



**CITY OF SOUTH PASADENA
CITY COUNCIL**

**A G E N D A
SPECIAL MEETING
WEDNESDAY, JANUARY 12, 2022 AT 6:30 P.M.**

**CITY COUNCIL CHAMBERS
1424 MISSION STREET, SOUTH PASADENA, CA 91030
VIA ZOOM TELECONFERENCE**

South Pasadena City Council Statement of Civility

As your elected governing board, we will treat each other, members of the public, and city employees with patience, civility and courtesy as a model of the same behavior we wish to reflect in South Pasadena for the conduct of all city business and community participation. The decisions made tonight will be for the benefit of the South Pasadena community and not for personal gain.

NOTICE ON PUBLIC PARTICIPATION & ACCESSIBILITY

Pursuant to Government Code Section 54953, subdivision (e) (3), the City Council may conduct its meetings remotely and be held via video conference. The City Council may allow public participation to continue via live public comment conducted over ZOOM.

The South Pasadena City Council Meeting for **January 12, 2022** will be conducted virtually from the Council Chambers, Amedee O. "Dick" Richards, Jr., located at 1424 Mission Street, South Pasadena.

The Meeting will be available

- Live Broadcast via the website – http://www.spectrumstream.com/streaming/south_pasadena/live.cfm
- Via Zoom – <https://us06web.zoom.us/j/82599992830>
- **Webinar ID: 825 9999 2830**

To maximize public safety while still maintaining transparency and public access, members of the public can observe the meeting via Zoom in one of the three methods below.

1. Go to the Zoom website, <https://zoom.us/join> and enter the Zoom Meeting information; or
2. Click on the following unique Zoom meeting link:
<https://us06web.zoom.us/j/82599992830>or
3. You may listen to the meeting by calling: +1-669-900-6833 and entering the Zoom Meeting ID and Passcode when prompted.

For additional Zoom assistance with telephone audio, you may find your local number at:
<https://zoom.us/u/aiXV0TAW2>

CALL TO ORDER:	Mayor	Michael Cacciotti
ROLL CALL:	Mayor	Michael Cacciotti
	Mayor Pro Tem	Jon Primuth
	Councilmember	Jack Donovan
	Councilmember	Diana Mahmud
	Councilmember	Evelyn G. Zneimer
PLEDGE OF ALLEGIANCE:	Councilmember	Diana Mahmud

PUBLIC COMMENT AND SUGGESTIONS Pursuant to Government Code Section 54954.3, public comment is limited to items on the special meeting agenda only.

The City Council welcomes public input, public comment will only be available at the beginning of the meeting and limited to items on the special agenda. Members of the public may participate **by means of one of the following options:**

Option 1:

Participants will be able to “raise their hand” using the Zoom icon during the meeting, and they will have their microphone un-muted during comment portions of the agenda to speak for up to 3 minutes per item.

Option 2:

Email public comment(s) to ccpubliccomment@southpasadenaca.gov.

Public Comments received in writing will not be read aloud at the meeting, but will be part of the meeting record. Written public comments will be uploaded online for public viewing under Additional Documents. There is no word limit on emailed Public Comment(s). Please make sure to indicate:

- 1) Name (optional), and
- 2) Agenda item you are submitting public comment on.
- 3) Submit by no later than 2:00 p.m., on Wednesday, January 12, 2022.

PRESENTATION

1. INTRODUCTION OF STAFF

Tameka J. Cook, Chief City Clerk
Domenica Megerdichian, Deputy City Manager

CONSENT

2. ADOPTION OF A RESOLUTION AUTHORIZING REMOTE TELECONFERENCE MEETINGS OF THE LEGISLATIVE BODIES OF THE CITY

RESOLUTION

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SOUTH PASADENA, CALIFORNIA, AUTHORIZING REMOTE TELECONFERENCE MEETINGS OF THE LEGISLATIVE BODIES OF THE CITY OF SOUTH PASADENA FOR THE PERIOD OF JANUARY 12 THROUGH FEBRUARY 12, 2022, PURSUANT TO BROWN ACT PROVISIONS

Recommendation

It is recommended that the City Council approve the attached authorizing remote teleconference meetings of the legislative bodies of the City.

STUDY SESSION

3. CELL TOWER REVENUE DESIGNATION

Recommendation

1. Receive and file presentation by Bartel & Associates
2. That the City Council give direction on the use of the Cell Tower Revenue.

4. UPDATE ON CURRENT CAPITAL IMPROVEMENT PROGRAM (CIP) PROJECTS AND DISCUSSION OF FISCAL YEAR 2022 – 2026 CIP PROJECTS

ADJOURNMENT

FOR YOUR INFORMATION

**FUTURE CITY COUNCIL MEETINGS
(OPEN SESSION)**

January 19, 2022	Regular City Council Meeting	Council Chamber	7:00 p.m.
February 2, 2022	Regular City Council Meeting	Council Chamber	7:00 p.m.

PUBLIC ACCESS TO AGENDA DOCUMENTS AND BROADCASTING OF MEETINGS

City Council meeting agenda packets, any agenda related documents, and additional documents are available online for public inspection on the City's website: <https://www.southpasadenaca.gov/government/city-council-meetings/2021-council-meetings>.

Regular meetings are live streamed via the internet at:

http://www.spectrumstream.com/streaming/south_pasadena/live.cfm

AGENDA NOTIFICATION SUBSCRIPTION

If you wish to receive an agenda email notification please contact the City Clerk's Division via email at CityClerk@southpasadenaca.gov or call (626) 403-7230.

ACCOMMODATIONS



The City of South Pasadena wishes to make all of its public meetings accessible to the public. If special assistance is needed to participate in this meeting, please contact the City Clerk's Division at (626) 403-7230 or CityClerk@southpasadenaca.gov. Upon request, this agenda will be made available in appropriate alternative formats to persons with disabilities. Notification at least 48 hours prior to the meeting will assist staff in assuring that reasonable arrangements can be made to provide accessibility to the meeting (28 CFR 35.102-35.104 ADA Title II).

CERTIFICATION OF POSTING

*I declare under penalty of perjury that I posted this notice of agenda for the meeting to be held on **January 12, 2022**, on the bulletin board in the courtyard of City Hall at 1414 Mission Street, South Pasadena, CA 91030, and on the City's website as required by law, on the date listed below.*

01/10/ 2022

Tameka J. Cook

Date

Tameka J. Cook, Chief City Clerk



City Council Agenda Report

ITEM NO. 2

DATE: January 12, 2022

FROM: Arminé Chaparyan, City Manager *Ac*

PREPARED BY: Lucy Demirjian, Director of Management Services
Andrew L. Jared, City Attorney

SUBJECT: **Adoption of a Resolution Authorizing Remote Teleconference Meetings of the Legislative Bodies of the City**

Recommendation

It is recommended that the City Council approve the attached authorizing remote teleconference meetings of the legislative bodies of the City.

Discussion/Analysis

For the past few weeks, COVID-19 cases in Los Angeles County have surged with the highly transmissible Omicron variant of the virus. The City has implemented several precautionary measures to ensure the health and safety of the community, including a return to fully virtual meetings of legislative bodies during the months of January and February.

City facilities are open and municipal services are available to residents and businesses. Appointments are highly encouraged and online services are available to continue to provide services to the community. In-person events have been cancelled or postponed to prevent the spread of the virus.

On March 12, 2020, Governor Gavin Newsom signed Executive Order N-25-20 giving state and local public health officials the authority to issue guidance limiting or recommending limitations upon attendance at public assemblies, conferences or other mass events. In response to the COVID-19 statewide emergency, the South Pasadena City Council adopted Resolution No. 7646 declaring a local emergency on March 18, 2020.

Most recently, on September 17, 2021, the Los Angeles County Public Health Officer issued a revised order, Responding Together At Work and In the Community, requiring operators of indoor bars and lounges to verify the COVID-19 vaccination status of their patrons and employees.

On September 16, 2021, Governor Newsom signed Assembly Bill 361 (AB 361) which amends the Ralph M. Brown Act to allow meetings of legislative bodies to be conducted via teleconference under certain conditions.

AB 361 allows a local agency legislative body to hold a meeting utilizing teleconferencing without complying with the Brown Act's standard teleconferencing requirements if the Governor has proclaimed a State of Emergency and any of the following circumstances are present:

- State or local officials have imposed or recommended measures to promote social distancing.
- The meeting is being held for the purposes of determining, by majority vote, whether as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.
- The legislative body has determined by majority vote that as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.

If those circumstances are met and the City passes a resolution authorizing holding meetings by teleconference, then the City may hold meetings by teleconference if they comply with the following standards:

- Notice of the meeting must be given as required by the Brown Act.
- The agenda must state how members of the public can access the meeting and offer public comment, including attendance by call-in option and/or internet-based service option. If the meeting broadcast or access to participation is disrupted (e.g., by technology issues), the City cannot take further action on agenda items until public access to the meeting is restored.
- The City cannot require public comments be submitted in advance of the meeting, but instead must provide an opportunity for real-time participation by members of the public. The City can encourage public comment be submitted before meetings.
- If the City provides a timed public comment period for each agenda item (i.e., 20 minutes per item), it cannot close public comment until that time period has concluded. If the City does not provide a timed public comment period for each agenda item, then it must allow a reasonable amount of time for members of the public to participate.

Background

Beginning in March 2020, Governor Newsom issued a series of Executive Orders aimed at containing the novel coronavirus. Executive Orders—N-25-20, N-29-20, and N-35-20 (Brown Act Orders) waived requirements in the Brown Act expressly or impliedly requiring the physical presence of city councilmembers, staff, or the public at local agency meetings. Specifically, the orders:

- waived the requirement that local agencies provide notice of each teleconference location from which a member of the legislative body will be participating in a public meeting,
- waived the requirement that each teleconference location be accessible to the public,
- waived the requirement that members of the public be able to address the legislative body at each teleconference conference location,
- waived the requirement that local agencies post agendas at all teleconference locations, and,

- waived the requirement that at least a quorum of the members of the local body participate from locations within the boundaries of the territory over which the local body exercises jurisdiction.

On June 11, 2021, the Governor issued Executive Order N-08-21, to begin winding down some of the prior measures that were adopted to respond to COVID-19. Notably, N-08-21 rescinds the Brown Act Orders, effective September 30, 2021.

On March 18, 2020, pursuant to Government Code Section 8630(c), the South Pasadena City Council adopted Resolution No. 7646 declaring a local emergency, restricting private and public gatherings, and establishing protections for residential and commercial tenants, among other things. The City has renewed the declaration of local emergency on May 5, 2020 (Resolution No. 7648), on June 17, 2020 (Resolution No. 7657), on August 5, 2020 (Resolution No. 7669), on August 19, 2020 (Resolution No. 7678), on October 21, 2020 (Resolution No. 7685), on December 16, 2020, (Resolution No. 7690), on February 17, 2021 (Resolution No. 7703), on April 7, 2021 (Resolution No. 7713), June 2, 2021 (Resolution No. 7721), July 21, 2021 (Resolution No. 7726), September 15, 2021 (Resolution No. 7732), November 3, 2021 (Resolution Nos. 7734 and 7739), December 1, 2021 (Resolution No. 7741), and on December 15, 2021 (Resolution No. 7743).

On September 16, Governor Newsom signed AB 361, which allows cities to continue to meet remotely during proclaimed states of emergency under modified Brown Act requirements that are similar but not identical to the rules and procedures established by the Brown Act Orders. Unlike the Brown Act Orders, AB 361 requires the City to make affirmative findings to take advantage of the more flexible teleconferencing standards.

AB 361 added Government Code section 54953, subdivision (e)(3), which states:

“If a state of emergency remains active, or state or local officials have imposed or recommended measures to promote social distancing, in order to continue to teleconference ... the legislative body shall, not later than 30 days after teleconferencing for the first time ... and every 30 days thereafter, make the following findings by majority vote:

(A) The legislative body has reconsidered the circumstances of the state of emergency.

(B) Any of the following circumstances exist:

(i) The state of emergency continues to directly impact the ability of the members to meet safely in person.

(ii) State or local officials continue to impose or recommend measures to promote social distancing.”

The attached resolution makes the necessary findings authorizing the City to use teleconferenced meetings for the next 30 days. The City will need to adopt a resolution finding a public need to host teleconferenced meetings at subsequent meetings if it desires to maintain fully remote or hybrid meetings.

The proposed actions to preserve life, property, and public order are consistent with California Government Code section 8634 and South Pasadena Municipal Code Chapter 11.

The City of South Pasadena is committed to keeping our community safe amidst the recent surges in COVID-19 cases. Since the June 15 reopening of everyday activities in the State of California, there has been a nationwide rise in new COVID-19 cases because of the more contagious Delta and Omicron variants. The Los Angeles County Department of Public Health continues to track variant cases in Los Angeles County.

In light of the drastic increases in cases and resultant hospitalizations, and to lessen the severity of the Omicron and Delta variant surge in Los Angeles County and protect against overwhelming the health care delivery system, the Los Angeles County Public Health Officer issued a revised order on December 31, 2021, revising Isolation and Quarantine Requirements to mainly align with the State Public Health Officer's revised Guidance issued December 30, 2021.

As recently as January 5, 2022, the Los Angeles County Public Health Officer issued latest revised order, Responding Together At Work and In the Community, Beyond the Blueprint for a Safer Economy, High Transmission- Encouraging COVID-19 Vaccination and Booster dose coverage with significant risk reduction measures, updating masking requirements for employers effective no later than January 17, 2022 and updating definitions for mega events effective January 15, 2022 in alignment with the State Public Health Officer's December 31, 2021 Order.

Legal Review

The City Attorney's office has reviewed this item.

Fiscal Impact

With the State declaration of a health emergency, local COVID-19 response efforts may be eligible for state or federal reimbursement. The costs of responding to COVID-19 are unknown at this time due to evolving conditions but are being tracked by staff. The costs of conducting teleconference meetings have been factored into the City's budget.

Public Notification of Agenda Item

The public was made aware that this item was to be considered this evening by virtue of its inclusion on the legally publicly noticed agenda, posting of the same agenda and reports on the City's website.

Attachment:

1. City Council Resolution

**CITY OF SOUTH PASADENA
RESOLUTION NO. XXXX**

**A RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF SOUTH PASADENA, CALIFORNIA,
AUTHORIZING REMOTE TELECONFERENCE MEETINGS OF
THE LEGISLATIVE BODIES OF THE CITY OF SOUTH PASADENA
FOR THE PERIOD OF JANUARY 13, 2022 THROUGH FEBRUARY 12, 2022,
PURSUANT TO BROWN ACT PROVISIONS**

WHEREAS, the City of South Pasadena is committed to preserving and nurturing public access and participation in the meetings of its legislative bodies; and

WHEREAS, all meetings of the City of South Pasadena's legislative bodies are open and public, as required by the Ralph M. Brown Act (Cal. Gov. Code 54950 – 54963), so that any member of the public may attend, participate, and watch the City's legislative bodies conduct their business; and

WHEREAS, the Brown Act, Government Code section 54953(e), makes provisions for remote teleconferencing participation in meetings by members of a legislative body, without compliance with the requirements of Government Code section 54953(b)(3), subject to the existence of certain conditions; and

WHEREAS, a required condition is that a state of emergency is declared by the Governor pursuant to Government Code section 8625, proclaiming the existence of conditions of disaster or of extreme peril to the safety of persons and property within the state caused by conditions as described in Government Code section 8558; and

WHEREAS, a proclamation is made when there is an actual incident, threat of disaster, or extreme peril to the safety of persons and property within the jurisdictions that are within the City's boundaries, caused by natural, technological, or human-caused disasters; and

WHEREAS, it is further required that state or local officials have imposed or recommended measures to promote social distancing, or, the legislative body meeting in person would present imminent risks to the health and safety of attendees; and

WHEREAS, on March 4, 2020, Governor Gavin Newsom declared a state of emergency to exist in California as a result of COVID; and

WHEREAS, on March 4, 2020, the Chair of the Los Angeles County Board of Supervisors and the Los Angeles County Health Officer declared a local emergency and a local health emergency, respectively, as a result of COVID-19; and

WHEREAS, on March 18, 2020, the South Pasadena City Council adopted Resolution No. 7646 declaring a local emergency, restricting private and public gatherings, and establishing protections for residential and commercial tenants, among other things; and the South Pasadena City Council has renewed the declaration of local emergency on May 6, 2020 (Resolution No. 7648), June 17, 2020 (Resolution No. 7657), August 5, 2020 (Resolution No. 7669), August 19,

2020 (Resolution No. 7678), October 21, 2020 (Resolution No. 7685), December 16, 2020 (Resolution No. 7690), February 17, 2021 (Resolution No. 7703), April 7, 2021 (Resolution No. 7713), June 2, 2021 (Resolution No. 7721), July 21, 2021 (Resolution No. 7726), September 15, 2021 (Resolution No. 7732), November 3, 2021 (Resolution Nos. 7734 and 7739), December 1, 2021 (Resolution No. 7741), and December 15, 2021 (Resolution No. 7743); and

WHEREAS, on September 16, 2021, Governor Newsom signed AB 361, which allows cities to continue to meet remotely during proclaimed states of emergency under modified Brown Act requirements that are similar but not identical to the rules and procedures established by the Brown Act Orders; and

WHEREAS, on December 31, 2021, in light of the drastic increases in cases and resultant hospitalizations, and to lessen the severity of the Omicron and Delta variant surge in Los Angeles County and protect against overwhelming the health care delivery system, the Los Angeles County Public Health Officer issued a revised order revising Isolation and Quarantine Requirements to mainly align with the State Public Health Officer's revised Guidance.

WHEREAS, as recently as January 5, 2022, the Los Angeles County Public Health Officer issued latest revised order, Responding Together At Work and In the Community, Beyond the Blueprint for a Safer Economy, High Transmission- Encouraging COVID-19 Vaccination and Booster dose coverage with significant risk reduction measures, updating masking requirements for employers effective no later than January 17, 2022 and updating definitions for mega events effective January 15, 2022 in alignment with the State Public Health Officer's December 31, 2021 Order.

WHEREAS, the City previously adopted Resolution No. 7734 finding that the requisite conditions exist for the City of South Pasadena to conduct teleconference meetings under California Government Code section 54953(e); and

WHEREAS, Government Code section 54953(e)(3) requires the legislative body adopt certain findings by majority vote within 30 days of holding a meeting by teleconference under Government Code section 54953(e), and then adopt such findings every 30 days thereafter; and

WHEREAS, the City will continue to ensure public access to meetings of its legislative bodies pursuant to the relevant sections of the Government Code as it has done throughout the Governor's declaration of a State of Emergency.

WHEREAS, the City of South Pasadena desires to continue to have the ability to hold its public meetings by teleconference consistent with Government Code section 54953(e).

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF SOUTH PASADENA, CALIFORNIA, DOES RESOLVE, DECLARE, DETERMINE AND ORDER AS FOLLOWS:

SECTION 1. Recitals. The preceding Recitals are true and correct and are hereby incorporated and adopted as findings and determinations by the City Council as if fully set forth herein.

SECTION 2. Proclamation. The City Council does hereby find:

A. That a state of emergency continues to exist within our community, and that the Los Angeles County Department of Public Health continues to impose and recommend measures to promote social distancing;

B. That as a consequence of the State and local emergencies and the physical distancing requirements recommended by the State and local public health officers, the City Council does hereby find that the legislative bodies of the City of South Pasadena may conduct their meetings without compliance with paragraph (3) of subdivision (b) of Government Code section 54953, as authorized by subdivision (e) of section 54953, and that such legislative bodies shall comply with the requirements to provide the public with access to the meetings as prescribed in paragraph (2) of subdivision (e) of section 54953; and

C. That the City will continue to ensure public access to meetings of its legislative bodies pursuant to the relevant sections of the Government Code as it has done throughout the Governor's declaration of a State of Emergency.

SECTION 3. Remote Teleconference Meetings. The City Manager and legislative bodies of the City of South Pasadena are hereby authorized and directed to take all actions necessary to carry out the intent and purpose of this Resolution including, conducting open and public meetings in accordance with Government Code section 54953(e) and other applicable provisions of the Brown Act. Furthermore, City Manager and staff are directed to return to the City Council no later than thirty (30) days after the adoption of this resolution for the City Council to consider whether to again make the findings required to meet under the modified teleconference procedures of AB 361.

SECTION 4. Effective Date of Resolution. This Resolution shall take effect immediately upon its adoption and shall be effective until the earlier of February 12, 2022, or such time the City Council adopts a subsequent resolution in accordance with Government Code section 54953(e)(3) to extend the time during which the legislative bodies of the City of South Pasadena may continue to teleconference without compliance with paragraph (3) of subdivision (b) of section 54953.

PASSED, APPROVED AND ADOPTED on this 12th day of January, 2022.

Michael A. Cacciotti, Mayor

ATTEST:

APPROVED AS TO FORM:

Tameka J. Cook, Chief City Clerk

Andrew L. Jared, City Attorney



City Council Agenda Report

ITEM NO. 3

DATE: January 12, 2022
FROM: Arminé Chaparyan, City Manager *AC*
PREPARED BY: Ken Louie, Interim Director of Finance
SUBJECT: Cell Tower Revenue Designation

Recommendation

1. Receive and file presentation by Bartel & Associates
2. That the City Council give direction on the use of the Cell Tower Revenue.

Background

This item was presented and discussed at length during the regularly scheduled November 10, 2020 City Council meeting. At that meeting, the City Council determined that they had additional questions that would require the actuarial and author of report to be present to field questions. A representative from Bartel & Associates will be on hand this evening.

During Fiscal Year 2020-2021, the City Council approved a new cell tower lease that resulted in the City receiving a one-time payment of \$4,374,439, in lieu of receiving annual payments. When the funds were received, the City Council asked the Finance Commission to research and give direction on the most prudent use of these funds. The City Council and Finance Commission would later concur on the use of these funds to pay down pension liability with CalPERS (“PERS”) and Other Post-Employment Benefits (OPEB). The City then secured the services of Bartel Associates, LLC (“Bartel”) to perform a thorough analysis of both the City’s pension obligations as well as the City’s OPEB obligations. Upon completion of their analysis (actuarial and financial), they provided a detailed breakdown and payment options to the Finance Commission at the Commission’s regularly scheduled meeting of September 23, 2021. At that meeting, after hearing the complete presentation, the Commission came to agreement on a specific recommendation to be forwarded to the City Council.

