

Monterey Peninsula Community College District

Governing Board Agenda

March 22, 2017

Board Meeting Date

New Business Agenda Item No. (Revised) D

Fiscal Services
College Area

Proposal:

That the Governing Board approve the transfer of Other Post-Employment Benefits (OPEB) funds to the irrevocable trust to fund the Annual Required Contribution (ARC) for 2016-17.

Background:

The GASB 43 and 45 Standards for OPEB Accounting require California Community College Districts to accrue the cost of retiree health benefits, and to establish plans to fully fund the future costs of providing future benefits to all current employees and retirees. These funds under Governmental Accounting Standards Board (GASB) must be in an irrevocable trust. The California Community College League of California (CCLC) created a Joint Powers Authority to assist districts meet the requirements of GASB 43 and 45 in regards to retiree health benefit liability. The District made an initial investment into the irrevocable trust in March of 2016.

The District recently completed an Actuarial Valuation Study which has provided the district with estimates of the Annual Required Contribution (ARC). The District's ARC is estimated at \$942,870. The estimated pay-as-you-go for 2016-17 is \$830,956, the difference between the estimated ARC and the pay-as-you-go is \$112,014. The district will be contributing \$112,014 to the trust for 2016-17.

Budget Implications:

Funds will be deposited into the Irrevocable Trust, Balanced Investment Account, in the amount of \$112,014, to fund the Annual Required Contribution (ARC) for 2016-17.

Resolution: **BE IT RESOLVED**, That funds will be deposited into the irrevocable trust to fund the Annual Required Contribution (ARC) for 2016-17.

Recommended By:


Steven E. Crow, Ed.D., - Vice President for Administrative Services

Prepared By:


Rosemary Barrios - Controller

Agenda Approval:


Dr. Walter Tribley - Superintendent / President