



Legislation Details (With Text)

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Title: Resolution approving a comprehensive plan to address long-term pension obligations.
Sponsors:
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Attachments: 1. Exhibit A - Comprehensive Plan to Address Long-Term Pension Obligations

Table with 5 columns: Date, Ver., Action By, Action, Result. Row 1: 6/26/2019, 1, Special City Council

Resolution approving a comprehensive plan to address long-term pension obligations.

WHEREAS, in Fiscal Year 2017-18 the County of San Mateo Civil Grand Jury issued a report, "Soaring City Pension Costs - Time for Hard Choices;" and

WHEREAS, the Civil Grand Jury report recommends that cities develop financial plans to address rising pension costs; and

WHEREAS, at a special City Council meeting on April 9, 2019, Finance Department staff presented a financial review of the City, including the escalating cost of pensions, and recommended options the City could take to begin addressing escalating pension costs; and

WHEREAS, the City of South San Francisco obtains a majority of its funding through taxes which primarily consist of property, sales, and transient occupancy taxes; and

WHEREAS, the City's General Fund consists of \$74.7 million of employee salaries and benefits or 77 percent of total fund expenditures in FY 2017-18; and

WHEREAS, CalPERS made several significant changes to amortization periods and estimated return on investment; and

WHEREAS, the City's pension contributions are projected to increase by \$10.2 million, or 59 percent over the next decade; and

WHEREAS, in consideration of the foregoing, staff has prepared and recommends that the City Council adopt a Comprehensive Plan to Address Long-Term Pension Obligations, attached to this resolution as Exhibit A, that continues a multi-pronged approach to address the challenge of escalating pension contributions and liabilities.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of South San Francisco does hereby approve a Comprehensive Plan to Address Long-Term Pension Obligations, attached hereto as Exhibit A, which includes a multi-pronged approach to mitigate escalating pension costs while continuing to pay down CalPERS unfunded liability with the effective date June 26, 2019.

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