Discussion/Analysis

The City of South Pasadena has 2 major PERS plans (Miscellaneous and Safety) and 3 PEPPA plans (Miscellaneous, Police and Fire). The PEPPA plans by definition are self-funding by the ensuring that employees pay their share of retirement costs. Conversely, the Miscellaneous plan is 71% funded with an Unfunded Liability of \$15.5 million. The Safety plan is 68% funded with an Unfunded Liability of \$30.2 million. Additionally, the City has a liability with regards to its Other Post-Employment Benefits (OPEB) that are underfunded by \$17.4 million.

Cell Tower Revenue Designation

January 12, 2022

Page 2 of 2

The Finance Commission has made the formal recommendation as to the usage of the \$4.3 million Cell Tower revenue. The recommendation is to put \$600,000 in a trust to account for the future OPEB liability with the balance (\$3.7+ million) to be paid directly to PERS to help offset the Unfunded Liability.

Public Notification of Agenda Item

The public was made aware that this item was to be considered this evening by virtue of its inclusion on the legally publicly noticed agenda, posting of the same agenda and reports on the City's website.

Fiscal Impact

Depositing \$600,000 of these funds into a trust for OPEB and simultaneously depositing the balance (\$3.7+ million) with PERS will net an annual savings of \$275,000 when comparing the 7% value of a PERS deposit to the current .5% earned in LAIF.

Commission Review

Commission has stated their recommendation in this report.

Attachment: September 23, 2021 Commission Staff Report

ATTACHMENT 1

September 23, 2021 Commission Staff Report



Finance Commission Agenda Report

ITEM NO. _____

DATE: September 23, 2021

FROM: Elaine Aguilar, Interim Assistant City Manager
Ken Louie, Interim Finance Director

SUBJECT: **Funding Alternatives for Pension and Other Post-Employment Benefits Liability (OPEB)**

Recommendation

It is recommended that the Finance Commission make a recommendation to the City Council regarding the Commission's preferred funding alternative and funding amount.

Discussion/Analysis

Bartel Associates, LLC ("Bartel") has been secured to perform a thorough analysis of both the City's pension obligations as well as the City's OPEB obligations. Upon completion of their analysis (actuarial and financial) they will provide the City a detailed breakdown and recommendation. At the time of this report, Bartel has not submitted their report or recommendations but still plan to make a full presentation at this meeting. The report will be forwarded to the Commission as soon as it is received.

Background

The City provides government employee pensions through the California Public Employee Retirement System (CalPERS). In addition, pursuant to law and various memorandum of understanding with the City's bargaining units, eligible employees may receive reimbursement of health insurance costs. The health insurance reimbursements are "Other Post-Employment Benefits" or OPEB. There are on-going annual and "long term" costs associated with the provision of OPEB and pensions. The City Council has been aware of these looming liabilities, and previously requested that the Finance Commission evaluate funding alternatives to assist in paying for these costs. In addition, this item is listed on the Finance Commission's 2021 Work Plan.

During Fiscal Year 2020-2021, the City Council approved a new cell tower lease that resulted in the City receiving a one-time payment of \$4,374,439, in lieu of receiving annual payments. When the funds were received, the City Council asked the Finance Commission to comment on the possible use of these one-time funds. When the Finance Commission reviewed the budget for the current fiscal year, one of the discussion items was the possible use of these funds. There was Commission concurrence that the Council should consider using the entirety of the cell tower revenues towards the pension and OPEB liabilities. This was reported back to the City

Council as part of the FY 2022 Budget approval process. As of this date, the City Council has not made a final determination regarding the use of the cell tower funds, however, the Council did direct staff to pull the revenue out of Undesignated General Fund Reserves, and allocate the funds to a new General Fund Designated Reserve, Cell Tower Revenue. The intent was to keep these funds separate until the Council takes formal action to spend the funds.

In addition to the one-time cell tower revenues, the City will be receiving one-time Federal COVID recovery funds, known as ARPA funding. The ARPA funding is currently estimated at \$6,059,235. Before allocating any of these one-time funding sources, the Council embarked on a strategic planning process that will among other things, assist in allocating these funds. Information regarding the strategic planning process can be found at the two links below:

<https://www.southpasadenaca.gov/Home/Components/News/News/2677/714?backlist=%2f>

<https://www.southpasadenaca.gov/government/departments/management-services/strategic-plan>

Members of the public and Finance Commissioners are encouraged to participate. The goal is to use the strategic plan to lead into the preparation of the budget and allocation of these one-time funds.

In order to be prepared for the upcoming planning process, additional information needed to be prepared regarding the City's funding alternatives for its pension and OBEB liabilities, and to provide information about future liability if additional funds, above the annual amounts required, were allocated. The City Manager authorized staff to secure the services of Bartel Associates to assist in preparing the financial analysis. In order to have a potential funding amount, staff asked Bartel Associates to assume the use of the \$4 million allocation, as this amount is roughly the amount of the cell tower revenues.

Fiscal Impact

The cost of the services provided by Bartel Associates, is \$23,000. The agreement was previously approved by the City Manager, and funds were included in the FY 2021-2022 Annual Budget for this expense (Finance Department, Contract Services 101-3010-3011-8180).

Public Notification of Agenda Item

The public was made aware that this item was to be considered this evening by virtue of its inclusion on the legally publicly noticed agenda, posting of the same agenda and reports on the City's website.

Attachments

1. Bartel Associates Report – To be forwarded separately



BARTEL
ASSOCIATES, LLC

**CITY OF SOUTH PASADENA
MISCELLANEOUS AND SAFETY PLANS**

**CalPERS Actuarial Issues – 6/30/20 Valuation
Preliminary Results**

Mary Elizabeth Redding, Vice President

Bianca Lin, Assistant Vice President

Matthew Childs, Actuarial Analyst

Bartel Associates, LLC

September 23, 2021

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DEFINITIONS

■ CalPERS

- Established in 1932
- Basis is in California Government Code
- 2.1 million members
 - 639,000 public agency members (not State or school employees)
 - 1,563 public agencies
 - \$485 billion assets (9/20/2021)
 - Largest US pension fund



DEFINITIONS

■ CalPERS

- Administers CalPERS pension plans in accordance with State law and Board policies
 - List of pension benefits offered is in State law
 - CalPERS calculates benefits, pays retirees, and tracks all data
 - CalPERS collects contributions from employees and employers
- CalPERS actuaries determine required contributions, in accordance with Board policies
- CalPERS invests the funds in accordance with Board policies
- www.calpers.ca.gov



DEFINITIONS

■ CalPERS Board

- Meets monthly in Sacramento
- 13 Board members:

Elected by Members (6)

Public Agency members
School members
State members
Retirees
All members (2)

Ex Officio (4)

State Treasurer
State Controller
Director of CA. Dept of Human Resources
Representative of State Personnel Board

Appointed (3)

Appointed by Governor – elected official of a local government
Appointed by Governor – official of a life insurer
Appointed by Speaker of Assembly and Senate Rules Committee –
public representative



DEFINITIONS

■ CalPERS Defined Benefit Promise:

- At retirement, employees receive a monthly annuity for life
 - Final average pay (monthly) x years of service x factor
 - Cost of living increase up to 2% per year
- City employees have no Social Security



DEFINITIONS

■ Member Contributions

- Specified in law
 - Classics hired before 2013 = specified % of PERSable pay (7% or 9%)
 - PEPRA hired 2013 and later = ½ cost of benefits earned each year

■ City Contributions – Total required amount minus Member contributions



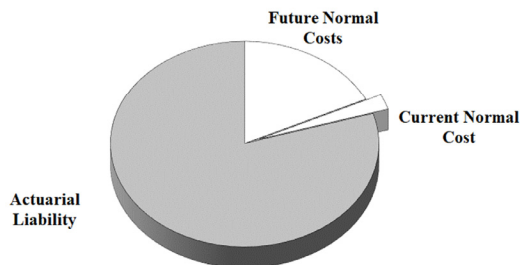
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DEFINITIONS

Present Value of Benefits
June 30, 2020



■ Current Normal Cost (NC):

- Value of benefits earned during current year

■ Actuarial Liability (AAL):

- Value now of benefits earned to date [value of past service benefit]

■ Target - Have money in the fund to cover Actuarial Liability

■ Unfunded Liability (UAL) - Money short of target at valuation date

- If all actuarial assumptions were always exactly met, then the plan assets would always equal AAL
- Any difference is the unfunded (or overfunded) AAL
- Every year, the actuary calculates the difference between the expected UAL and Actual UAL. This is a new layer or amortization base
- Each new layer gets amortized (paid off) over a period of time as part of the contribution [rate]



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DEFINITIONS

Basic Pension Rule:

Benefits + Expenses

=

Contributions* + Investment Earnings

* **Employee + Employer**



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HOW WE GOT HERE

- Investment Losses
- CalPERS Contribution Policy
- Enhanced Benefits
- Demographics



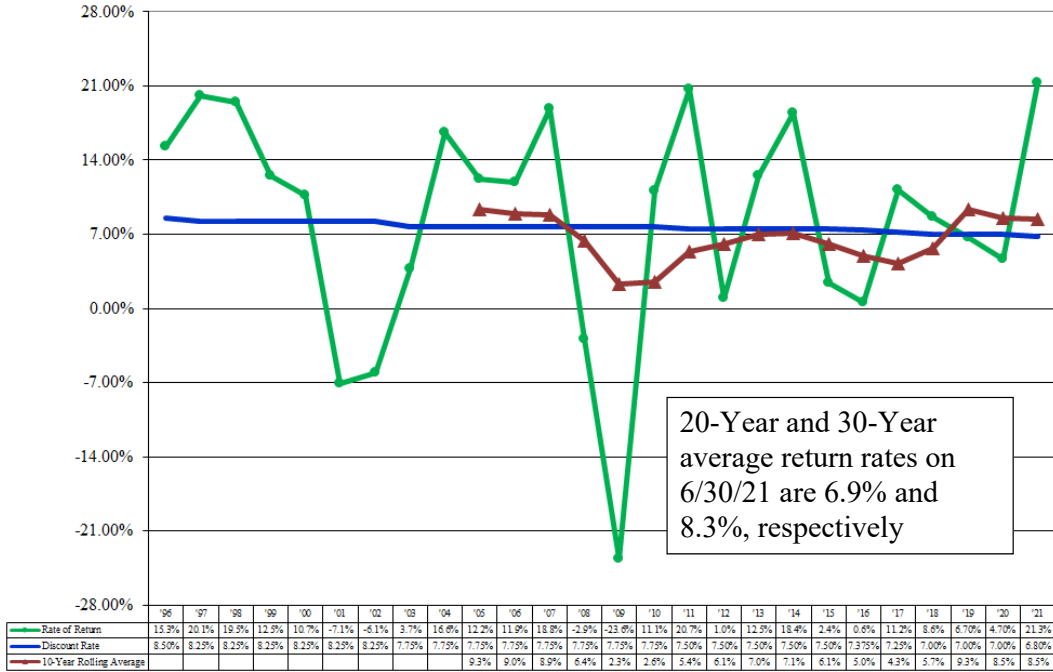
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HOW WE GOT HERE – INVESTMENT RETURN

Annual Return on Market Value of Assets



Returns (after 2001) shown are gross returns, unreduced for administrative expenses, from CalPERS valuation reports, when available. The discount rate is based on expected returns net of administrative expenses.



HOW WE GOT HERE – OLD CONTRIBUTION POLICY

- Effective with 2003 valuations:
 - Slow (15 year) recognition of investment losses into funded status
 - Rolling 30 year amortization of all (primarily investment) losses

- Designed to:
 - First smooth rates and
 - Second pay off UAL

- Mitigated contribution volatility



HOW WE GOT HERE – ENHANCED BENEFITS

- At CalPERS, Enhanced Benefits implemented using all (future & prior) service
- Typically not negotiated with cost sharing
- City of South Pasadena **did not** adopt Enhanced Benefits

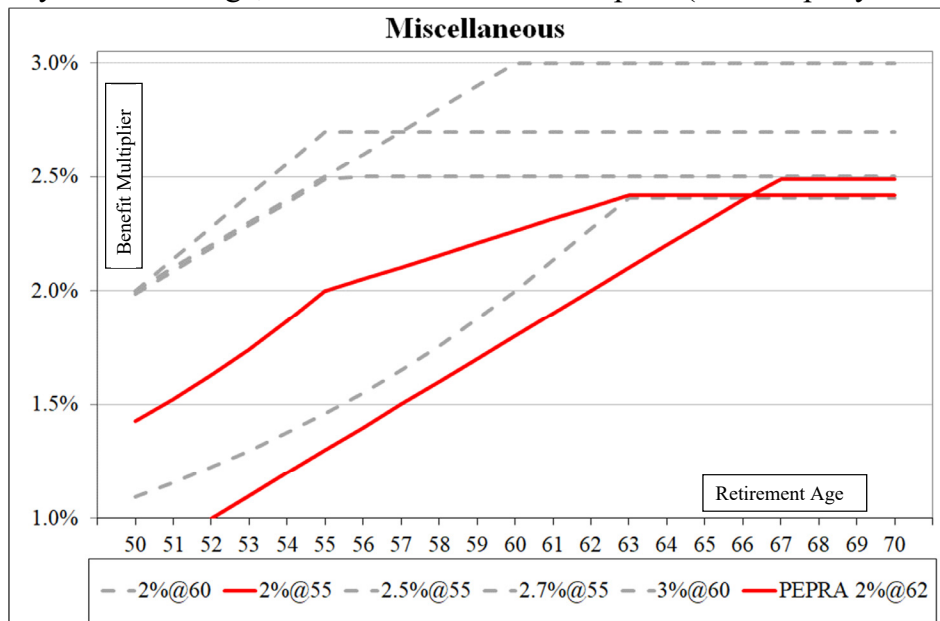
	Tier 1	PEPRA
● Miscellaneous	2%@55 FAE1	2%@62 FAE3
● Safety Police & Fire	2%@50 FAE1	2.7%@57 FAE3

- Note:
 - FAE1 is highest one year (typically final) average earnings
 - FAE3 is highest three years (typically final three) average earnings
- PEPRA tier implemented for new employees hired after 1/1/13
 - Employee pays half of total normal cost
 - 2021 Compensation limit
 - Social Security participants: \$128,059
 - Non-Social Security participants: \$153,671 (City of South Pasadena is not in Social Security)

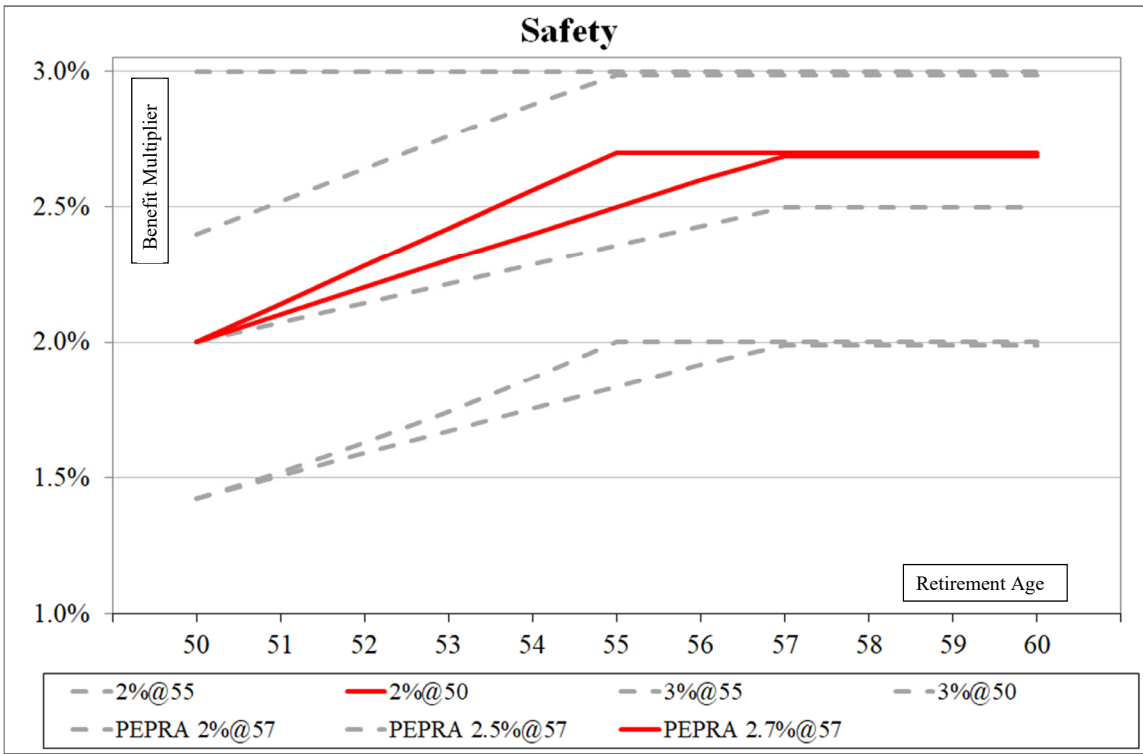


HOW WE GOT HERE – ENHANCED BENEFITS

- Available CalPERS Benefit formulas. City of South Pasadena formulas shown in red.
- For any retirement age, chart shows benefit multiplier (% FAE per year of service)



HOW WE GOT HERE – ENHANCED BENEFITS



HOW WE GOT HERE – DEMOGRAPHIC

- Around the State
 - Large retiree liability compared to actives
 - State public agency average: 57% for Miscellaneous, 66% for Safety as of 6/30/2019.
 - Declining active population and increasing number of retirees
 - Higher percentage of retiree liability increases contribution volatility

- City of South Pasadena percentage of liability belonging to retirees:
 - Miscellaneous 53%
 - Safety 67%



CALPERS CHANGES

- Recent contribution policy changes:
 - No asset smoothing
 - No rolling amortization
 - 20-year, level dollar amortization of post-2018 gains, losses, & changes
 - 5-year ramp up for investment gains and losses
 - CalPERS Board changed the discount rate:

	<u>Rate</u>	<u>Initial Impact</u>	<u>Full Impact</u>
<input type="checkbox"/> 6/30/16 valuation	7.375%	18/19	22/23
<input type="checkbox"/> 6/30/17 valuation	7.25%	19/20	23/24
<input type="checkbox"/> 6/30/18 valuation	7.00%	20/21	24/25

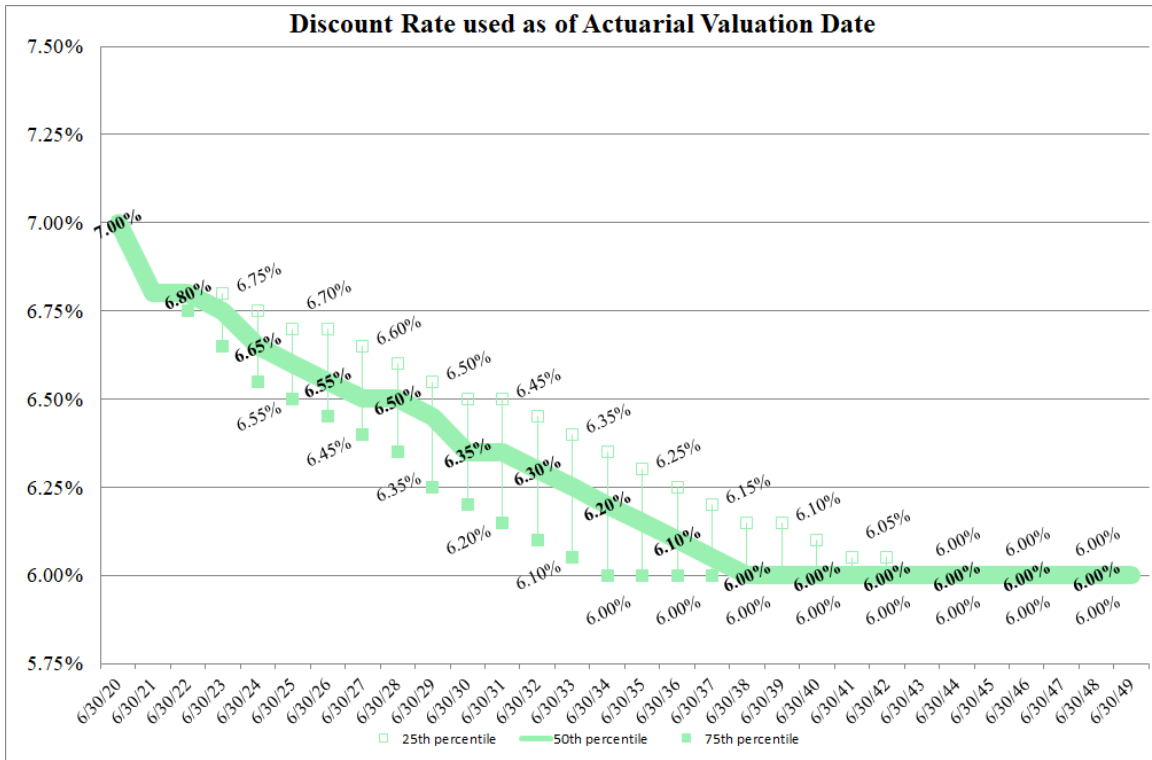


CALPERS CHANGES

- Risk Mitigation Strategy
 - Move to more conservative investments over time to reduce volatility
 - Only when investment return is better than expected
 - Lower discount rate in concert
 - Essentially use $\approx 50\%$ of investment gains to pay for cost increases
 - Likely get to 6.0% discount rate over 20+ years
 - Risk mitigation suspended from 6/30/16 to 6/30/18 valuation
 - Did not trigger for 6/30/19 or 6/30/20 valuations
 - Will trigger for 6/30/21 valuation – 6.8% discount rate
- In the November 2021 meeting, CalPERS Board will adopt new
 - Capital Market Assumptions
 - Discount rate and investment allocation
 - Discount rate expected to be equal to or lower than 6.8%
 - We expect the same or higher investment risk than current portfolio
 - Experience study (Demographic assumptions)



