

CITY OF ALAMEDA RESOLUTION NO. \_\_\_\_\_

TO ADOPT THE REVISED PENSION RATE STABILIZATION  
PROGRAM (PRSP) AND OTHER POST-EMPLOYMENT BENEFITS  
(OPEB) FUNDING POLICY

WHEREAS, in March 2017, City Council adopted a Pension Rate Stabilization Program and OPEB Funding Policy (Policy) for funding current and future costs associated with the City's contractual obligations to provide pension and retiree medical benefits; and

WHEREAS, in September 2017, City Council authorized a revision of the Policy to clarify the amount the City would contribute to either a Trust Fund for future CalPERS or OPEB payments, or to directly pay down the CalPERS unfunded liability; and

WHEREAS, since this Policy was enacted in October 2017, more than \$30 million in additional funding has gone towards the CalPERS Plan Assets, and over \$11.5 million in additional funding has gone towards the City's Public Agency Retirement Services (PARS) Section 115 Trust Funds used to set aside funds for long-term OPEB and retirement system costs; and

WHEREAS, staff is proposing the following material changes to the Revised Policy, which is incorporated by reference as Exhibit 2:

- 1) A definition of General Fund Surplus has been added:
  - a. General Fund Surplus - General Fund Surplus, as defined by this policy, is the difference between the current year and prior year General Fund "Residual fund balance in excess of policy or fund balance deficits," found under the Net Position and Fund Balances footnote of the Annual Comprehensive Financial Report (ACFR). The amount is considered Surplus only if the current year is greater than the prior year. This amount comprises unassigned residual fund balance after meeting all annual auditing and financial reporting requirements.
- 2) A clarifying paragraph under "Annual Contributions" has been added:
  - a. After fiscal year close and the annual audit has been completed, the Finance Department shall determine if a General Fund Surplus exists. If a General Fund Surplus exists, the Finance Department will calculate the amount of General Fund Surplus. City staff will then propose half (50%) of the General Fund Surplus be used in the following manner: 75% shall be used to reduce CalPERS unfunded liability and 25% shall be contributed into the City's Public Agency Retirement Services (PARS) Section 115 Irrevocable Trust.
- 3) The following text under "Annual Contributions" has been removed:
  - a. One-half of each fiscal year's General Fund surplus over the 25% available fund balance shall be put into a Trust Fund or directly into paying off the CalPERS unfunded liability for either pensions or post-employment

benefits.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Alameda that the Revised Pension Rate Stabilization Program and Other Post-Employment Benefits Funding Policy is hereby adopted.

\* \* \* \* \*

I, the undersigned, hereby certify that the foregoing Resolution was duly and regularly adopted and passed by the Council of the City of Alameda in a regular meeting assembled on the 1st day of November 2022, by the following vote to wit:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

IN WITNESS, WHEREOF, I have hereunto set my hand and affixed the official seal of said City this 2nd day of November 2022.

\_\_\_\_\_  
Lara Weisiger, City Clerk  
City of Alameda

Approved as to form:

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Yibin Shen, City Attorney  
City of Alameda