paid to the member, reflecting the normal regular salary or hourly wage rate, before any payroll deductions for income tax, Social Security, group insurance, or any other purpose, excluding bonuses, extra pay, overtime pay, workers' compensation, single-sum payments received in lieu of accrued vacation and sick leave upon termination of employment or during the course of employment, required contributions by the County under this Plan, or for Social Security, group insurance, retainers' fees under contract, or the like, but including compensation deferred under Sections 125, 403(b), 414(h), or 457 of the Internal Revenue Code.

Final Average Monthly Compensation

- *Tier 1 - Members hired prior to January 1, 2005:*

  Average of the highest 36 consecutive calendar months of compensation during the last 120 months of employment.

- *Tier 2 - Members hired on or after January 1, 2005 but before January 1, 2010:*

  Average of the highest 60 consecutive calendar months of compensation during the last 120 months of employment.

Career Compensation

- *Tier 3 - Members hired on or after January 1, 2010:*

  Pensionable Compensation from date of participation to retirement.

- *Tiers 1 & 2 - Members hired prior to January 1, 2010:*

  Pensionable Compensation from January 1, 2014 to retirement.

Career Monthly Compensation

Career Compensation divided by Credited Service accrued during the period. If hired before January 1, 2010 and become disabled before January 1, 2014, special calculations apply. For members with a qualified military leave of absence, career compensation will include compensation credited at a rate that would have been in effect during the leave.

Accrued Benefit (Monthly)

Effective January 1, 2014, the accrued benefit for Tier 1 and Tier 2 members is composed of "Component A" benefit plus a "Component B" benefit. Component A shall mean the benefit attributable to service credit earned prior to January 1, 2014. Component B shall mean the benefit attributable to service credit earned on or after January 1, 2014.

Tiers 1 & 2 - Members hired prior to January 1, 2010:

- *Component A Benefit::*

  2.5% of Final Average Monthly Compensation multiplied by Credited Service prior to January 1, 2014 including purchased service.

- *Component B Benefit:*

  Greater of 1.75% of Career Compensation divided by 12, or 1.75% of Career Monthly Compensation times Credited Service earned on or after January 1, 2014.

Tier 3 - Members hired on or after January 1, 2010:

- 1.75% of Career Compensation divided by 12 or 1.75% of Career Monthly Compensation times Credited Service, if greater.

The minimum monthly accrued benefit for all members is $25 per month per year of Credited Service.

Vested Accrued Benefit

- *Tiers 1 & 2 - Members hired prior to January 1, 2010:*

  Five years of Credited Service

- *Tier 3 - Members hired on or after January 1, 2010:*

  Ten years of Credited Service

Benefit:

100% of the Accrued Benefit determined as of the date of termination. The benefit may be reduced if payment commences before the Normal Retirement Date or the Special Early Retirement Date.

Normal Retirement

Eligibility:

Attainment of age 65.

Benefit:

Accrued Benefit up to a maximum of 80% of the member's average monthly compensation during any consecutive 12-month period in which the member receives their highest average monthly compensation.

Regular Early Retirement

Eligibility:

- *Tier 1 - Members hired prior to January 1, 2005:*

  Attainment of age 55 and 5 years of Credited Service.

- *Tiers 2 & 3 - Members hired on or after January 1, 2005:*

  Attainment of age 55 and 10 years of Credited Service.

Benefit:

- *Tier 1 - Members hired prior to January 1, 2005:*

  Vested Accrued Benefit determined as of the Early Retirement Date, reduced by 1/6 of 1% for each of the first 36 months and 1/4 of 1% for each additional month payments commence prior to the Normal Retirement Date.

- *Tiers 2 & 3 - Members hired on or after January 1, 2005:*

  Vested Accrued Benefit determined as of the Early Retirement Date, reduced by 1/3 of 1% for each of the first 36 months and 5/12 of 1% for each additional month payments commence prior to the Normal Retirement Date.

Special Early Retirement

Eligibility:

- *Tier 1 - Members hired prior to January 1, 2005:*

  Attainment of any age and age plus credited service equals 70 or more at termination.