CALPERS CHANGES



CALPERS CHANGES

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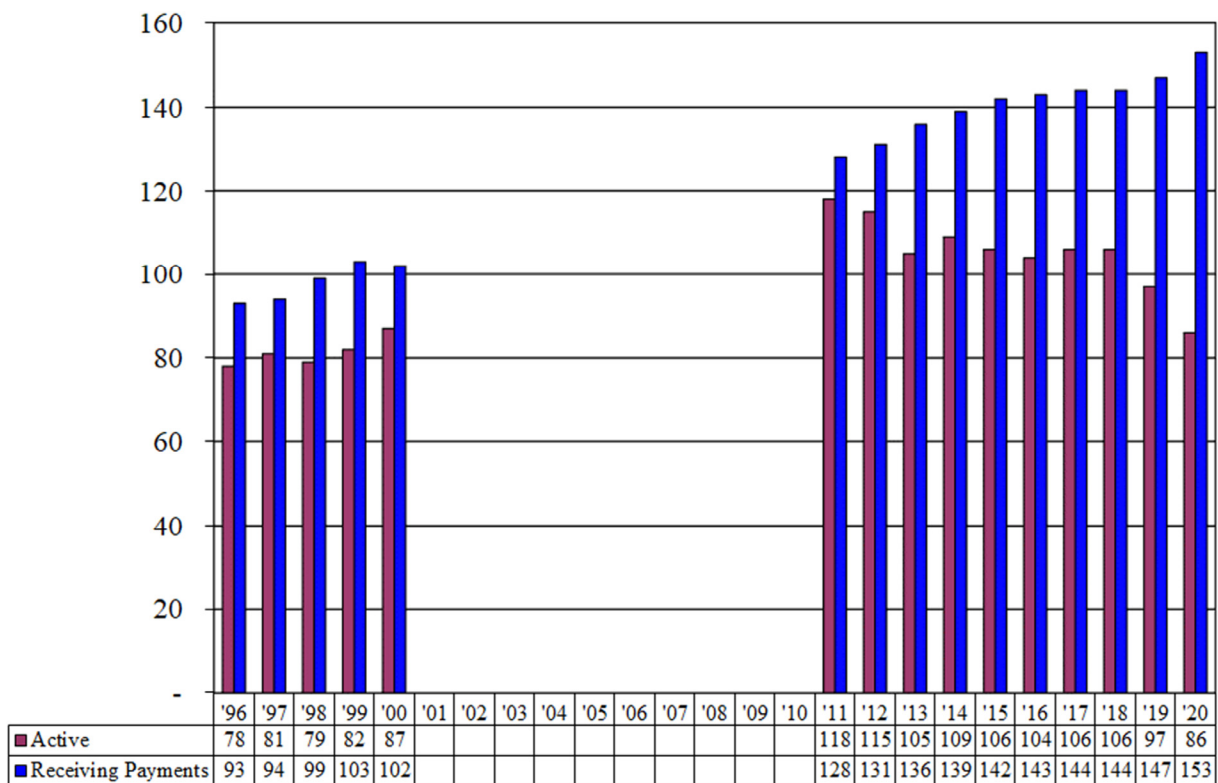


SUMMARY OF DEMOGRAPHIC INFORMATION - MISCELLANEOUS

	2011	2016	2019	2020
Actives				
■ Counts	118	104	97	86
■ Average PERSable Wages	\$ 47,900	\$ 59,600	\$ 58,300	\$ 72,600
■ Total PERSable Wages	5,700,000	6,200,000	5,700,000	6,200,000
Inactive Members				
■ Counts				
• Transferred (working at another CalPERS agency)	92	103	115	123
• Separated	79	89	120	135
• Receiving Payments	128	143	147	153



SUMMARY OF DEMOGRAPHIC INFORMATION - MISCELLANEOUS



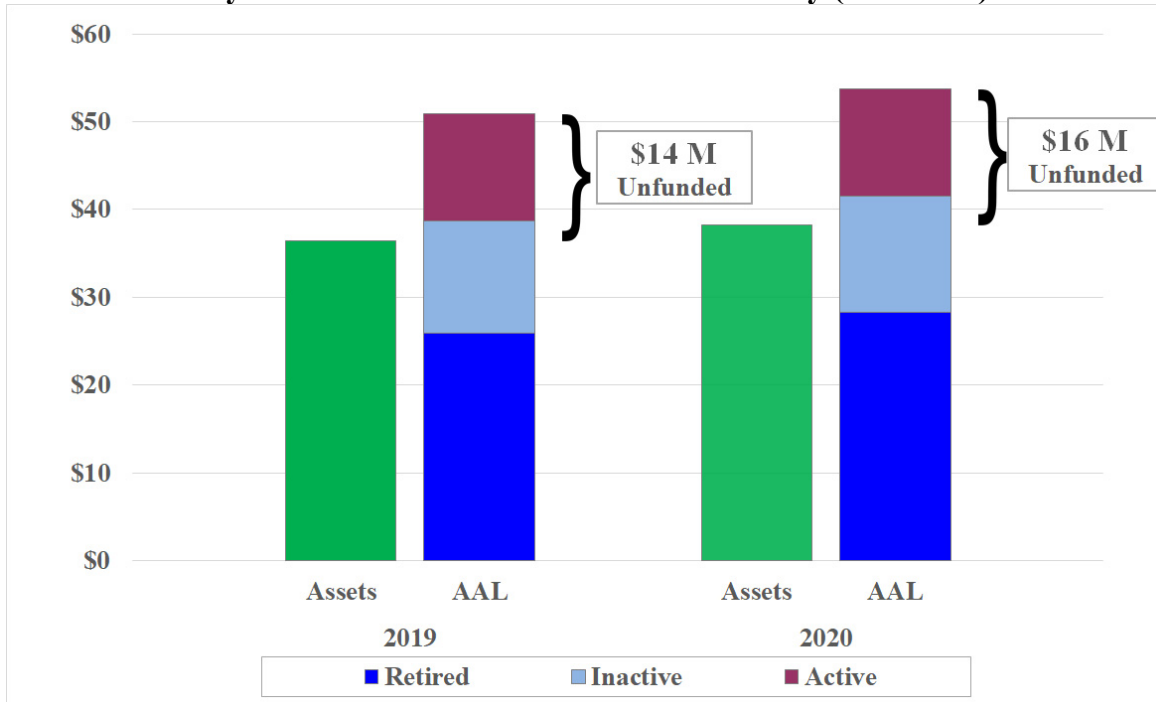
PLAN FUNDED STATUS - MISCELLANEOUS

	<u>June 30, 2019</u>	<u>June 30, 2020</u>
■ Actuarial Accrued Liability		
● Active	\$12,200,000	\$12,200,000
● Retiree	26,000,000	28,200,000
● Inactive	<u>12,700,000</u>	<u>13,300,000</u>
● Total	50,900,000	53,700,000
■ Assets	<u>36,400,000</u>	<u>38,200,000</u>
■ Unfunded Liability	14,500,000	15,500,000
■ Funded Ratio	71.6%	71.1%
■ Average funded ratio for CalPERS Public Agency Miscellaneous Plans	72.2%	N/A



PLAN FUNDED STATUS - MISCELLANEOUS

City CalPERS Assets and Actuarial Liability (\$Millions)



PLAN FUNDED STATUS - MISCELLANEOUS

Discount Rate Sensitivity

June 30, 2020

	Discount Rate		
	<u>7.00%</u>	<u>6.50%¹</u>	<u>6.00%</u>
AAL	\$53,700,000	\$57,600,000	\$61,400,000
Assets	<u>38,200,000</u>	<u>38,200,000</u>	<u>38,200,000</u>
Unfunded Liability	15,500,000	19,400,000	23,200,000
Funded Ratio	71.1%	66.3%	62.2%

¹ Estimated by Bartel Associates.

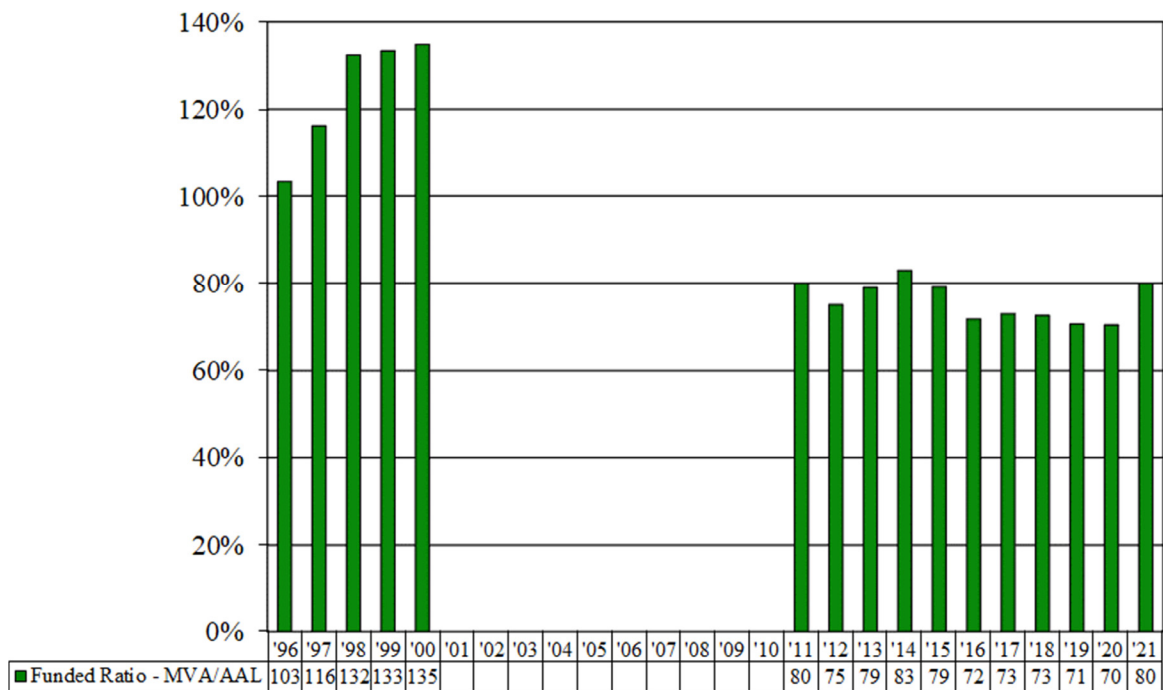


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FUNDED RATIO - MISCELLANEOUS



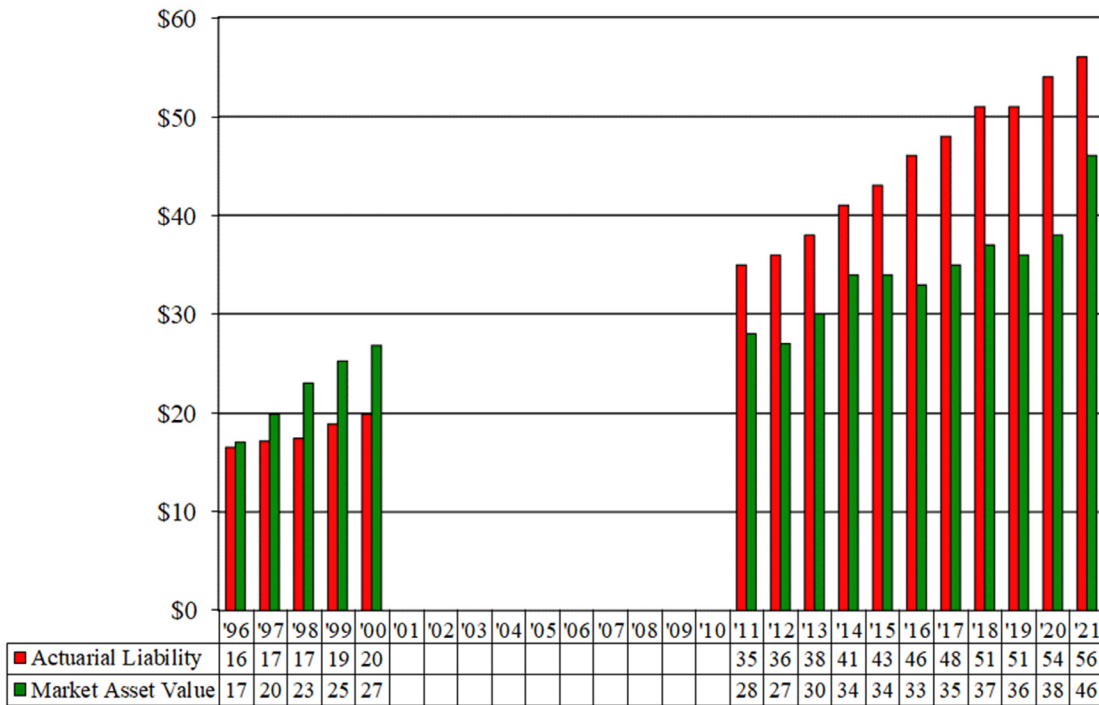
6/30/21 funded status estimated



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FUNDED STATUS (THOUSANDS) - MISCELLANEOUS



6/30/21 funded status estimated

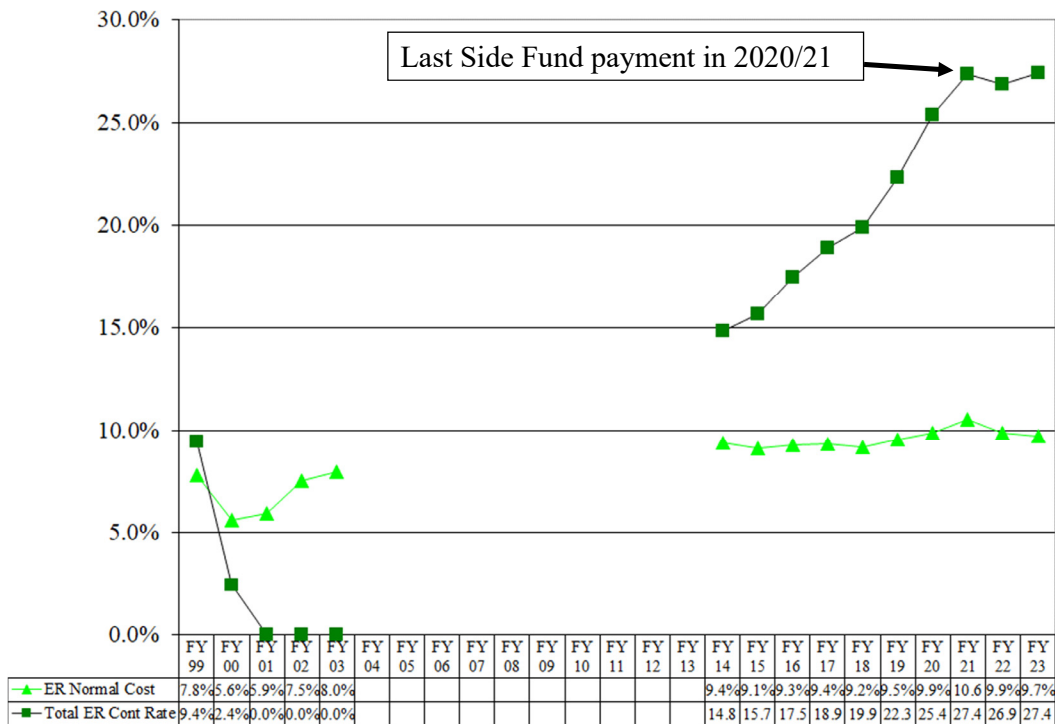


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CONTRIBUTION RATES - MISCELLANEOUS



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CONTRIBUTION RATES - MISCELLANEOUS

	6/30/20 Valuation		
	2022/2023 Contribution Rates		
	<u>Total</u>²	<u>Tier 1</u>	<u>PEPRA</u>
		2%<u>@55</u>	2%<u>@62</u>
■ Base Total Normal Cost	15.8%	17.2%	14.2%
■ Class 1 Benefits			
● Final One Year Compensation	0.3%	0.6%	-
● Post-Retirement Survivor Allowance	<u>0.8%</u>	<u>0.7%</u>	<u>0.8%</u>
■ Total Normal Cost	16.8%	18.5%	15.0%
■ Formula's Expected EE Contr. Rate	<u>7.1%</u>	<u>6.9%</u>	<u>7.3%</u>
■ ER Normal Cost	9.7%	11.6%	7.8%
■ Amortization Payment	17.7%	33.8%	0.4%
■ Amortization of Side Fund	-	-	-
■ Total ER Contribution	27.4%	45.4%	8.2%
■ Employee counts	86	38	48
■ Employee payroll (in 000's)	\$ 6,776	\$ 3,499	\$ 3,277
■ Total ER Contribution \$ (in 000's)	1,858	1,589	269

² Weighting of total contribution based on projected classic and PEPRA payrolls



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CONTRIBUTION RATES - MISCELLANEOUS

	<u>6/30/19</u>	<u>6/30/20</u>
	<u>2021/2022</u>	<u>2022/2023</u>
■ Total Normal Cost	16.9%	16.8%
■ Employee Normal Cost	<u>7.1%</u>	<u>7.1%</u>
■ Employer Normal Cost	9.9%	9.7%
■ Amortization Payments	<u>17.0%</u>	<u>17.7%</u> ³
■ Total Employer Contribution Rate	26.9%	27.4%
■ 2021/22 Employer Contribution Rate		26.9%
● Payroll > Expected		(1.3%)
● 6/30/16 Discount Rate Change (5 th Year)		0.3%
● 6/30/17 Discount Rate & Inflation (4 th Year)		0.3%
● 6/30/18 Discount Rate change (3 rd Year)		0.5%
● Other (Gains)/Losses		<u>0.7%</u>
■ 2022/23 Employer Contribution Rate		27.4%

³ Equivalent to 7.8% of UAL. One year, 7% interest on the UAL is 15.8% of payroll. 2022/23 amortization payment exceeds interest on the UAL, so there is no "negative amortization."



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CONTRIBUTION PROJECTIONS - MISCELLANEOUS

- Market Value Investment Return:
 - June 30, 2021 21.3%⁴
 - Future returns based on stochastic analysis using 1,000 trials

<u>Single Year Returns at⁵</u>	<u>25th Percentile</u>	<u>50th Percentile</u>	<u>75th Percentile</u>
Current Investment Mix	0.1%	7.0%	14.8%
Ultimate Investment Mix	0.8%	6.0%	11.4%

 - Assumes investment returns will, generally be 6.5% (as compared to 7.0%) over the next 8 years and higher beyond that.
- Discount Rate decreases due to Risk Mitigation policy
- No Other: Gains/Losses, Method/Assumption Changes, Benefit Improvements
- Different from CalPERS projection
- Impact of Risk Mitigation Policy:
 - Combined impact of investment gain and discount rate change amortized over 20 years with 5 year ramp up

⁴ Gross return based on July 2021 CalPERS press release.

⁵ Nth percentile means N percentage of our trials result in returns lower than the indicated rates.

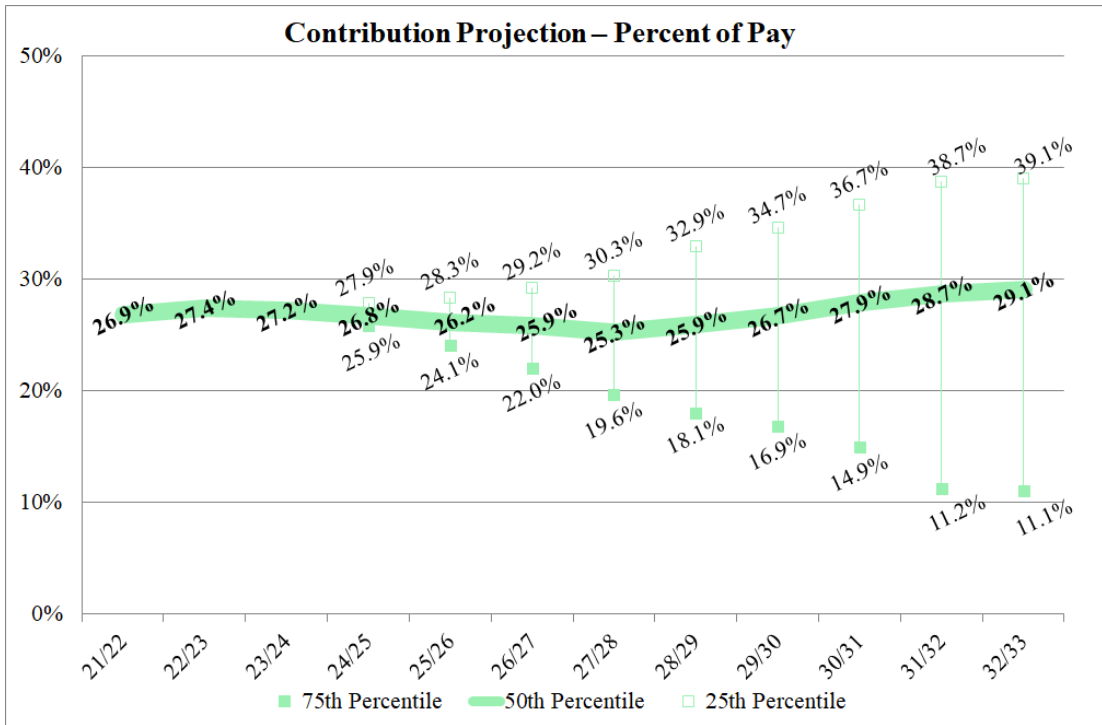


CONTRIBUTION PROJECTIONS - MISCELLANEOUS

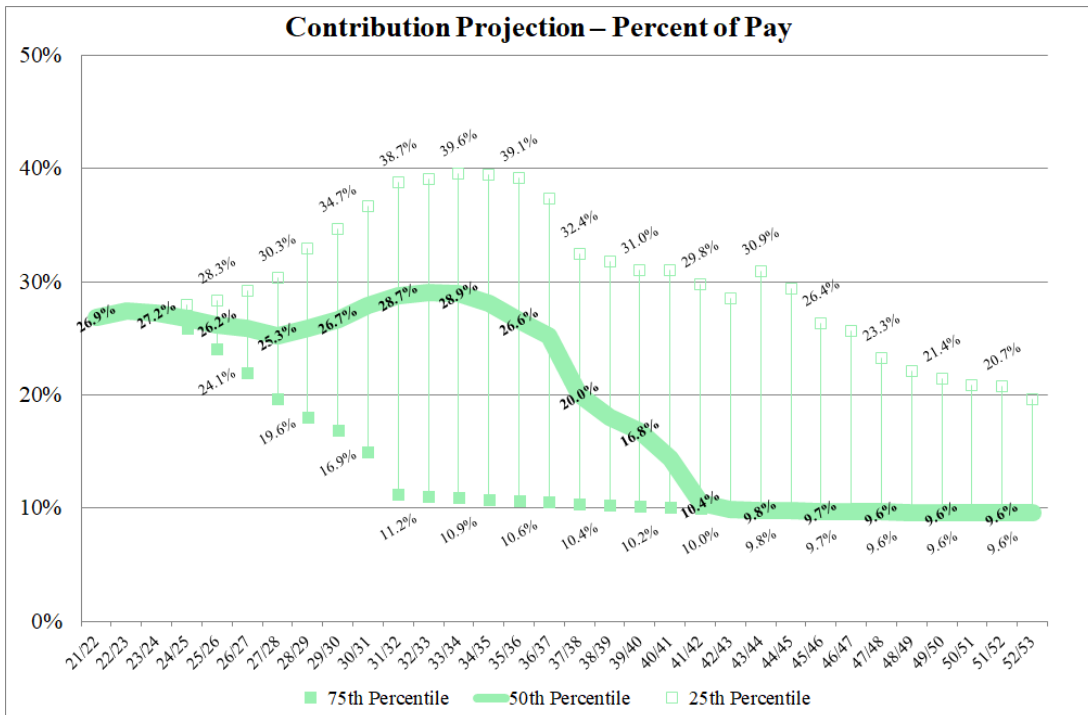
- New hire assumptions:
 - 97.5% of 2021/22 new hires are PEPRAs members and 2.5% are Classic members
 - Percentage of PEPRAs member future hires to increase from 97.5% to 100% in last year



