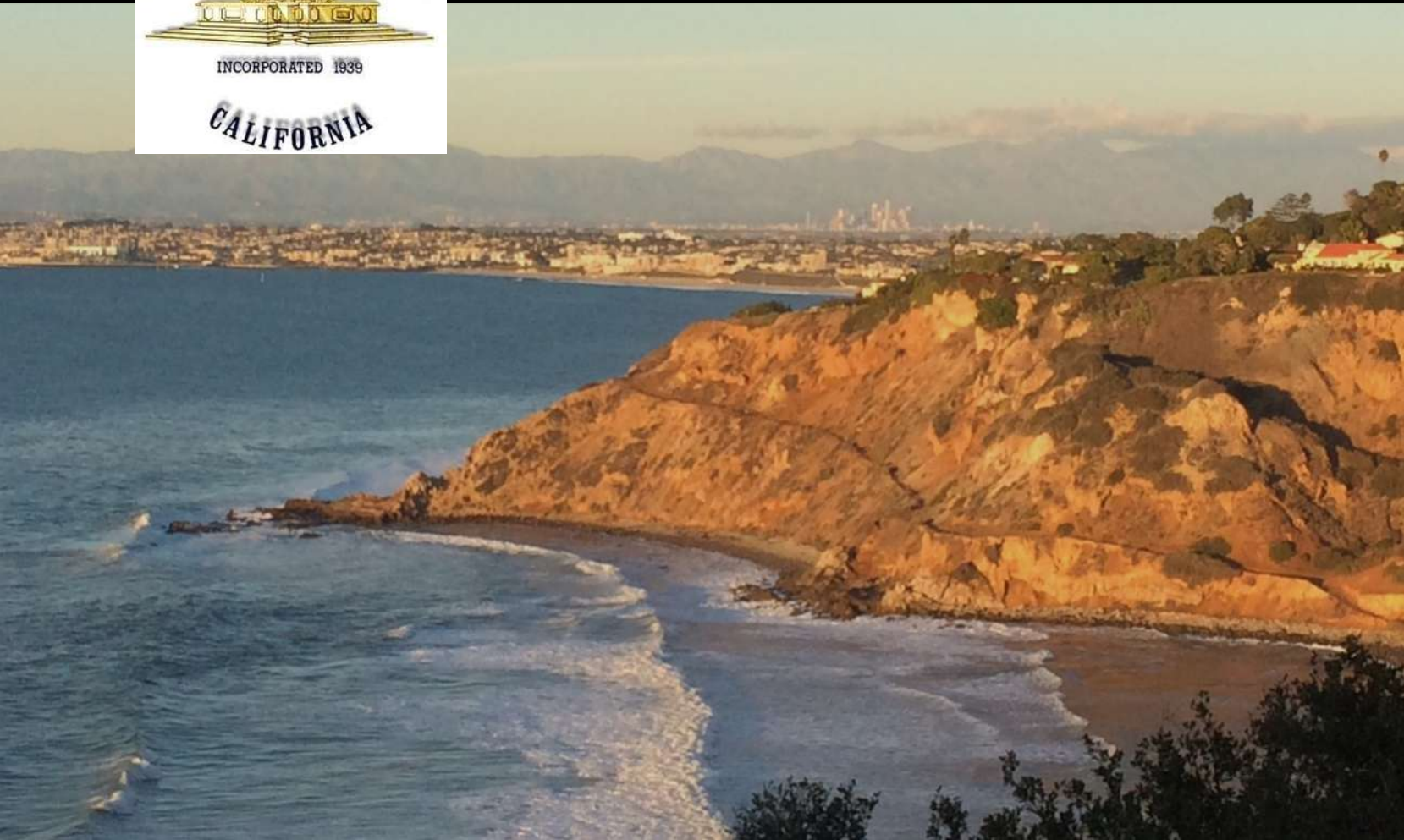
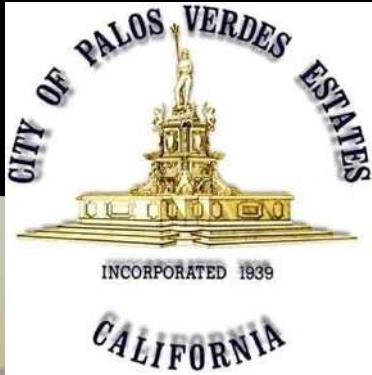


