

**Orange County
Vector Control District**

Memo

DATE: January 28, 2010

TO: Gerard Goedhart, District Manager

FROM: Kelly Price, Director of Administrative Services

RE: Weekly Activities Memo

CalPERS Unfunded Liability – In response to Trustee Moorlach’s request of the District’s liability with CalPERS at the December 2009 Board meeting, I contacted the Chief Actuary, Rick Santos. According to Mr. Santos, it is not possible to calculate an agency’s liability unless a request is made for a termination valuation. Mr. Santos also stated that an estimate is difficult to calculate due to limited time with CalPERS and the fact that OCVCD brought zero past service time to the PERS system. Mr. Santos also stated that any District share of the pool’s assets would be “relatively small.” An email from Rick Santos is attached for reference.

From: Santos, Richard [Richard_Santos@calpers.ca.gov]

Sent: Tuesday, January 26, 2010 10:02 AM

To: Kelly Price

Subject: OCVD's Unfunded Liability

Kelly, as we spoke on the phone, there really is no way pin an exact number on your share of the pool's assets (which would ultimately determine your share of the unfunded liability) unless you go through the termination process. Some agencies have tried to approximate this number, however, there probably isn't a good way to do this, given the fact that you haven't been in the pool that long and you have no service liability prior to the contract effective date. The only thing I can tell you is that since you have been in the pool for a short time (3 years), your share of the pool's assets would be relatively small, but this is offset by the fact that your service accruals (only 3 years for most employees) are small as well. Consequently, were you to terminate, your share of the pool's unfunded liability would be small, relative to others in the pool that have been in there longer.

Rick

DefenderMX2.