



**TOWN OF LOS GATOS**  
**FINANCE COMMISSION REPORT**

MEETING DATE: 09/12/2022

ITEM NO: 5

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DATE: August 29, 2022  
TO: Finance Commission  
FROM: Laurel Prevetti, Town Manager  
SUBJECT: Receive CalPERS Actuarial Valuation Reports as of June 30, 2021

**RECOMMENDATION:**

Receive CalPERS Actuarial Valuation Reports as of June 30, 2021.

**BACKGROUND:**

The Town's pension plans are administered by the Board of Administration of the California Public Employees' Retirement System (CalPERS). The Board of Administration is responsible for the management and control of CalPERS. In addition, the Board has exclusive control of the administration and investment of funds. Sworn employees are covered under the Safety Plan which is a pooled plan, while all other employees are covered in the Miscellaneous Plan, which is a separate plan. The Miscellaneous Plan is administered by CalPERS in the Public Employees' Retirement Fund (PERF).

In order for the Town to understand the value of future pension benefit payments, an actuarial valuation is performed each year for the pension plan. The CalPERS actuary estimates the payments that will be made for all potential retirees from the plan in each future year. The actuary calculates the present value of future benefits the plan will be required to pay to its current participants: those still working who will retire in the future, retirees, and those who have terminated employment but have not yet begun drawing benefits. The 2021 valuation provides the determination of the minimum required employer contributions for fiscal year (FY) 2023/24. In addition, the report also contains important information regarding the current financial status of the plan as well as projections and risk measures to aid in planning for the future.

**PREPARED BY:** Arn Andrews  
Assistant Town Manager

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Reviewed by: Town Manager, Town Attorney, and Interim Finance Director

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DISCUSSION:

Staff has received the annual Actuarial Valuation Reports from CalPERS for the Miscellaneous Plan (Attachment 1), the Safety Plan (Attachment 2), and the PEPRA Safety Police Plan (Attachment 3). The measurement date for each of the Plans is as of June 30, 2021.

The Town's Safety Plan funded status stood at 80.0% compared to 70.4% for the 2020 valuation. The Town's Safety PEPRA Plan had a funded status of 105.3% versus 90.6% for 2020 and the Miscellaneous Plan funded status of 87.3% compared to 71.8% in 2020.

June 30, 2021	Miscellaneous Plan	Safety Plan	PEPRA Safety Plan
Accrued Liability	\$121,630,966	\$106,756,840	\$1,301,901
Market Value of Assets	\$106,171,684	\$85,438,794	\$1,370,527
Unfunded Accrued Liability	\$15,459,282	\$21,318,046	(\$68,626)
Funded Ratio	87.3%	80.0%	105.3%

Attachments:

1. CalPERS Annual Valuation Report as of June 30, 2021 – Miscellaneous Plan of the Town of Los Gatos
2. CalPERS Annual Valuation Report as of June 30, 2021 – Safety Plan of the Town of Los Gatos
3. CalPERS Annual Valuation Report as of June 30, 2021 – PEPRA Safety Police Plan of the Town of Los Gatos