



CITY OF WHEATLAND

CITY COUNCIL MEETING STAFF REPORT

March 26, 2024

SUBJECT: CalPERS Actuarial Study Status Report

PREPARED BY: Steve Wong, Finance Director

Recommendation

Receive and file the CalPERS Actuarial Study Status Report

Background

At its June 27, 2023 meeting, the City Council adopted Resolutions No. 21-23, 22-23 and 23-23 approving memorandums of understanding with the Wheatland General Employee's Association, Wheatland Police Officer's Association and Wheatland Sergeant's Association. The three memorandums of understanding included a commitment by the City to complete a CalPERS actuarial study at a cost not-to-exceed \$10,000. The memorandums of understanding also provided for the Finance Director to provide quarterly updates on the progress of the study. A status report was previously presented to the Council at its September 26, 2023 meeting.

Discussion

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 associations representatives on October 31, 2023.

On January 16, 2024, the City requested a status update from CalPERS. The following response was received: *"the City of Wheatland has been approved to participate in CalPERS."* Phase II of the application process required completion of a 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 administrative fee information, *"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 employee.
- Legal actions & execute contract, 120-180 days.

Once the City receives information regarding the actual cost of CalPERS membership, a comprehensive financial analysis will be prepared. At that time, the City Council may consider what action, if any, will be taken.

Fiscal Impact

This report is for information only.