



**TOWN OF LOS GATOS
COUNCIL FINANCE COMMITTEE
REPORT**

MEETING DATE: 10/14/2019

ITEM NO: 2

DATE: October 9, 2019
TO: Council Finance Committee
FROM: Laurel Prevetti, Town Manager
SUBJECT: Receive CalPERS Actuarial Valuation Reports as of the June 30, 2018
Measurement Date

RECOMMENDATION:

Receive CalPERS Actuarial Valuation Reports as of the June 30, 2018 measurement date.

REMARKS:

Staff has received the annual Actuarial Valuation Reports from CalPERS for the Miscellaneous Plan (Attachment 1), the Safety Plan (Attachment 2), and the PEPRSA Safety Police Plan (Attachment 3). The measurement date for each of the Plans, as proscribed by GASB 68, is as of June 30, 2018.

The Town's Safety Plan funded status stood at 72.0% compared to 73.9% for the 2017 valuation. The Town's Safety PEPRSA Plan had a funded status of 91.6% versus 94.8% for 2017 and the Miscellaneous Plan funded status of 68.4% was also slightly lower compared to 2017 at 69.6%. While the Market Value of Assets (MVA) improved for all three Plans, larger corresponding increases in Accrued Liabilities offset those gains resulting increased Unfunded Accrued Liabilities (UAL) and reduced funding status.

June 30, 2018	Miscellaneous Plan	Safety Plan	PEPRSA Safety Plan
Accrued Liability	\$107,075,648	\$91,111,357	\$414,453
Market Value of Assets	73,291,140	65,569,436	379,539
Unfunded Accrued Liability	33,784,508	25,541,921	34,914
Funded Ratio	68.4%	72.0%	91.6%

PREPARED BY: Stephen Conway
Finance Director

Reviewed by: Town Manager and Assistant Town Manager

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SUBJECT: CalPERS Annual Valuation Reports as of June 30, 2018

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It should be noted that the funding percentage for the Miscellaneous Plan is as of June 30, 2018 does not reflect recent Council actions to pay down approximately \$5.0 million of unfunded pension liabilities. The additional discretionary payment is scheduled to occur mid-October 2019. In addition, per GASB standards assets held in the Town's PARS Section 115 Trust dedicated for pension obligations were not allowed to be added to the Town's CalPERS pension assets. Had these assets been included there would have been a corresponding increase in the Town's funding status.

Attachments:

1. CalPERS Annual Valuation Report as of June 30, 2018 – Miscellaneous Plan of the Town of Los Gatos
2. CalPERS Annual Valuation Report as of June 30, 2018 – Safety Plan of the Town of Los Gatos
3. CalPERS Annual Valuation Report as of June 30, 2018 – PEPRSA Safety Police Plan of the Town of Los Gatos