STAFF REPORT FOR CALENDAR ITEM NO. : 13
FOR THE MEETING OF: April 14, 2016

TRANSBAY JOINT POWERS AUTHORITY

BRIEF DESCRIPTION: Approve an agreement with the California Public Employees' Retirement System (CalPERS) to join the California Employers' Retiree Benefit Trust Program (CERBT), delegate authority to request disbursements from the trust and authorize the execution of necessary documents with CalPERS to fund and maintain participation in the trust.

EXPLANATION:
Other post-employment benefits (OPEB) are benefits other than pensions that employers provide to their retired employees. OPEB liabilities arise from an employer's commitment to pay all or a portion of retiree healthcare insurance premiums through the retirees' lifetimes. OPEB cost is calculated based on the annual required contribution (ARC) of the employer. The ARC is the sum of two parts: the *normal cost*, which is the cost for OPEB attributable to current employees in the current year of service, and *amortized cost*, which is a catch-up payment for past service that was not previously funded. Under the current Governmental Accounting Standards Board (GASB), Statement 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, entities are not required to pay the ARC each year, but they are required to calculate and disclose it in the notes to the financial statements.

Governmental agencies have two options for covering OPEB costs. One option is referred to as "pay-as-you-go" or "pay-go", where an employer makes the required insurance premium payments for its retirees as those premiums are due. The other option is "pre-funding", where funds are set aside in a dedicated trust, usually on an annual basis, and can only be withdrawn from the trust for the purpose of paying for OPEB. To be considered a GASB-qualifying trust, the contributions must be irrevocable, dedicated to paying OPEB, and protected from creditors. Pre-funding is the most fiscally responsible action governmental agencies can take, and the Government Finance Officers Association strongly recommends pre-funding as a best practice. Establishing and funding an OPEB trust ensures that an employer can meet its future benefit obligations. It also reduces the employer's reported liabilities. Additionally, and importantly, pre-funding generates investment income that can cover significant portions of OPEB costs over time, reducing an employer's future contributions.

As noted above, under current GASB requirements, OPEB liabilities are disclosed in government agencies' financial statement notes. However, in Fiscal Year 2018, GASB 75 will go into effect, changing how employers calculate and report the costs and obligations associated with OPEB. The ARC will be eliminated, just as the ARC was eliminated in pension accounting this past fiscal year with implementation of GASB 68. Similarly to pension liabilities, OPEB liabilities will instead be accounted for on the balance sheet in the financial statements. If an agency has funded a qualifying trust, then it may report its "net OPEB liability" in the financials. The net OPEB liability is the total liability net of the OPEB trust's net position. If an agency has not funded a qualifying trust, it must report the total OPEB liability in its financials.

<u>TJPA OPEB Commitment</u>
TJPA's commitment to pay OPEB is governed by individual employment agreements. TJPA has no retirees collecting OPEB benefits at this time, but under its contract with CalPERS for healthcare insurance, eligible retirees are allowed to continue receiving medical insurance benefits through CalPERS. When TJPA has eligible participating retirees, per these agreements, the agency will pay the minimum amount required under the Public Employees' Medical and Hospital Care Act (PEMHCA) towards medical insurance premiums for most eligible retirees; the minimum amount is $125 per month in 2016 and it increases each year by the medical component of the Urban Consumer Price Index (CPI-U). Typically the increase has been $3-4 per month on a calendar year basis:

Calendar Year	Monthly Employer Contribution	% Increase
2012	$112.00	3.7
2013	$115.00	2.7
2014	$119.00	3.3
2015	$122.00	2.5
2016	$125.00	2.5
2017	$128.00	2.4

TJPA does not cover medical insurance premiums for retiree spouses, nor does TJPA cover dental or vision premiums for retirees. TJPA does not currently have a vesting requirement for employees to be eligible for these contributions towards retiree medical insurance premiums, but does require retirement from TJPA in order to be eligible (as opposed to working for TJPA for a period of time but retiring in the future from another CalPERS agency). Note that employees must have five years of CalPERS service to vest for retirement.

At the Board's request, TJPA staff has researched implementation of a vesting requirement for future employees. After consultation with CalPERS staff, TJPA staff does not recommend implementing such a requirement, as it could actually increase TJPA's future contributions towards retiree medical premiums.

California Government Code Section 22893 does allow agencies to adopt a vesting resolution that would apply to employees hired on or after the effective date of the vesting resolution. However, this section of the law requires the agency to pay more than the PEMHCA minimum contribution towards retiree medical insurance premiums, based on years of service. The contribution is equivalent to the state's contribution towards state employees' health coverage, as of the date of retirement, based on the number of years of CalPERS service:

Years of Service	Agency Contribution
Less than 10 years	0%
10 years	50%
11 to 19 years	50% plus additional 5% per year
20 or more years	100%

The state's monthly contribution levels in 2015 and 2016 were:

	2015	2016
Employee	$655	$705
Employee +1	$1,246	$1,343
Family	$1,605	$1,727

The increase in state monthly contribution levels is not based solely on the medical component of CPI, as the PEMHCA contribution increase is. The increase from 2015 to 2016 was approximately 7.6%.

To provide an example, if TJPA adopted a vesting resolution effective April 1, 2016, future employees would need to serve ten years in order to receive a contribution towards retiree medical insurance premiums. It is important to note that years of service would include service for the State of California or other local agencies that contract with CalPERS, not just years of service for TJPA. An employee that did not have ten years of service would not receive a contribution from TJPA towards retiree medical; however, an employee who retired with ten years of service—whether all ten years were with TJPA or some were served at other agencies—would receive 50% of the then-current state contribution level. Based on 2016 dollar amounts, which undoubtedly will increase in the coming years, TJPA's contribution in this situation would be $352.50 for retiree-only, $671.50 for retiree +1, and $863.50 for retiree +family. As the years of service increase, the contribution increases. This is clearly a much higher contribution level than the PEMHCA minimum contemplated in TJPA's current employment agreements, and a generous benefit that could encourage future employees to meet the vesting requirement of ten years of service. If a future employee retired from TJPA with twenty years of CalPERS service, TJPA would be obligated to pay 100% of the retiree's medical premiums and up to 90% of retiree dependent premiums (referred to as the 100/90 Formula).