PENSION AD HOC STAKEHOLDER



Today's Focus

▶ OVERVIEW

▶ WHERE WE ARE
TODAY

▶ DRIVERS

▶ NEXT STEPS



1.9 million members

Public agency members = 31%

Employers = ~3,000

2018 = \$354B

2009 = \$181B

@ 71% funded ratio deficit =

~\$160B

Funded ratio

2018 = 71%

1999 = 128% (high)

2009 = 61% (low)

Risk Pool

Fewer than 100 employees

Plans

Classic Safety

Classic Miscellaneous

PEPPRA Miscellaneous

PEPPRA Safety

(The two Classic plans = 99% of UAL)

Asset and liability gap

US = ~\$4.2 trillion

CalPERS = ~\$159 billion

PVE (UAL) = ~\$16.6 million

Unfunded Accrued Liabilities (UAL)

Classic Safety

2018

UAL = \$12.5M

70% funded

2017

UAL = \$10.9M

73% funded

Classic Miscellaneous

2018

UAL = \$4.1M

76% funded

2017

UAL = \$3.4M

79% funded

PEPPRA Miscellaneous

2018

UAL = \$21k

93% funded

2017

UAL = \$3.8k

98% funded

PEPPRA Safety

2018

UAL = \$6.7k

92% funded

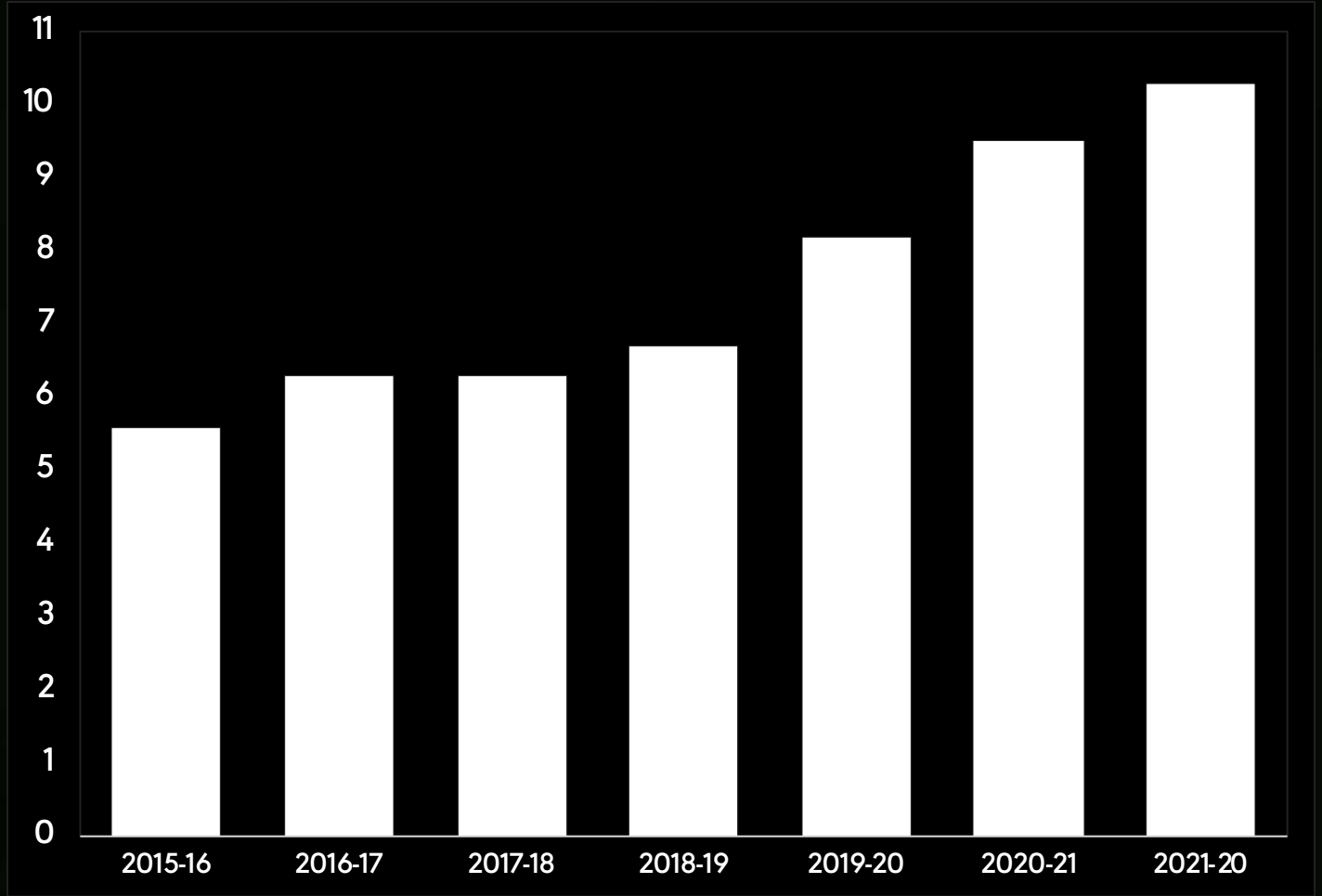
2017

UAL = \$1.3k

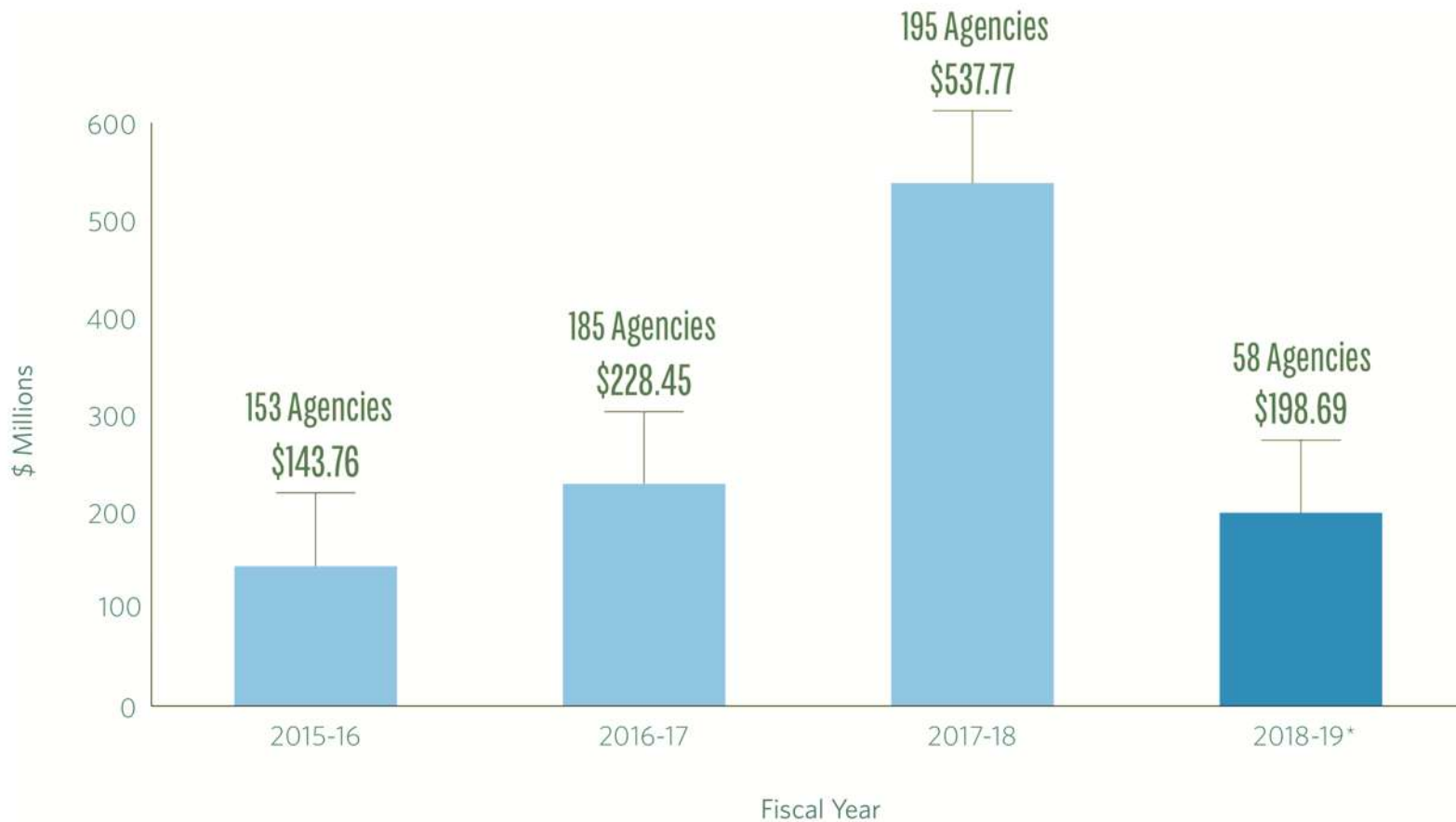
96% funded



Pension obligation as % of revenue

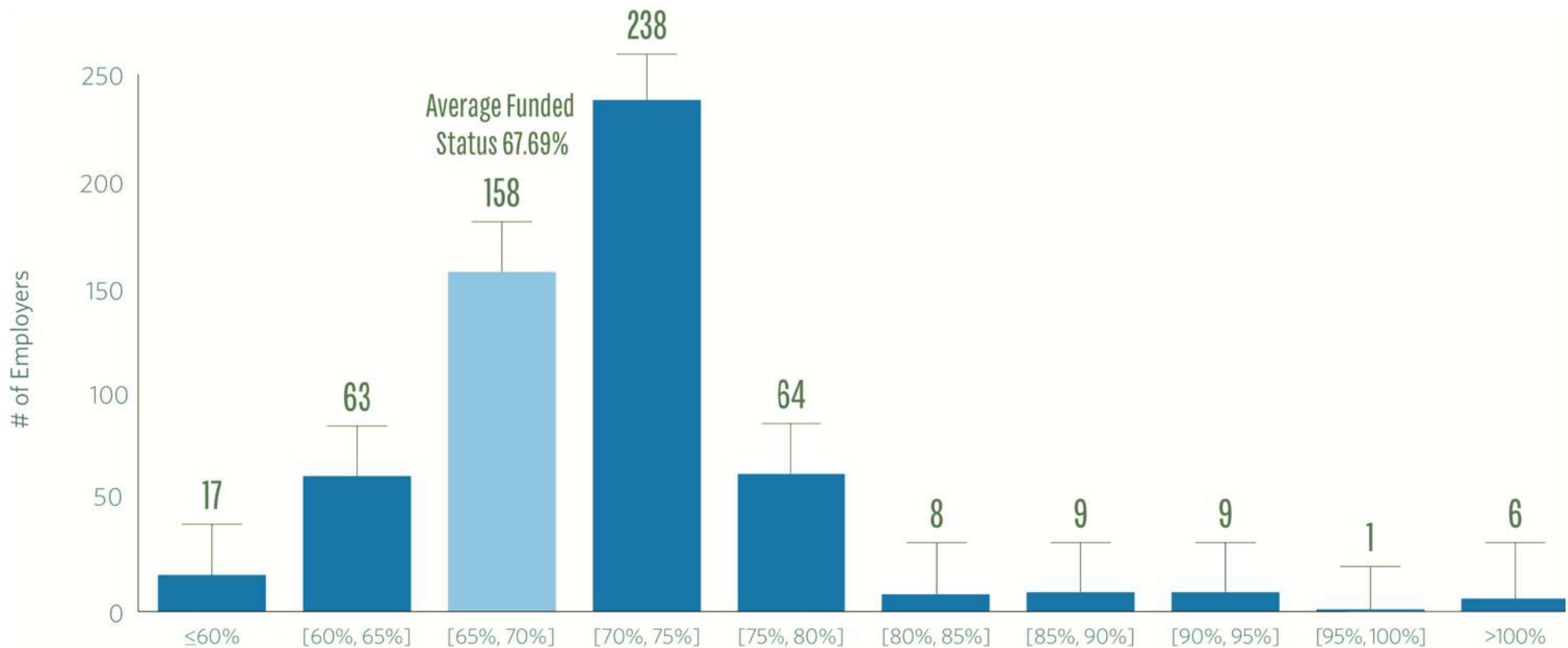