- *Tier 2 - Members hired on or after January 1, 2005 and prior to January 1, 2010:*

  Attainment of age 50 and age plus credited service equals 70 or more at termination.

- *Tier 3 - Members hired on or after January 1, 2010:*

  Attainment of age 55 and age plus credited service equals 80 or more at termination.

Benefit:

Vested Accrued Benefit determined as of the Special Early Retirement Date, unreduced for early payment.

Disability Retirement

Eligibility:

Total and permanent disability. Member qualifies for disability under the County's long-term disability plan or under Title II of the Social Security Act.

Benefit:

Normal Retirement Benefit considering annual rate of compensation at disability and Credited Service that would have accumulated if employment had continued uninterrupted to the later of the Normal Retirement Date, or the date that the County's long-term disability benefits end. The Component A Benefit will be based on Credited Service attributable to the period ending on December 31, 2013 (including any period through December 31, 2013 while the member was disabled), and the Average Monthly Compensation when the member became disabled. The Component B Benefit will be based on Credited Service attributable to the period beginning on January 1, 2014 and ending on retirement or the date payments under the Employer's LTD plan end, whichever is later (including the period on or after January 1, 2014 while the member was disabled), and the Career Monthly Compensation when the member became disabled.

Benefits commence at Normal Retirement Date, or if later, the first day of the month after payments cease under the County's long-term disability insurance contract.

Termination Benefit

Eligibility:

- *Tiers 1 & 2 - Members hired prior to January 1, 2010:*

  Members with less than five years of Credited Service receive a refund of the member's contributions. Members who have completed at least five years of Credited Service are eligible to receive their Vested Accrued Benefit payable at Normal Retirement Date.

- *Tier 3 - Members hired on or after January 1, 2010:*

  Members with less than ten years of Credited Service receive a refund of the member's contributions. Members who have completed at least ten years of Credited Service are eligible to receive their Vested Accrued Benefit payable at Normal Retirement Date.

Benefit:

Vested Accrued Benefit determined as of the date of termination but not less than the actuarial equivalent value, determined as of the benefit commencement date, of the Accumulated Contributions as of the Normal Retirement Date.

Refund of Accumulated Contributions

Upon termination prior to any type of retirement, in lieu of a monthly pension benefit, the member may elect to receive a refund of a percentage of the Pre-2014 accumulated contributions (excluding service purchase contributions) according to the following schedule, plus 100% of the Post-2013 accumulated contributions:

Completed Years of Service	Percent Vested of Pre-2014 Contributions Accumulated At Termination		
	Hired Prior to 1/1/2005	Hired 2005-2010	Hired on or after January 1, 2010
Less Than 5	100%	100%	100%
5	110%	100%	100%
6	125%	110%	100%
7	140%	120%	100%
8	155%	130%	100%
9	170%	140%	100%
10	185%	150%	100%
11	200%	160%	100%
12	200%	170%	100%
13	200%	180%	100%
14	200%	190%	100%
15 or more	200%	200%	100%

Pre-Retirement Death Benefit

- *Member is single:*

  Beneficiary receives two times member’s accumulated contributions at date of death (excluding service purchase contributions).

- *Member is married:*

  Spouse receives two times member’s accumulated contributions at date of death (excluding service purchase contributions); or

  A monthly benefit equal to 60% of the member’s vested accrued benefit, commencing the first day of the month after the member’s death or age 50 (55 for Terminated Vested Members) whichever is later.

Normal Form

- *Tier 1* - 10-year certain and life
- *Tier 2* - 10-year certain and life
- *Tier 3* - Single life annuity

Optional Forms

- 100% joint and survivor annuity
- 50% joint and survivor annuity
- 66-2/3% last survivor annuity
- 100% joint and survivor annuity with pop up
- 50% joint and survivor annuity with pop up
- For members in Tier 1 and Tier 2 only: Single life annuity
- For members in Tier 3 only: 10-year certain and life

Optional Form Conversion Factors

Optional annuity forms are actuarially equivalent based on 7.50% interest and the 1983 Group Annuity Mortality table blended 50% male and 50% female.

Payment Date

Benefits are paid on the first day of the month following eligibility for receipt.