Thus, as noted above, TJPA staff does not recommend implementing a vesting requirement at this time. Should state legislation be passed in the future that changes these Government Code requirements, allowing for a service requirement combined with a lower contribution requirement, a vesting condition may then be a cost-effective option to consider.

CERBT Background

The California Employers' Retiree Benefit Trust Program (CERBT) was established in 2007, allowing California public employers to pre-fund employee retirement health benefits in the same manner that public employers can pre-fund pension benefits by participating in the CalPERS pension system. It is an IRS Section 115 trust set up for the sole purpose of receiving employer contributions that will pay for OPEB costs. There are currently 468 California public agencies participating in the CERBT. The CERBT is separate from the CalPERS pension funds, but managed by the same professional investment management staff, at less cost than comparable trust programs available to TJPA. While deposits are aggregated for investment purposes, each agency has a separate account within the CERBT. Since TJPA's OPEB liabilities are relatively small in comparison to other larger public agencies, TJPA would benefit from having its OPEB funds pooled with the funds of other public employers for investment purposes.

Three investment strategies are available, providing a range of expected rates of return and corresponding volatility. Employers choose the investment strategy that matches their particular risk management profile. As of January 31, 2016, the respective strategies had the following target asset allocations and returns:

Asset Class	Strategy 1 Target Allocation	Strategy 2 Target Allocation	Strategy 3 Target Allocation
Global Equities	57%	40%	24%
Fixed Income	27%	39%	39%
Inflation-Linked Bonds	5%	10%	26%
Real Estate Investment Trusts	8%	8%	8%
Commodities	3%	3%	3%

Return	Expected	1 Year	3 Year	5 Year[1]	Since Inception
Strategy 1	7.28%	-6.01%	3.21%	4.97%	3.04%
Strategy 2	6.73%	-5.39%	2.61%	-	6.61%
Strategy 3	6.12%	-4.84%	2.19%	-	4.67%

Administrative and investment expenses are paid by participating employers and do not come out of plan assets. The CERBT fee rate may change over time, but is currently 10 basis points (0.10% of an agency's assets) annually and has never been higher than 15 basis points since the formation of the trust. The other most commonly used Section 115 trust used by public agencies is the Public Agency Retirement Services (PARS) trust. The PARS fee would be 25 basis points or a $300 monthly minimum, whichever is higher. Assets held by the CERBT, greater than $4 billion, are approximately 4.5 times more than assets held by the PARS trust, allowing the CERBT to leverage its assets for higher earnings. As OPEB costs are incurred, participating agencies request reimbursement from the CERBT. Reimbursements are paid by CERBT monthly.

[1] The Strategy 2 portfolio was established October 2011; the Strategy 3 portfolio was established January 2012.

TJPA OPEB Liability

As a small employer, TJPA has previously performed its own measurement of OPEB liabilities since it became its own employer of record in 2012. This is known as the Alternative Measurement Method (AMM); it is prescribed by GASB and was performed with TJPA auditor input and concurrence. TJPA's OPEB liabilities under the AMM, as disclosed in our financial statements, were as follows:

Fiscal Year Ended	ARC	Net OPEB Obligation
2012	$54,835	$54,835
2013	$54,724	$109,559
2014	$54,612	$164,171

In Fiscal Year 2015, in anticipation of establishing an OPEB trust, TJPA engaged an actuary to conduct an actuarial valuation of its OPEB liability. The actuary, Bickmore, was selected through a competitive procurement process, and their report and valuation is summarized in the attached Executive Summary. For Fiscal Year 2015, the ARC was calculated at $41,624, bringing the net OPEB obligation to $205,795 without pre-funding. With pre-funding, the net OPEB obligation would be reduced to $165,765. If TJPA joins the CERBT, an actuarial valuation will be performed every two years and provided to CERBT.

TJPA has to-date recorded its OPEB liability against unrestricted assets (funds collected that do not have restrictions on use, such as lease payments from tenants in acquired properties prior to demolition). However, because funds have not been set aside in a dedicated OPEB trust, this does not count as "funded" under GASB standards.

Staff recommends joining the CERBT and utilizing Investment Strategy 3 to minimize volatile swings in what would be a relatively small account balance, and recommends pre-funding the full amount of the OPEB liability. At the March TJPA Board meeting, staff recommended depositing the liability amount calculated for pre-funding in Fiscal Year <u>2015</u> of $165,765, which was based on a discount rate of 6.5%. However, since the item was continued for a month, TJPA staff requested that the actuary recalculate the OPEB liability using a discount rate of 6.0% since staff is recommending Investment Strategy 3, which has an expected return of less than 6.5%. In addition, staff now recommends pre-funding the amount for Fiscal Year <u>2016</u> and zeroing out any Net OPEB Obligation as of June 30, 2016. This brings the recommended deposit amount to $237,711. As demonstrated in the Addendum to the actuary's report (see p. 3) this will bring the Net OPEB Obligation at the end of the current fiscal year to $0, and lowers the expected annual OPEB expense for the next fiscal year to $20,795 only. As shown in the Executive Summary of the original actuarial valuation (see p. 7) the projected annual OPEB expense for the next fiscal year was expected to be at least $29,610, and that was calculated using the higher discount rate of 6.5% (using the lower discount rate of 6.0% would increase the amount if the valuation was re-done).

To join the CERBT, the attached Agreement and Election to Prefund Other Post-Employment Benefits through CalPERS must be executed, and TJPA must delegate authorized representatives to conduct business with CERBT. The attached agreement and delegation resolution templates have been provided by CalPERS and the language cannot be changed. The deposit into the trust needs to be made by June 30 in order to be reflected in TJPA's Fiscal Year 2016 financial statements.

