



DATE: March 25, 2020

TO: Waste Management Authority Board

FROM: Pat Cabrera, Administrative Services Director

SUBJECT: Funded Status Policy

SUMMARY

On March 12, 2020, the Programs and Administration Committee recommended that the WMA Board approve an enhanced pension funded status goal and additional discretionary payments to help achieve the goal of at least 95% funded status with the potential of being 100% funded by the beginning of FY 25-26.

DISCUSSION

At the February 17, 2016 WMA meeting the board adopted a pension funded status goal of 90%. Based on the latest actuarial information the Agency has achieved that goal. However, as discussed at the March 12, 2020 P&A Committee meeting, the Agency is in a position to improve its funded status and in doing so save a substantial amount of interest over the next several years. The staff report can be found here: [Unfunded-Liability-Policy.pdf](#)

Staff recommended that the Agency increase its funded status goal to at least 95% and work towards a 100% status goal by the beginning of FY 25-26. In doing so the Agency can save a total of approximately \$2.1M interest. By a vote of 10-0 (Absent: Carson, Kalb), the P&A Committee reviewed and approved the recommendation below.

RECOMMENDATION

That the WMA approve the following:

1. As part of the FY 20-21 budget include an additional lump sum payment to CalPERS of approximately \$1.4M to pay towards the Agency's unfunded accrued liability (UAL).
2. Adopt an unfunded pension status goal of at least 95%.
3. Include additional annual payments towards the Agency's UAL, depending on funding availability, to achieve 100% pension funded status by the beginning of FY 25-26.