AGENCIES MAKING ADPs

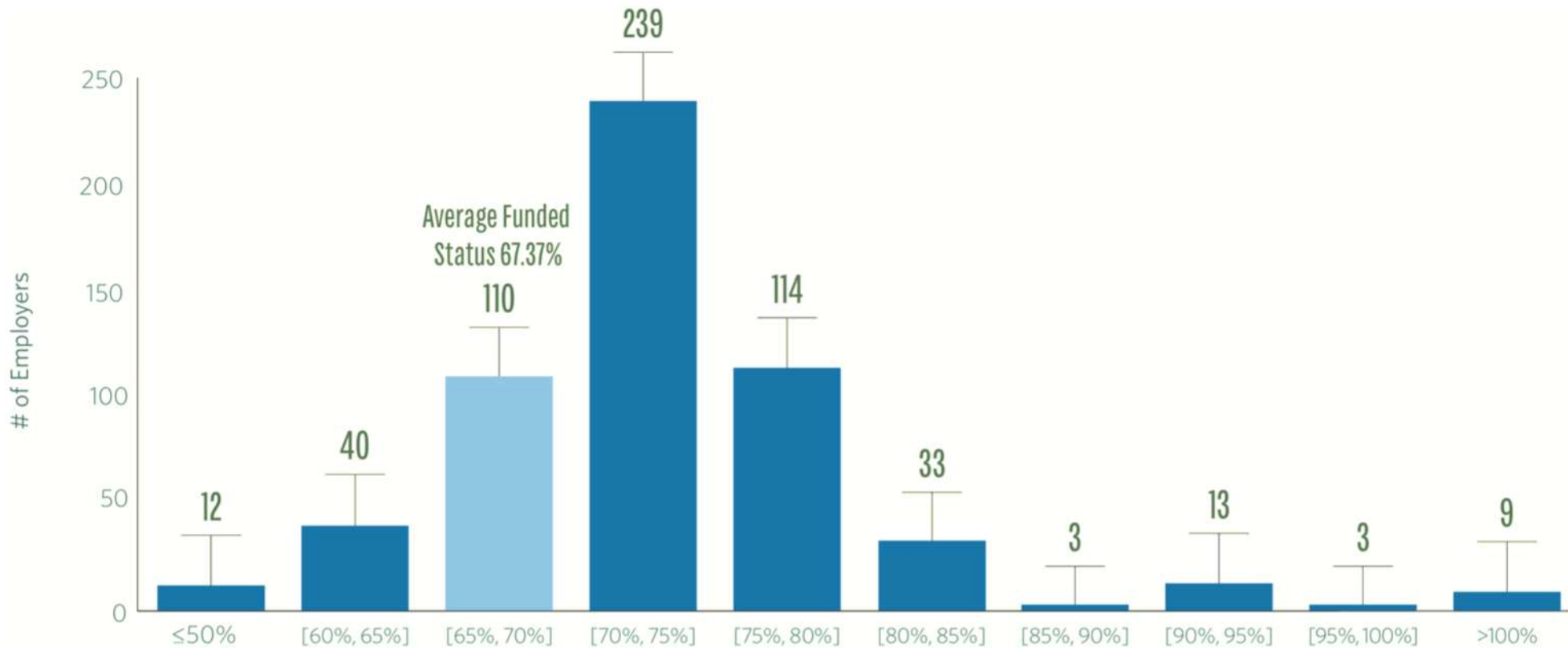


* ADP's from July 1, 2018 through August 31, 2018

FUNDED RATIO 6/30/16 VALUATION (PAS)



FUNDED RATIO 6/30/17 VALUATION (PAS)



\$20M

2019-20 Adjusted Budget
~2% anticipated
increase in future years

\$16.3M

Accounted for between
restricted and contractual

KEY DRIVERS

Discount rate
Risk pool experience
Portfolio performance
Demographic shifts
Ratio of actives to retirees
ADPs





- Lower discount rate
- 20-year amortization
- Plan changes

Anticipated changes
in 2020-2021

MESSEGE



- BE THOUGHTFUL
- BE PRUDENT
- ACT WITH URGENCY, NOT DESPERATION
- COLLABORATE, BE INCLUSIVE



THANK YOU

NEXT STEPS



Complete
discovery



Review
findings



Solicit
feedback



Present
to FAC

October

Ad Hoc
Stakeholders

November

Present to FAC for
inclusion into city
2020-2022
Forecast and
possibly 2019-20
Adjusted Budget

December

Council adoption

January

Integrate in city
plan

TIMELINE OF EVENTS



Money
makes
money. And
the money
that money
makes,
makes
money.

- Benjamin Franklin