ENCLOSURES:
1. Resolution Authorizing Establishment of Trust and Pre-Funding
2. Bickmore Addendum to Actuarial Valuation
3. Bickmore Actuarial Valuation Executive Summary
4. Agreement and Election to Prefund Other Post Employment Benefits Through CalPERS
5. Resolution Delegating Authority to Request Disbursements

TRANSBAY JOINT POWERS AUTHORITY
BOARD OF DIRECTORS

Resolution No. _____________

WHEREAS, The Transbay Joint Powers Authority (TJPA) offers its employees and retirees health insurance coverage through CalPERS; and

WHEREAS, TJPA, like many other governmental agencies in the United States and California, has a contractual liability for a portion of retiree healthcare costs, also known as Other Post-Employment Benefits (OPEB); and

WHEREAS, TJPA currently discloses OPEB obligations in its financial statements based on a "pay-as-you-go" basis; and

WHEREAS, TJPA's OPEB obligation would be reduced if it were "pre-funded" in a qualifying OPEB trust; and

WHEREAS, TJPA staff, in cooperation with employment counsel, has researched various funding strategies for OPEB obligations and recommends establishing an OPEB trust to pre-fund OPEB obligations as fiscally responsible and prudent and in line with financial best practices; and

WHEREAS, The California Employers' Retirement Benefit Trust (CERBT) offered through CalPERS offers a small agency such as TJPA a professionally managed qualifying trust option with fulltime investment staff and the opportunity to benefit from leveraged assets far in excess of TJPA's OPEB contribution, in a cost-effective manner; now, therefore, be it

RESOLVED, That the TJPA Board approves the Agreement and Election to pre-fund OPEB through CalPERS; and be it

FURTHER RESOLVED, That the TJPA elects Investment Strategy 3 as the appropriate investment vehicle for the placement of TJPA's deposits into CERBT; and be it

FURTHER RESOLVED, That TJPA staff is authorized to make a deposit of $237,711 by June 30, 2016 to fully pre-fund TJPA's OPEB obligation as of Fiscal Year 2016, and amend the Fiscal Year 2016 budget for Benefits accordingly; and be it

FURTHER RESOLVED, That further deposits for OPEB obligations in future fiscal years may be authorized during the annual budget process or via a fiscal year budget amendment processed in accordance with TJPA Board Policy No. 003, Budget Policy.

I hereby certify that the foregoing resolution was adopted by the Transbay Joint Powers Authority Board of Directors at its meeting of April 14, 2016.

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Secretary, Transbay Joint Powers Authority

March 15, 2016

Sara Gigliotti DeBord
Chief Financial Officer
Transbay Joint Powers Authority
201 Mission Street, Suite 2100
San Francisco, CA 94105

Re: **Addendum to January 1, 2015 Actuarial Report on GASB 45 Retiree Benefit Valuation; Prefunding Results Presented at 6.0% Discount Rate**

Dear Ms. DeBord:

As requested, we are providing this addendum to the report of our January 1, 2015 valuation of other post-employment benefit (OPEB) liabilities for Transbay Joint Powers Authority (TJPA).

TJPA has informed Bickmore of its intent to establish an irrevocable trust account with the California Employers' Retiree Benefit Trust (CERBT). In order to do so, the Agency must submit a current actuarial valuation with results developed at a discount rate consistent with the long term expected rate of return on plan assets expected to be used to finance the benefits. In our January 1, 2015 valuation report, we included Appendix 1 illustrating (hypothetical) prefunding results using a discount rate of 6.5%.

TJPA has now requested that we develop results for the fiscal years ending June 30, 2016 and 2017 using a 6.0% discount rate. This addendum presents the following information:

- The present value of future OPEB expected to be provided by TJPA, shown at 4.0% and at 6,0% as of January 1, 2015; and
- The ARC and annual OPEB expense to be reported in financial statements for the fiscal years ending June 30, 2016 and 2017, assuming a 6.0% discount rate and assuming that TJPA contributes (a) an amount sufficient to reduce the net OPEB obligation to $0 as of June 30, 2016 and (b) 100% or more of the ARC in future years.

All other processes, plan provisions, employee data, actuarial methods and assumptions used in developing these results are unchanged from those used in preparing the January 1, 2015 valuation. I certify that this report addendum is consistent our understanding of GASB 45 and believe the assumptions and method used are reasonable and appropriate for purposes of the financial reporting under Statement 45. I am a Fellow in the Society of Actuaries and a Member of the American Academy of Actuaries who satisfies the Academy Qualification Standards for rendering this opinion.

Please let us know if we can be of further assistance.

Sincerely,

Catherine L. MacLeod

Catherine L. MacLeod, FSA, FCA, EA, MAAA
Director, Health and Benefit Actuarial Services

Basic Valuation Results

The following chart compares the results of the January 1, 2015 valuation of OPEB liabilities to the results of the June 30, 2012 AMM valuation. January 1, 2015 valuation results are shown at a 4.0% discount rate (reflecting a pay-as-you-go financing approach) and at a 6.0% discount rate (assuming TJPA contributes 100% or more of the ARC in future years).

	Pay-As-You-Go	Pay-As-You-Go	Prefunding
Valuation date	**6/30/2012**	**1/1/2015**	**1/1/2015**
Discount rate	4.50%	4.00%	6.00%
Number of Covered Employees			
Actives	11	13	13
Retirees	-	-	-
Total Participants	11	13	13
Actuarial Present Value of Projected Benefits			
Actives	$ 856,495	$ 642,087	374,082
Retirees	-	-	-
Total APVPB	856,495	642,087	374,082
Actuarial Accrued Liability (AAL)			
Actives	253,655	286,702	188,310
Retirees	-	-	-
Total AAL	253,655	286,702	188,310
Actuarial Value of Assets	-	-	-
Unfunded AAL (UAAL)	253,655	286,702	188,310
Normal Cost	42,127	30,411	18,545

The funded ratio (the ratio of the Actuarial Value of Assets divided by the Actuarial Accrued Liability) is 0% as of January 1, 2015. Covered payroll as of January 1, 2015 was reported to be $2,101,029. The Unfunded Actuarial Accrued Liability, expressed as a percentage of payroll, is

- 13.6% as of January 1, 2015, based on a 4.0% pay-as-you-go discount rate or
- 9.0% as of January 1, 2015, based on a 6.0% pay-as-you-go discount rate.

Prefunding Illustration Using 6.0% Discount Rate
For Fiscal Years Ending June 30, 2016 and 2017

The exhibit below illustrates results if the Authority were to adopt a prefunding policy. It is our understanding that contributions for the fiscal year ending June 30, 2016 are intended to be sufficient to reduce the net OPEB obligation to $0 on that date. In the following year, if retiree benefit payments are less (more) than assumed, the contribution to the trust should be adjusted so the total Authority OPEB contribution equals or exceeds the ARC for fiscal year end 2017.

