



CITY OF WHEATLAND

CITY COUNCIL MEETING STAFF REPORT

July 9, 2024

SUBJECT: CalPERS Actuarial Study, Status Report, June 30, 2024

PREPARED BY: Steve Wong, Finance Director

Recommendation

Receive and file the CalPERS Actuarial Study, Status Report, June 30, 2024.

Background

At its June 27, 2023 meeting, the City Council adopted Resolutions 21-23, 22-23 and 23-23. The resolutions included a commitment to complete a CalPERS actuarial study at a cost not-to-exceed \$10,000 with quarterly updates on the progress of the study. Status reports were presented to the Council on September 26, 2023 and March 26, 2024.

Discussion

In anticipation of the actuarial study being requested, a questionnaire was received from CalPERS and an initial interview was held with CalPERS staff on June 1, 2023. Following the City Council's direction at its June 27, 2023 meeting to proceed with the actuarial study, the completed CalPERS questionnaire along with supporting documents including three years of audited financial statements and management letters, the 2023-24 budget, a ten-year General Fund forecast and the January, 2019 water and sewer rate study, was transmitted to CalPERS on July 11, 2023.

On July 12, 2023, CalPERS confirmed receipt of the information and closed the confirmation with the following sentence, "We will reach out to you if we have any questions."

A request for an update on the City's application was submitted to CalPERS on October 24, 2023 with the following response received from CalPERS on October 30, 2023, *"Thank you for your patience. Our contract team will reach out to you to provide your application status update shortly. If you have any additional questions regarding to the contracting process, please feel free to connect with us."* And then a follow-up response the next day, October 31, 2023, *"We received the City of Wheatland's request, which is in the final stages of CalPERS' Phase I Eligibility Determination process and is currently under management review. We will be in contact with you as soon as our management team has reached a formal decision regarding your city's qualification status for participating in this system. As of now, everything appears in good order; however, please let me know if you have any questions or if we can further assist."* These responses were shared via email with the City employee representatives on the afternoon of October 31, 2023.

On the morning of January 16, 2024, the City requested a status update from CalPERS staff. That afternoon, a response was received from CalPERS, *"the City of Wheatland has been approved to participate in CalPERS."* Phase II of the application process required completion

of another questionnaire, completion of employee census data forms and submission of job duty statements for all safety positions. The required documents were submitted to CalPERS on February 27, 2024. Receipt of the documents was acknowledged by CalPERS the next day, February 28, 2024.

The January 16, 2024 CalPERS response also included the following timeline and fee info, *“the CalPERS pension contracting process takes approximately 9–12 months.”*

- Membership Review, 120 days;
- Actuarial Valuation, 90 days, \$900 per cost scenario. Note, the City has requested two scenarios, one for safety employees and one for miscellaneous employees;
- Legal Actions & Execute Contract, 120-180 days.

Requests for updates on the status of the City’s application were submitted April 20, 2024 and June 25, 2024. The June 25 inquiry produced a response from CalPERS that “your safety positions are currently under review by our membership team. As soon as we have received approval on them we will proceed with your valuation request.”

Fiscal Impact

This report is for information only.