

MEETING DATE/TYPE: VOTING MEETING 9-12-17

DEPARTMENT: Finance

AGENDA ITEM: Approval of Payments to PSPRS from General Fund Unassigned Fund Balance and the proceeds from the sale of the Hotshot buggies.

FUNDING SOURCE: General Fund

Approved By: Michael Lamar, City Manager

Item Summary

Councilwoman Orr and Councilman Sischka requested that the following items be brought to Council to give staff direction:

1. Authorize the payment of \$11 million from the General Fund unassigned fund balance to the City's PSPRS trust funds, \$5.5 million to each fund.
2. Authorize the payment of \$25,000.00 from the sales of the Hotshots buggies to the City's PSPRS Fire trust fund.

Background

During the FY18 budget process, Council made the following budget appropriations for payments to PSPRS:

<u>Description</u>	<u>When to be Paid</u>	<u>Amount</u>
General Fund Unassigned Fund Balance	If Proposition 443	\$ 11,000,000
Parker/Hall Refund	Court Final Ruling	1,215,250
Dedicated Sales Tax	As Collected	6,000,000
PSPRS Normal Pension Cost	Biweekly with Payroll	1,331,707
PSPRS Unfunded Liability Amort.	Biweekly with Payroll	<u>6,425,622</u>
Total Budget Appropriation		<u>\$ 25,972,579</u>

The refunds of excess contributions related to the Parker/Hall case have been made in the amount of \$1,005,844.00, the interest component of the case will be paid as soon as the court makes a final determination. In addition to the budget appropriations, Council authorized the distribution of the proceeds of \$579,625.00 from the sale of Fire Station #7 to PSPRS.

With the voter approval of Proposition 443, which created a dedicated sales tax to pay down the City's unfunded PSPRS liability, we are looking for Council direction to send the \$11 million of General Fund unassigned fund balance to PSPRS.

AGENDA ITEM: Approval of Payments to PSPRS from General Fund Unassigned Fund Balance and the proceeds from the sale of the Hotshot buggies.

Additionally, at the May 23rd meeting the Council authorized the sale of the Hotshot buggies to the Los Angeles County Fire Museum. The Council has discussed that these proceeds should go to pay down the PSPRS unfunded liability.

Recommended Action: MOVE to: **1)** Approve the payment of \$11 million from the General Fund unassigned fund balance to PSPRS; and **2)** Approve the payment of \$25,000 from the sale of the Hotshot buggies to the PSPRS Fire trust.