

BOARD REPORT NO. 09-10-100B

TO: Members of the Board of Trustees
FROM: Ron Galatolo, Chancellor
PREPARED BY: Kathryn Blackwood, Chief Financial Officer, 358-6869

TRANSFER OF FUNDS INTO POST RETIREMENT TRUST

The Board approved the establishment of a Retirement Board of Authority (RBOA) and a Post Retirement Trust Fund at its meeting on July 22, 2009. The members of the RBOA were appointed by the Board and by CSEA and AFT. The members are: Kathy Blackwood, CFO, Chair; Harry Joel, Vice Chancellor of Human Resources; Raymond Chow, Controller; Bruce Maule, AFT appointee; and Stephanie Samuelsen, CSEA appointee. The RBOA had its first meeting on October 2, 2009, at which the trust was formally created and a draft investment policy was created.

At this time, it is appropriate to place some District funds into the trust. Any funds placed in the trust can be used only for retiree medical benefits, either current premiums or for premiums at some time in the future. Because this is the beginning of the process and the RBOA is still new, and taking into account the cash needs of the District, staff is recommending that the District's initial transfer into the trust be \$5 million.

RECOMMENDATION

It is recommended that the Board of Trustees approve transferring \$5 million from the District Unrestricted General Fund into the Post Retirement Trust.