

**SACRAMENTO CITY UNIFIED SCHOOL DISTRICT
BOARD OF EDUCATION**

Agenda Item# 8.1c

Meeting Date: October 18, 2012

Subject : SCUSD/SCTA Retiree Health Investment and Trust Plan Agreement

- Information Item Only
- Approval on Consent Agenda
- Conference (for discussion only)

_____ : Administrative Services

Recommendation : Approve the SCUSD/SCTA Retiree Health Investment and Trust Plan Agreement.

Background/Rationale : On June 14, 2010, an agreement between the Sacramento City Teachers Association (SCTA) and the Sacramento City Unified School District (SCUSD) was signed. Part of the agreement was the establishment of a trust to administer and fund the SCTA retiree liability (GASB 45). Specific areas of savings were included in the letter of agreement. The attached plan document provides details that were the outcome of a committee comprised of SCUSD and SCTA representatives.

Financial Considerations : \$3,050,568 identified as savings from the June 14, 2010 negotiated agreement with SCTA to be invested with the California Employer's Retiree Benefit Trust (CERBT) Program.

Documents Attached:

1. Executive Summary
2. SCUSD/SCTA Retiree Health Investment and Trust Plan Agreement
3. CERBT Plan Documents
4. June 14, 2010 Letter of Agreement

Estimated Time of Presentation: N/A
Submitted by : Patricia A. Hagemeyer, Chief Business Officer
Approved by : Jonathan P. Raymond, Superintendent

Administrative Services
SCUSD/SCTA Retiree Health Investment and Trust Plan
Agreement
October 18, 2012

Reference	Description	Amount
4a)	Health Net prescription program changes for 2010-11	

**SACRAMENTO CITY UNIFIED SCHOOL DISTRICT/SACRAMENTO CITY
TEACHERS ASSOCIATION
RETIREE HEALTH INVESTMENT AND TRUST PLAN AGREEMENT**

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SCUSD/SCTA RETIREE HEALTH INVESTMENT AND TRUST PLAN AGREEMENT

This Plan Agreement is entered into between the Sacramento City Unified School District (SCUSD) and the Sacramento City Teachers Association (SCTA), effective upon signature by SCUSD and SCTA, as follows:

I. SCUSD/SCTA RETIREE HEALTH INVESTMENT PLAN

- A. Name of Plan: This Plan Agreement, including the exhibits referenced herein, shall be known as the "SCUSD/SCTA Retiree Health Investment Plan" (collectively, the "Plan" or "Plan Agreement").
- B. Investment of Assets: The assets of the Plan ("Plan assets") are to be held in the

Dana Flaten (4 year term)
Katherine Gaffey-Lehman (3 year term)

Patricia A. Hagemeyer or Chief
Business Officer (4 year term)
Jess Serna or Chief Human Resource
Officer (3 year term)

SCTA ALTERNATE TRUSTEES

SCUSD ALTERNATE TRUSTEES

1st – To Be Determined

1st – Amari Watkins

- I. Use of Accumulated Assets of the Plan: The contributions from the SCUSD as required by any collective bargaining agreement and/or memorandum of understanding between the SCUSD and SCTA, are to be held in the CERBT pending the payment of retiree health benefits and administrative expenses as directed by the Board of Trustees of the Plan. The SCUSD Board of Education

administrative costs, which may include reasonable Trustee training expenses. Monies may be directed by the Board of Trustees of the Plan to pay benefits at the earlier of (1) 5 years from July 1, 2012 or (2) when invested assets equal or exceed 5% of the Actuarial Accrued Liability of the SCTA's postretirement benefits as negotiated between the SCUSD and the SCTA. The SCUSD Board of

Trustees of the Plan.

D. Benefit Levels for Retirees of the Plan: The Board of Trustees of the Plan shall have no authority to modify or change the level of benefits for retirees.

