

KENTFIELD FIRE PROTECTION DISTRICT - Policy & Procedure Manual

Subject: RESERVES POLICY - PERS

Date Initiated: 2/19/2003

Date Revised:

I.D. B.O.D.

Approved: BOD

Authorization BOD Resolution

Author Lando

Reference Board Resolution

PURPOSE: Resolution of the Kentfield Fire Protection District to adopt policies relating to the establishment of financial reserves for the purpose of funding the retirement benefits of its employees

PROCEDURE:

WHEREAS, the Kentfield Fire Protection District provides retirement benefits for its employees through the Public Employees Retirement System (PERS), and

WHEREAS, PERS establishes the Fire District's annual contribution rates through actuarial studies that review employee statistics and economic conditions as they relate to the Fire District fund balances, and

WHEREAS, fluctuations in the economy and unforeseen disability retirements can cause severe fluctuations in the Fire District's annual contribution rates to PERS, and

WHEREAS, it is desirable to have stable annual PERS rates for the purpose of preparing the Fire District's annual budget.

NOW, THEREFORE, BE IT HEREBY RESOLVED by the Kentfield Fire Protection District Board of Directors, that:

The District shall determine the average retirement rate calculated from a minimum of the ten prior fiscal years annual rates (AR).

The District shall budget according to that calculated average rate (CAR).

When the District's AR is under the CAR, the District shall allocate to the PERS reserve fund an amount equal to the difference of the AR and the CAR.

When the District's AR is in excess of the CAR, the District may choose to utilize part of the PERS rate stabilization fund (reserve) to make up the difference in that budget year.

The District shall maintain, as a minimum, an amount in the PERS rate stabilization fund equal to the current years PERS budget and no less than the CAR as calculated in that budget year.

The District shall maintain, as a maximum, an amount in the PERS rate stabilization fund equal to the CAR for three years.

