

RESOLUTION NUMBER R- 303314

DATE OF FINAL PASSAGE JAN 18 2008

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
SAN DIEGO AUTHORIZING THE MAYOR TO ENTER INTO
AN AGREEMENT WITH THE CALIFORNIA PUBLIC
EMPLOYEES' RETIREMENT SYSTEM TO PARTICIPATE IN
THE CALIFORNIA EMPLOYERS' RETIREE BENEFIT TRUST
PROGRAM.

WHEREAS, the City of San Diego sponsors a retiree health benefit program [Program], and has historically paid the annual costs of such program through budgeted pay-as-you go contributions only; and

WHEREAS, Government Accounting Standards Board [GASB] accounting statement 45 requires that public entities report the net liability for retiree health on its financial statements so that governments better understand the financial liabilities associated with retiree health care costs and other post-employment retirement benefits; and

WHEREAS, based upon an actuarial valuation for the year ended June 30, 2006, the unfunded actuarial liability for the Program has been estimated at approximately \$1.1 billion; and

WHEREAS, in Fiscal Years 2007 and 2008, the City Council approved \$5 million and \$25 million, respectively, in the annual budgets to begin to pre-fund the accrued unfunded liability for the Program; and

WHEREAS, the California Public Employees' Retirement System [CalPERS] has recently established a trust known as the California Employers' Retiree Benefit Trust [Trust] for the purpose of allowing non contracting public


employers to participate in the Trust in order to pre-fund health and other post-employment costs; and

WHEREAS, it would be financially advantageous for the City to participate in the Trust in order to pre-fund costs of the Program; NOW, THEREFORE,

BE IT RESOLVED, by the Council of the City of San Diego as follows:

1. The Mayor or his designee is hereby authorized and directed to enter into an agreement with CalPERS to participate in the Trust [Agreement] substantially in the form presented to the Council on the date hereof and on file with the City Clerk as Document No. ^{RR-} **303314**, with such changes therein as are necessary or advisable in consultation with the City Attorney.
2. The Auditor and Comptroller is hereby authorized and directed to transfer \$30 million from the OPEB Fund, Fund #60013, appropriated for retiree health, to CalPERS for deposit with the Trust in accordance with the terms of the Agreement.

APPROVED: MICHAEL J. AGUIRRE, City Attorney

By  for
William J. Gersten
Deputy City Attorney

WJG:amt
11/16/2007
Or.Dept:Financial Management
R-2008-425

(R-2008-425)

I hereby certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of JAN 08 2008.

ELIZABETH S. MALAND
City Clerk

By *Jan Richardson*
Deputy City Clerk

Approved: 1-18-08
(date)

JSL
JERRY SANDERS, Mayor

Vetoed: _____
(date)

JERRY SANDERS, Mayor