



City of Arts & Innovation

Human Resources Board

TO: HONORABLE BOARD MEMBERS **DATE: MARCH 4, 2019**

FROM: FINANCE DEPARTMENT **WARDS: ALL**

SUBJECT: LONG TERM FISCAL MANAGEMENT OF THE CITY'S CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM TO MITIGATE THE IMPACT ON CITY SERVICES

ISSUE:

Receive a presentation on the long-term fiscal management of the City's California Public Employees Retirement System unfunded pension obligations.

RECOMMENDATIONS:

That the Human Resources Board receive a presentation on the long-term fiscal management of the City's California Public Employees Retirement System unfunded pension obligations.

BACKGROUND:

On February 4, 2019, the Human Resources Board requested a presentation on the long-term fiscal management of the City's California Public Employees Retirement System (CalPERS) unfunded pension obligations.

DISCUSSION:

Given the City's unfunded pension obligations, our CalPERS Challenge is as follows:

"How to Effectively Secure the Solvent Financial Future of the City, Its Employees, & Its Retirees While Ensuring the Delivery of Public Services & Stewardship of Public Resources"

As discussed during the City's FY 2018-2020 Budget presentations, the City is facing rising CalPERS costs that are presenting significant long-term financial challenges. Facilitated by the attached presentation, staff have restarted the CalPERS conversation with all stakeholders.

FISCAL IMPACT:

There is no direct fiscal impact associated with presentation of this report. The City's five-year projections on CalPERS costs have been included in the City's Adopted FY 2018-2020 Two-Year Budget and FY 2018-2023 Five-Year Plan assumptions.

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Attachments:

1. CalPERS 101: How Does it Work
2. Presentation