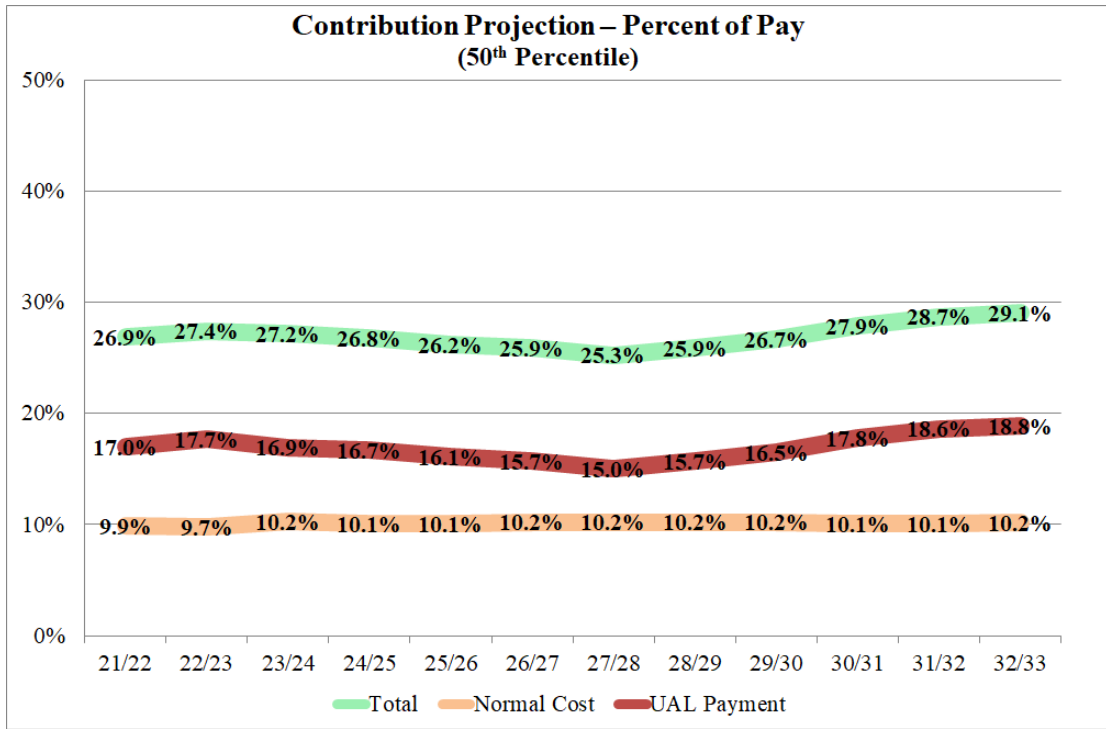
CONTRIBUTION PROJECTIONS - MISCELLANEOUS



CONTRIBUTION PROJECTIONS - MISCELLANEOUS



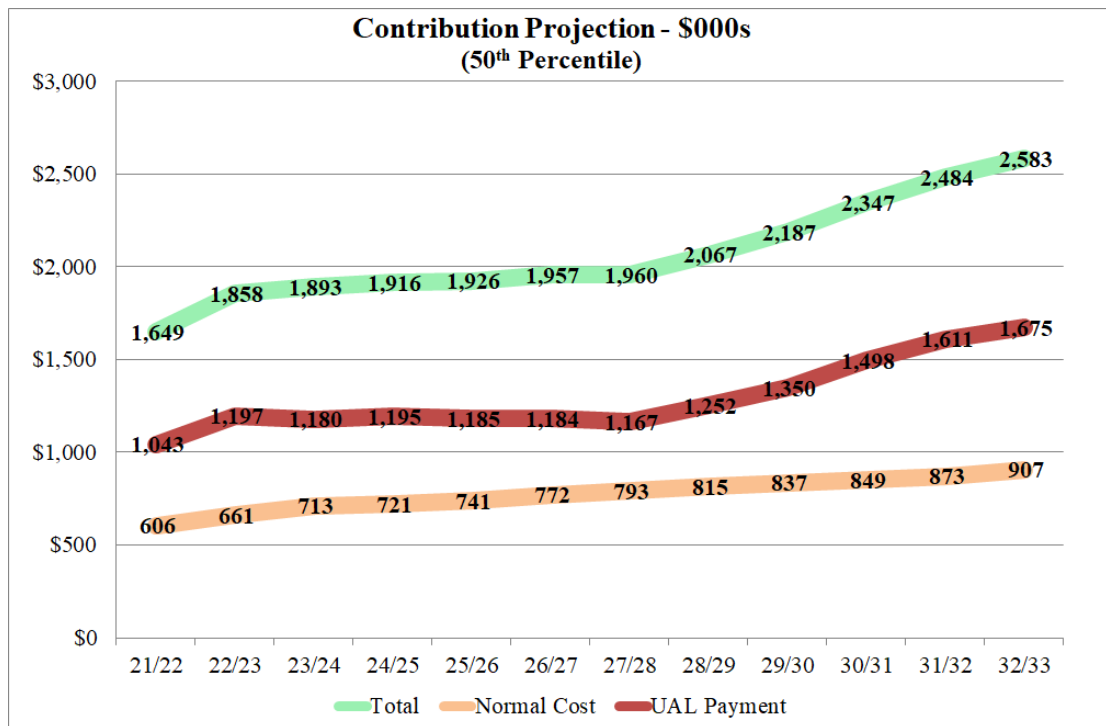
CONTRIBUTION PROJECTIONS - MISCELLANEOUS



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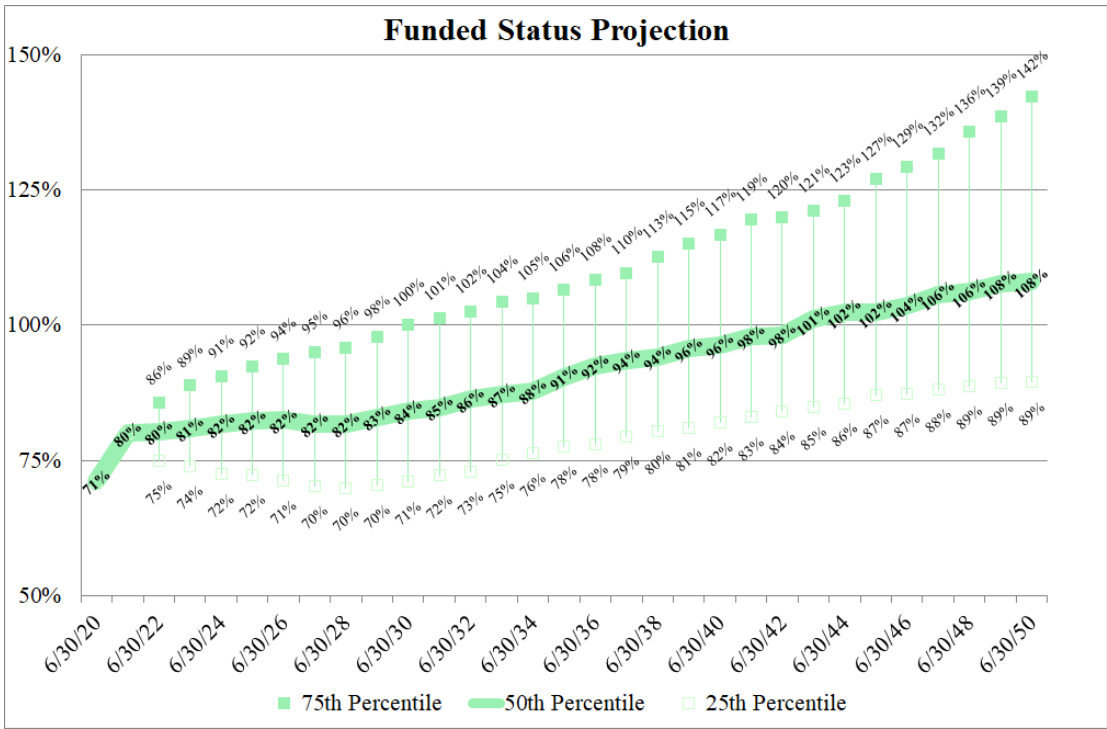
CONTRIBUTION PROJECTIONS - MISCELLANEOUS



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FUNDED STATUS - MISCELLANEOUS



FUNDED STATUS - MISCELLANEOUS

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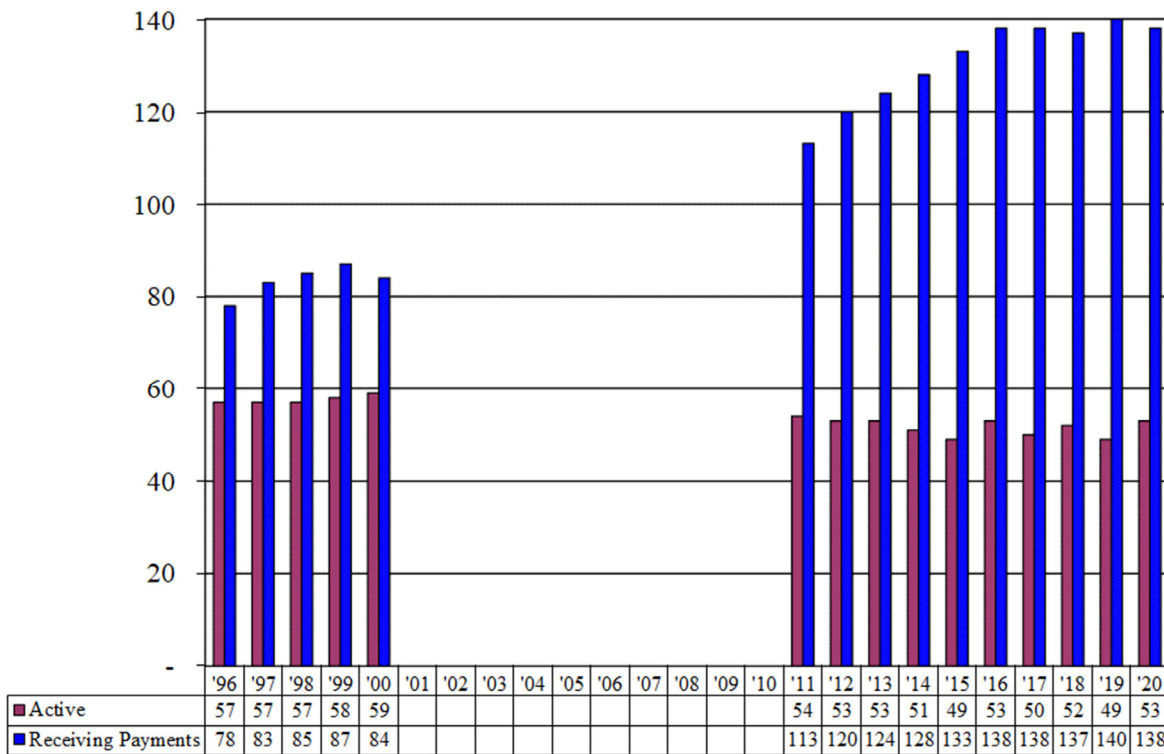


SUMMARY OF DEMOGRAPHIC INFORMATION - SAFETY

	2011	2016	2019	2020
Actives				
■ Counts	54	53	49	53
■ Average PERSable Wages	\$91,100	\$96,300	\$97,100	\$107,000
■ Total PERSable Wages	4,900,000	5,100,000	4,800,000	5,700,000
Inactive Members				
■ Counts				
• Transferred	36	23	27	28
• Separated	11	9	18	18
• Receiving Payments	113	138	140	138



SUMMARY OF DEMOGRAPHIC INFORMATION - SAFETY



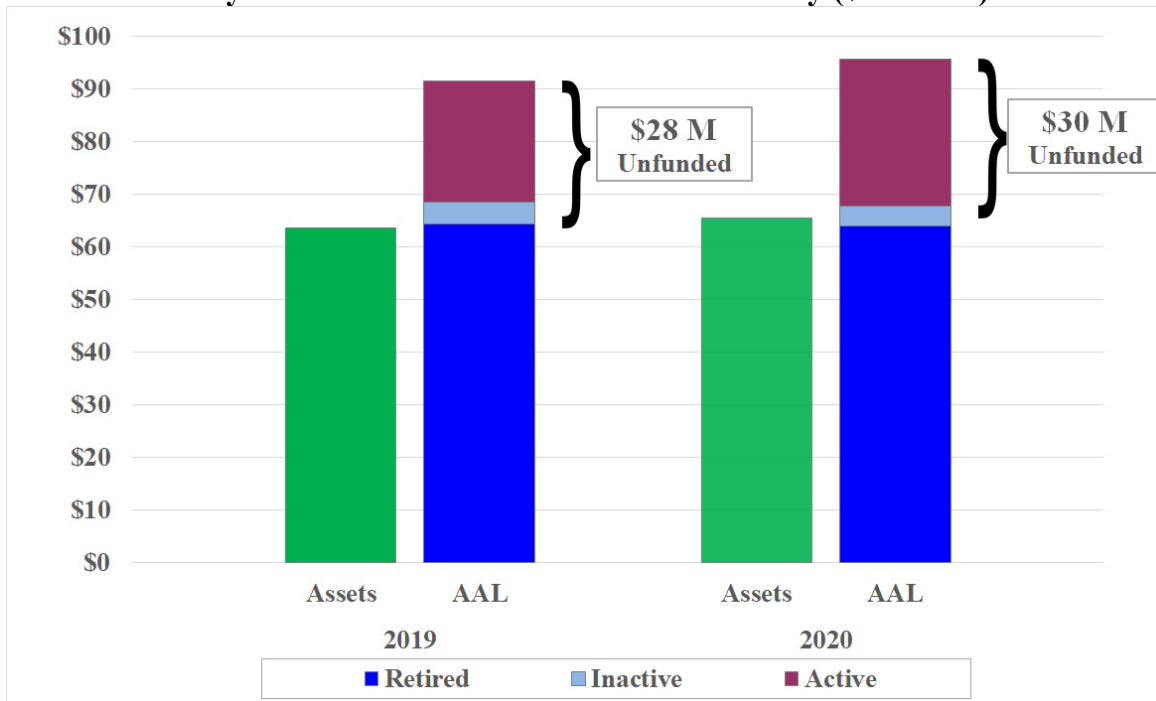
PLAN FUNDED STATUS - SAFETY

	<u>June 30, 2019</u>	<u>June 30, 2020</u>
■ Actuarial Accrued Liability		
● Active	\$23,100,000	\$27,800,000
● Retiree	64,300,000	63,900,000
● Inactive	<u>4,100,000</u>	<u>3,900,000</u>
● Total	91,500,000	95,600,000
■ Assets	<u>63,500,000</u>	<u>65,400,000</u>
■ Unfunded Liability	28,000,000	30,200,000
■ Funded Ratio	69.4%	68.4%
■ Average funded ratio for CalPERS Public Agency Safety Plans	68.6%	N/A



PLAN FUNDED STATUS - SAFETY

City CalPERS Assets and Actuarial Liability (\$Millions)



PLAN FUNDED STATUS - SAFETY

Discount Rate Sensitivity

June 30, 2020

	Discount Rate		
	<u>7.00%</u>	<u>6.50%⁶</u>	<u>6.00%</u>
AAL	\$95,600,000	\$101,700,000	\$107,800,000
Assets	<u>65,400,000</u>	<u>65,400,000</u>	<u>65,400,000</u>
Unfunded Liability	30,200,000	36,300,000	42,400,000
Funded Ratio	68.4%	64.3%	60.7%

⁶ Estimated by Bartel Associates.

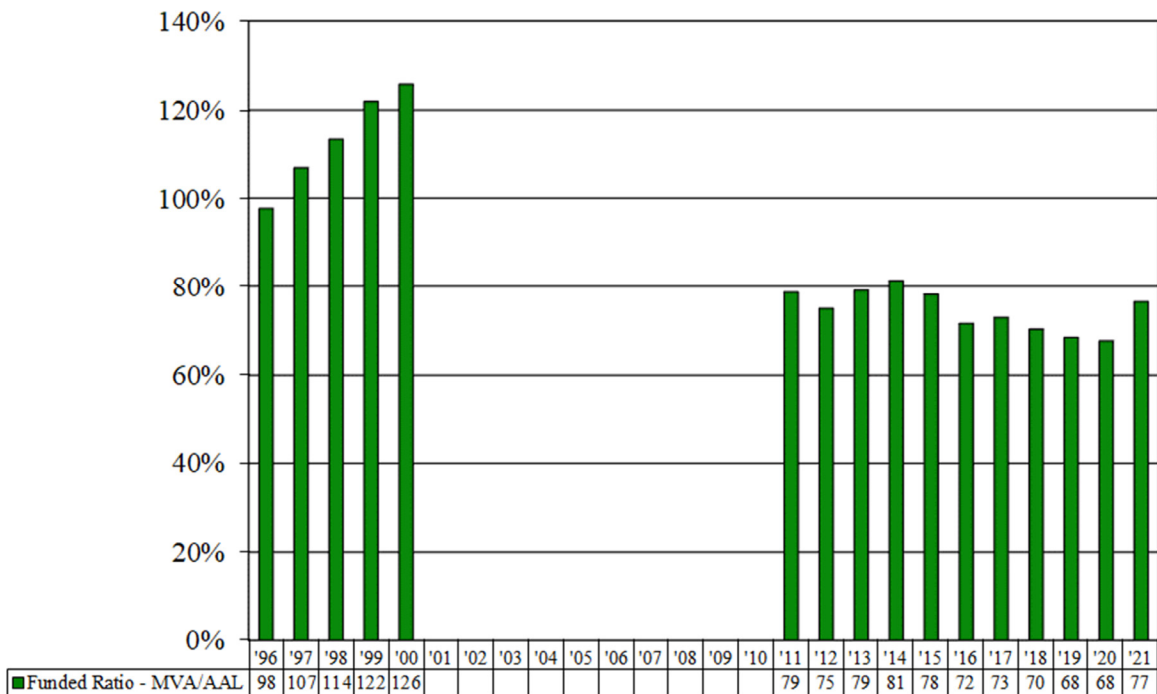


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FUNDED RATIO - SAFETY



6/30/21 funded status estimated

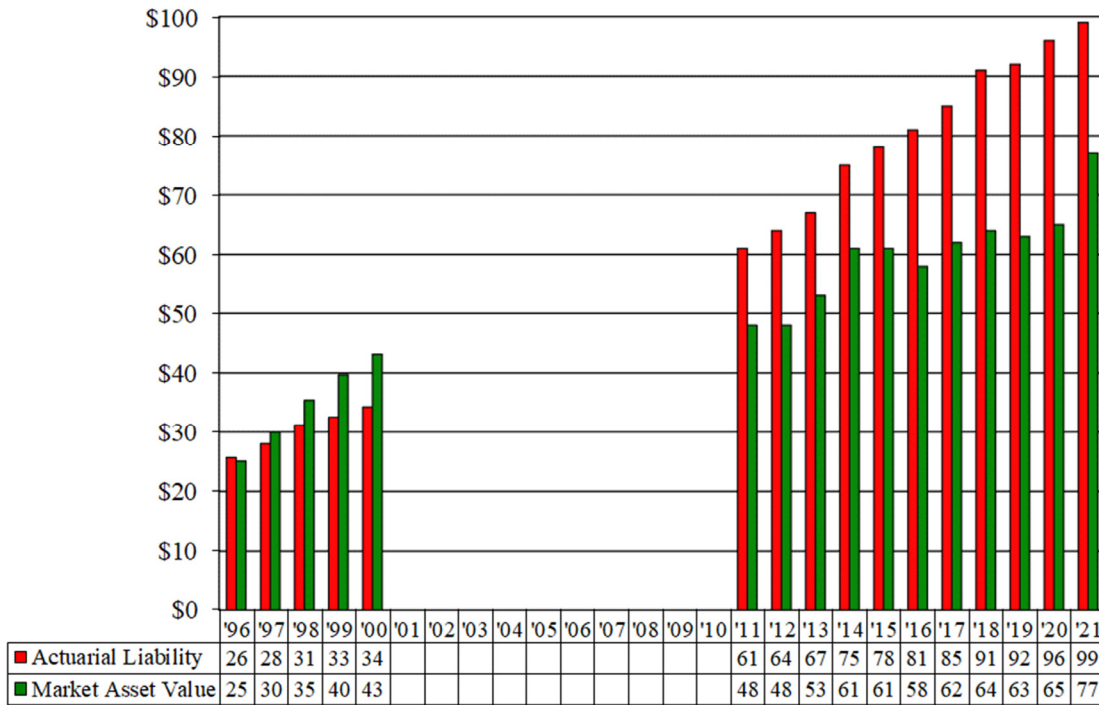


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FUNDED STATUS (THOUSANDS) - SAFETY