SECTION E

SUMMARY OF PARTICIPANT DATA

Exhibit E.1
Adams County Retirement Plan
Summary of Census Data

	January 1, 2015	January 1, 2014
1. **Active Members**		
a. Counts		
Tier 1	717	801
Tier 2	425	481
Tier 3	792	548
Total	1,934	1,830
b. Annual Projected Compensation	$ 107,861,819	$ 102,088,234
c. Average Annual Compensation	$ 55,771	$ 55,786
d. Average Age	43.8	44.4
e. Average Service	8.8	9.4
f. Accumulated Member Contributions with Interest	$ 68,911,145	$ 66,783,459
2. **NonVested Members with Refunds Due**		
a. Counts	98	128
b. Amount of Refunds Due	$ 539,847	$ 461,119
3. **Deferred Vested Members***		
a. Counts	181	178
b. Annual Deferred Benefits	$ 2,327,359	$ 2,032,141
c. Average Benefit	$ 12,858	$ 11,417
4. **Retired Members**		
a. Counts	804	747
b. Annual Benefits	$ 18,468,082	$ 16,515,723
c. Average Benefit	$ 22,970	$ 22,109
5. **Beneficiaries**		
a. Counts	91	93
b. Annual Benefits	$ 1,083,317	$ 1,084,792
c. Average Benefit	$ 11,905	$ 11,664
6. **Disabled Retirees**		
a. Counts	35	27
b. Annual Benefits	$ 594,109	$ 487,264
c. Average Benefit	$ 16,975	$ 18,047
7. **Total Members Included in Valuation**	3,143	3,003

*Includes 30 deferred disableds in 2015 and 31 deferred disableds in 2014.

Exhibit E.2
Summary of Changes in Participant Status
During Fiscal Year 2014

	Active Members	With Deferred Benefits[1]	With Refunds Due	Retirees	Disabled Retirees	Beneficiaries	Total
As of January 1, 2014	1,830	178	128	747	27	93	3,003
Age retirements	(67)	(5)		72			0
Disability retirements	(1)	(6)			7		0
Deferred disability	(7)	7					0
Deaths	(2)	(1)		(16)			(19)
Vested terminations	(32)	32					0
Rehires							0
Cashouts	(91)	(24)	(96)				(211)
Expiration of benefits						(7)	(7)
Terminated nonvested with refunds due	(43)		43				0
New Beneficiary						5	5
New entrants during the year[2]	347		23	1	1		372
Net change	104	3	(30)	57	8	(2)	140
As of January 1, 2015	1,934	181	98	804	35	91	3,143

[1] Includes 30 deferred disabled members at January 1, 2015

[2] Includes 23 members hired and terminated in 2014 with refunds due.

Exhibit E.3
Active Member Counts by Age and Service
as of January 1, 2015

Age	Service							
	0-4	5-9	10-14	15-19	20-24	25-29	Over 30	Total
Under 20	1	0	0	0	0	0	0	1
20-24	57	1	0	0	0	0	0	58
25-29	164	21	0	0	0	0	0	185
30-34	145	81	24	0	0	0	0	250
35-39	124	75	68	10	0	0	0	277
40-44	102	70	73	40	10	0	0	295
45-49	82	53	71	46	14	7	0	273
50-54	50	38	43	40	29	14	10	224
55-59	37	37	38	28	20	22	6	188
60-64	26	23	29	20	9	15	12	134
65-69	5	11	8	3	5	2	2	36
Over 70	1	0	3	1	1	3	4	13
Total	794	410	357	188	88	63	34	1,934

Exhibit E.4
Active Member Average Salary by Age and Service[1]

Age	Service							
	0-4	5-9	10-14	15-19	20-24	25-29	Over 30	Total
Under 20								
20-24	$37,366							$37,437
25-29	44,084	$45,198						44,210
30-34	46,996	49,310	$48,979					47,936
35-39	48,002	59,251	59,241	$63,020				54,349
40-44	48,100	50,327	58,621	62,421	$69,433			53,897
45-49	48,194	50,339	61,240	63,621	68,801	$71,486		56,257
50-54	49,204	54,309	51,605	63,774	71,324	80,313	$70,526	58,893
55-59	48,281	48,302	52,481	60,317	61,194	78,407	62,321	56,274
60-64	46,724	47,912	52,566	61,037	56,094	63,453	72,414	55,131
65-69	49,710	57,688	51,126		64,687			56,854
Over 70								58,455
Total	$46,293	$51,724	$56,316	$62,455	$66,379	$73,852	$68,832	$53,074