	Prefunding	
Valuation date	**1/1/2015**	
For fiscal year beginning	7/1/2015	7/1/2016
For fiscal year ending	6/30/2016	6/30/2017
Discount rate	**6.00%**	**6.00%**
Actuarial Present Value of Projected Benefits		
Actives	$ 396,032	$ 418,123
Retirees	-	-
Total APVPB	396,032	418,123
Actuarial Accrued Liability (AAL)		
Actives	209,284	241,643
Retirees	-	-
Total AAL	209,284	241,643
Actuarial Value of Assets	-	244,513
Unfunded AAL (UAAL)	209,284	(2,870)
Amortization period	29 years	28 years
Amortization factor (level % of pay basis)	19.9662	19.5186
Annual Required Contribution (ARC)		
Normal Cost	19,148	19,770
Amortization of UAAL	10,482	(147)
Interest to fiscal year end	864	572
Total ARC at fiscal year end	30,494	20,195
1. Calculation of the Annual OPEB Expense		
a. ARC for current fiscal year	$ 30,494	$ 20,195
b. Interest on beginning Net OPEB Obligation	12,348	-
c. Adjustment to the ARC	(10,926)	-
d. **Annual OPEB Expense (a. + b. + c.)**	31,916	20,195
2. Calculation of Expected Contribution		
a. Estimated payments on behalf of retirees	*314*	*1,052*
b. Estimated contribution to OPEB trust	*237,397*	*19,144*
c. **Total Expected Employer Contribution**	237,711	20,195
3. Change in Net OPEB Obligation *(1.d. minus 2.c.)*	(205,795)	-
Net OPEB Obligation, beginning of fiscal year	205,795	-
Net OPEB Obligation at fiscal year end	-	-

Bickmore

Transbay Joint Powers Authority

Actuarial Valuation of the Other Post-Employment Benefit Programs As of January 1, 2015

Submitted September 2015

A. Executive Summary

This report presents the results of the January 1, 2015 actuarial valuation of the Transbay Joint Powers Authority (TJPA) other post-employment benefit (OPEB) programs. Briefly, benefits include subsidized medical coverage for eligible retirees. The purposes of this valuation are to assess the OPEB liabilities and provide disclosure information as required by Statement No. 45 of the Governmental Accounting Standards Board (GASB 45). Note that allowing retirees to continue medical coverage at the same premium rates as are charged for active employees is also considered a benefit subsidy under GASB 45; however, this liability is not currently required to be reported pursuant to an exception (see Section C).

How much TJPA contributes each year affects the calculation of liabilities. “Prefunding” is the term used to describe when an agency consistently contributes an amount at least equal to the annual required contribution (ARC) each year. Contributing only the current year’s retiree payments is referred to as “pay-as-you-go” financing. There are other options relating to the funding policy, including shorter amortization periods and “partial pre-funding”. These other options would require additional calculations not provided in this report, although we would be happy to provide illustrations if requested.

Prefunding the plan generally supports use of a higher discount rate and often produces substantially lower liabilities than a pay-as-you-go financing approach. This valuation uses a discount rate of 4.0% for pay-as-you-go calculations and illustrates prefunding results using a 6.5% discount rate. Neither rate is a guarantee of future investment performance, but rather an assumption about the long term rate of return. We have selected these rates for illustrative purposes, though the ultimate decision for these rates lies with Employer.

In its financial report for the period ending June 30, 2014, TJPA reported a combined net OPEB obligation of $164,171. Exhibits presented in this report reflect our understanding that the results of this January 1, 2015 valuation will be applied in determining the annual OPEB expense for the fiscal years ending June 30, 2015, 2016 and 2017.

TJPA confirmed it has not yet established an irrevocable OPEB trust, though is exploring the possibility of doing so. As explained above, the dollar amount of the OPEB liability and the annual required contribution depend on the level of OPEB funding. The chart below summarizes and compares results on a pay-as-you-go and prefunding basis for the fiscal year ending June 30, 2015.

Subsidy	Pay-As-You-Go	Prefunding
Discount Rate	4.0%	6.5%
Present Value of Projected Benefits	$ 642,087	$ 329,946
Actuarial Accrued Liability	286,702	170,544
Actuarial Value of Assets	-	-
Unfunded Actuarial Accrued Liability	286,702	170,544
Funded Ratio	0.0%	0.0%
Annual Required Contribution (ARC) for FYE 2015	$ 41,581	$ 25,708
Expected City paid benefits for retirees	-	-
Expected contribution to OPEB trust	-	25,708
Expected net OPEB obligation at June 30, 2015	$ 205,795	$ 165,765

While *we believe the pay-as-you-go results should be used for TJPA’s reporting for fiscal year end 2015*, this comparison illustrates the potential benefits of a prefunding policy.

Executive Summary (concluded)

Pay-as-you-go financing results are shown for the fiscal years ending June 30, 2015, 2016 and 2017 in tables beginning on page 11. An illustration of results on a prefunding basis for the fiscal year ending June 30, 2016 is provided in Appendix 1; additional information to facilitate OPEB reporting in TJPA's financial statements is provided in Appendix 2.

The liabilities shown in the report reflect assumptions regarding continued future employment, rates of retirement and survival, and elections by future retirees to continue medical coverage in retirement. Please note that this valuation has been prepared on a closed group basis; no provision is generally made for new employees until the valuation date following their employment.

An exhibit comparing current valuation results to those from the prior valuation is provided on page 6, followed by a description of changes made in developing these liabilities. An actuarial valuation is, by its nature, a projection and to the extent that actual experience is not what we assumed, future results will be different. Some possible sources of future differences may include:

- A significant change in the number of covered or eligible plan members;
- A significant increase or decrease in the future medical premium rates or in the subsidy provided by TJPA toward retiree medical premiums;
- Longer life expectancies of retirees;
- Establishment of an irrevocable OPEB trust with TJPA contributions made thereto;
- Recognition of the "implicit subsidy" liability arising when medical premiums for retired employees are the same as premiums for active employees. Pursuant to a change in Actuarial Standards of Practice, this additional liability will be required to be reflected in valuations dated on or after March 31, 2015;
- Implementation of GASB 75, the new OPEB accounting standard. Many provisions are similar to those adopted in GASB 68 for defined benefit retirement plan liabilities, including a shift in reporting the unfunded OPEB liability from a footnote to the balance sheet.

