

PERS OPEB FUNDING

Discussion Points

- Update on the OPEB Funds
 - Prior Board Direction
 - OPEB Fund Balances
 - OPEB Liability
 - Direct Transfers
 - Indirect Transfers
- Future Funding Direction

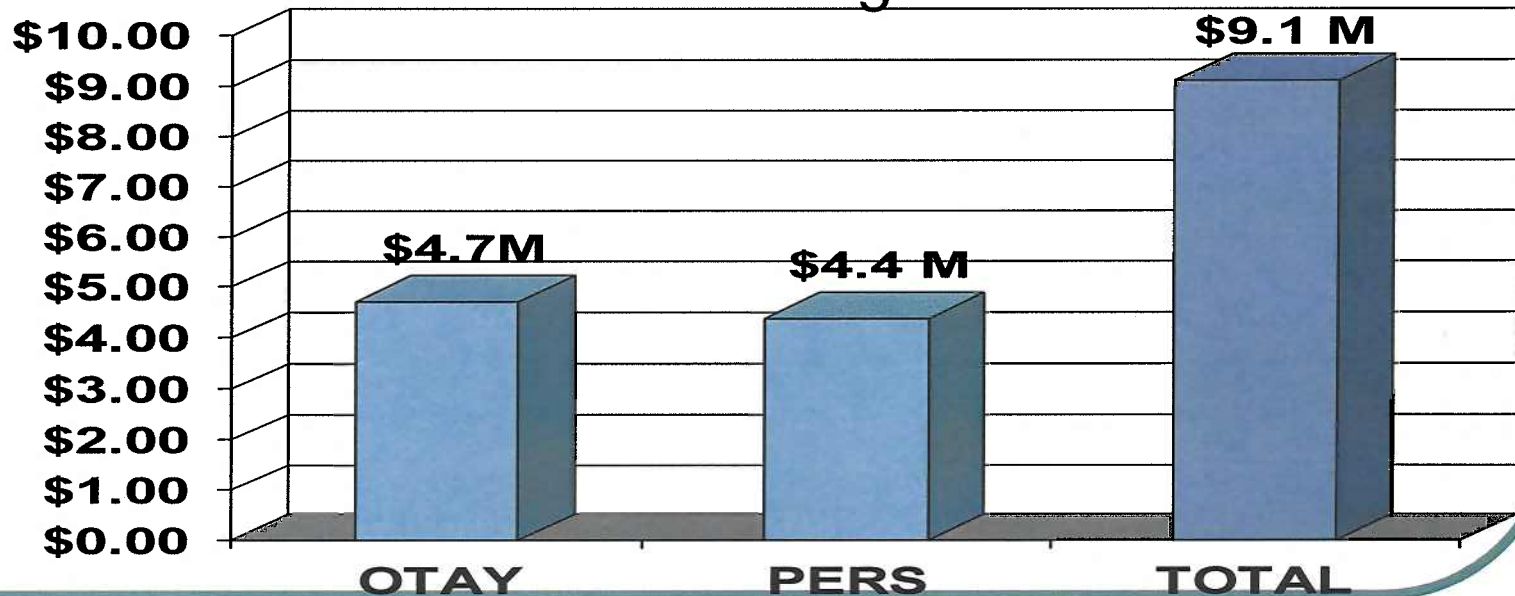
Prior Board Direction

- Establish a PERS trust
- Fund \$5 million
- Fund the ARC on an ongoing basis
 - The ARC (annual required contribution) is the annual amount needed to fully fund the trust over a 30-year period.