[1] Average Salary not shown if group contains less than five members

Exhibit E.5
10-Year Projected Benefit Payments (Closed Group)

Fiscal Year Ended December 31,	Actives	Inactives	Total
2015	$ 1,959,491	$ 20,349,946	$ 22,309,437
2016	3,743,635	20,270,533	24,014,168
2017	5,238,703	20,076,485	25,315,188
2018	6,749,296	19,918,501	26,667,797
2019	8,352,943	19,740,968	28,093,911
2020	10,041,554	19,604,874	29,646,428
2021	11,715,162	19,365,371	31,080,533
2022	13,393,087	19,115,874	32,508,960
2023	15,119,149	18,858,102	33,977,250
2024	16,850,862	18,522,130	35,372,992

Exhibit E.6
History of Refunds

Fiscal Year Ended December 31,	Refund Amount
2003	$ 1,476,978
2004	1,086,548
2005	1,231,836
2006	1,225,048
2007	1,187,708
2008	1,220,911
2009	1,043,307
2010	910,161
2011	1,761,213
2012	1,870,042
2013	2,029,377
2014	3,253,473

SECTION F

HISTORICAL SCHEDULES

Exhibit F.1
Adams County Retirement Plan
Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
(1)	(2)	(3)	(4)=(3)-(2)	(5)=(2)/(3)	(6)	(7)=(4)/(6)
1/1/2007	$ 174,254,209	$ 264,910,496	$ 90,656,287	65.8%	$ 81,386,811	111.4%
1/1/2008	194,027,237	287,832,266	93,805,029	67.4%	87,215,518	107.6%
1/1/2009	179,216,396	316,117,270	136,900,874	56.7%	94,396,658	145.0%
1/1/2010	200,975,215	340,984,767	140,009,552	58.9%	98,982,060	141.4%
1/1/2011	204,666,912	356,275,436	151,608,524	57.4%	95,737,553	158.4%
1/1/2012	201,712,397	371,702,160	169,785,105	54.3%	94,160,223	180.3%
1/1/2013	199,076,191	386,835,357	187,759,166	51.5%	96,443,158	194.7%
1/1/2014	214,140,815	379,802,962	165,662,147	56.4%	102,088,234	162.3%
1/1/2015	227,350,888	398,075,505	170,724,617	57.1%	107,861,819	158.3%

Exhibit F.2
Adams County Retirement Plan
Schedule of Employer Contributions

Fiscal Year Ended December 31,	Annual Required Contribution	Actual County Contribution	Percentage Contributed
2003	$ 6,405,211	$ 3,866,302	60.4%
2004	6,858,772	4,054,317	59.1%
2005	9,359,536	4,597,297	49.1%
2006	10,110,243	5,175,320	51.2%
2007	11,320,501	5,740,166	50.7%
2008	11,542,116	6,445,284	55.8%
2009	16,237,097	7,048,276	43.4%
2010	16,856,144	7,153,366	42.4%
2011	17,559,138	7,235,764	41.2%
2012	18,762,499	7,533,395	40.2%
2013	19,659,013	8,289,767	42.2%
2014	15,406,279	8,964,812	58.2%
2015	15,254,244	TBD	TBD

Exhibit F.3
Adams County Retirement Plan
Supplementary Information

Valuation Date	January 1, 2015
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar Open
Remaining Amortization Periods	30 Years
Asset Valuation Method	5-Year Smoothed Market
Actuarial Assumptions:	
Investment Rate of Return	7.50%
Projected Salary Increases	Service-based increases from 3.8% to 9.30%
Inflation	2.80%
Cost of Living Adjustments	N/A

SECTION G

ACTUARIAL ASSUMPTIONS AND METHODS

SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS

I. Valuation Date

The valuation date is January 1st of each plan year. This is the date as of which the actuarial present value of future benefits and the actuarial value of assets are determined.

