




CITY of CALABASAS
CITY COUNCIL AGENDA REPORT

DATE: JUNE 4, 2024

TO: HONORABLE MAYOR AND COUNCILMEMBERS

FROM: RON AHLERS, CHIEF FINANCIAL OFFICER 

SUBJECT: URGENCY ORDINANCE NO. 2024-404 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: JUNE 12, 2024

SUMMARY RECOMMENDATION:

Staff recommends the City Council adopt Urgency Ordinance 2024-404 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 urgency 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.

On May 8, 2024 City Council approved Resolution No. 2024-1898 which stated the City of Calabasas' intention to amend the CalPERS contract. On May 8, 2024, the City Council introduced (first reading) Ordinance No. 2024-403 authorizing an amendment to the contract between the City and CalPERS.

DISCUSSION/ANALYSIS:

The attached Urgency 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.

CalPERS requires the City to make known these costs in a public meeting which this report accomplishes. Staff recommends the City Council adopt the Urgency Ordinance to amend the CalPERS contract. The urgency ordinance becomes effective the day after adoption, which is June 13, 2024.

Attachment 1, Exhibit, is the actual "AMENDMENT TO CONTRACT Between the Board of Administration California Public Employees' Retirement System and the City Council City of Calabasas". Section A. 6. details the Agoura Hills and Calabasas Community Center merger into the City of Calabasas plan.

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 adopts the Urgency Ordinance No. 2024-404.

ATTACHMENTS:

1. Ordinance No. 2024-404
Exhibit ~ AMENDMENT TO CONTRACT Between the Board of Administration California Public Employees' Retirement System and the City Council City of Calabasas
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