Details of our valuation process and the various disclosures required by GASB 45 are provided on the succeeding pages. The next valuation should be prepared not later than January 1, 2018. If there are any significant changes in the employee data, benefits provided or the funding policy, please contact us to discuss whether an earlier valuation is appropriate.

Important Notices

This report is intended to be used only to present the actuarial information relating to other postemployment benefits for TJPA's financial statements and to provide the annual contribution information with respect to TJPA's current OPEB funding policy. The results of this report may not be appropriate for other purposes, where other assumptions, methodology and/or actuarial standards of practice may be required or more suitable. We note that various issues in this report may involve legal analysis of applicable law or regulations. TJPA should consult counsel on these matters; Bickmore does not practice law and does not intend anything in this report to constitute legal advice. In addition, we recommend TJPA consult with their internal accounting staff or external auditor or accounting firm about the accounting treatment of OPEB liabilities.

Table 1A
Valuation Results
Pay-As-You-Go Basis

The basic valuation results are presented in Section E. The following summarized the results of the January 1, 2015 valuation adjusted to be applicable for the fiscal years ending June 30, 2015, 2016 and 2017. These adjusted results become the basis for calculating the annual required contribution for these years, shown in Table 1B on the following page.

	Pay-As-You-Go Basis		
Valuation date	**1/1/2015**		
For fiscal year beginning	7/1/2014	7/1/2015	7/1/2016
For fiscal year ending	6/30/2015	6/30/2016	6/30/2017
Expected long term rate of return on assets	N/A	N/A	N/A
Discount rate	4.0%	4.0%	4.0%
Number of Covered Employees*			
Actives	13	13	13
Retirees	-	-	-
Total Participants	13	13	13
Actuarial Present Value of Projected Benefits			
Actives	$ 642,087	$ 667,621	$ 693,835
Retirees	-	-	-
Total APVPB	642,087	667,621	693,835
Actuarial Accrued Liability (AAL)			
Actives	271,446	313,781	358,497
Retirees	-	-	-
Total AAL	271,446	313,781	358,497
Actuarial Value of Assets	-	-	-
Unfunded AAL (UAAL)	271,446	313,781	358,497
Normal Cost	30,411	31,399	32,419
Benefit Payments			
Future Retirees	-	314	1,052
Current Retirees	-	-	-
Total	-	314	1,052

* The counts of active employees and retirees shown above are as of the valuation date and are not necessarily the count expected in the following years. Because this valuation has been prepared on a closed group basis, no potential future employees are included. These liabilities already anticipate the likelihood that some active employees may leave employment forfeiting benefits, some may retire and elect benefits and coverage for some of the retired employees may cease.

Table 1B
Calculation of the Annual Required Contribution
Pay-As-You-Go Basis

The following exhibit calculates the amortization payments and the annual required contribution (ARC) on a pay-as-you-go basis for the fiscal years ending June 30, 2015, 2016 and 2017.

	Pay-As-You-Go Basis		
Fiscal Year End	**6/30/2015**	**6/30/2016**	**6/30/2017**
Funding Policy			
Discount rate	4.0%	4.0%	4.0%
Amortization method	Level % of Pay	Level % of Pay	Level % of Pay
Initial amortization period (in years)	30	30	30
Remaining period (in years)	30	29	28
Determination of Amortization Payment			
UAAL	$ 271,446	$ 313,781	$ 358,497
Factor	26.1695	25.4138	24.6509
Payment	10,373	12,347	14,543
Annual Required Contribution (ARC)			
Normal Cost	30,411	31,399	32,419
Amortization of UAAL	10,373	12,347	14,543
Interest to 06/30	797	854	917
Total ARC at fiscal year end	41,581	44,600	47,879

While the following is not intended to be used to determine the normal cost or ARC in future years, this information may be of value for planning purposes:

Valuation date	**1/1/2015**		
Fiscal Year End	**6/30/2015**	**6/30/2016**	**6/30/2017**
Projected covered payroll	$ 2,101,029	$ 2,169,312	$ 2,239,815
Normal Cost as a percent of payroll	1.4%	1.4%	1.4%
ARC as a percent of payroll	2.0%	2.1%	2.1%
ARC per active ee	3,199	3,431	3,683

Table 1C
Expected OPEB Disclosures

The exhibit below develops the annual OPEB expense, estimates the expected OPEB contributions, and projects the net OPEB obligation for the fiscal years ending June 30, 2015, 2016 and 2017. The calculations assume the Authority continues to follow the pay-as-you-go approach outlined on the prior page.

	Pay-As-You-Go Basis		
Fiscal Year End	**6/30/2015**	**6/30/2016**	**6/30/2017**
1. Calculation of the Annual OPEB Expense			
a. ARC for current fiscal year	$ 41,581	$ 44,600	$ 47,879
b. Interest on Net OPEB Obligation (Asset) at beginning of year	6,567	8,232	9,996
c. Adjustment to the ARC	(6,524)	(8,422)	(10,543)
d. **Annual OPEB Expense (a. + b. + c.)**	41,624	44,410	47,332
2. Calculation of Expected Contribution			
a. Estimated payments on behalf of retirees	-	314	1,052
b. Estimated contribution to OPEB trust	-	-	-
c. **Total Expected Employer Contribution**	-	314	1,052
3. Change in Net OPEB Obligation *(1.d. minus 2.c.)*	41,624	44,096	46,280
Net OPEB Obligation (Asset), beginning of fiscal year	164,171	205,795	249,891
Net OPEB Obligation (Asset) at fiscal year end	205,795	249,891	296,171

Notes on calculations above:

- Interest on the net OPEB obligation (or asset), shown above in item 1.b. is equal to the applicable discount rate (4.0%) multiplied by the net OPEB obligation or asset at the beginning of the year.
- The Adjustment to the ARC, shown above in item 1.c., is always the opposite sign of the net OPEB obligation or asset and exists to avoid double-counting of the amounts previously expensed but imbedded in the current ARC. This adjustment is calculated as *the opposite of* the net OPEB obligation (or asset) at the beginning of the year, plus interest on that amount (item 1.b.) with the sum then divided by the same amortization factor used to determine the ARC for this year (see the prior page for this factor).

Appendix 1
Prefunding Illustration for Fiscal Year Ending June 30, 2016

The exhibit below compares the pay-as-you-go results with results if the Authority were to adopt a prefunding policy and begin contributing 100% of the ARC for the fiscal year ending June 30, 2016 and all future years. The pay-as-you-go results match those presented in Tables 1A and 1B. The prefunding results were developed assuming a 6.5% long term rate of return on trust assets.