E. Review of Funds of the Plan: At each scheduled meeting the Trustees of the Plan

Dispute Resolution and Arbitration which shall then be determined by

the American Arbitration Association ("AAA") or a similar organization as

Plan Sponsor may request binding arbitration which shall then be determined by
~~the American Arbitration Association ("AAA") or a similar organization as~~

agreed to by the Plan Sponsors. Costs of any mediation or arbitration shall be
equally shared by the Sponsors.

H. Complete Agreement

The Plan and the relevant sections of collective bargaining agreements and/or
memorandums of understanding between the SCUSD and SCTA represent the

Exhibit A

**AGREEMENT AND ELECTION
OF
Sacramento City Unified School District**

C. Other Post Employment Benefits (OPEB) Cost Reports and Employer Contributions

(1) Employer shall provide to the Board an OPEB cost report on the basis of the actuarial assumptions and methods prescribed by the Board. Such report shall be for the Board's use in financial reporting, and shall be prepared at least as often as the ~~minimum frequency required by GASB 43. This OPEB cost report may be prepared as~~

an actuarial valuation report or, if the employer is qualified under GASB 45 and 57, may be prepared as an Alternative Measurement Method (AMM) report.

E. Reports and Statements

(1) Employer shall submit with each contribution a contribution report in the form and containing the information prescribed by the Board

(2) The Board shall prepare and provide a statement of Employer's Prefunding Account

11. Termination of Employer Participation in Prefunding Plan

(1) The Board may terminate Employer's participation in the Prefunding Plan if:

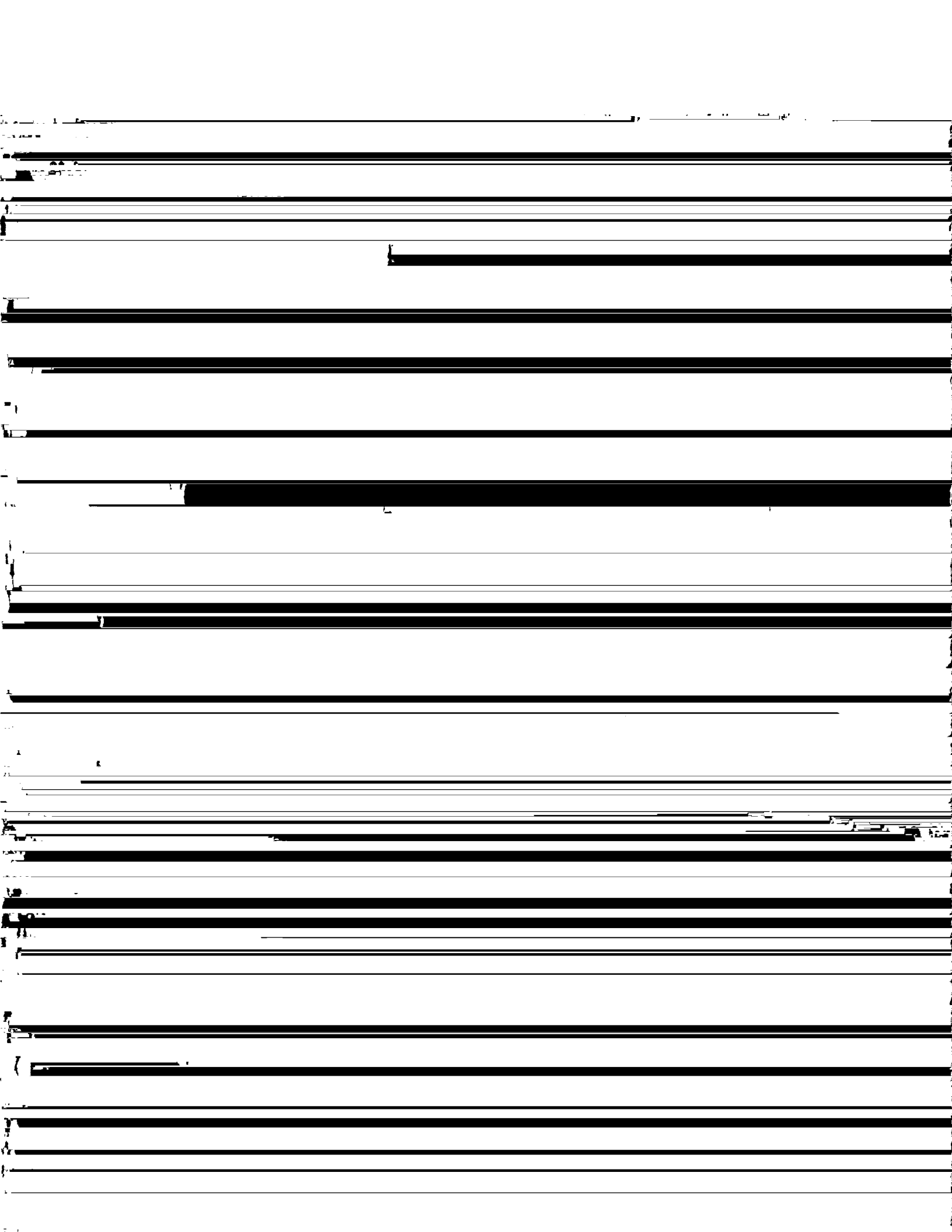
(a) Employer gives written notice to the Board of its election to terminate;