II. Actuarial Cost Method

The actuarial valuation uses the Entry Age Normal actuarial cost method. Under this method, the employer contribution rate is the sum of (i) the employer normal cost rate, and (ii) a rate that will amortize the unfunded actuarial liability.

1. The valuation is prepared on the projected benefit basis. The present value of each participant's expected benefit payable at retirement or termination is determined, based on age, service, sex, compensation, and the interest rate assumed to be earned in the future (7.50%). The calculations take into account the probability of a participant's death or termination of employment prior to becoming eligible for a benefit, as well as the possibility of terminating with a service benefit. Future salary increases are also anticipated. The present value of the expected benefits payable on account of the active participants is added to the present value of the expected future payments to retired participants and beneficiaries to obtain the present value of all expected benefits payable from the Plan on account of the present group of participants and beneficiaries.

2. The employer contributions required to support the benefits of the Plan are determined following a level funding approach, and consist of a normal cost contribution and an accrued liability contribution.

3. The normal contribution is determined using the Entry Age Normal cost method. Under this method, a calculation is made to determine the average uniform and constant percentage rate of employer contribution which, if applied to the compensation of each new participant during the entire period of anticipated covered service, would be required in addition to the contributions of the participant to meet the cost of all benefits payable on their behalf.

4. The unfunded accrued liability contributions are determined by subtracting the actuarial value of assets from the actuarial accrued liability and amortizing the result over 30 years from the valuation date as a level dollar. It is assumed that payments are made throughout the year.

III. Actuarial Value of Assets

The actuarial value of assets is based on recognizing gains and losses over a five-year period where gains and losses are determined by comparing the projected market value of assets (based on the prior year's market value of assets, cash flows during the year and expected investment returns on those amounts) to the current year's market value of assets. The actuarial value of assets must be between 80% and 120% of market value.

IV. Actuarial Assumptions

A. Economic Assumptions

1. Investment return: 7.50% per annum, compounded annually, composed of an assumed 2.80% inflation rate and a 4.70% real rate of return. This rate represents the assumed return, net of all investment expenses.
2. Salary increase rate: Inflation rate of 2.80%, plus productivity component of 1.00%, plus step-rate/ promotional component as shown (adopted December 2013).

Completed Years of Service	Percentage Increase in Salary		
	Merit	Wage Inflation	Total
0	5.50 %	3.80 %	9.30 %
5	1.50	3.80	5.30
10	0.25	3.80	4.05
15	0.00	3.80	3.80
20	0.00	3.80	3.80
25	0.00	3.80	3.80
30	0.00	3.80	3.80
35	0.00	3.80	3.80
40	0.00	3.80	3.80

B. Demographic Assumptions

1. Mortality rates (pre- and post-retirement) – The valuation assumes fully generational mortality. The base mortality table used is the RP-2000 Blue Collar Healthy Annuitant Generational Mortality Table. Future mortality improvements are assumed each year using Scale BB. Rates are set back one year for females for post-retirement mortality. The following are sample rates for 2015 (adopted December 2013):

Sample Attained Ages	Probability of Death Pre-Retirement	
	Men	Women
20	0.05 %	0.02 %
25	0.06	0.02
30	0.07	0.03
35	0.10	0.05
40	0.13	0.08
45	0.17	0.13
50	0.23	0.19
55	0.33	0.26
60	0.48	0.34
65	0.65	0.44
70	0.79	0.56
75	0.00	0.00
80	0.00	0.00
85	0.00	0.00
90	0.00	0.00

Sample Attained Ages	Probability of Death Post-Retirement	
	Men	Women
20	0.05 %	0.02 %
25	0.06	0.02
30	0.07	0.03
35	0.10	0.04
40	0.13	0.08
45	0.17	0.12
50	0.53	0.18
55	0.69	0.23
60	0.95	0.45
65	1.38	0.85
70	2.13	1.40
75	3.44	2.35
80	5.62	3.70
85	9.17	6.23
90	15.40	10.41

2. Mortality rates (post-disablement) – RP-2000 Disabled Male and Female No Collar Mortality Table. Sample rates shown below:

Sample Attained Ages	Probability of Death Post-Disability	
	Men	Women
20	2.26 %	0.75 %
25	2.26	0.75
30	2.26	0.75
35	2.26	0.75
40	2.26	0.75
45	2.26	0.75
50	2.90	1.15
55	3.54	1.65
60	4.20	2.18
65	5.02	2.80
70	6.26	3.76
75	8.21	5.22
80	10.94	7.23
85	14.16	10.02
90	18.34	14.00

3. Disability rates. Sample rates shown below:

Sample Attained Ages	Probability of Disablement Next Year	
	Men	Women
25	0.04 %	0.04 %
30	0.06	0.06
35	0.10	0.10
40	0.16	0.16
45	0.26	0.26
50	0.45	0.45
55	0.85	0.85
60	1.20	1.20

4. Termination rates (for causes other than death, disability or retirement): Termination rates are based on service. Termination rates are not applied after a member becomes eligible for a retirement benefit. Rates at selected ages are shown (adopted December 2013):

Completed Years of Service	Probability of Termination Next Year	
	Men	Women
0	20.00 %	20.00 %
5	8.00	8.00
10	3.00	3.00
15	2.00	2.00
20	1.00	1.00
25	1.00	1.00
30	1.00	1.00
35	1.00	1.00

5. Retirement rates (adopted December 2013).

	Tier 1		Tier 2		Tier 3	
Age	**Age-based**	**Rule-based**	**Age-based**	**Rule-based**	**Age-based**	**Rule-based**
< 46		18.00%				
46		18.00%				
47		15.00%				
48		12.00%				
49		12.00%				
50		8.00%		15.00%		
51		8.00%		8.00%		
52		8.00%		8.00%		
53		8.00%		8.00%		
54		8.00%		8.00%		
55	2.00%	8.00%	2.00%	8.00%	2.00%	20.00%
56	2.00%	8.00%	2.00%	8.00%	2.00%	8.00%
57	2.00%	8.00%	2.00%	8.00%	2.00%	8.00%
58	2.00%	10.00%	2.00%	10.00%	2.00%	10.00%
59	6.00%	10.00%	6.00%	10.00%	6.00%	10.00%
60	8.00%	10.00%	8.00%	10.00%	8.00%	10.00%
61	8.00%	10.00%	8.00%	10.00%	8.00%	10.00%
62	9.00%	25.00%	9.00%	25.00%	9.00%	25.00%
63	9.00%	15.00%	9.00%	15.00%	9.00%	15.00%
64	9.00%	20.00%	9.00%	20.00%	9.00%	20.00%
65	9.00%	20.00%	9.00%	20.00%	9.00%	20.00%
66	9.00%	20.00%	9.00%	20.00%	9.00%	20.00%
67	15.00%	20.00%	15.00%	20.00%	15.00%	20.00%
68	15.00%	20.00%	15.00%	20.00%	15.00%	20.00%
69	15.00%	20.00%	15.00%	20.00%	15.00%	20.00%
70+	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

C. Expense Loading. Based on the prior three year average, rounded to the nearest $1,000.

Year	Noninvestment Expenses		
2012	$881,694		
2013	798,751		
2014	806,310		
	$2,486,755	÷ 3 =	$828,918

Average	$828,918
Loading	$829,000

D. Other Assumptions

1. Percent married: 85% of employees are assumed to be married.
2. Age difference: Male members are assumed to be three years older than their spouses, and female members are assumed to be three years younger than their spouses.
3. Cost of living adjustment: None.
4. Optional forms: Members are assumed to elect the normal form of benefit.
5. Vested terminating members are assumed to elect a refund or a deferred benefit, whichever is more valuable at the time of termination.
6. Current and future deferred vested participants are assumed to retire at the earlier of age 55 or the age they meet special early retirement eligibility. Deferred disabled participants are assumed to commence benefits at age 65.
7. Pay increase timing: Middle of year.
8. Decrement timing: Decrements of all types are assumed to occur mid-year.
9. Eligibility testing: Eligibility for benefits is determined based upon the age nearest birthday and service nearest whole year on the date the decrement is assumed to occur.
10. Decrement relativity: Decrement rates are used directly, without adjustment for multiple decrement table effects.
11. Incidence of Contributions: Contributions are assumed to be received continuously throughout the year based upon the computed percent of payroll shown in this report, and the actual payroll payable at the time contributions are made.

