

Friday, July 22, 2022  
3 p.m.  
Audit and Finance Meeting  
NOTES

**Members Present:** David Couch, Greg Orsini  
**Staff Present:** Nicole Alvarado, April Sousa  
**Guests Present:** Jasper Jacobs, CalPERS Prefunding Programs

**Meeting Called to Order at 3:05 p.m.**

### **Public Comment**

- None

### **Section 115 Trust – Review Purpose of a Trust and Potential Benefits**

Jasper Jacobs from CalPERS gave an overview of the trust

- District currently has savings accounts for liabilities but does not meet the unfunded liabilities.
- Section 115 Trust allows district to put money from savings into investment account and get potentially better returns.
- Market is not in a good position right now
- Once money is deposited into the trust for this purpose, can only use it for that purpose. Liquidity of the trust was discussed.
- Unfunded accrued liabilities (UAL) – two-year lag on current UAL
- Two programs – CERBT (short term – secondary trust) is designated for other post-employment benefit liabilities and CEPPT is designated for pension liabilities (long term – primary trust)
- Because it is a trust, there must be in and out of money – when money is put in, must also have money go out.
- Can start Section 115 Trust and just put the amount that would be the payment in, and then use for the payment to CalPERS

Plan moving forward was discussed: The committee will meet again regarding CalCLASS to discuss what will get invested there and marry that with information from the Section 115 Trust. In Fall 2022, a comprehensive strategy will be brought to the Board for consideration.

This was an information only item.

**Adjourn – 3:55 p.m.**