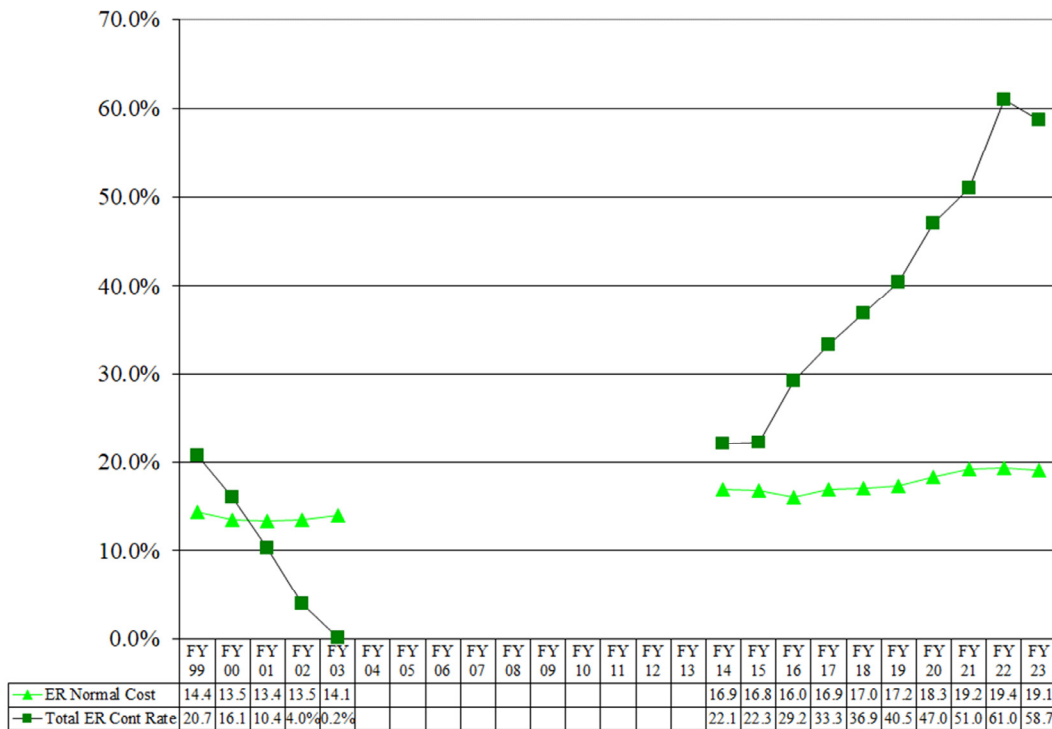
6/30/21 funded status estimated



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CONTRIBUTION RATES - SAFETY



September 23, 2021 **DRAFT**



CONTRIBUTION RATES - SAFETY

	6/30/20 Valuation		
	2022/2023 Contribution Rates		
	<u>Total</u>⁷	<u>Tier 1</u>	<u>PEPRA</u>
		2%<u>@50</u>	2.7%<u>@57</u>
■ Base Total Normal Cost	26.8%	27.1%	25.8%
■ Class 1 Benefits			
● Final One Year Compensation	0.8%	1.1%	-
● Post-Retirement Survivor Allowance	<u>1.7%</u>	<u>1.7%</u>	<u>1.6%</u>
■ Total Normal Cost	29.3%	29.9%	27.4%
■ Formula's Expected EE Contr. Rate	<u>10.2%</u>	<u>9.0%</u>	<u>13.8%</u>
■ ER Normal Cost	19.1%	21.0%	13.7%
■ Amortization Payment	39.6%	52.8%	0.9%
■ Amortization of Side Fund	-	-	-
■ Total ER Contribution	58.7%	73.8%	14.6%
■ Employee counts	53	36	17
■ Employee payroll (in 000's)	\$ 6,150	\$ 4,584	\$ 1,566
■ Total ER Contribution \$ (in 000's)	3,611	3,383	228

⁷ Weighting of total contribution based on projected classic and PEPRA payrolls



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CONTRIBUTION RATES - SAFETY

	<u>6/30/19</u>	<u>6/30/20</u>
	<u>2021/2022</u>	<u>2022/2023</u>
■ Total Normal Cost	29.4%	29.3%
■ Employee Normal Cost	<u>10.0%</u>	<u>10.2%</u>
■ Employer Normal Cost	19.4%	19.1%
■ Amortization Payments	<u>41.6%</u>	<u>39.6%</u> ⁸
■ Total Employer Contribution Rate	61.0%	58.7%
■ 2021/22 Employer Contribution Rate		61.0%
● Payroll > Expected		(6.6%)
● 6/30/16 Discount Rate Change (5 th Year)		0.7%
● 6/30/17 Discount Rate & Inflation (4 th Year)		0.8%
● 6/30/18 Discount Rate change (3 rd Year)		1.2%
● Other (Gains)/Losses		<u>1.6%</u>
■ 2022/23 Employer Contribution Rate		58.7%

⁸ Equivalent to 8.1% of UAL. One year, 7% interest on the UAL is 34.4% of payroll. 2022/23 amortization payment exceeds interest on the UAL, so there is no "negative amortization".



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CONTRIBUTION PROJECTIONS - SAFETY

- Market Value Investment Return:
 - June 30, 2021 21.3%⁹
 - Future returns based on stochastic analysis using 1,000 trials

<u>Single Year Returns at¹⁰</u>	<u>25th Percentile</u>	<u>50th Percentile</u>	<u>75th Percentile</u>
Current Investment Mix	0.1%	7.0%	14.8%
Ultimate Investment Mix	0.8%	6.0%	11.4%

 - Assumes investment returns will, generally be 6.5% (as compared to 7.0%) over the next 8 years and higher beyond that.
- Discount Rate decreases due to Risk Mitigation policy
- No Other: Gains/Losses, Method/Assumption Changes, Benefit Improvements
- Different from CalPERS projection
- Impact of Risk Mitigation Policy:
 - Combined impact of investment gain and discount rate change amortized over 20 years with 5 year ramp up

⁹ Gross return based on July 2021 CalPERS press release.

¹⁰ Nth percentile means N percentage of our trials result in returns lower than the indicated rates.

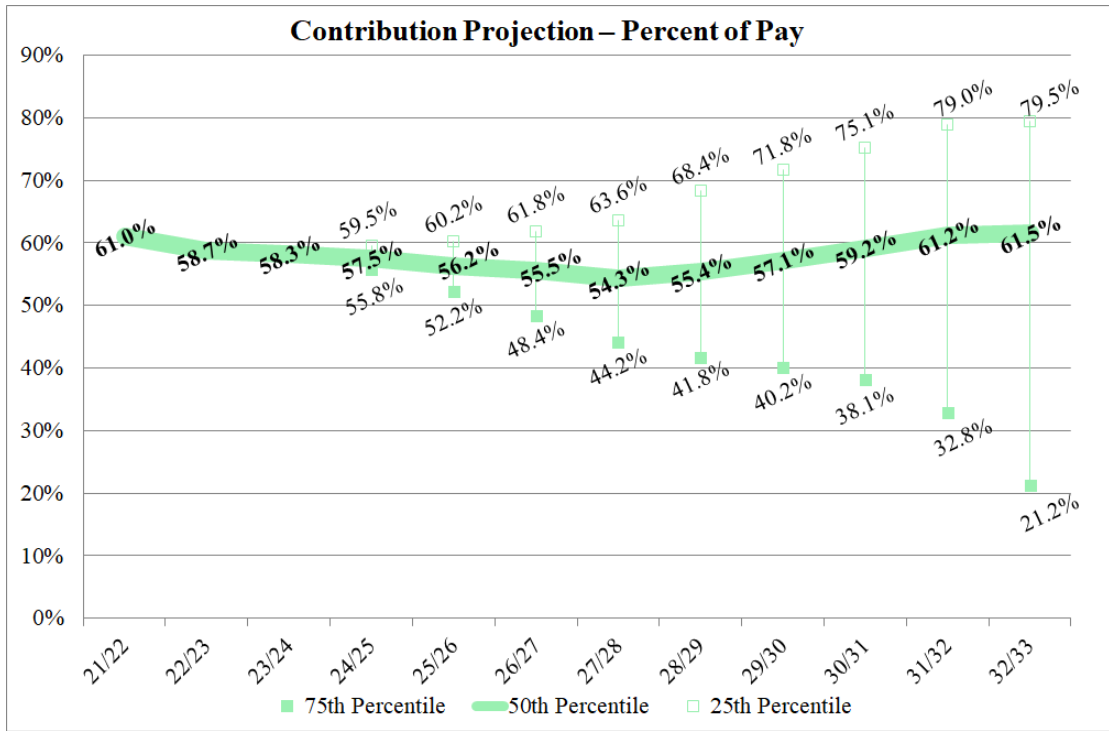


CONTRIBUTION PROJECTIONS - SAFETY

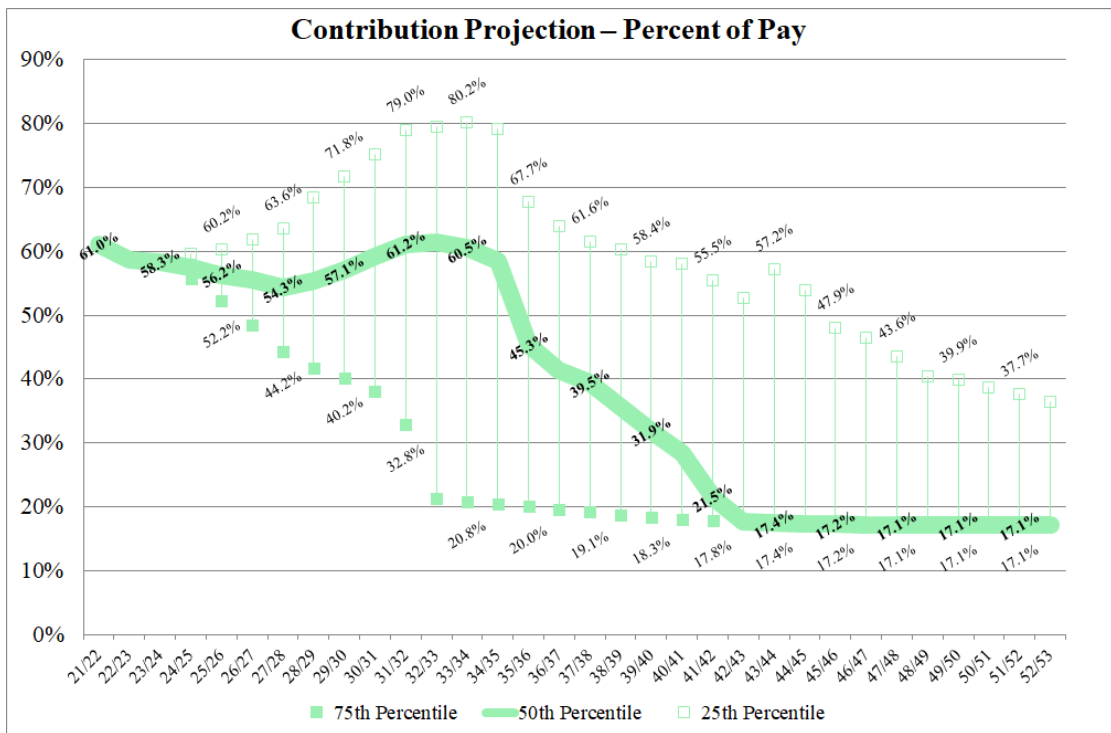
- New hire assumptions:
 - 97.5% of 2021/22 new hires are PEPRAs members and 2.5% are Classic members
 - Percentage of PEPRAs member future hires to increase from 97.5% to 100% in last year



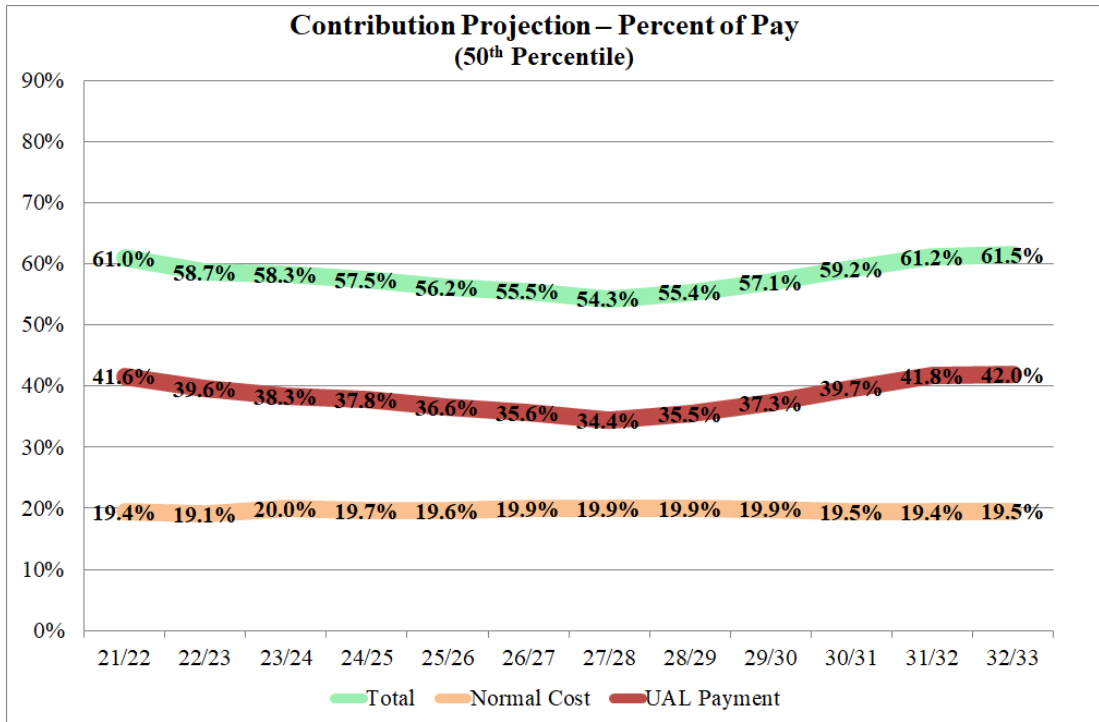
CONTRIBUTION PROJECTIONS - SAFETY



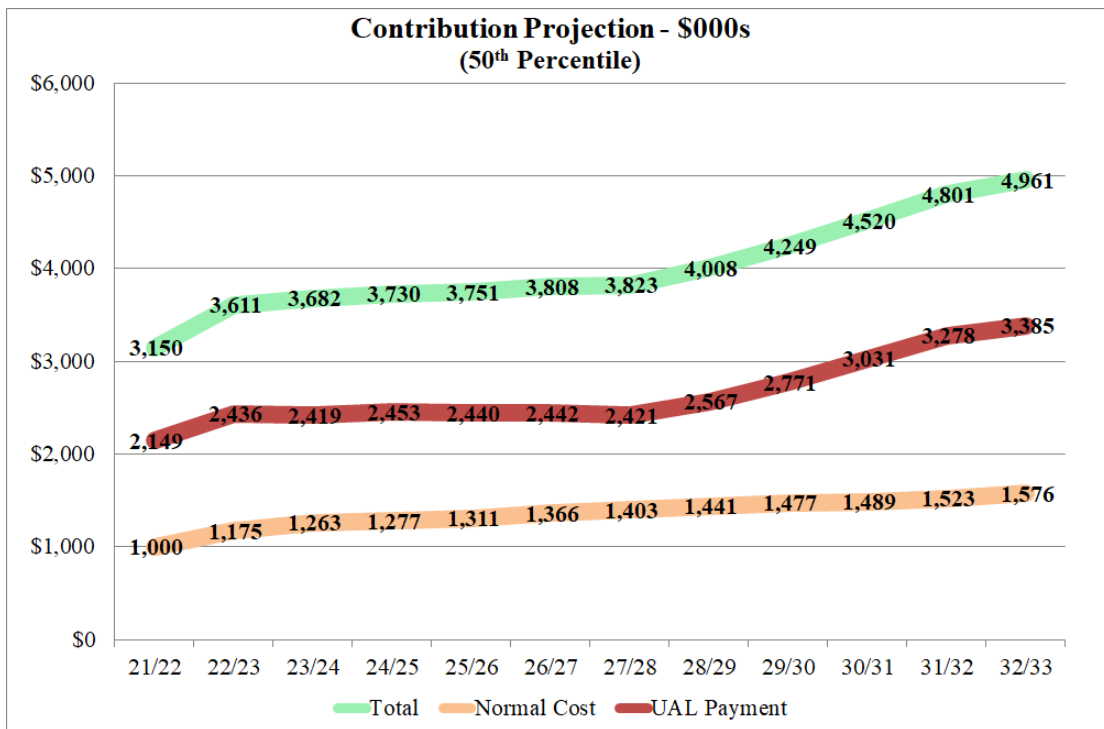
CONTRIBUTION PROJECTIONS - SAFETY



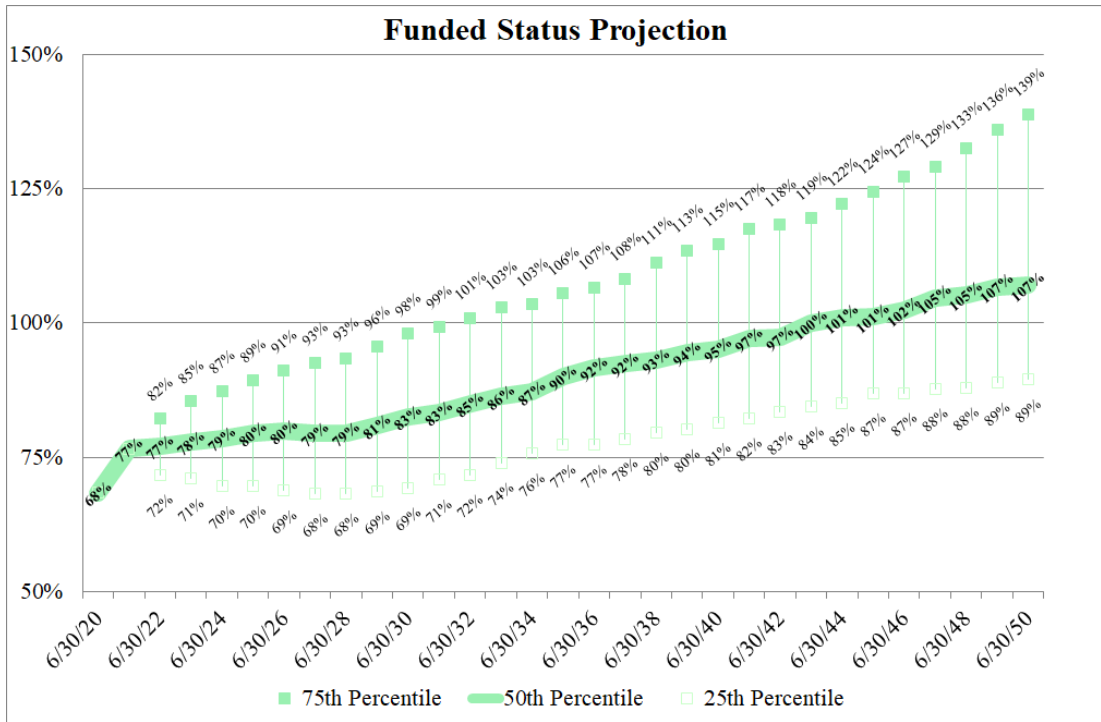
CONTRIBUTION PROJECTIONS - SAFETY



CONTRIBUTION PROJECTIONS - SAFETY



FUNDED STATUS - SAFETY

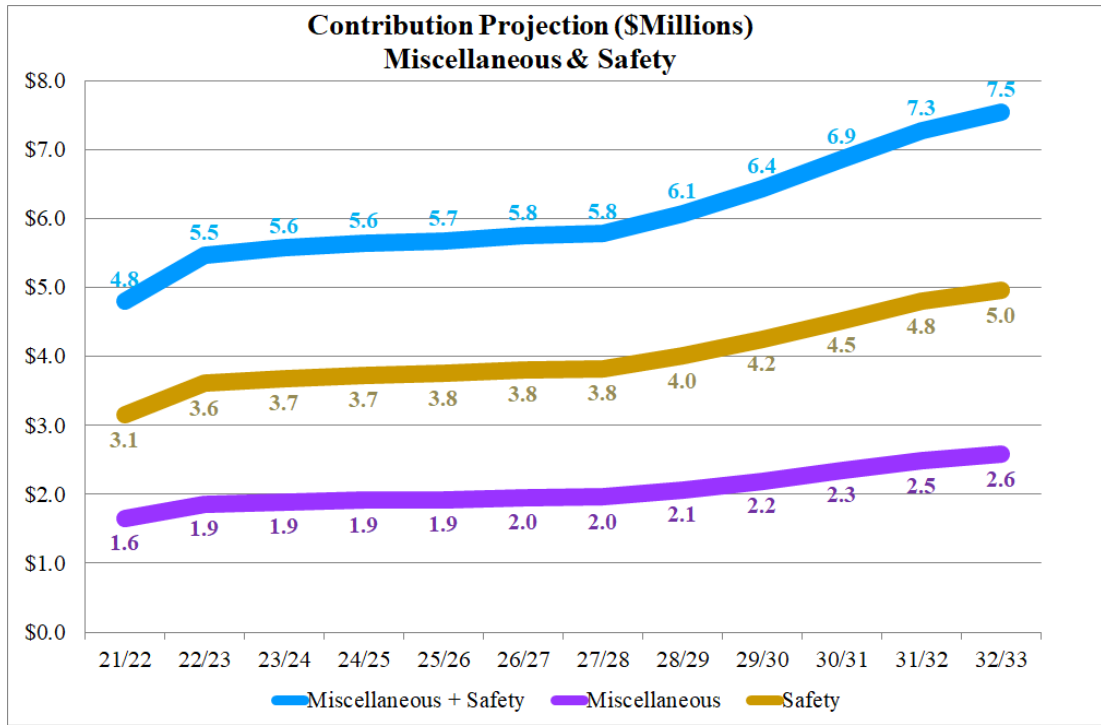


FUNDED STATUS - SAFETY

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COMBINED MISCELLANEOUS AND SAFETY



COMBINED MISCELLANEOUS AND SAFETY

Funded Status Summary on June 30, 2020
(Amounts in \$Millions)

	Miscellaneous	Safety	Total
■ AAL	\$ 53.7	\$ 95.6	\$ 149.3
■ Assets	<u>38.2</u>	<u>65.4</u>	<u>103.6</u>
■ Unfunded AAL	15.5	30.2	45.7
■ Funded Ratio	71.1%	68.4%	69.4%



LEAVING CALPERS

- Participation in CalPERS is governed by State law and CalPERS rules
- The following are considered “withdrawing” from CalPERS:
 - Exclude new hires from CalPERS & giving them a different pension
 - Stop accruing benefits for current employees
- “Withdrawal” from CalPERS:
 - Treated as plan termination
 - Liability increased for conservative investments
 - Liability increased for future demographic fluctuations
 - Liability must be funded immediately by withdrawing agency
 - Otherwise, retiree benefits are cut



LEAVING CALPERS

CalPERS Termination Estimates on June 30, 2020 (Amounts in Millions)

Discount Rate	Ongoing Plan	Termination Basis	
	7.00%	0.75%	2.50%
Miscellaneous			
Actuarial Accrued Liability	\$ 53.7	\$131.9	\$ 97.0
Assets	<u>38.2</u>	<u>38.2</u>	<u>38.2</u>
Unfunded AAL (UAAL)	15.5	93.7	58.8
Safety			
Actuarial Accrued Liability	\$ 95.6	\$ 227.5	\$ 173.7
Assets	<u>65.4</u>	<u>65.4</u>	<u>65.4</u>
Unfunded AAL (UAAL)	30.2	162.1	108.3
Total			
Unfunded AAL (UAAL)	45.7	255.8	167.1
Funded Ratio	69.4%	28.8%	38.3%



PEPRA COST SHARING

- Target of 50% of total normal cost paid by all employees
- *PEPRA members* must pay greater of 50% of total normal cost or bargained amount if higher
- Employer cannot pay any part of *PEPRA member* required employee contributions
- Employer may impose current employees pay 50% of total normal cost (limited to 8% of pay for Miscellaneous and 12% for Safety) if not agreed through collective bargaining
- Miscellaneous Plan 2022/23:

	<u>Classic Members</u>	<u>New Members</u>
	Tier 1	PEPRA
	<u>2% @ 55 FAE1</u>	<u>2% @ 62 FAE3</u>
● Employer Normal Cost	11.6%	7.76%
● Member Normal Cost	<u>7.0%</u>	<u>7.25%</u>
● Total Normal Cost	18.6%	15.01%
● 50% Target	9.3%	7.51%



PEPRA COST SHARING

- Safety Plan 2022/23:

	<u>Classic Members</u>	<u>New Members</u>
	Tier 1	PEPRA
	<u>2% @ 50 FAE1</u>	<u>2.7% @ 57 FAE3</u>
● Employer Normal Cost	21.0%	13.66%
● Member Normal Cost	<u>9.0%</u>	<u>13.75%</u>
● Total Normal Cost	30.0%	27.41%
● 50% Target	15.0%	13.71%

- PEPRA Member Contributions – no change expected for FY22/23:

	2021/22		2022/23			
	Total NC (Basis)	Member Rate	Total Normal Cost	Change	Member Rate	Method
Miscellaneous	14.32%	7.25%	15.01%	0.69%	7.25%	PEPRA Members
Safety	27.63%	13.75%	27.41%	(0.22%)	13.75%	PEPRA Members



PAYING DOWN THE UNFUNDED LIABILITY & RATE STABILIZATION

- All options for mitigating future contribution increases involve paying more money sooner
 - CalPERS liabilities grow 7% per year
- City internal investments restricted to very low risk
- Where do you get the money from?
 - Sources of funds: City funds, borrowing, bargain with employees to pay more

- How do you use the money?