	Pay-As-You-Go	Prefunding
Valuation date	**1/1/2015**	
For fiscal year beginning	7/1/2015	7/1/2015
For fiscal year ending	6/30/2016	6/30/2016
Discount rate	**4.00%**	**6.50%**
Actuarial Present Value of Projected Benefits		
Actives	$ 667,621	$ 351,241
Retirees	-	-
Total APVPB	667,621	351,241
Actuarial Accrued Liability (AAL)		
Actives	313,781	190,268
Retirees	-	-
Total AAL	313,781	190,268
Actuarial Value of Assets	-	-
Unfunded AAL (UAAL)	313,781	190,268
Amortization factor	25.4138	18.8828
Annual Required Contribution (ARC)		
Normal Cost	31,399	17,032
Amortization of UAAL	12,347	10,076
Interest to fiscal year end	854	855
Total ARC at fiscal year end	44,600	27,963
1. Calculation of the Annual OPEB Expense		
a. ARC for current fiscal year	$ 44,600	$ 27,963
b. Interest on beginning Net OPEB Obligation	8,232	12,446
c. Adjustment to the ARC	(8,422)	(10,799)
d. **Annual OPEB Expense (a. + b. + c.)**	44,410	29,610
2. Calculation of Expected Contribution		
a. Estimated payments on behalf of retirees	314	314
b. Estimated contribution to OPEB trust	-	27,649
c. **Total Expected Employer Contribution**	314	27,963
3. Change in Net OPEB Obligation *(1.d. minus 2.c.)*	44,096	1,647
Net OPEB Obligation, beginning of fiscal year	205,795	205,795
Net OPEB Obligation at fiscal year end	249,891	207,442

CALIFORNIA EMPLOYERS' RETIREE BENEFIT TRUST PROGRAM ("CERBT")

AGREEMENT AND ELECTION OF

Transbay Joint Powers Authority

(NAME OF EMPLOYER)

TO PREFUND OTHER POST EMPLOYMENT BENEFITS THROUGH CalPERS

WHEREAS (1) Government Code Section 22940 establishes in the State Treasury the Annuitants' Health Care Coverage Fund for the prefunding of health care coverage for annuitants (Prefunding Plan); and

WHEREAS (2) The California Public Employees' Retirement System (CalPERS) Board of Administration (Board) has sole and exclusive control and power over the administration and investment of the Prefunding Plan (sometimes also referred to as CERBT), the purposes of which include, but are not limited to (i) receiving contributions from participating employers and establishing separate Employer Prefunding Accounts in the Prefunding Plan for the performance of an essential governmental function (ii) investing contributed amounts and income thereon, if any, in order to receive yield on the funds and (iii) disbursing contributed amounts and income thereon, if any, to pay for costs of administration of the Prefunding Plan and to pay for health care costs or other post employment benefits in accordance with the terms of participating employers' plans; and

WHEREAS (3) Transbay Joint Powers Authority

(NAME OF EMPLOYER)

(Employer) desires to participate in the Prefunding Plan upon the terms and conditions set by the Board and as set forth herein; and

WHEREAS (4) Employer may participate in the Prefunding Plan upon (i) approval by the Board and (ii) filing a duly adopted and executed Agreement and Election to Prefund Other Post Employment Benefits (Agreement) as provided in the terms and conditions of the Agreement; and

WHEREAS (5) The Prefunding Plan is a trust fund that is intended to perform an essential governmental function within the meaning of Section 115 of the Internal Revenue Code as an agent multiple-employer plan as defined in Governmental Accounting Standards Board (GASB) Statement No. 43 consisting of an aggregation of single-employer plans, with pooled administrative and investment functions;

NOW, THEREFORE, BE IT RESOLVED THAT EMPLOYER HEREBY MAKES THE FOLLOWING REPRESENTATION AND WARRANTY AND THAT THE BOARD AND EMPLOYER AGREE TO THE FOLLOWING TERMS AND CONDITIONS:

A. Representation and Warranty

Employer represents and warrants that it is a political subdivision of the State of California or an entity whose income is excluded from gross income under Section 115 (1) of the Internal Revenue Code.

B. Adoption and Approval of the Agreement; Effective Date; Amendment

(1) Employer's governing body shall elect to participate in the Prefunding Plan by adopting this Agreement and filing with the CalPERS Board a true and correct original or certified copy of this Agreement as follows:

Filing by mail, send to:

CalPERS
Affiliate Program Services Division
CERBT (OPEB)
P.O. Box 1494
Sacramento, CA 95812-1494

Filing in person, deliver to:

CalPERS Mailroom
Affiliate Program Services Division
CERBT (OPEB)
400 Q Street
Sacramento, CA 95811

(2) Upon receipt of the executed Agreement, and after approval by the Board, the Board shall fix an effective date and shall promptly notify Employer of the effective date of the Agreement.

(3) The terms of this Agreement may be amended only in writing upon the agreement of both CalPERS and Employer, except as otherwise provided herein. Any such amendment or modification to this Agreement shall be adopted and executed in the same manner as required for the Agreement. Upon receipt of the executed amendment or modification, the Board shall fix the effective date of the amendment or modification.

(4) The Board shall institute such procedures and processes as it deems necessary to administer the Prefunding Plan, to carry out the purposes of this Agreement, and to maintain the tax exempt status of the Prefunding Plan. Employer agrees to follow such procedures and processes.

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.

(a) Unless qualified under GASB 45 and 57 to provide an AMM report, Employer shall provide to the Board an actuarial valuation report. 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 and 57, and shall be:

1) prepared and signed by a Fellow or Associate of the Society of Actuaries who is also a Member of the American Academy of Actuaries or a person with equivalent qualifications acceptable to the Board;

2) prepared in accordance with generally accepted actuarial practice and GASB 43, 45 and 57; and,

3) provided to the Board prior to the Board's acceptance of contributions for the valuation period or as otherwise required by the Board.