(b) Employer fails to satisfy the terms and conditions of

(6) After Employer's participation in the Prefunding Plan terminates and at such time

terminate.

(7) If, for any reason, the Board terminates the Prefunding Plan, the assets in Employer's Prefunding Account shall be paid to Employer after retention of (i) amounts sufficient to pay post employment health care benefits and other post employment benefits to annuitants for current and future annuitants described by the employer's current substantive plan (as defined in GASB 43), and (ii) amounts sufficient to pay reasonable administrative costs of the Board



Addresses for the purpose of giving notice are as shown in Paragraph D (4) of this

Agreement.

(b) Any correctly addressed notice that is refused, unclaimed, or

(7) Necessary Acts, Further Assurances

The parties shall at their own cost and expense execute and deliver such further

documents and instruments and shall take such other actions as may be reasonably required or appropriate to evidence or carry out the intent and purposes of this Agreement. A majority vote of Employer's Governing Body at a public meeting held on the 18th day of the month of October in the year 2012, authorized entering into this Agreement.

Signature of the Presiding Officer: _____

Printed Name of the Presiding Officer: Diana Rodriguez

Name of Governing Body: Board of Education

Name of Employer: Sacramento City Unified School District

Date: October 18, 2012

BOARD OF ADMINISTRATION
CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

DV

RAND ANDERSON
AFFILIATE PROGRAM SERVICES DIVISION
CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

C

SECTION I: Asset Allocation Strategy and Discount Rate Selection

Select one Asset Allocation Strategy and the corresponding Discount Rate

**Exhibit B CERTIFICATION OF OPEB FUNDING POLICY &
GASB 43/45 REPORTING COMPLIANCE**

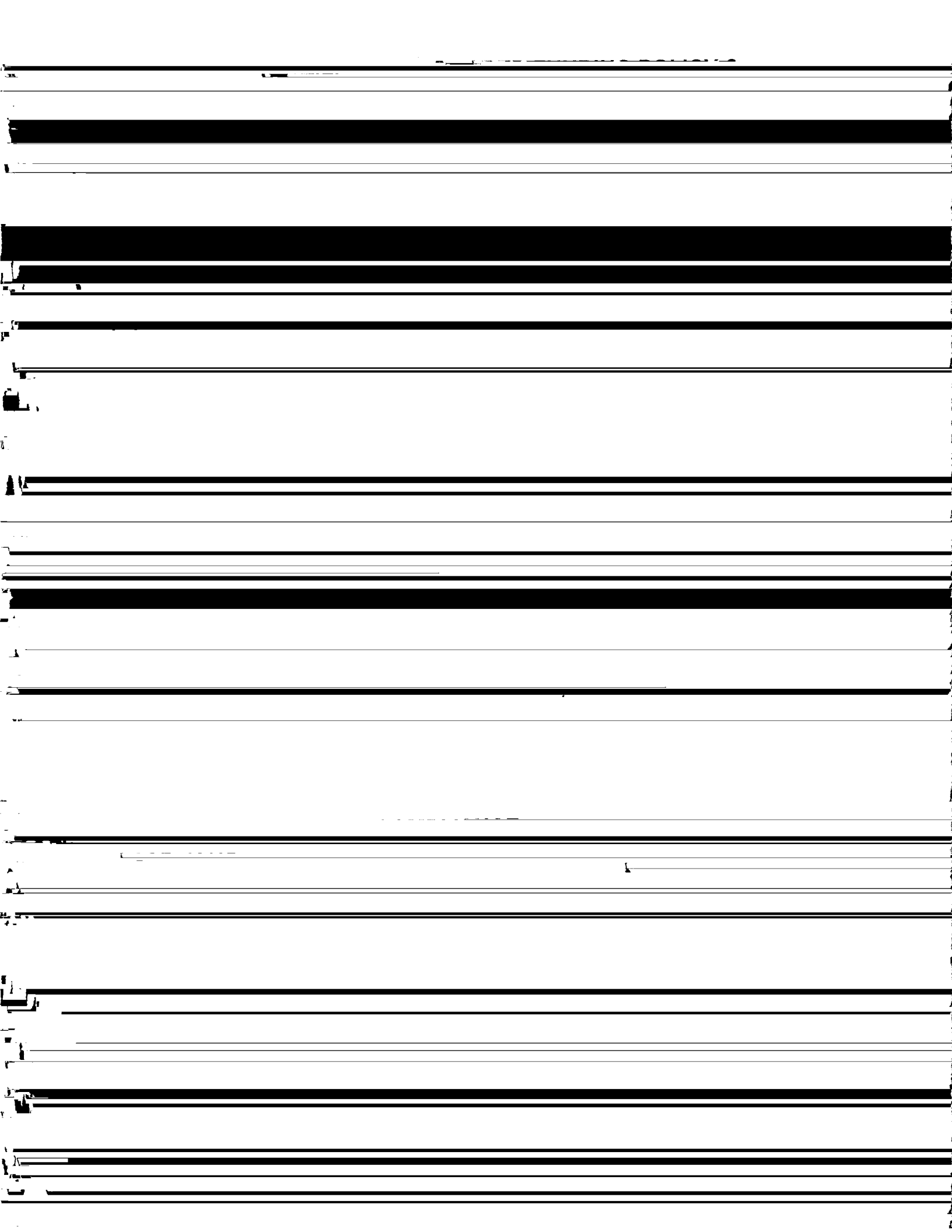
We understand that we will be asked to provide accounting information to CalPERS as required in order to facilitate CalPERS compliance with GASB 43 reporting requirements, and we agree to make any information requested available to CalPERS on a timely basis

Our contact information is noted below.

We understand that CalPERS will provide us with our Statement of Plan Net Assets and our Statement of Changes in Plan Net Assets, which can be used to prepare our GASB 45 reporting. CalPERS will report aggregated GASB 43 information pertaining to the Funded Status and Funding Progress

Date of OPEB Valuation (or AMM if it applies)

Sacramento City Unified School District
Name of Employer





DELEGATION OF AUTHORITY
TO REQUEST DISBURSEMENTS

RESOLUTION
OF THE

Board of Education

(GOVERNING BODY)

OF THE

Sacramento City Unified School District

(NAME OF EMPLOYER)

The Board of Education delegates to the incumbents in
(GOVERNING BODY)

the positions of Superintendent and
(TITLE)

SCUSD/SCTA Retiree Health Investment and Trust Plan Trustee authority to request on
(TITLE)

