

**Galt Joint Union Elementary School District
Board of Education**
“Building a Bright Future for All Learners”

Special Board Meeting
Monday, April 8, 2019
6:00 p.m. Open Session

Galt Joint Union Elementary School District
1018 C Street, Suite 210, Galt, CA 95632

AGENDA

Anyone may address the Board regarding any item that is within the Board’s subject matter jurisdiction. However, the Board may not take action on any item which is not on this agenda as authorized by Government Code Section 54954.2.

Community members and employees may address items on the agenda by filling out a speaker’s request form and giving it to the board meeting assistant prior to the start of that agenda item.

Comments are limited to no more than 3 minutes or less pending Board President approval.

A. 6:00 p.m. – Open Session: Galt Joint Union Elementary School District Office

B. Call Meeting to Order, Flag Salute

C. Public Comments for topics not on the agenda

Public comment should be limited to three minutes or less pending Board President approval. Community members who cannot wait for the related agenda item may also request to speak at this time by indicating this on the speaker’s request form.

171.999 Board Consideration of Approval of the Public Agency Retirement Services (PARS) Supplementary Retirement Plan for Certificated Non-Management Employees MOTION

D. Pending Agenda Items

1. Technology and Learning
2. School District Properties
3. SELPA
4. Budget Reserve Policy Research
5. Social Media & Board Protocol
6. School Furniture Analysis
7. Food Services Nutrition Requirements

E. Adjournment

The next regular meeting of the GJUESD Board of Education: April 24, 2019

Board agenda materials are available for review at the address below.

Individuals who require disability-related accommodations or modifications including auxiliary aids and services in order to participate in the Board meeting should contact the Superintendent or designee in writing:

Karen Schauer Ed.D., District Superintendent
Galt Joint Union Elementary School District
1018 C Street, Suite 210, Galt, CA 95632
(209) 744-4545



Board Meeting Agenda Item Information

Meeting Date: April 8, 2019	Agenda Item: 171.999 Board Consideration of Approval of the Public Agency Retirement Services (PARS) Supplementary Retirement Plan for Certificated Non-Management Employees
Presenter: Karen Schauer Lois Yount	Action Item: XX Information Item:

The Galt Joint Union Elementary School District has worked with Public Agency Retirement Services (PARS) to design a Supplementary Retirement Plan (SRP) for Certificated Non-Management employees, which was initially approved by the Board on January 23, 2019. The SRP was designed as a retirement incentive program that encouraged eligible employees to retire early. The goal of the program was to generate savings, or at a minimum, create no cost to the District by increasing the number of retirements for the 18-19 school year.

The District offered a retirement incentive benefit equal to 70% of Final Pay for Certificated Non-Management Employees. This benefit encouraged twelve (12) employees to enroll in the plan and submit resignation letters effective no later than June 30, 2019.

Fiscal Impact

The post-analysis performed by PARS, projects that the District will save approximately:

\$208,797 in year 1
 \$538,026 over 3 years
 \$748,404 over 5 years

Board approval is recommended.

