



DATE: June 28, 2017

TO: Waste Management Authority (WMA) Board

FROM: Wendy Sommer, Executive Director

BY: Todd High, Financial Services Manager

SUBJECT: Fiscal Year 2016-17 Funding Approval for Retiree Medical Benefits

SUMMARY

At the June 8, 2017 Programs and Administration (P&A) Committee meeting, staff recommended that the Committee recommend to the Authority Board to authorize the Executive Director to contribute an additional \$250,000 to the Agency’s California Employers’ Retiree Benefit Trust Fund (CERBT) for Other Post-Employment Benefits (OPEB) liabilities. By making this contribution the Agency will likely benefit from higher investment earnings to mitigate future costs and will continue to maintain its excellent funded status (currently at approximately 95%). Furthermore, based on current labor cost projections, the Agency estimates to accrue vacancy savings and labor rate differentials that are more than adequate to offset the increased OPEB contribution this fiscal year. Therefore, there is no increase in the FY 2016-17 overall budget or need to draw down on the Agency’s fund balance to make this additional payment.

The report submitted to the P&A can be found at: [Funding-Retiree-Benefits-06-08-17.pdf](#)

COMMITTEE ACTION

The P&A Committee recommended by a vote of 7-1 (Ayes: Bacon, Biddle, Cox, Ellis, Hannon, Sadoff, Young. Nays: Lamnin. Abstain: None. Absent: Arreguin, Carling, Carson, Kalb) that the WMA Board authorize the Executive Director to contribute the additional \$250,000 to the Agency’s CERBT fund for the Agency’s OPEB account

RECOMMENDATION

The Programs & Administration recommends that the WMA Board authorize the Executive Director to contribute the additional \$250,000 in FY 2016/17 to the Agency’s CERBT fund for the Agency’s OPEB account.