ADAMS COUNTY
COLORADO

STUDY SESSION AGENDA ITEM

DATE OF STUDY SESSION: August 11, 2015
SUBJECT: Proposal for a new Fee-in-Lieu policy
FROM: Norman Wright, Community & Economic Development Director NW
AGENCY/DEPARTMENT: Community Development
ATTENDEES: Norman Wright, Kristin Sullivan, Jeff Maxwell
PURPOSE OF ITEM: To review and provide guidance on a new policy for approving fee-in-lieu requests
STAFF RECOMMENDATION: To approve a new fee-in-lieu policy, as recommended, and consider additional policy elements, as presented, for a more robust approach if deemed necessary.

BACKGROUND:

A recent land use case, wherein the applicant requested to provide a fee-in-lieu payment for public infrastructure, highlighted a need for new policy on how fee-in-lieu requests are handled within the development review process. To ensure consistency and the implementation of a proper rationale, staff has prepared a new policy for the Board to consider. The policy, at minimum, reflects the logical underpinnings used informally by staff in past cases. Staff as also prepared additional policy elements that can be added to create a more robust approach if the Board desires. The intent of this presentation is to receive guidance on what approach is most appropriate so that staff can refine a final proposal for eventual adoption.

ATTACHED DOCUMENTS:

Powerpoint Presentation

FISCAL IMPACT:
Either mark X ☒ if there is no fiscal impact or provide the following information for the recommended action:

Fund(s):		
Cost center(s):		
Self-generated / dedicated revenues:		$
Annual operating costs:		$
Annual net operating (cost) / income:		$
Capital costs:		$
Expenditure included in approved operating budget:	$	
Expenditure included in approved capital budget:	$	
New FTEs requested:		0

Additional Note:
There is no fiscal impact. This is a policy proposal.

APPROVAL SIGNATURES:

Todd Leopold, County Manager

Raymond H. Gonzales, Deputy County Manager

Ed Finger, Deputy County Manager

APPROVAL OF FISCAL IMPACT:

Nancy Dunn
Budget / Finance

Fee-in-Lieu Policy

Background and
Options for Implementation

History

Recorded instances of fee-in-lieu waivers:

- Gardner Denver Filing No. 3 (PLT2015-00014) 8211 E. 96th Ave.
- Ready Mix (PLT2015-00001) 5775 Franklin St.
- Fiore-Kramer Subdivision (PLT 2011-00003) Brighton Road
- Quick's Subdivision (PLT2002-00017) 6960 Huron St.

Waivers only apply to subdivision applications

Rationale of Past Decisions

- Topography is ill-suited for proper installation
  - Drainage is worsened by piecemeal approach
- Improvements planned for near future (< 5 years) within right-of-way

Recommended Policy

Codify existing "if/then" criteria.

- If drainage is demonstrably made worse by installing piecemeal improvement …
  - Eligible for fee-in-lieu waiver.
- If improvements are added on a street scheduled for construction …
  - Eligible for fee-in-lieu waiver.

Additional Policy Options

Add zone criteria

- Geographic areas with planned improvements located throughout.
- When a fee is paid, the money is assigned to projects within the CIP that are located in the given zone.
- 4 or 5 zones for the total county, based on street network density.

Add timeframe

- Fee payments would be spent within 5 years

Final Notes

We recommend either policy offer the following:

- Fee-in-lieu should be mandatory to the submittal if eligible
- Eligibility determined by administrative review
- Formal approval granted with Board
- Fee-in-lieu offered only for improvements in ROW
- Fee payments will only be used for transportation projects

Recommendation

Recommended Policy

Fee-in-Lieu eligible if …

Drainage is demonstrably made worse by installing piecemeal improvement

or

If improvements are added on a street scheduled for construction

Additional Options

Payment tied to improvement zones to ensure fees are applied to "more local" projects.

Payments would be applied to projects within 5 years of receipt.