



Agenda Item Details

Meeting	Dec 06, 2017 - Board of Trustees Meeting Agenda
Category	F. Business Agenda
Subject	13. Pension Rate Stabilization Program
Access	Public
Type	Action
Fiscal Impact	Yes
Dollar Amount	3,000,000.00
Budgeted	Yes
Budget Source	Unrestricted General Fund Contingency
Recommended Action	Approve the adoption of the Public Agencies Post-Employment Benefits Trust as administered by the Public Agency Retirement Services and appoint the Assistant Superintendent/Vice President of Administrative Services as the District's Plan Administrator

Public Content

Originator: Administrative Services

Presented by: Dan Troy, Vice President of Administrative Services

Background Information:

California community college districts face substantial scheduled increases to their PERS and STRS through 2023-24 and 2020-21 (at least), respectively. Combined with the recent implementation of GASB 68 that requires districts to disclose their Net Pension Liability on financial statements, the underfunding of public pension plans has come under public scrutiny. The Chancellor's Office has recommended that districts plan ahead for long-term ongoing liabilities by beginning to set funds aside now.

In partnership with the Community College League of California, Public Agency Retirement Services (PARS) offers an option for districts to set funds aside for these costs in an irrevocable trust through the Pension Rate Stabilization Program (PRSP). By contributing funds in one of the portfolio options, districts can realize returns that exceed traditional county treasury rates. These returns could ultimately be used to offset a portion of the growing retirement costs. An item on the August agenda described the PRSP in more detail.

The Planning & Budget Committee formed a workgroup to examine the PRSP option for the District. After considering many options, the workgroup recommended that the district make an initial investment of \$3 million into the PRSP into the Vanguard Conservative fund. The Committee further endorsed a proposal to annually identify any one-time general purpose funds appropriated to the district through the state budget and to make a recommendation as to how much, if any, to add to the PRSP fund in that year. Note that the funds would remain part of the district's ending balance and would be accessible if needed, as the proposed contribution is far less than what the district will expend on PERS and STRS costs over the 2016-17 and 2017-18 fiscal years.

Current Considerations:

In order to participate in the PRSP, the Board must first approve a resolution authorizing participation in the trust. The Board must further identify a District Plan Administrator.

[PARS_Resolution112117.pdf \(91 KB\)](#)[Administrative Services Agreement.pdf \(177 KB\)](#)[Cuesta College - PARS Analysis Summary - \\$3M.pdf \(94 KB\)](#)[Cuesta College \(PRSP\) 171130bl.pdf \(1,486 KB\)](#)

Administrative Content

Motion & Voting

Approve the adoption of the Public Agencies Post-Employment Benefits Trust as administered by the Public Agency Retirement Services and appoint the Assistant Superintendent/Vice President of Administrative Services as the District's Plan Administrator

Motion by Patrick W Mullen, second by Angela Mitchell.

Final Resolution: Motion Passed

Yes: Patrick W Mullen, Angela Mitchell, Barbara George, Pete Sysak, Student Trustee Jantzen -Advisory Vote-, Mary Strobridge