

RESOLUTION NO. 2023-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF TEMECULA, AUTHORIZING THE TRANSFER OF \$2,000,000 FROM THE CITY'S PENSION RATE STABILIZATION TRUST TO MAKE AN ADDITIONAL DISCRETIONARY PAYMENT TO CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

THE CITY COUNCIL OF THE CITY OF TEMECULA DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. The City Council does hereby find, determine and declare that:

A. According to actuarial valuations provided by California Public Employees' Retirement System (CalPERS) dated June 30, 2022, the City has an Unfunded Actuarial Liability (UAL) with CalPERS of \$57,019,838.

B. At its February 27, 2018 meeting, the City Council approved the Fiscal Year 2017-18 Mid-Year Budget, including the addition of Budget and Fiscal Policy XII. Pension Rate Stabilization Policy that outlined the establishment of an Internal Revenue Code (IRC) Section 115 Irrevocable Trust and approved an appropriation of \$8 million in seed funding to be set aside into the Trust in Fiscal Year 2017-18, once the Trust was established.

C. The City Council authorized the formation of the Trust with Public Agency Retirement Services (PARS) on May 22, 2018 and has intentionally funded the Trust with a total of \$17,404,941 on five separate occasions since the Trust was established and one withdrawal of \$5,000,000 in Fiscal Year 2022-23. In addition, the Trust has earned significant interest earnings over time.

D. The City Council desires to reduce the City's UAL and increase the funded status of the City's pension plan with CalPERS, thereby saving approximately \$30 million of interest over the next 25 years.

Section 2. The City Council does hereby approve and direct the City Manager and staff to:

1. Make a one-time transfer of \$2,000,000 from the Trust to CalPERS; and
2. Make the necessary adjustments to the budget to reflect the one-time transfer directed herein.

Section 3. The City Clerk shall certify adoption of the resolution.

PASSED, APPROVED, AND ADOPTED by the City Council of the City of Temecula
this 14th day of November, 2023.

Zak Schwank, Mayor

ATTEST:

Randi Johl, City Clerk

[SEAL]

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) ss
CITY OF TEMECULA)

I, Randi Johl, City Clerk of the City of Temecula, do hereby certify that the foregoing Resolution No. 2023- was duly and regularly adopted by the City Council of the City of Temecula at a meeting thereof held on the 14th day of November, 2023, by the following vote:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

Randi Johl, City Clerk