
RESOLUTION NO. 2008 - 139

**A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF SHASTA
OF INTENT TO REFUND REVENUES FROM THE RISK MANAGEMENT FUND AND
CHARGE BACK FOR OTHER POST EMPLOYMENT BENEFIT (OPEB) EXPENSE TO
FUND AN APPROPRIATE IRREVOCABLE TRUST FUND FOR OPEB
AND REPEALING RESOLUTION NO. 2008-117**

WHEREAS, Shasta County operates a self insured Liability program and a self insured Workers' Compensation program in the Risk Management Fund; and

WHEREAS, these programs have excess retained earnings and the County has an identified obligation for Other Post Employment Benefits (OPEB); and

WHEREAS, the Liability program funds and the Workers' Compensation funds were collected over time by the same method from the same customer base as OPEB would be collected; and

WHEREAS, the Board of Supervisors on December 18, 2007, approved the use of \$2,875,000 of Liability and Workers' Compensation exposure revenues from the Risk Management Fund 00202 to prefund the County's OPEB liability in an appropriate irrevocable trust fund to fund OPEB; and

WHEREAS, the Auditor-Controller has received a favorable opinion from the State Controller that OPEB is an allowable expense in accordance with OMB Circular A-133; and

WHEREAS, the Auditor-Controller has received a favorable opinion from the State Controller that excess retained earnings in the self-insured Plans may be utilized to prefund the OPEB liability by applying a refund to departments based on their percent of payroll and then implementing a charge-back for the OPEB expense as these funds were collected as a percentage of payroll for an employee benefit, and their use for OPEB is also an employee benefit; and

WHEREAS, an OPEB working group composed of the County Administrative Officer, Administrative Fiscal Chief, Auditor-Controller, Treasurer-Tax Collector, and Director of Support Services is recommending the County diversify its OPEB prefunding with an initial investment of \$6 million with CalPERS California Employers Retiree Benefit Trust and \$6 million with PARS Public Agencies Post-Retirement Health Care Plan Trust;

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors reaffirms that net \$2,875,000 of Liability and Workers' Compensation exposure revenues from Risk Management Fund 00202 is identified to be used to prefund an appropriate irrevocable trust fund for OPEB liabilities; and

BE IT FURTHER RESOLVED that additional excess retained earnings in the self-insured Plans in the amount of \$9.125 million, for a new total of \$12 million, which sum includes the above \$2,875,000, may be utilized in the manner approved by the State Controller to prefund OPEB liabilities; and

BE IT FURTHER RESOLVED that the Auditor-Controller is authorized to process the necessary refund and recharge and transfer the funds to an appropriate Trust pending execution of the Shasta County Irrevocable OPEB Trust Funds; and

BE IT FURTHER RESOLVED that the Board of Supervisors authorizes the County Administrative Officer to establish two irrevocable trusts for prefunding other post employment benefits other than pension (OPEB), and to execute agreements with CalPERS California Employers Retiree Benefit Trust and PARS Public Agencies Post-Retirement Health Care Plan; and


BE IT FURTHER RESOLVED that the Auditor-Controller is authorized to transfer \$6 million into each irrevocable OPEB trust fund upon the execution of the Trust agreements; and

BE IT FURTHER RESOLVED that the above action shall be effective on and after the 18th day of November, 2008.

BE IT FURTHER RESOLVED that Resolution No. 2008-117 is hereby repealed.

DULY PASSED AND ADOPTED this 18th day of November, 2008, by the Board of Supervisors of the County of Shasta by the following vote:

AYES:	Supervisors Hawes, Baugh, Kehoe, Cibula, and Hartman
NOES:	None
ABSENT:	None
ABSTAIN:	None
RECUSE:	None


LINDA HARTMAN CHAIRMAN
Board of Supervisors
County of Shasta, State of California

ATTEST:

Lawrence G. Lees
Clerk of the Board of Supervisors

By 
Deputy