



RESOLUTION No. _____

OF THE BOARD OF SUPERVISORS OF THE COUNTY OF NEVADA

RESOLUTION APPROPRIATING \$2,000,000 FROM THE PENSION CONTRIBUTIONS ASSIGNMENT OF THE GENERAL FUND TO PRE-FUND PENSION CONTRIBUTIONS IN THE POST-EMPLOYMENT BENEFITS TRUST PROGRAM ADMINISTERED BY PUBLIC AGENCY RETIREMENT SERVICES (PARS) AND DIRECTING THE AUDITOR-CONTROLLER TO AMEND THE SOURCES AND USES BUDGET FOR FISCAL YEAR 2020-2021 (4/5 AFFIRMATIVE VOTE REQUIRED)

WHEREAS, the Board of Supervisors recognizes that pension costs are a continued threat to the county's objective of maintaining financial stability and core services, and that pre-funding future pension costs and stabilizing pension contributions will help achieve County fiscal objectives; and

WHEREAS, on May 9, 2017, the Board of Supervisors passed Resolution 17-208 to adopt the PARS Public Agency Post-Employment Benefits Trust Program (Program), a tax-exempt trust program within the meaning of Section 115 of the Internal Revenue Code which allows for setting aside funds the exclusive purpose of making future contributions of the County's required pension contributions and any additional employer contributions above the required contributions at the discretion of the County; and

WHEREAS, on June 17, 2017, the Board of Supervisors passed resolution 17-283, authorizing the transfer of \$3,200,000 from the Pension Contribution assignment of the General Fund to the Pension Trust. Those funds have been used for budgetary and pension contribution stabilization needs, particularly to smooth the payments the county was making related to the Safety Plan side fund pension liability, for which the final payments occurred in fiscal year 2020-2021, with \$1,692,580 remaining in the Pension Trust as of June 30, 2020; and

WHEREAS, the Board of Supervisors adopted a Pension Management Policy on June 18, 2019 with resolution 19-264. The policy targets the Board priority of fiscal stability, recognizes the continuing fiscal challenge of pension funding, and promotes strong financial management practices. The policy institutes pension management practices including prepaying annual required contributions as allowed by CalPERS, evaluating feasibility of alternative amortization schedules, and supporting a pension funding stabilization program; and

WHEREAS, the Board has authorized the prepayment of annual unfunded liability for the Safety Plan for the past several years and the Miscellaneous plan for the past two years, with an estimated annual cost savings of \$395,000 in fiscal year 2020-2021. In the Budget Hearing on June 1, 2021, staff presented to the Board with the intent to prepay the unfunded liabilities for both plans in the fiscal year 2021-2022, for an estimated savings of \$432,000; and

WHEREAS, in the Budget Hearing on June 1, 2021, staff presented the intent to pre-fund the Pension Trust with an additional \$2,000,000 in the 2020-2021 fiscal year ending June 30, 2021 for the purpose adding to the existing Pension Trust balance of \$1,692,580 as of June 30, 2020, to smooth pension costs over the next approximately five years to relieve pressure on and stabilize budgets and finances and mitigate impacts to county services.

NOW, THEREFORE, BE IT RESOLVED, that the Nevada County Board of Supervisors hereby directs the Auditor-Controller to release \$2,000,000 of the General Fund Pension Contributions assignment and to amend the Fiscal Year 2020-2021 Sources and Uses budget as follows :

Increase:

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| 0101-10206-272-1000 - 522090 | \$2,000,000 |
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