OPEB Funds

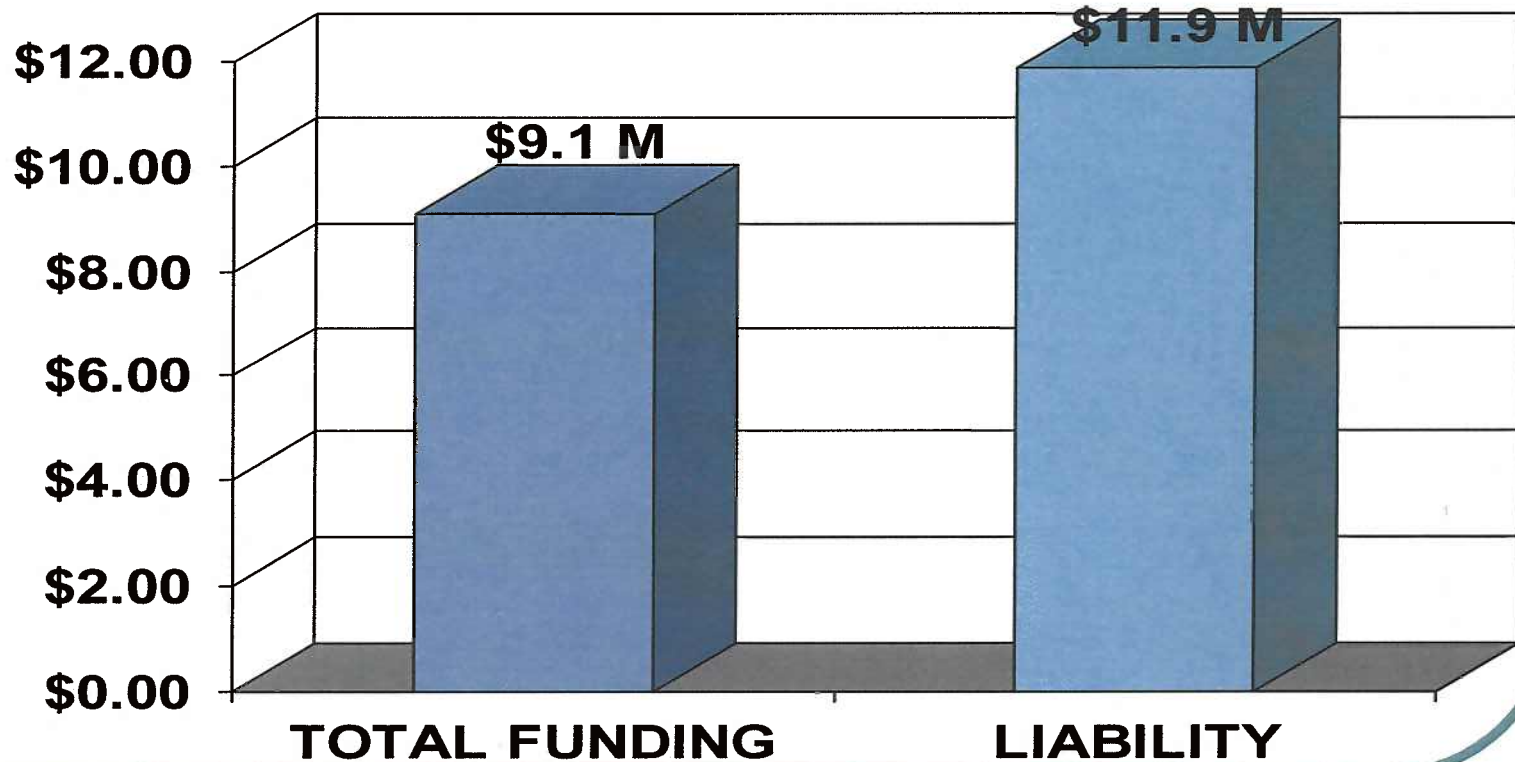
As of December 31, 2008

- Otay's Designated Fund - \$4,716,540
- PERS trust- \$4,394,883
- That the District has had the foresight to set aside these funds is exceptional and has had a positive impact on the District's credit ratings.



OPEB Liability As of 12-31-08

- Total OPEB Funds- \$9,111,423
- OPEB Liability (Est.) - \$11,869,242



Direct Transfers

- Initial PERS funding - \$5.0 million
- Annual PERS funding – Annual Required Contribution (ARC)
 - 2008 “Normal costs” – \$135,000
 - 2008 “Amortization of unfunded liability” - \$711,000
 - Increasing at approximately 3% from 2008 to 2009

Indirect Transfers

Annual payments made by the District for retiree benefits can be reimbursed to the District from the assets in the PERS trust.

The District has paid retiree benefits from its own OPEB Fund in the amount of:

\$649,007 – 2008 Fiscal Year

\$138,367 – 2009 Fiscal Year to date through Sept. 30th

If these are not reimbursed, it is considered an additional contribution to the PERS trust even though the trust would not receive the funding.