WHERE DO YOU GET THE MONEY FROM?

- POB:
 - Usually thought of as interest arbitrage between expected earnings and rate paid on POB
 - No guaranteed savings
 - PEPRA prevents contributions from dropping below normal cost
 - Savings offset when investment return is good
 - GFOA Advisory
 - Currently very popular due to low borrowing costs, but no guarantees!
- Borrow from General Fund similar to State
- One time payments
 - Governing body resolution to use a portion of one time money, e.g.
 - 1/3 to one time projects
 - 1/3 to replenish reserves and
 - 1/3 to pay down unfunded liability



HOW DO YOU USE THE MONEY?

- Internal Service Fund
 - Typically used for rate stabilization
 - Restricted investments:
 - Likely low (0.5%-1.0%) investment returns
 - Short term/high quality, designed for preservation of principal
 - Assets can be used by governing body for other purposes
 - Does not reduce Unfunded Liability



HOW DO YOU USE THE MONEY?

- Make payments directly to CalPERS:
 - Likely best long-term investment return
 - Must be considered an irrevocable decision
 - Extra payments cannot be used as future “credit”
 - PEPRAs prevent contributions from dropping below normal cost
 - Option #1: Request shorter amortization period (Fresh Start):
 - Higher short term payments
 - Less interest and lower long term payments
 - Likely cannot revert to old amortization schedule
 - “Soft” fresh start is more popular, but administratively difficult



HOW DO YOU USE THE MONEY?

- Make payments directly to CalPERS (continued):
 - Option #2: Additional Discretionary Payment (ADP):
 - Extra contribution's impact muted by reduced future contributions
 - CalPERS can't track the "would have been" contribution
 - No guaranteed savings
 - Larger asset pool means larger loss (or gain) opportunity
 - Paying off shorter amortization bases: larger contribution savings over shorter period:
 - e.g. 10 year base reduces contribution 11.9¢ for \$1
 - Less interest savings vs paying off longer amortization bases
 - Paying off longer amortization bases: smaller contribution savings over longer period:
 - e.g. 25 year base reduces contribution 6.2¢ for \$1
 - More interest savings vs paying off shorter amortization bases
 - Maintaining the current payment schedule – not letting payments reduce due to extra payment – gives the greatest long-term savings
 - Administratively and politically difficult



HOW DO YOU USE THE MONEY?

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IRREVOCABLE SUPPLEMENTAL (§115) PENSION TRUST

- Can only be used to:
 - Reimburse City for CalPERS contributions
 - Make payments directly to CalPERS
- Investments significantly less restricted than City investment funds
 - Fiduciary rules govern Trust investments
 - Usually, designed for long term returns
- Assets don't count for GASB accounting
 - Are considered Employer assets
- Well over 100 trusts established, mostly since 2015
 - Trust providers: PARS, PFM, Keenan
 - California Employers' Pension Prefunding Trust (CEPPT) effective July 2019
 - Strategy 1: 48% stocks / 52% bonds
 - Strategy 2: 22% stocks / 78% bonds



IRREVOCABLE SUPPLEMENTAL (§115) PENSION TRUST

- More flexibility than paying CalPERS directly
 - City decides if and when and how much money to put into Trust
 - City decides if and when and how much to withdraw to pay CalPERS or reimburse Agency
- Funding strategies typically focus on
 - Reducing the unfunded liability
 - Fund enough to make total CalPERS UAL = 0
 - Make PEPPA required payments from Trust when overfunded
 - Stabilizing contribution rates
 - Mitigate expected contribution rates to better manage budget
 - Combination
 - Use funds for rate stabilization/budget predictability
 - Target increasing fund balance to pay off UAL sooner



IRREVOCABLE SUPPLEMENTAL (§115) PENSION TRUST

- Consider:
 - How much can you put into Trust?
 - Initial seed money?
 - Additional amounts in future years?
 - When do you take money out?
 - Target budget rate?
 - Year target budget rate kicks in?
 - Before or after CalPERS rate exceeds budgeted rate?



COMPARISON OF OPTIONS

- | ■ Supplemental Trust | ■ CalPERS |
|--|--|
| ● Flexible | ● Locked In |
| ● Likely lower long-term return | ● Likely higher long-term return |
| ● Investment strategy choice | ● No investment choice |
| ● Does not reduce net pension liability for GASB reporting | ● Reduces net pension liability for GASB reporting |
| ● More visible | ● More restricted |



ADDITIONAL PAYMENT ILLUSTRATION

Direct Payment to CalPERS

- Following illustrates additional \$3.4 million contribution to CalPERS on June 30, 2022
 - \$.6 million to OPEB illustrated later. Total \$4 million
- Miscellaneous (\$1.2 million)
- Safety (\$2.2 million)
- Estimated Savings

	Miscellaneous	Safety
Apply ADP to Shortest Bases	\$1.2 million	\$2.2 million
Total \$ Savings (000's) over 30 years	\$ 571	\$1,155
Present Value of Savings @ 3% (000's)	277	555
Apply ADP to Longest Bases	\$1.2 million	\$2.2 million
Total \$ Savings (000's) over 30 years	\$1,398	\$ 2,580
Present Value of Savings @ 3% (000's)	592	1,090
Do Not Let Payments Reduce	\$1.2 million	\$2.2 million
Total \$ Savings (000's) over 30 years	\$2,827	\$5,318
Present Value of Savings @ 3% (000's)	1,158	2,171



ADDITIONAL PAYMENT ILLUSTRATION

Payment to 115 Trust

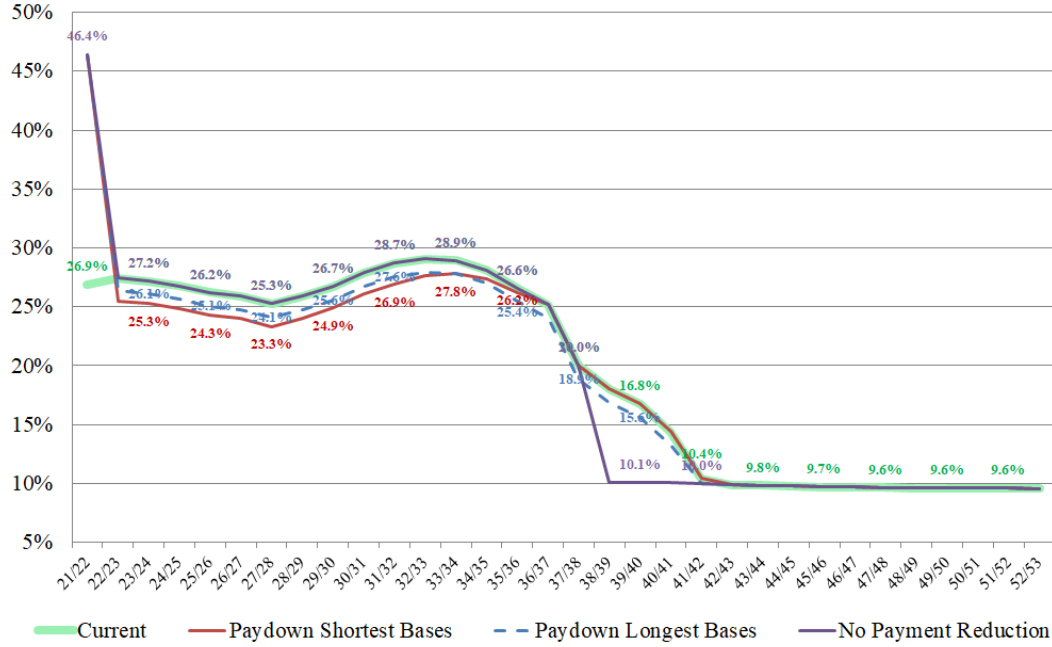
	Miscellaneous	Safety
Trust Contributions	\$1.2 million	\$2.2 million
Trust Earnings	5%	5%
Trust Target		
- Target City contribution rate ¹¹	25.0%	53.0%
- Projected 1st year of trust withdrawals	2028/29	2028/29
- Projected last year of trust withdrawals	2035/36	2034/35
\$ Savings (000's) over 30 years	\$825	\$1,428
Present value of savings @ 3% discount rate (000's)	312	567

¹¹ If CalPERS rates are below the target rate, the difference is paid to the Trust. If CalPERS rates are above the target rate, funds are withdrawn from the trust to pay CalPERS.



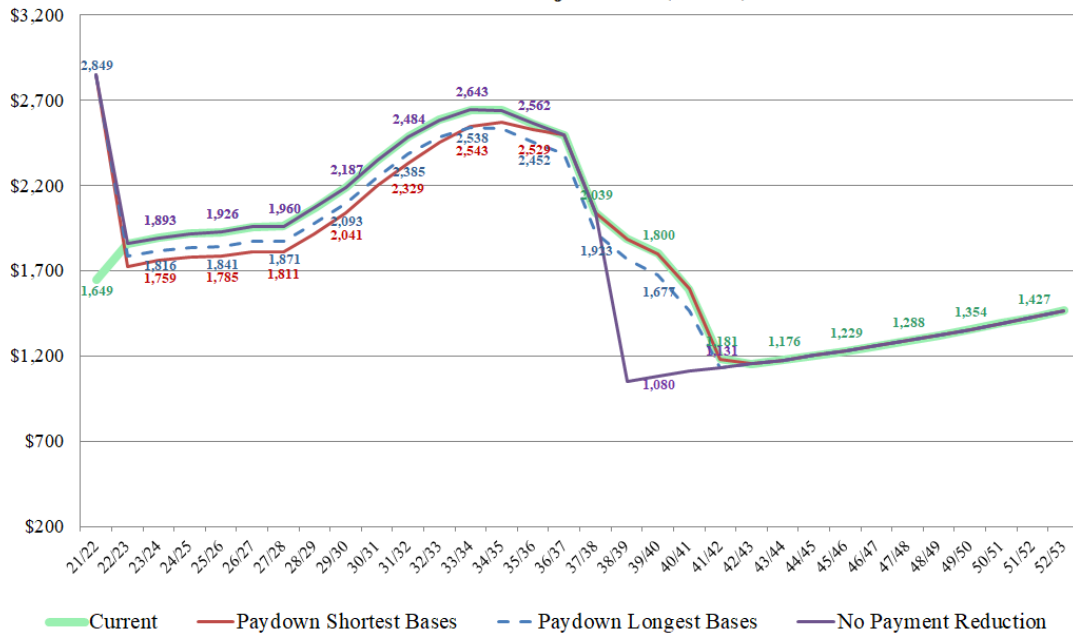
ADDITIONAL PAYMENT ILLUSTRATION

Direct Payment to CalPERS Miscellaneous Contribution Projection – Percent of Pay



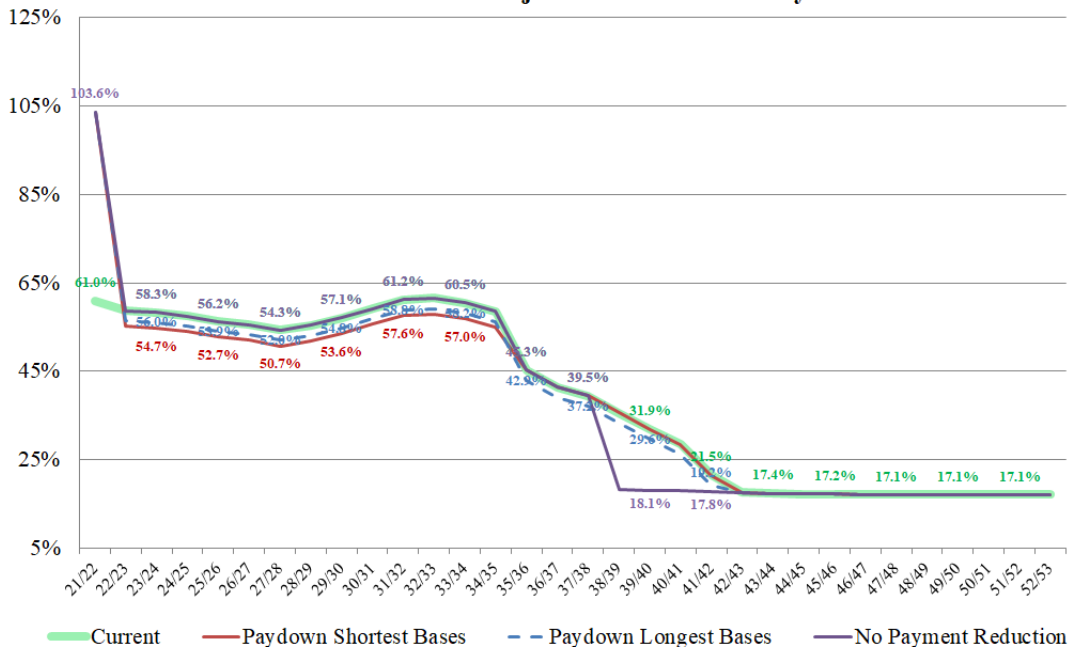
ADDITIONAL PAYMENT ILLUSTRATION

Direct Payment to CalPERS Miscellaneous Contribution Projection – (\$000s)



ADDITIONAL PAYMENT ILLUSTRATION

Direct Payment to CalPERS Safety Contribution Projection – Percent of Pay

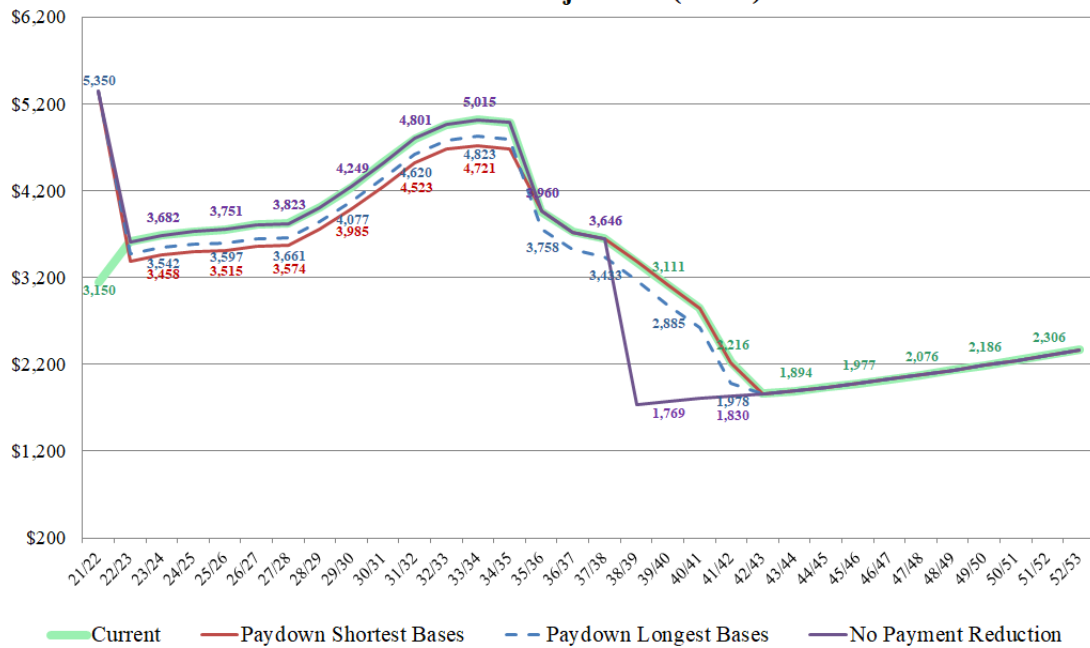


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ADDITIONAL PAYMENT ILLUSTRATION

Direct Payment to CalPERS Safety Contribution Projection – (\$000s)

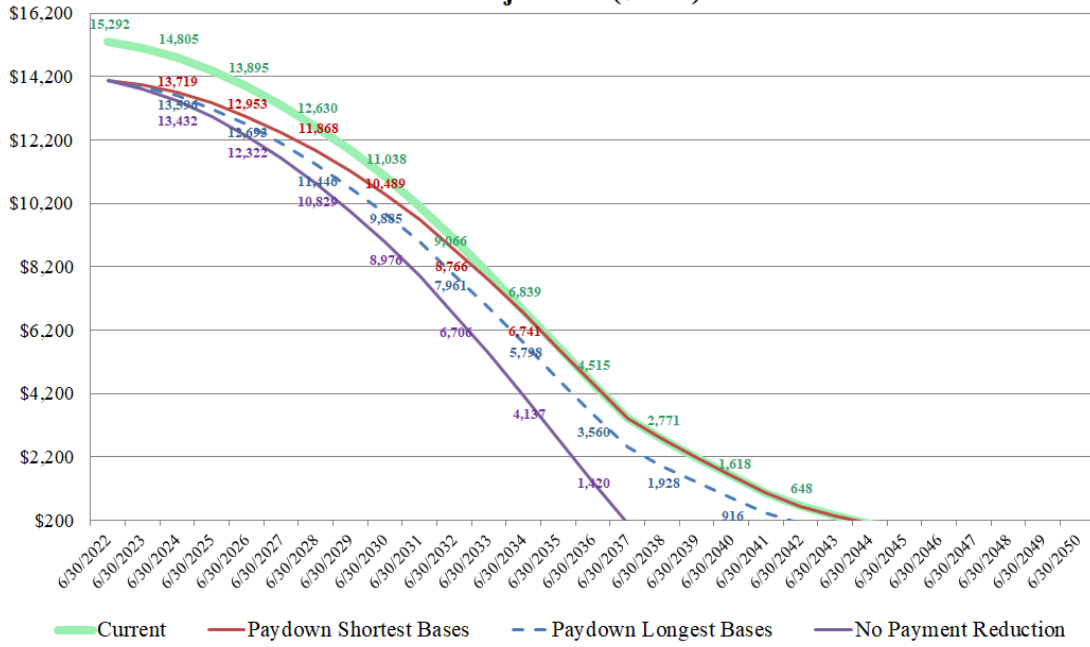


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ADDITIONAL PAYMENT ILLUSTRATION

**Direct Payment to CalPERS
Miscellaneous
UAAL Projection – (\$000s)**

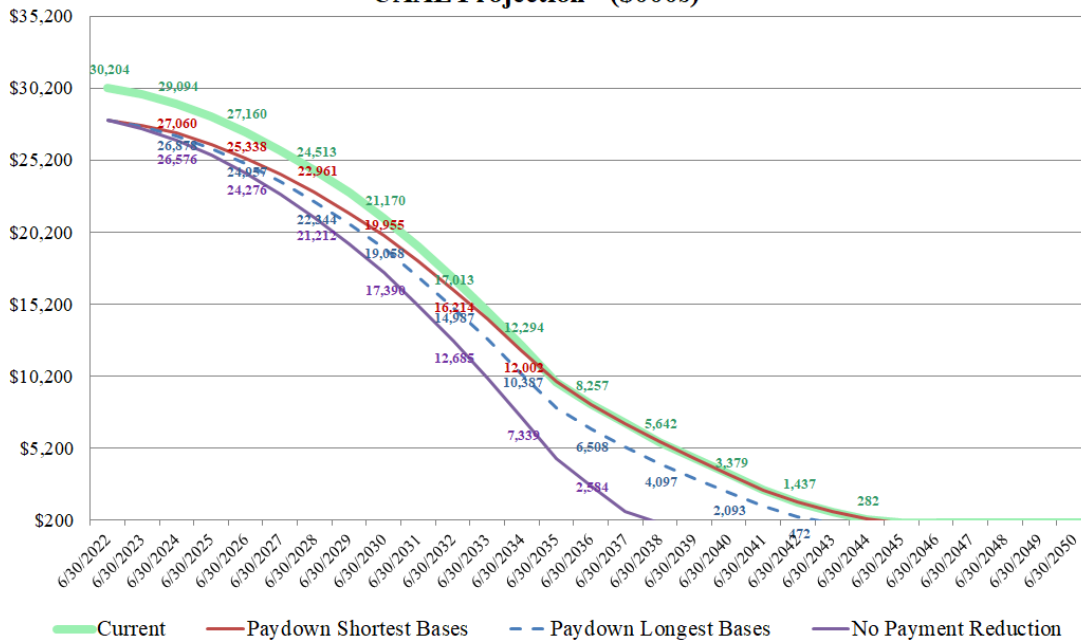


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ADDITIONAL PAYMENT ILLUSTRATION

