

**LODI CITY COUNCIL
SHIRTSLEEVE SESSION
CARNEGIE FORUM, 305 WEST PINE STREET
TUESDAY, JULY 18, 2023**

A. Call to Order / Roll Call

An Informal Informational Meeting ("Shirtsleeve" Session) of the Lodi City Council was held Tuesday, July 18, 2023, commencing at 7:09 a.m.

Present: Council Member Bregman, Council Member Nakanishi, Council Member Yepez, Mayor Pro Tempore Craig, and Mayor Hothi

Absent: None

Also Present: Deputy City Manager Keys, Interim City Attorney Lucchesi, and City Clerk Nashed

B. Topics

B-1 Receive Update on Pension Funding Status and Pension Stabilization Policy (CM)

Deputy City Manager Keys provided a PowerPoint presentation regarding California Public Employees' Retirement System (CalPERS), PARS, and pension funding. Specific topics of discussion included recent CalPERS history, recent CalPERS history - earnings, California Public Employees' Pension Reform Act (PEPRA), Asset Liability Management (ALM), ALM discount rate drop, other assumptions, Risk Mitigation Policy, Public Agency Actuarial Reports, Lodi demographics, Lodi benefit formulas, Lodi PERS bill, Lodi actuarial bases - Miscellaneous and Safety, Lodi employee contributions, current underfunded accrued liability, Pension Stabilization Policy and progress, Pension Stabilization Fund history, Pension Stabilization Policy update, additional discretionary payments history, pension funding current status, comparative funding current status, reasons for Lodi being poorly funded, pension obligation bonds, and hypothetical termination liability.

In response to Mayor Pro Tempore Craig, Deputy City Manager Keys stated that there is no difference in the social security maximum payout cap for safety personnel versus miscellaneous personnel.

Council Member Nakanishi stated that the pension maximum payout cap applies to both Classic and PEPRA members. Council Member Nakanishi asked Deputy City Manager Keys, if a member reaches the maximum cap, if they can retire and if there was an incentive to stay. Deputy City Manager Keys confirmed that a member can retire if they wish, however, due to the high threshold of the cap, it is unlikely for a member to reach the cap early on in their career.

In response to Council Member Nakanishi, Deputy City Manager Keys stated that there is a difference in the social security maximum payout cap for Classic members versus PEPRA members.

In response to Council Member Nakanishi, Deputy City Manager Keys stated that the unfunded accrued liability will decrease but not for another two years.

Council Member Nakanishi left the meeting at 7:50 a.m.

In response to Mayor Pro Tempore Craig Deputy City Manager Keys stated that staff can predict the City's actuarial numbers, however, staff cannot predict changes within CalPERS that would also have an impact on the actuarial numbers.

During Deputy City Manager Keys' presentation of the City's Unfunded Accrued Liability, Mayor Hothi noted that the numbers listed on slide 19 do not reflect any recent changes by CalPERS or payments made by the City.

Mayor Pro Tempore Craig noted that, while the City makes monthly or yearly payments, it can also make discretionary payments.

Council Member Bregman left the meeting at 8:09 a.m.

In response to Mayor Hothi, Deputy City Manager Keys stated that the City's goal for Pension Stabilization is 80 percent. Deputy City Manager Keys provided the formula: Safety personnel liability + Miscellaneous

personnel liability - assets = funded status.

Deputy City Manager Keys stated that the City of Lodi ranks 415 of 430 members of CalPERS. Mayor Pro Tempore Craig asked if there is a penalty for the low ranking and Deputy City Manager Keys stated that the penalty would be additional charges or fines the City would pay to CalPERS.

C. Comments by Public on Non-Agenda Items

Cesar Trevino provided public comment regarding the property on 22 South Main Street. Mr. Trevino provided a supplemental document (filed) regarding his concerns of being a displaced tenant due to the sale of the property by the owner. Mayor Hothi stated that Community Development staff will contact Mr. Trevino to follow up on the issue.

D. Adjournment

No action was taken by the City Council. The meeting was adjourned at 8:32 a.m.

ATTEST:

Olivia Nashed
City Clerk