

# City of Santa Rosa



## Legislation Details

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<b>File #:</b>	21-0643	<b>Version:</b>	1	<b>Name:</b>	Potential Financing of the City's unfunded actuarial liability with issuance of Pension Obligation Bonds
<b>Type:</b>	CC- Study Session	<b>Status:</b>			Agenda Ready
<b>File created:</b>	6/23/2021	<b>In control:</b>			City Council
<b>On agenda:</b>	7/20/2021	<b>Final action:</b>			7/20/2021
<b>Title:</b>	POTENTIAL FINANCING OF THE CITY'S UNFUNDED ACTUARIAL LIABILITY WITH ISSUANCE OF PENSION OBLIGATION BONDS				

The City is considering a multi-pronged approach to solving its structural deficit including pursuing enhanced revenue options, cost reduction strategies, and financing strategies. One of the key drivers of the City's deficit is CalPERS' unfunded actuarial liability (UAL). Like most California agencies, the City is required to make annual fixed dollar payments to pay off its UAL, which is effectively a "past due amount". These annual payments to CalPERS are scheduled to rise from \$30 million to \$42 million over the next 10 years and will cost the City an additional \$110 million (i.e., above the \$30 million due this year) over the next 15 years.

While the City's CalPERS UAL is a dynamic liability that is adjusted each year, staff is looking at scenarios that would lessen its burden on the City's budget. This study session will look at possible funding solutions, focusing on the benefits and risks of issuing Pension Obligation Bonds to refinance the City's UAL.

<b>Sponsors:</b>	Finance
<b>Indexes:</b>	Not a Project
<b>Code sections:</b>	15378 - Not a Project
<b>Attachments:</b>	1. Staff Report, 2. Presentation

Date	Ver.	Action By	Action	Result
7/20/2021	1	City Council	received and filed	