(b) If qualified under GASB 45 and 57, Employer may provide to the Board an AMM report. Such report shall be for the Board's use in financial reporting, shall be prepared at least as often as the minimum frequency required by GASB 43 and 57, and shall be:

1) affirmed by Employer's external auditor, or by a Fellow or Associate of the Society of Actuaries who is also a Member of the American Academy of Actuaries or a person with equivalent qualifications acceptable to the Board, to be consistent with the AMM process described in GASB 45;

2) prepared in accordance with GASB 43, 45, and 57; and,

3) provided to the Board prior to the Board's acceptance of contributions for the valuation period or as otherwise required by the Board.

(2) The Board may reject any OPEB cost report submitted to it, but shall not unreasonably do so. In the event that the Board determines, in its sole discretion, that the OPEB cost report is not suitable for use in the Board's financial statements or if Employer fails to provide a required OPEB cost report, the Board may obtain, at

Employer's expense, an OPEB cost report that meets the Board's financial reporting needs. The Board may recover from Employer the cost of obtaining such OPEB cost report by billing and collecting from Employer or by deducting the amount from Employer's account in the Prefunding Plan.

(3) Employer shall notify the Board of the amount and time of contributions which contributions shall be made in the manner established by the Board.

(4) Employer contributions to the Prefunding Plan may be limited to the amount necessary to fully fund Employer's actuarial present value of total projected benefits, as supported by the OPEB cost report acceptable to the Board. As used throughout this document, the meaning of the term "actuarial present value of total projected benefits" is as defined in GASB Statement No. 45. If Employer's contribution causes its assets in the Prefunding Plan to exceed the amount required to fully fund the actuarial present value of total projected benefits, the Board may refuse to accept the contribution.

(5) No contributions are required. If an employer elects to contribute then the contribution amount should not be less than $5000 or the employer's annual required contribution (ARC), whichever amount is lower. Contributions can be made at any time following the seventh day after the effective date of the Agreement provided that Employer has first complied with the requirements of Paragraph C.

D. Administration of Accounts, Investments, Allocation of Income

(1) The Board has established the Prefunding Plan as an agent plan consisting of an aggregation of single-employer plans, with pooled administrative and investment functions, under the terms of which separate accounts will be maintained for each employer so that Employer's assets will provide benefits only under employer's plan.

(2) All Employer contributions and assets attributable to Employer contributions shall be separately accounted for in the Prefunding Plan (Employer's Prefunding Account).

(3) Employer's Prefunding Account assets may be aggregated with prefunding account assets of other employers and may be co-invested by the Board in any asset classes appropriate for a Section 115 Trust.

(4) The Board may deduct the costs of administration of the Prefunding Plan from the investment income or Employer's Prefunding Account in a manner determined by the Board.

(5) Investment income shall be allocated among employers and posted to Employer's Prefunding Account as determined by the Board but no less frequently than annually.

(6) If Employer's assets in the Prefunding Plan exceed the amount required to fully fund the actuarial present value of total projected benefits, the Board, in compliance with applicable accounting and legal requirements, may return such excess to Employer.

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 at least annually reflecting the balance in Employer's Prefunding Account, contributions made during the period and income allocated during the period, and such other information as the Board determines.

F. Disbursements

(1) Employer may receive disbursements not to exceed the annual premium and other costs of post employment healthcare benefits and other post employment benefits as defined in GASB 43.

(2) Employer shall notify CalPERS in writing in the manner specified by CalPERS of the persons authorized to request disbursements from the Prefunding Plan on behalf of Employer.

(3) Employer's request for disbursement shall be in writing signed by Employer's authorized representative, in accordance with procedures established by the Board. The Board may require that Employer certify or otherwise establish that the monies will be used for the purposes of the Prefunding Plan.

(4) Requests for disbursements that satisfy the requirements of paragraphs (2) and (3) will be processed monthly.

(5) CalPERS shall not be liable for amounts disbursed in error if it has acted upon the written instruction of an individual authorized by Employer to request disbursements. In the event of any other erroneous disbursement, the extent of CalPERS' liability shall be the actual dollar amount of the disbursement, plus interest at the actual earnings rate but not less than zero.

(6) No disbursement shall be made from the Prefunding Plan which exceeds the balance in Employer's Prefunding Account.

G. Costs of Administration

Employer shall pay its share of the costs of administration of the Prefunding Plan, as determined by the Board.

H. 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) The Board finds that Employer fails to satisfy the terms and conditions of this Agreement or of the Board's rules or regulations.

(2) If Employer’s participation in the Prefunding Plan terminates for any of the foregoing reasons, all assets in Employer’s Prefunding Account shall remain in the Prefunding Plan, except as otherwise provided below, and shall continue to be invested and accrue income as provided in Paragraph D.

(3) After Employer’s participation in the Prefunding Plan terminates, Employer may not make contributions to the Prefunding Plan.

(4) After Employer’s participation in the Prefunding Plan terminates, disbursements from Employer’s Prefunding Account may continue upon Employer’s instruction or otherwise in accordance with the terms of this Agreement.

(5) After the Employer’s participation in the Prefunding Plan terminates, the governing body of the Employer may request either:

(a) A trustee to trustee transfer of the assets in Employer’s Prefunding Account; provided that the Board shall have no obligation to make such transfer unless the Board determines that the transfer will satisfy applicable requirements of the Internal Revenue Code, other law and accounting standards, and the Board’s fiduciary duties. If the Board determines that the transfer will satisfy these requirements, the Board shall then have one hundred fifty (150) days from the date of such determination to effect the transfer. The amount to be transferred shall be the amount in the Employer's Prefunding Account as of the date of the transfer (the “transfer date”) and shall include investment earnings up to an investment earnings allocation date preceding the transfer date. In no event shall the investment earnings allocation date precede the transfer date by more than 150 days.

(b) A disbursement of the assets in Employer’s Prefunding Account; provided that the Board shall have no obligation to make such disbursement unless the Board determines that, in compliance with the Internal Revenue Code, other law and accounting standards, and the Board’s fiduciary duties, all of Employer's obligations for payment of post-employment health care benefits and other post-employment benefits and reasonable administrative costs of the Board have been satisfied. If the Board determines that the disbursement will satisfy these requirements, the Board shall then have one hundred fifty (150) days from the date of such determination to effect the disbursement. The amount to be disbursed shall be the amount in the Employer’s Prefunding Account as of the date of the disbursement (the “disbursement date”) and shall include investment earnings up to an investment earnings allocation date preceding the disbursement date. In no event shall the investment earnings allocation date precede the disbursement date by more than 150 days.

