

**MONTEREY PENINSULA REGIONAL PARK DISTRICT
STAFF REPORT**

BOARD MEETING: March 14, 2018

SUBJECT: Change to CalPERS Actuarial Amortization Policy

PRESENTER: Kelly McCullough, Finance Manager

REPORT: At the February 7, 2018 Board Meeting, staff presented the Board with information on the status of the District's pension plans and the unfunded balances. Staff also noted that the CalPERS Board was meeting in the month of February to vote on a change to the amortization policy.

The purpose of the CalPERS Actuarial Amortization Policy is to establish the amortization methods to eliminate positive or negative unfunded liabilities in a manner that maintains benefit security for the members of the system while minimizing substantial variations in employer contribution rates.

The current amortization period was 30-years. CalPERS voted to shorten the amortization period for gains and losses to 20-years for the June 30, 2019 funding valuations. These rates will go into effect for the 2021-2022 Fiscal Year.

This, along with other changes to the amortization policy will result in additional contribution rate increases over the next few years. We likely will also see additional year-to-year contribution increases due to actuarial losses.

More information will become available and will be presented to the Board upon receipt of future annual valuations.

FISCAL IMPACT: Not Applicable – Informational only until next actuarial report

FUNDING BALANCE: Not Applicable – Informational Only

RECOMMENDATION: It is recommended that the Board receive, review and file the information.