

## **Board of Trustees Agenda Item**

**Board Meeting Date:** 6/7/10

**Title of Item:** Transfer of 2009/10 OPEB Obligation to CERBT

### **Background and Analysis:**

Governmental Accounting Standards Board (GASB) Statement number 45 requires the district to treat Other Post Employment Benefits (OPEB) on an accrual basis, rather than on a pay-as-you-go basis.

The District was a founding member of the Community College League of California (CCLC) Joint Powers Agency (JPA), an irrevocable trust, which was created as a vehicle for funding the OPEB obligations of member California Community College Districts. The district joined the CCLC JPA in fiscal year 2006-07 and made contributions annually to the CCLC JPA up until the end of fiscal year 2008-09.

The Board approved on June 16, 2008 that the Internal Retirement Board review and compare the OPEB irrevocable trust program offered by the California Public Employees' Retirement System (CalPERS), known as California Employer's Retiree Benefit Trust Program (CERBT), with the CCLC JPA irrevocable trust program. After further investigation, it was noted that there were multiple vendors offering OPEB trust services and that the district would be best served by a broad examination of all available and/or interested service providers. Consequently, the district issued Request For Proposal (RFP) #4091 titled, "GASB 43 & 45 OPEB Compliance Plan Vendor Selection", on October 2, 2008.

On December 1, 2008 the Board adopted Resolution No. 2008-21 authorizing termination of the agreement with the Retiree Health Benefit Program Joint Powers Agency (JPA) sponsored by the Community College League of California.

As a result of the RFP process, on May 4, 2009 the Board approved the Audit & Finance Committee's recommendation to move to the CERBT program and authorized staff to begin contract negotiations with CalPERS. On August 3, 2009, the Board approved a contract with CERBT. Since that time we have worked with the CCLC to transfer funds to the CERBT. On April 30, 2010, \$4,277,364.80 from the Balanced Fund and \$100,026.10 from the Liquidity Fund for a total of \$4,377,390.90 was transferred to the CERBT.

The Final Budget for 2009-10 included a contribution of \$711,314 to fully fund the Annual Required Contribution (ARC) for this fiscal year. Staff will, prior to June 30, 2010; make this transfer as reflected in the 2009-10 Final Budget.

**Recommendation:** Information Only

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Is backup provided?	No