(6) After Employer's participation in the Prefunding Plan terminates and at such time that no assets remain in Employer's Prefunding Account, this Agreement shall 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.

(8) If Employer ceases to exist but Employer's Prefunding Plan continues to exist and if no provision has been made by Employer for ongoing payments to pay post employment health care benefits and other post employment benefits to annuitants for current and future annuitants, the Board is authorized to and shall appoint a third party administrator to carry out Employer's Prefunding Plan. Any and all costs associated with such appointment shall be paid from the assets attributable to contributions by Employer.

(9) If Employer should breach the representation and warranty set forth in Paragraph A., the Board shall take whatever action it deems necessary to preserve the tax-exempt status of the Prefunding Plan.

I. General Provisions

(1) Books and Records.

Employer shall keep accurate books and records connected with the performance of this Agreement. Employer shall ensure that books and records of subcontractors, suppliers, and other providers shall also be accurately maintained. Such books and records shall be kept in a secure location at the Employer's office(s) and shall be available for inspection and copying by CalPERS and its representatives.

(2) Audit.

(a) During and for three years after the term of this Agreement, Employer shall permit the Bureau of State Audits, CalPERS, and its authorized representatives, and such consultants and specialists as needed, at all reasonable times during normal business hours to inspect and copy, at the expense of CalPERS, books and records of Employer relating to its performance of this Agreement.

(b) Employer shall be subject to examination and audit by the Bureau of State Audits, CalPERS, and its authorized representatives, and such consultants and specialists as needed, during the term of this Agreement and for three years after final payment under this Agreement. Any examination or audit shall be confined to those matters connected with the performance of this Agreement, including, but not limited to, the costs of administering this Agreement. Employer shall cooperate fully with the Bureau of State Audits, CalPERS, and its authorized representatives, and such consultants and specialists as needed, in connection with any examination or audit. All adjustments, payments, and/or reimbursements determined to be necessary by any examination or audit shall be made promptly by the appropriate party.

(3) Notice.

(a) Any notice, approval, or other communication required or permitted under this Agreement will be given in the English language and will be deemed received as follows:

1. Personal delivery. When personally delivered to the recipient. Notice is effective on delivery.

2. First Class Mail. When mailed first class to the last address of the recipient known to the party giving notice. Notice is effective three delivery days after deposit in a United States Postal Service office or mailbox.

3. Certified mail. When mailed certified mail, return receipt requested. Notice is effective on receipt, if delivery is confirmed by a return receipt.

4. Overnight Delivery. When delivered by an overnight delivery service, charges prepaid or charged to the sender's account, Notice is effective on delivery, if delivery is confirmed by the delivery service.

5. Telex or Facsimile Transmission. When sent by telex or fax to the last telex or fax number of the recipient known to the party giving notice. Notice is effective on receipt, provided that (i) a duplicate copy of the notice is promptly given by first-class or certified mail or by overnight delivery, or (ii) the receiving party delivers a written confirmation of receipt. Any notice given by telex or fax shall be deemed received on the next business day if it is received after 5:00 p.m. (recipient's time) or on a nonbusiness day.

6. E-mail transmission. When sent by e-mail using software that provides unmodifiable proof (i) that the message was sent, (ii) that the message was delivered to the recipient's information processing system, and (iii) of the time and date the message was delivered to

the recipient along with a verifiable electronic record of the exact content of the message sent.

Addresses for the purpose of giving notice are as shown in Paragraph B.(1) of this Agreement.

(b) Any correctly addressed notice that is refused, unclaimed, or undeliverable because of an act or omission of the party to be notified shall be deemed effective as of the first date that said notice was refused, unclaimed, or deemed undeliverable by the postal authorities, messenger or overnight delivery service.

(c) Any party may change its address, telex, fax number, or e-mail address by giving the other party notice of the change in any manner permitted by this Agreement.

(d) All notices, requests, demands, amendments, modifications or other communications under this Agreement shall be in writing. Notice shall be sufficient for all such purposes if personally delivered, sent by first class, registered or certified mail, return receipt requested, delivery by courier with receipt of delivery, facsimile transmission with written confirmation of receipt by recipient, or e-mail delivery with verifiable and unmodifiable proof of content and time and date of sending by sender and delivery to recipient. Notice is effective on confirmed receipt by recipient or 3 business days after sending, whichever is sooner.

(4) Modification

This Agreement may be supplemented, amended, or modified only by the mutual agreement of the parties. No supplement, amendment, or modification of this Agreement shall be binding unless it is in writing and signed by the party to be charged.

(5) Survival

All representations, warranties, and covenants contained in this Agreement, or in any instrument, certificate, exhibit, or other writing intended by the parties to be a part of their Agreement shall survive the termination of this Agreement until such time as all amounts in Employer's Prefunding Account have been disbursed.

(6) Waiver

No waiver of a breach, failure of any condition, or any right or remedy contained in or granted by the provisions of this Agreement shall be effective unless it is in writing and signed by the party waiving the breach, failure, right, or remedy. No waiver of any breach, failure, right, or remedy shall be deemed a waiver of any other breach, failure, right, or remedy, whether or not similar, nor shall any waiver constitute a continuing waiver unless the writing so specifies.

(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 ______ day of the month of __________________ in the year 2016, authorized entering into this Agreement.

Signature of the Presiding Officer: ____

Printed Name of the Presiding Officer: Greg Harper

Name of Governing Body: Transbay Joint Powers Authority Board of Directors

Name of Employer: Transbay Joint Powers Authority

Date: ______________________________

BOARD OF ADMINISTRATION
CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

BY_____________________________________
JOHN SWEDENSKY
AFFILIATE PROGRAM SERVICES DIVISION
CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

To be completed by CalPERS

The effective date of this Agreement is: _________________________

CalPERS

DELEGATION OF AUTHORITY
TO REQUEST DISBURSEMENTS

RESOLUTION
OF THE

Board of Directors
(GOVERNING BODY)

OF THE

Transbay Joint Powers Authority
(NAME OF EMPLOYER)

The Transbay Joint Powers Authority Board of Directors delegates to the incumbents
(GOVERNING BODY)

in the positions of Executive Director and
(TITLE)

Chief Financial Officer and/or
(TITLE)

n/a 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 TJPA Board Secretary

Witness ________________________________

Date ________________________________