**Direct Payment to CalPERS
Safety
UAAL Projection – (\$000s)**

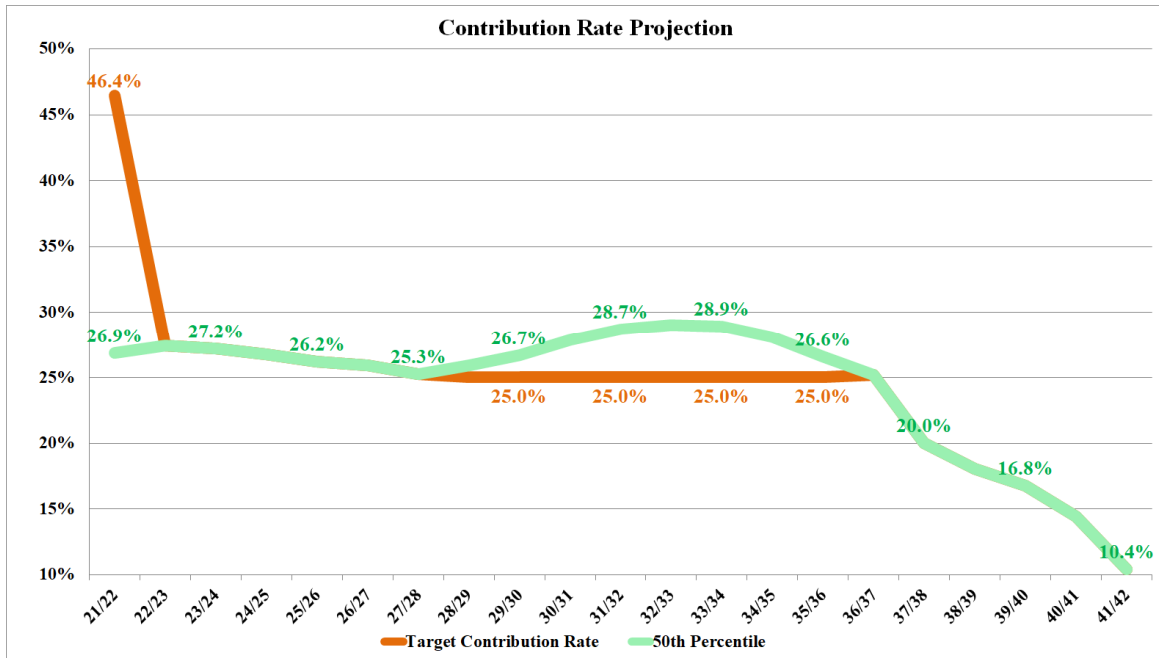


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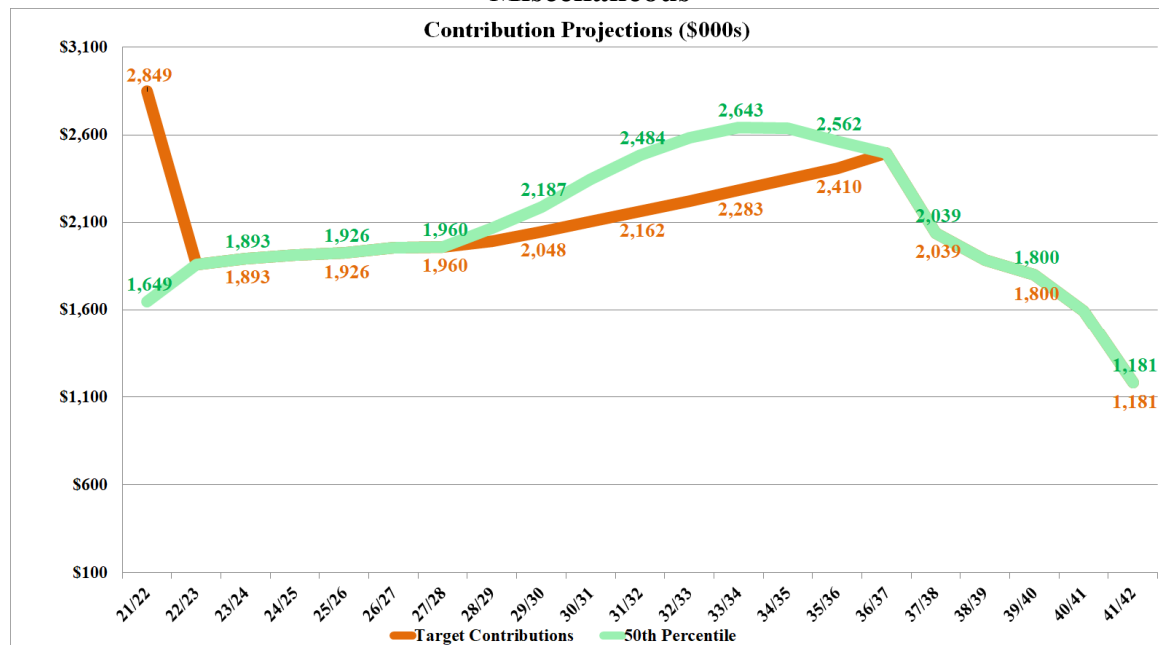
ADDITIONAL PAYMENT ILLUSTRATION

Payment to 115 Trust Miscellaneous



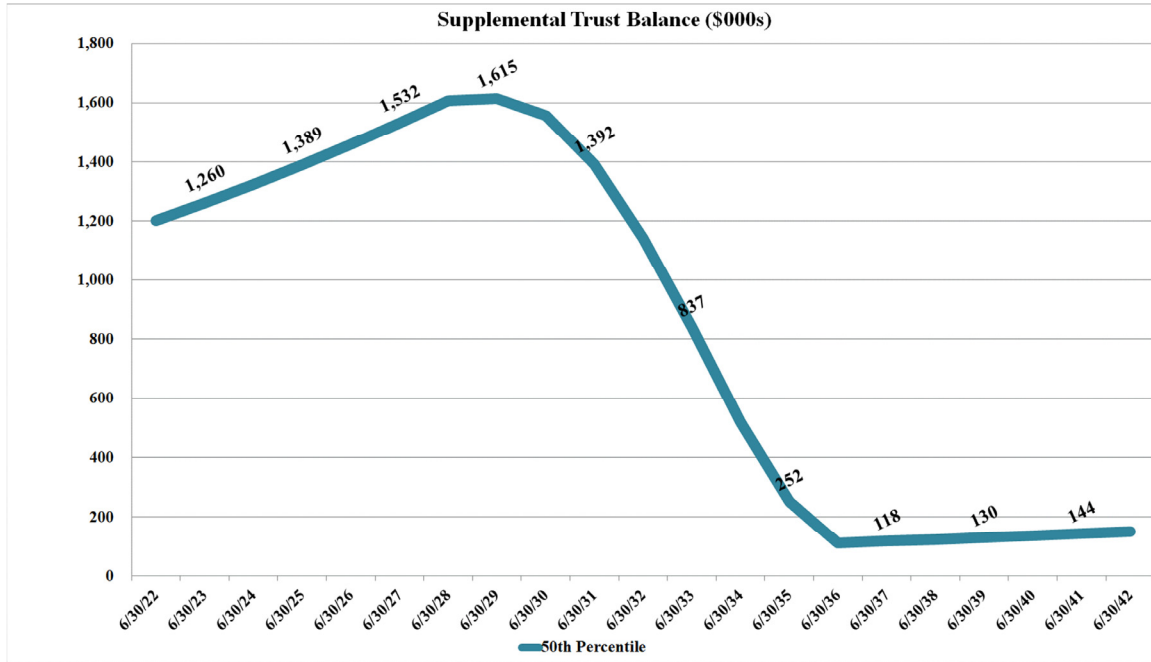
ADDITIONAL PAYMENT ILLUSTRATION

Payment to 115 Trust Miscellaneous



ADDITIONAL PAYMENT ILLUSTRATION

**Payment to 115 Trust
Miscellaneous**

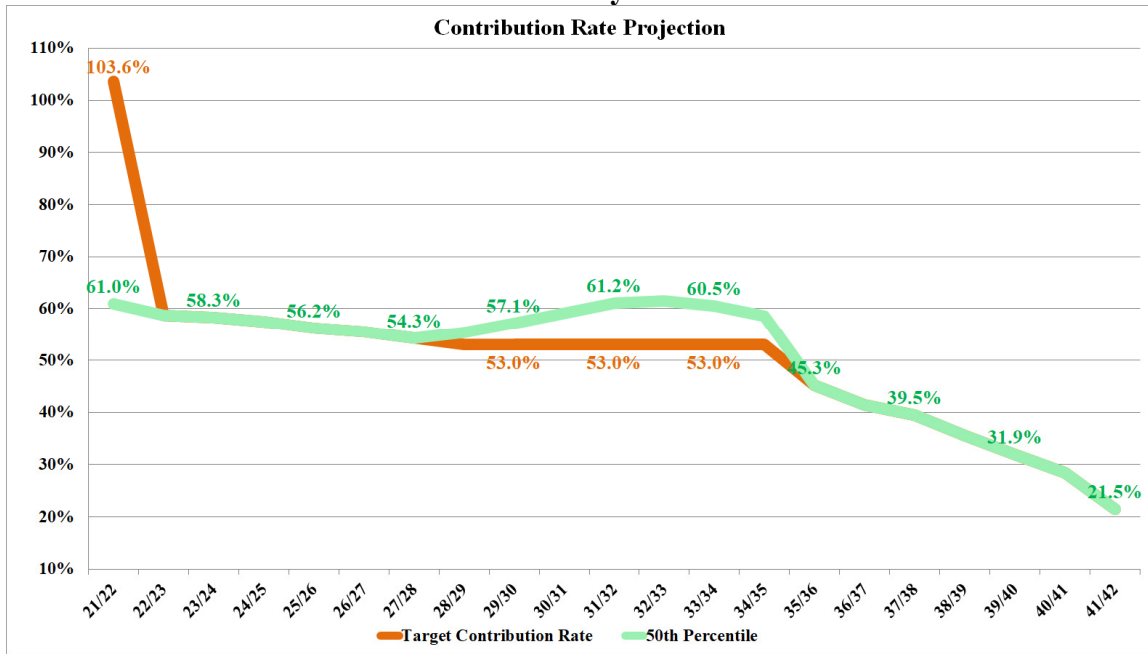


ADDITIONAL PAYMENT ILLUSTRATION



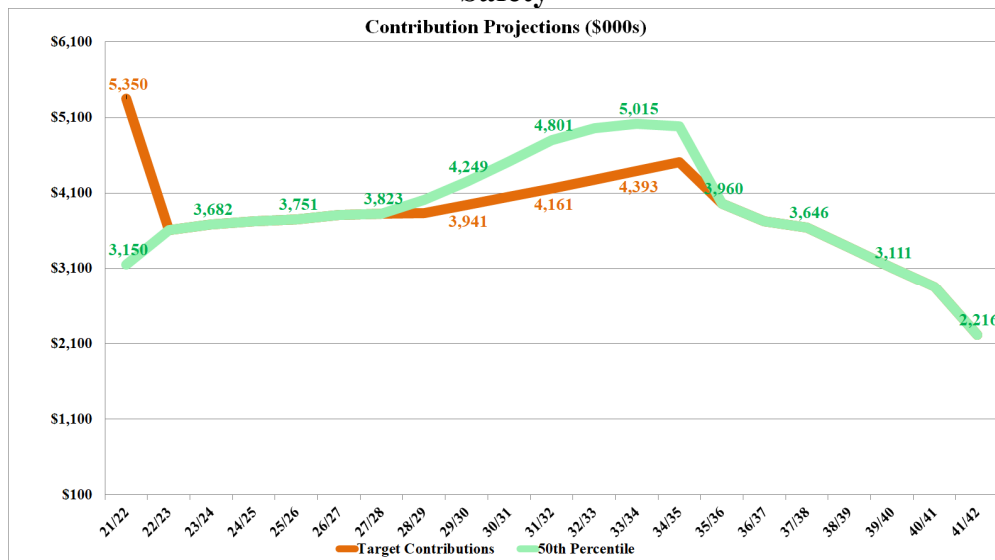
ADDITIONAL PAYMENT ILLUSTRATION

**Payment to 115 Trust
Safety**



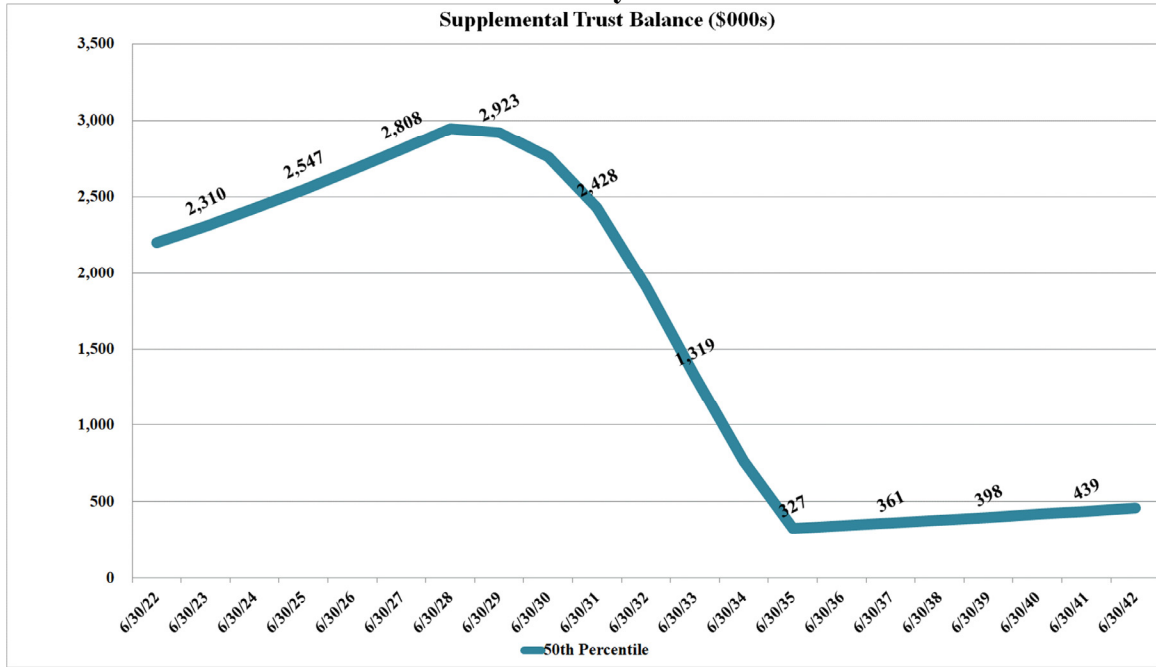
ADDITIONAL PAYMENT ILLUSTRATION

**Payment to 115 Trust
Safety**



ADDITIONAL PAYMENT ILLUSTRATION

**Payment to 115 Trust
Safety**



ADDITIONAL PAYMENT ILLUSTRATION



OPEB PLAN FUNDING

- Retiree Healthcare Benefits
- City pays:
 - Single-employee premiums for pre-2012 retirees
 - Up to \$625/\$715 per month for other Safety employees and Miscellaneous hired before 7/1/2020
 - CalPERS minimum (\$143/month in 2021) for Miscellaneous hired after 7/1/2020
 - Retirement after age 50 with 5 years CalPERS service
- Health plans through CalPERS
- No dental, vision, or life insurance
- District not pre-funding the OPEB obligation
 - Discount rate depends on municipal bond rate (2.21% at 6/30/2021)
 - If prefunding, use fund's long term expected return on assets



OPEB PLAN FUNDING

Actuarial Obligations (Amounts in 000's)

	6/30/19
■ Discount rate	3.5%
■ Actuarial Accrued Liability (AAL)	
● Actives (future retirees)	\$ 5,501
● Retirees	<u>11,337</u>
● Total	16,838
■ Assets	<u>0</u>
■ Unfunded AAL	16,838
■ Projected benefit payments FY2021	\$815



OPEB PLAN FUNDING

■ Why prefund OPEB?

- Financial: Future benefits can be paid partly from investment earnings instead of from current City budget
- Intergenerational equity: Taxpayers/residents who receive City services should pay for the compensation and retiree benefits -- they should not be paid by later taxpayers
- Logical: OPEB is an employee benefit just like pensions.



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OPEB PLAN FUNDING

6/30/2021 Actuarial Obligations and Recommended Contributions (Amounts in 000's)

	Current	Pre-funding	Pre-funding
■ Discount rate (expected long term return on trust assets)	3.5%	6.25%	4.75%
■ Actuarial Accrued Liability (AAL)	\$ 17,471	\$ 12,865	\$ 15,093
■ Assets	<u>0</u>	<u>600</u>	<u>600</u>
■ Unfunded AAL (UAL)	17,471	12,265	14,493
■ Normal cost (value of benefits earned in the coming year)	673	399	527
■ Amortization payment ¹²	N/A	<u>861</u>	<u>923</u>
■ Actuarially Determined Contribution (ADC)	N/A	1,260	1,450
■ Projected benefit payments	840	<u>840</u>	<u>840</u>
■ Net recommended trust contribution for FY2022	N/A	\$ 420	\$ 610

¹² 20 year, level percent of pay (3% per year payment escalation)

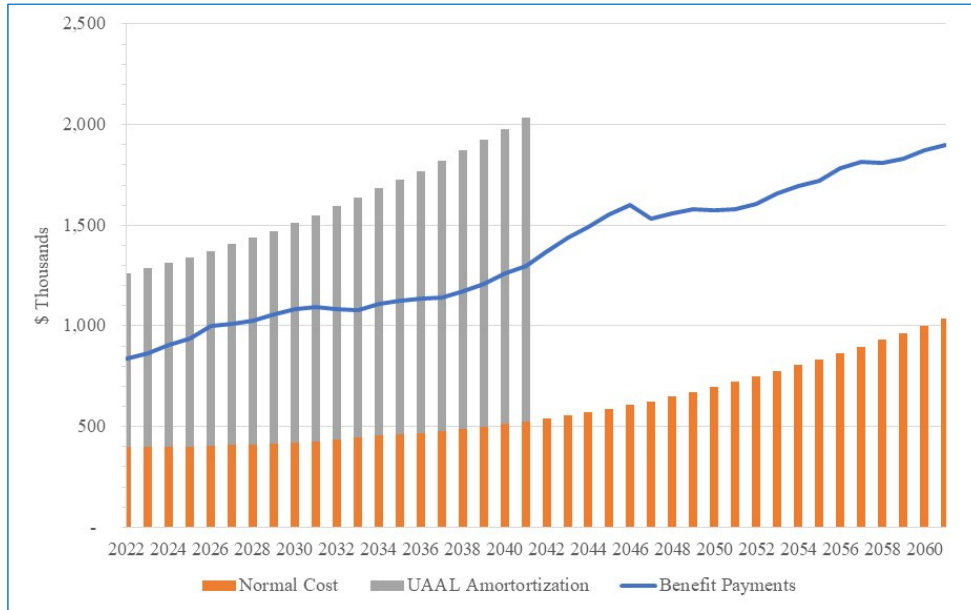


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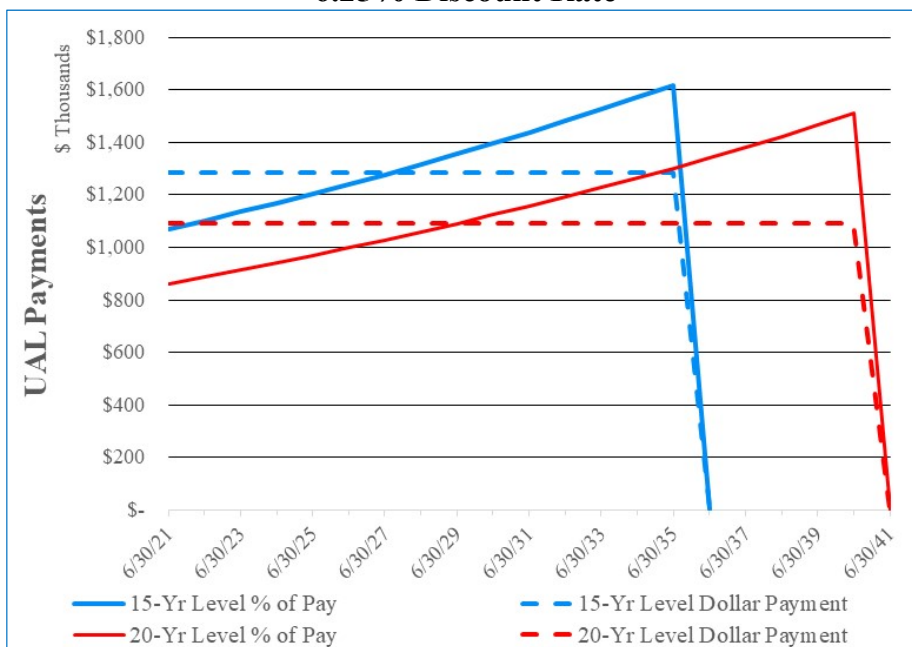
OPEB PLAN FUNDING

Illustration of Projected Recommended Contributions vs. Benefit Payments 6.25% Discount Rate



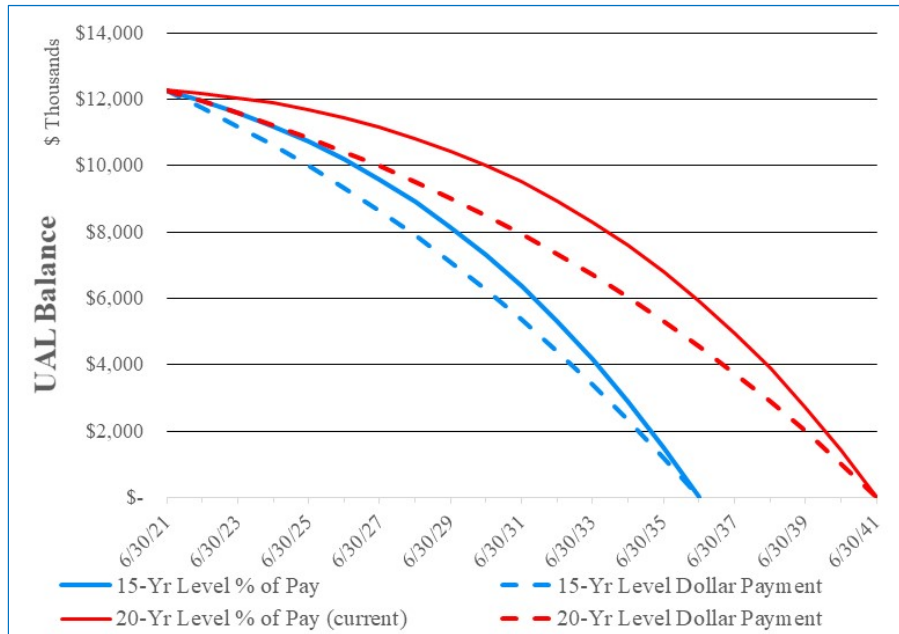
OPEB PLAN FUNDING

Illustration of UAL Amortization Payments 6.25% Discount Rate



OPEB PLAN FUNDING

Illustration of UAL Paydown 6.25% Discount Rate



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ACTUARIAL CERTIFICATION

This report presents analysis of the City of South Pasadena’s CalPERS pension plans. The purpose of this report is to provide the City:

- Historical perspective on the plan investment returns, assets, funded status and contributions.
- Projections of likely future contributions and the impact of investment volatility

The calculations and projections in this report are based on information contained in the City’s June 30, 2020 and earlier CalPERS actuarial valuation reports. We reviewed this information for reasonableness, but do not make any representation on the accuracy of the CalPERS reports.