Behalf of the Employer disbursements from the Other Post Employment Prefunding

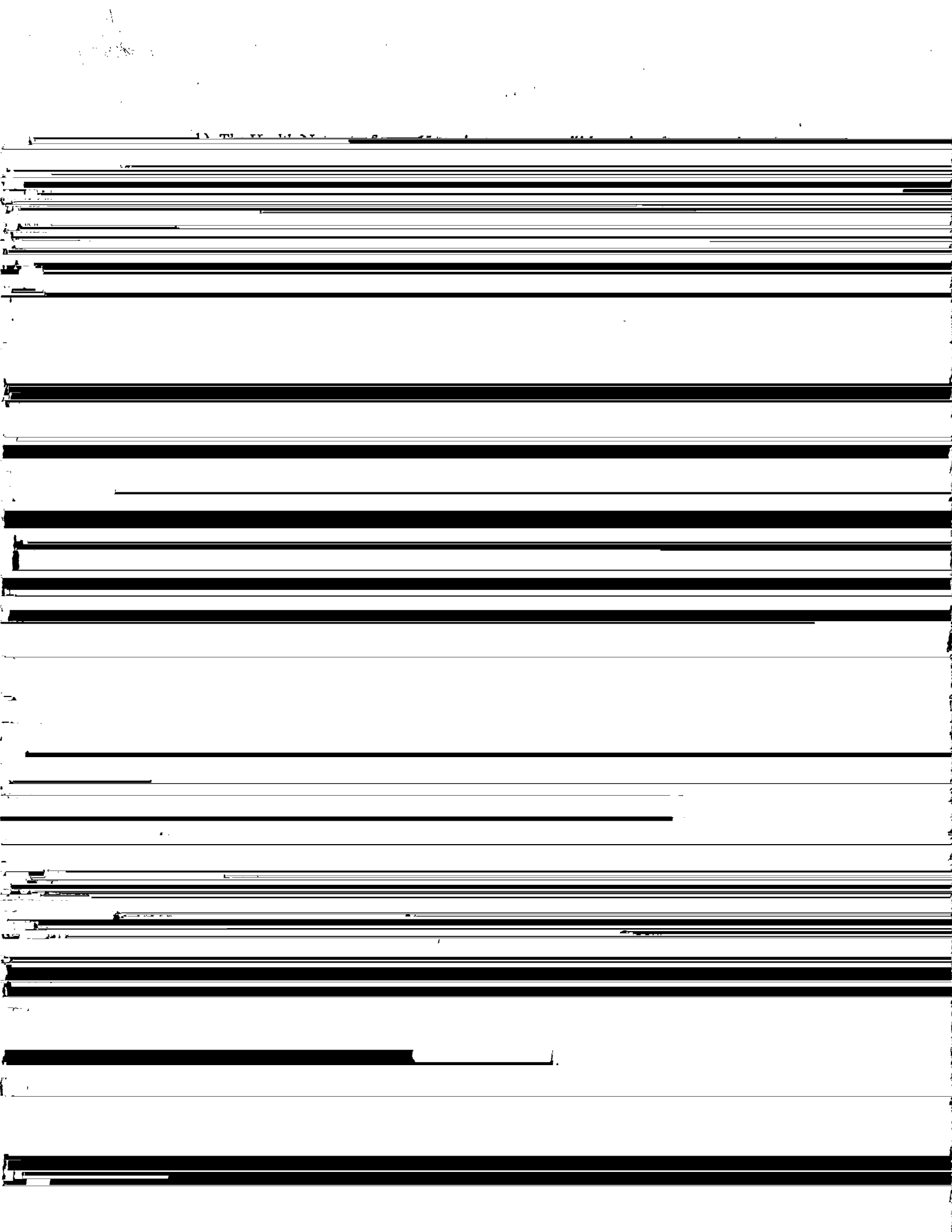
Plan and to certify as to the purpose for which the disbursed funds will be used.

By _____

Title _____

**SACRAMENTO CITY TEACHERS ASSOCIATION
AND
SACRAMENTO CITY UNIFIED SCHOOL DISTRICT**

The Sacramento city Teachers Association hereinafter referred to as "Association" ...



In addition to the current brokers, the parties agree to utilize the Segal Company or other mutually agreeable consultant to review and evaluate the