POST-ANALYSIS REPORT

April 1, 2019

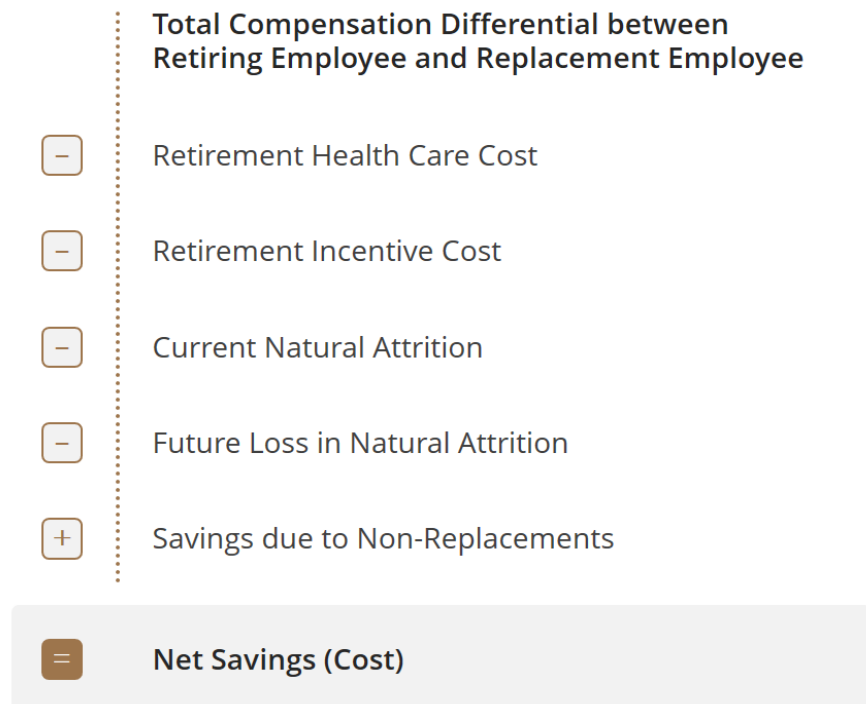
Introduction

The primary objective of a retirement incentive is to increase and accelerate the retirement rate over and above natural attrition in order to facilitate specific District objectives such as personnel restructuring, fiscal savings, etc. Fiscal savings are achieved by replacing the retiring employee, who is typically at the top of the salary schedule, with a replacement employee at the bottom of the salary schedule. With retirement incentives involving teachers, the resulting salary differential is sufficient to pay for the costs of the plan and generate additional savings over and above natural attrition.

Analysis Method of Calculation

The analysis compares the savings projected over a five-year period from offering the PARS Supplementary Retirement Plan (SRP) during the 2018-19 academic year to the savings expected over the same period if natural attrition runs its normal course. The analysis examines current and future costs and compensation differentials, including projections of all compensation and benefit increases. This analysis has been used nationwide for well over one thousand plans, and is a well-accepted model of calculation.

The basic model of calculation is as follows:



Assumptions

Eligibility Requirements	Certificated Non-Management Employees <ul style="list-style-type: none"> Age 55 with 5 years of District service; or Age 50 with 30 years of service Resignation from District employment effective: <ul style="list-style-type: none"> June 30, 2019
Benefit Level	70% of Final Pay Spend Amount* * 2018-19 Contract Salary multiplied by current FTE
Replacement Salaries	Certificated Non-Management: \$57,626* *Based on PARS 2-Year New Hire Study. Includes a 2.71% COLA for 2018-19.
Health Care Costs	Certificated Non-Management: Active Employee: \$7,620 Retired Employee: \$7,620
Health Care COLA	5.0% Annually
PARS Plan Funding	5 years
Replacement Positions	100% to 0% replacement of positions, in varying increments

Fiscal projections illustrated in the post-analysis are based on the actual demographics of the enrolled participants. After the close of the enrollment window, PARS performs a complete post-analysis utilizing the actual data from the enrolled participants to determine the fiscal impact of the plan.

PARS has also provided non-replacement figures in this proposal with the District's understanding that these non-replacement numbers represent position cuts obtained through the offering of a retirement incentive plan. The District should be sure not to budget a similar number of position cuts, thereby double counting savings within this retirement incentive analysis and the budget. The following summarizes the results of the analysis:

FISCAL SUMMARY OF SAVINGS

70% of Final Pay Spend Amount Benefit

2018-19 Retirements

Employee Group	# of Eligible Employees	Retirements with PARS SRP	Percentage Retirements
Certificated Non-Management	44	11	25.00%

PROJECTED FISCAL IMPACT

Replacement Scenario	Non-Replace PARS	Projected Savings in Year 1	Projected Savings over 3 Years	Projected Savings over 5 Years
100% Replacement	0.00	\$208,797	\$538,026	\$748,404
91% Replacement	1.00	\$274,008	\$744,807	\$1,109,545
82% Replacement	2.00	\$339,218	\$951,588	\$1,470,687
73% Replacement	3.00	\$404,429	\$1,158,369	\$1,831,829
64% Replacement	4.00	\$469,640	\$1,365,150	\$2,192,970
55% Replacement	5.00	\$534,850	\$1,571,931	\$2,554,112
45% Replacement	6.00	\$600,061	\$1,778,712	\$2,915,254

Notice

This analysis attempts to quantify in economic terms - not budgetary terms - the fiscal impact of a retirement incentive program at the District. This analysis is entirely driven by the assumptions set forth by the District. If the assumptions are changed or modified by the District the results shall vary from what is set forth in this analysis. The accuracy of any results and/or analysis will depend entirely upon the accuracy of the information provided and the assumptions used.

The information, data and assumptions used in this analysis have been provided to Public Agency Retirement Services (PARS) by the District. It shall be the responsibility of the District to certify the accuracy, content and completeness of the information, data and assumptions so that PARS may rely on such information without further audit. PARS shall be under no duty to question the information, data and assumptions received from the District including, but not limited to, inquiries about how the analysis, information, data and assumptions work in conjunction with the District's budget.

PARS shall not be liable for non-performance of Services if such non-performance is caused by or results from erroneous and/or late delivery of information, data and assumptions.

PARS is not licensed to provide and does not offer tax, accounting, legal, investment or actuarial advice.