

IN THE CITY COUNCIL OF THE CITY OF SAN LEANDRO

RESOLUTION NO. 2022-

RESOLUTION OF THE CITY OF SAN LEANDRO CITY COUNCIL APPROVING AND ADOPTING THE OTHER POST-EMPLOYMENT BENEFITS (OPEB) AND PENSION FUNDING POLICY AND MOVING \$8,222,725 THAT HAS BEEN SET ASIDE TO ADDRESS ALAMEDA COUNTY FIRE DEPARTMENT'S (ACFD) UNFUNDED OPEB LIABILITY TO THE CITY'S PENSION TRUST

WHEREAS, the City of San Leandro (the "City") is currently participating in the Public Agencies Post-Employment Benefits Trust for other post-employment benefits ("OPEB") obligations ("OPEB Trust") and pension obligations ("Pension Trust") to set aside funds for the purpose of pre-funding its OPEB and CalPERS pension obligations; and

WHEREAS, since 2014, the City has been making contributions in excess of annual required contributions to the OPEB Trust, resulting in the City's OPEB obligation being currently 81 percent funded; and

WHEREAS, in 2021, the City opened and made its first contribution in excess of annual required contributions to the Pension Trust, resulting in the City's pension obligations being four percent funded; and

WHEREAS, the City desires to allow funds in the OPEB Trust to grow on investment earnings to achieve fully funding the City's remaining OPEB liability obligations; and

WHEREAS, the City seeks to focus making contributions in excess of required annual contributions to the Pension Trust in order to increase the City's funding percentage of pension obligations; and

WHEREAS, the City has accumulated \$8,222,725.00 in funds that have been set aside in a separate pool of funds for Alameda County Fire Department's (ACFD) OPEB obligations; and

WHEREAS, the contract for fire services between the City and ACFD for fire services does not place liabilities of ACFD on the City; and

WHEREAS, the City and ACFD have agreed that the City will prospectively commence paying the fully burdened cost of the contract for fire services each fiscal year, which includes an amortized portion of ACFD's unfunded OPEB costs, thereby negating the need for the City to hold set aside funds for ACFD OPEB obligations.

NOW, THEREFORE, the City Council of the City of San Leandro does **RESOLVE** as follows:

1. The City Council hereby approves and adopts the OPEB and Pension Funding Policy effective November 21, 2022; and

2. The City Council hereby approves the liquidation of \$8,222,725 in set aside funding for ACFD's OPEB obligations and that such funds must be deposited into the City's Pension Trust.

Introduced by _____ and passed and adopted this 17th day of October 2022, by the following vote:

Members of the Council:

AYES:

NOES:

ABSENT:

ATTEST:

Kelly B. Clancy, Acting City Clerk