Future investment returns and volatility are based on Bartel Associates Capital Market model which results in long term returns summarized on pages 23 and 41.

Future results may differ from our projections due to differences in actual experience as well as changes in plan provisions, CalPERS actuarial assumptions or methodology. Other than variations in investment return, this study does not analyze these.

To the best of our knowledge, this report is complete and accurate and has been conducted using generally accepted actuarial principles and practices. As members of the American Academy of Actuaries meeting the Academy Qualification Standards, we certify the actuarial results and opinions herein.

Respectfully submitted,

DRAFT

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September 23, 2021 **DRAFT**





City Council Agenda Report

ITEM NO. 4

DATE: January 12, 2022

FROM: Arminé Chaparyan, City Manager *AC*

PREPARED BY: Ted Gerber, Acting Public Works Director

SUBJECT: Update on Current Capital Improvement Program (CIP) Projects and
Discussion of Fiscal Year 2022-2026 CIP Projects

Study Session and Presentation



CAPITAL IMPROVEMENT PROGRAM (CIP) Study Session #2

Finance, Management Services, & Public Works Departments



CIP Study Session #2 Objectives

- No adoption decisions are made tonight
- Briefly review what was covered during Study Session #1
- Clarify status of past projects
- Consider the recently adopted strategic plan in concert with the draft 5-Year CIP
- Gather consensus on the current direction of the CIP
- Discuss funding and next steps



CIP Study Session #1 Recap

- Introduction: What is a CIP? What is included/excluded?
- 5-Year Structure: Year 1 adopted, Years 2-5 Informational

5 Year CIP Plan & Budget				
2022-2023	2023-2024	2024-2025	2025-2026	2026-2027

Adopt in
June 2022
with Annual
Budget

- Discussed the CIP process (Now through June 2022)
 - Several study sessions to explain process and gather consensus on project priorities before 2022-2023 budget adoption



CIP Study Session #1 Recap

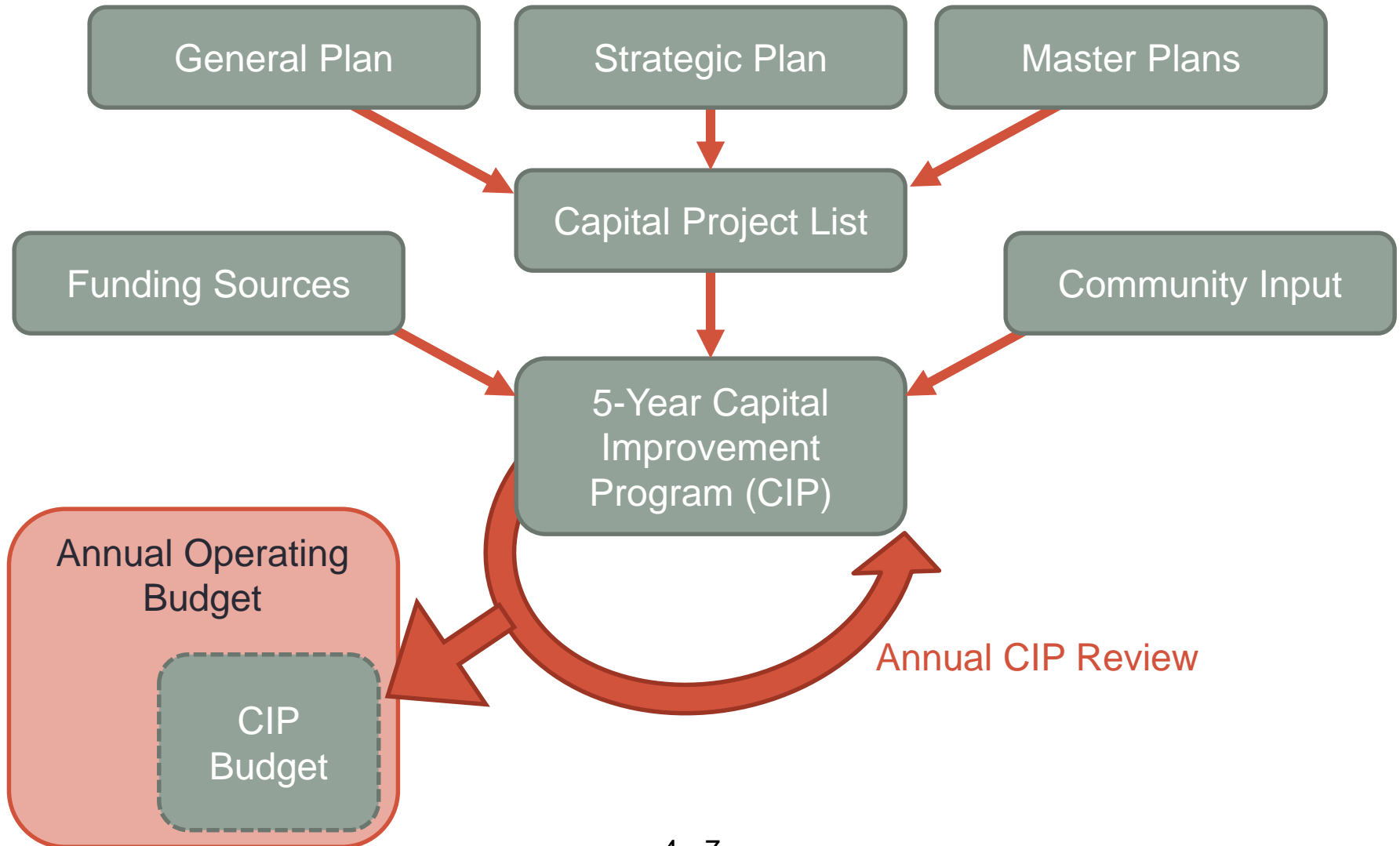
- Reviewed Previous CIP 2020-2024 Plan Projects
- Council Requested Clarity on Previous Project Statuses
- Reviewed Preliminary 5-Year Project List & Schedule
- Discussed 2021-2022 Mid-Year Adjustments
- Brief Review of potential projects without identified funding



Post CIP Study Session #1

- After the November 10th CIP Session #1:
 - Nov 21st MTIC: Recommended Subregional Transportation Projects
 - Dec: Staff Received Final Draft of One Water Plan
 - Dec 15th Council: Adopted Strategic Plan
 - Dec 15th Council: Reviewed City Electrification Projects

Tying it All Together





Previous CIP Projects

Building & Facilities

Compressed Natural Gas (CNG) System Upgrade
Municipal Buildings and Facilities Repairs

Information Technology

VoIP Phone System Installation

Parks

Berkshire Pocket Park
Grevalia Pocket Park

Sewer

Sewer Line Repairs & Replacements
Sewer Master Plan and Sanitary Sewer Management Plan

Stormwater

Rio Hondo Load Reduction Strategy
Stormwater Projects Concept, Feasibility and Strategy
Development for Grants

Streets

Preventative Maintenance: Cap and Slurry Seal
Citywide Sidewalk ADA Improvements
Street Improvement Projects
Neighborhood Traffic Management Plan
Pedestrian Crossing Enhancements
Mission Street Pedestrian Improvement Project
Columbia St/Pasadena Ave Turn Lanes,
Columbia St/Orange Grove Ave Striping

Transportation & Traffic

Monterey Road and Orange Grove Signal
Fair Oaks Avenue Signal Synchronization
Garfield Avenue and Monterey Road Signal
Garfield Avenue and Oak Street Signal

Water

Graves Reservoir
Water Master Plan
Waterline Replacement
Huntington & Fair Oaks Turf Removal & Landscape
City Hall Impervious Surface Removal &
Drought Tolerant Landscape



Completed Projects From Previous 2020-2024 CIP

- **Compressed Natural Gas (CNG) Station Upgrade**
Installed new fast-fill CNG station for fleet vehicles and new 50 kW DCFC EV Charger
- **Building Repairs (Civic & Senior Centers HVAC Systems)**
Replaced/Retrofitted City Hall, Police Department & Senior Center HVAC
- **Monterey Road and Orange Grove Signal & Streets**
New traffic signal and pavement, sidewalk, curbs/gutters, pedestrian elements, and water meters, valve, hydrants, etc.

Completed Projects From Previous 2020-2024 CIP



CNG Station



City Hall HVAC System

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Monterey & Orange
Grove



Completed Projects From Previous 2020-2024 CIP

- **Graves Reservoir**
Replacement of reservoir and pump station and installation of new wellhead treatment systems, as well as overall site improvements
- **Huntington & Fair Oaks Turf Removal & Landscape**
Median improvements that included installation of drought tolerant plants and drip irrigation systems
- **City Hall Impervious Surface Removal & Drought Tolerant Landscaping**
Replaced landscaping at Civic Center exterior courtyard (Mission street entry way) and interior courtyard

Completed Projects From Previous 2020-2024 CIP



Graves
Reservoir

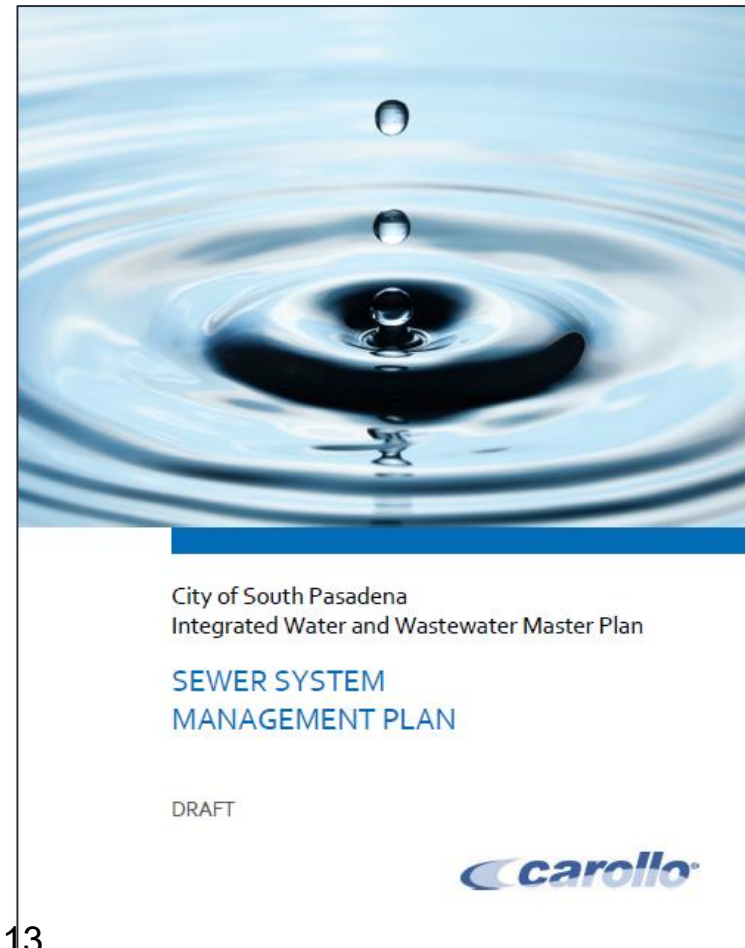
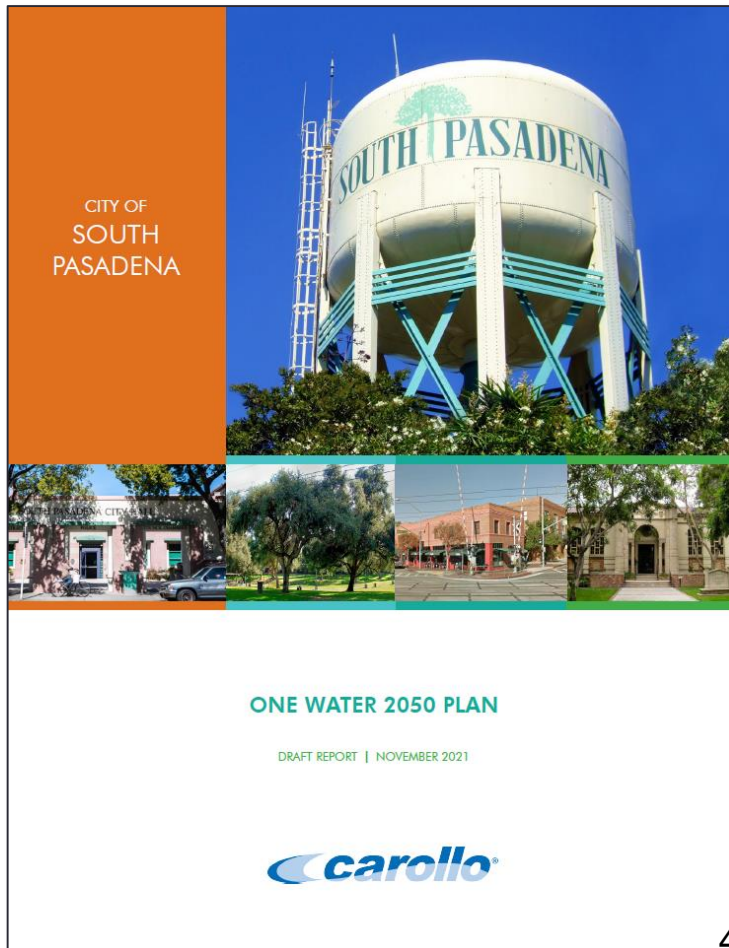


City Hall Landscaping



Huntington & Fair Oaks Turf Removal

Previous 2020-2024 CIP Projects Pending Completion



Previous 2020-2024 CIP Projects In-Progress

- Stormwater Projects Concept, Feasibility and Strategy Development for Grants
 - Arroyo Seco Lower Arroyo Park Infiltration Basin, Golf Course Wetland, and Golf Course Driving Range Wetland/Infiltration undergoing fully funded feasibility study – recently conducted stakeholder & community outreach
 - Huntington Drive Regional Green Street – contract award pending by LA County to to begin fully funded feasibility study
 - Camino Verde Stormwater Treatment/Infiltration Project being considered by the Measure W Watershed Area Steering Committee for funding of a feasibility study
- Rio Hondo Load Reduction Strategy (LRS)
 - Low flow treatment system along the Alhambra Wash – South Pasadena shares cost with other Cities (3%), discharging stormwater to the Rio Hondo – project is in design phase with expected completion in 2024



Previous 2020-2024 CIP Projects In-Progress

- **Street Improvement Projects**
 - FY 2019-2020 Street Project List – 60% Design Complete
 - FY 2020-2021 Street Project List – Street Segments Selected
 - Review Funding Source Eligibility
- **Street Preventative Maintenance**
 - FY 2018-2019 & 2019-2020 Streets identified for Cape (plans) & Slurry Seal
- **Berkshire & Grevelia Pocket Parks**
 - Conceptual Designs Complete & CEQA Pending
- **Fair Oaks Avenue Signal Synchronization**
 - Construction underway for installation of traffic signal system equipment, including emergency vehicle preemption system, pullboxes, conduit, and fiber optic along Fair Oaks, Huntington, Mission & Fremont



Previous 2020-2024 CIP Incorporated into New Plan

- **Buildings and Facility Repairs**

New citywide facility condition assessment that also includes space planning and security concerns

- **VoIP Phone System Installation**

Implementing voice communications into the data network to replace existing telephone systems which are no longer manufactured or supported – offers an opportunity to reduce costs, streamline management add features.

- **Water & Sewer Pipeline Replacements**

5-year CIP replacement schedule based on 30-year master plan



Previous 2020-2024 CIP Incorporated into New Plan

- **Mission St. Pedestrian Crossing Enhancements**
Conceptual plan developed for placement of traffic signal feedback pedestrian sensors & solar rectangular rapid flashing beacons
- **Transportation Projects**
Seeking regional Measure M funding allocation for modification of signals at Columbia/Pasadena and Garfield/Monterey, as well as Columbia & Orange Grove Striping
Signal at Garfield/Oak to be evaluated
Neighborhood Traffic Management Plan Implementation
- **Citywide Sidewalk & ADA Improvements**
Previously Planned for 12 intersections along Meridian - Lyndon to Bonita
Proposed schedule to repair and update sidewalks as needed considering condition, pedestrian demand, and removal of architectural barriers.



Strategic Plan & CIP

1. Develop and Implement Strong Fiscal Policies to Ensure a Resilient Financial Future.
 - Capital Improvement Program & Indirect Cost Allocation Plan
2. Create a Strong Economic Development Strategy to Strengthen Local Business.
 - Permit Management Software
3. Develop a Comprehensive Emergency Preparedness Plan to Ensure Public Safety through Active Response and Recovery Efforts.
 - Public Safety Facilities & Capital Equipment



Strategic Plan & CIP

4. Enhance Community Sustainability through Investment in Infrastructure and Environmental Management Programs.
 - Comprehensive Capital Improvement Program
 - Implement Climate Action Plan
 - Implement One Water Plan
 - Berkshire & Grevelia pocket parks construction
 - Update Mobility Master Plan including bike lanes & walkability
 - Facility condition and security assessment & space planning
 - Transportation Demand Management (TDM) / Transportation System Management (TSM) Alternative
 - City fleet electrification

Strategic Plan & CIP

5. Plan for Affordable Housing to Comply with State Mandates and Respond to Community Needs.
6. Enhance Customer Service through Innovation to More Effectively Respond to Community Priorities.
 - Neighborhood Traffic Management Policy Adoption and Implementation
 - Technology improvements, such as Automated Customer Care Application, Agenda Management, & Library Radio Frequency Identification (RFID) and Automated Materials Handling (AMH) System



Next Steps for Budget Season

- **Mid-Year Budget Approval**
In addition to Operating Budget adjustments, make updates to the already approved FY 2021-2022 CIP project list and budget
- **Identify CIP Funding Sources & Grant Requirements**
To be reviewed by staff and recommendations presented during budget process
- **CIP Presented to City Council for Approval**
Council and community feedback to refine project list

Types of Funding



- **Local Return Funds**

- Received by the City annually from collected taxes
- Restricted as to what may be funded (mainly transportation and infrastructure related)
 - On average, the City is awarded \$2.6 Million in Local Return Funds annually
 - Current usage of Local Return Funds include the Dial A Ride Program, street and pedestrian improvements
 - Operational budget also makes use of Local Return Funds: salaries, equipment, etc.

- **Grant Funds**

- Awarded to City after a competitive application process
- Restrictive in terms of usage
- Once awarded, City must comply with reporting requirements such as expenditure reporting and reimbursement invoicing
 - Over the past two Fiscal Years, the City has been awarded \$2.4 Million in grants
 - Example: Metro Open Streets was awarded to the City and was used for the Slow Streets Program



Local Return Funds

Fund Name	Purpose of Funds
Measure M	Improvement of traffic flow, road improvements, traffic signal improvements, and other transit related projects
Measure R	Improvement of traffic flow, road improvements, traffic signal improvements, and other transit related projects
Measure W	Improvement of water quality, projects that provide preparation to future droughts, and provide communities with parks and wetlands
Proposition A	Local transit projects and/ or services
Proposition C	To benefit public transit through repairs of transportation infrastructure and services/ equipment purchases
Road Maintenance and Rehabilitation (RMRA/ SB1)	The maintenance and rehabilitation of local streets, traffic control devices and complete street components
State Gas Tax	Street-related construction and/or maintenance projects
Transportation Development Act (TDA)	Bicycle and pedestrian facilities



Recently Approved Funding

Fund Name	Purpose of Funds	Amount
Coronavirus Aid Relief and Economic Security (CARES) Act	Federal funding awarded to states to distribute to local governments in response to the COVID-19 pandemic to provide direct economic assistance for expenditures related to the pandemic	\$314,333*
American Rescue Plan Act (ARPA) <i>(New regulations released as of January 6th, 2022)</i>	Federal funding awarded to local governments to mitigate the impacts of COVID-19 pandemic. Funds may be used in the following categories: (1) Investments in Sewer, Water and Broadband Infrastructure, (2) Support for Essential Workers (3), Support Public Health, & (4) Economic Impact Mitigation	\$6,059,235
Infrastructure Investment and Jobs Act	Federal Funding will be allocated to states for distribution to local governments - investing in infrastructure such as roads and bridges, with the goal of promoting safety and combating the climate crisis	TBD

*funds have been expended



Discussion & Next Steps

- **Council Policy Discussion/Direction on CIP Project List**
CIP reflects General Plan & Strategic Plan goals
- **Mid-Year Budget Approval**
In addition to Operating Budget adjustments, make updates to the already approved FY 2021-2022 CIP project list and budget
- **Staff Identify CIP Funding Sources & Grant Requirements**
To be reviewed by staff and recommendations presented during budget process
- **CIP Presented to City Council for Approval**
Council and community feedback to refine project list

Questions