METROPOLITAN
TRANSPORTATION
COMMISSION

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Memorandum

TO: MTC Administration Committee

DATE: February 3, 2010

FR: Executive Director

W. I. 1152

RE: Resolution No. 3941 – Closeout of CalPERS Other Post Employment Benefits (OPEB) Trust Program

Background:

Pursuant to Resolution No. 3822, MTC contracted with CalPERS in September 2007 to open and prefund an "Other Post Employment Benefit" (OPEB) trust account. The agreement allowed MTC to open and prefund the account with CalPERS and also put in contributions for MTC's annual required contribution (ARC) under its OPEB program. CalPERS provides the Governmental Accounting Standards Board (GASB) Statements 43 and 45 reporting for the trust fund.

MTC amended its current agreement with CalPERS in December 2009 allowing MTC to close out its account with CalPERS and transfer the funds to another qualified OPEB trust account. The funds with CalPERS would be transferred to an OPEB account with Public Agency Retirement Systems (PARS) approved by the Commission in October 2009. This account was opened in November 2009.

MTC staff recommends that this Committee forward Resolution No. 3941 to the Commission for approval.

Steve Heminger

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Date: February 24, 2010
W.I.: 1152
Referred by: Admin. Committee

ABSTRACT

Resolution No. 3941

This resolution is required by the California Public Employees' Retirement System (CalPERS) in order for MTC to close out its Other Post Employment Benefits (OPEB) through CalPERS. MTC is a contracting agency under the Public Employees' Medical and Hospital Care Act (PEMHCA) administered by CalPERS and desires to closeout the OPEB trust account per the terms and conditions set by CalPERS. MTC will transfer the balance in the CalPERS OPEB trust to another qualified OPEB trust account. This resolution is required to notify CalPERS of the change.

Further discussion of the Pre-Fund Other Post Employment Benefits with CALPERS is contained in the Executive Director's memorandum dated February 3, 2010.

Date: February 24, 2010
W.I.: 1152
Referred by: Admin. Committee

Re: Closeout of the Other Post Employment Benefits (OPEB) trust account through CalPERS

METROPOLITAN TRANSPORTATION COMMISSION
RESOLUTION NO. 3941

WHEREAS, the Metropolitan Transportation Commission (MTC) is the regional transportation planning agency for the San Francisco Bay Area pursuant to Government Code § 66500 *et seq.*; and

WHEREAS, MTC is a contracting agency of the California Employers' Retiree Benefit Trust administered by CalPERS, and

WHEREAS, MTC pre-funded Other Post Employment Benefits (OPEB) through CalPERS, which requires the filing of an adopted and executed Agreement and Election to Pre-Fund Other Post Employment Benefits under MTC resolution 3822, revised and

WHEREAS, upon the Commission's approval of this resolution, MTC staff will be authorized to proceed to notify CalPERS to close the OPEB trust account and to transfer the funds to another qualified OPEB trust account; and

WHEREAS, on November 20, 2009, MTC adopted the Public Agencies Post-Retirement Health Care Plan Trust to hold the assets used to pre-fund its OPEB obligations; and

WHEREAS, the Public Agencies Post-Retirement Health Care Plan Trust qualifies as a tax-exempt trust within the meaning of Section 115 of the Internal Revenue Code and the regulations issued thereunder; and

WHEREAS, the Public Agencies Post-Retirement Health Care Plan Trust is compliant with the requirements of the General Accounting Standards Board (GASB) 45.

RESOLVED, that in accordance with paragraph H of the California Employers' Retiree Benefit Trust (CERBT) participation agreement, the Commission approves the closeout of the CERBT account and, Resolution; and, be it further

RESOLVED, that staff is directed to complete the process to close the trustee account with CalPERS and provide arrangements to transfer the funds in accordance with paragraph H, section 5(a) of the CERBT participation agreement to another qualified OPEB trustee account. The successor trust is Public Agencies Post-Retirement Heath Care Plan Trust administered by Public Agency Retirement Services (PARS) located in Newport Beach, California. The

successor trust is organized under Section 115 of the Internal Revenue Code and complies with the requirements of General Accounting Standards Board (GASB) 45. The trust shall be used to pre-fund the OPEB liabilities of the MTC. The successor trustee is Union Bank, N.A., located in San Francisco, California. The successor trustee agrees to accept the qualified transfer of MTC assets held in the CERBT.

METROPOLITAN TRANSPORTATION COMMISSION

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Scott Haggerty, Chair

The above resolution was entered
into by the Metropolitan Transportation
Commission at a regular meeting
of the Commission held in Oakland,
California, on February 24, 2010.