



**CITY of CALABASAS**

**CITY COUNCIL AGENDA REPORT**

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**DATE:** APRIL 30, 2024

**TO:** HONORABLE MAYOR AND COUNCILMEMBERS

**FROM:** RON AHLERS, CHIEF FINANCIAL OFFICER *RA*

**SUBJECT:** ORDINANCE NO. 2024-403 AUTHORIZING AN AMENDMENT TO THE CONTRACT BETWEEN THE CITY COUNCIL OF THE CITY OF CALABASAS AND THE BOARD OF ADMINISTRATION CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM

**MEETING DATE:** MAY 8, 2024

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**SUMMARY RECOMMENDATION:**

Staff recommends the City Council introduce Ordinance 2024-403 authorizing an amendment to contract between the City Council of the City of Calabasas (City) and the Board of Administration of the California Public Employee Retirement System (CalPERS). This ordinance authorizes an amendment to the CalPERS contract to merge the Agoura Hills Calabasas Community Center (AHCCC) CalPERS plan into the City of Calabasas CalPERS plan.

**BACKGROUND:**

The City Council approved Resolution No. 2024-1893 on April 24, 2024 to merge the two plans. AHCCC Board of Directors approved Resolution No. 2024-01 on April 25, 2024 to approve the merger.

**DISCUSSION/ANALYSIS:**

On the May 8, 2024 City Council agenda is a resolution of intention to amend the CalPERS contract.

The attached Ordinance amends the CalPERS contract which merges the AHCCC CalPERS Plan into the City CalPERS Plan. The merger date is June 30, 2024. CalPERS staff informed City staff that the actual effective date of the merger must be prior to July 1, 2024 and must be the beginning of a pay period. The beginning of the pay period prior to July 1, 2024 is June 21, 2024.

This is the second step in the process to amend the CalPERS contract. CalPERS requires the City to make known these costs in a public meeting which this report accomplishes. The next step in the process is the second reading and adoption of the Ordinance to amend the CalPERS contract. That should occur with the Council agenda for June 12, 2024. CalPERS requires a minimum of 20 days to elapse between the Resolution of Intention and the approval of the ordinance. The ordinance becomes effective 30 days after adoption which is July 11, 2024.

The July 11, 2024 date is after the June 21, 2024 date; therefore, the City Council will also adopt an "Urgency Ordinance" at the meeting of June 12, 2024. The effective date of the "Urgency Ordinance" is the day after adoption ;which is June 13, 2024.

**FISCAL IMPACT/SOURCE OF FUNDING:**

Disclosure of the cost of this Contract Amendment

CalPERS requires that the City disclose the following values identified in the amendment actuarial valuation for the adoption of this plan amendment:

**Classic Miscellaneous Plan**

1. Change in Actuarial Accrued Liability	\$1,766,405
2. Change in Total Normal Cost	0 %
3. Change in Total UAL Payment	\$72,370

**New Miscellaneous Plan**

1. Change in Actuarial Accrued Liability	\$1,668
2. Change in Total Normal Cost	0%
3. Change in Total UAL Payment	\$126

Please see the two attachments from CalPERS which detail the actuarial costs for this merger.

The following table depicts the CLASSIC Plan merger costs; which is the column titled, "AHCCC Pre-Merger".

		City Pre-Merger	AHCCC Pre-Merger	Post-Merger
EMPLOYER Normal Cost Rate		11.88 %	11.88 %	11.88 %
Annual UAL Prepayment		\$ 802,311	\$ 70,028	\$ 872,339
Accrued Liability	(a)	\$ 47,172,149	\$ 1,766,405	\$ 48,938,554
Plan's Market Value of Assets	(b)	\$ 35,990,187	\$ 1,242,623	\$ 37,232,810
Unfunded Accrued Liability (UAL)	(a)-(b)	\$ 11,181,962	\$ 523,782	\$ 11,705,744
Funded Ratio	(b) / (a)	76.3 %	70.3 %	76.1 %

The following table depicts the PEPRA Plan merger costs; which is the column titled, "AHCCC Pre-Merger".

		City Pre-Merger	AHCCC Pre-Merger	Post-Merger
EMPLOYER Normal Cost Rate		7.87 %	7.87 %	7.87 %
Annual UAL Prepayment		\$ 5,372	\$ 122	\$ 5,494
Accrued Liability	(a)	\$ 1,233,905	\$ 1,668	\$ 1,235,573
Plan's Market Value of Assets	(b)	\$ 1,074,995	\$ 1,525	\$ 1,076,520
Unfunded Accrued Liability (UAL)	(a)-(b)	\$ 158,910	\$ 143	\$ 159,053
Funded Ratio	(b) / (a)	87.1 %	91.4 %	87.1 %

**REQUESTED ACTION:**

City Council introduces the Ordinance No. 2024-403.

**ATTACHMENTS:**

1. Ordinance No. 2024-403
2. CalPERS Miscellaneous Plan of the City of Calabasas ~ Merger Actuarial Report
3. CalPERS PEPRA Miscellaneous Plan of the City of Calabasas ~ Merger Actuarial Report