



November 13, 2015

TO: Waste Management Authority (WMA) Board

FROM: Gary Wolff, Executive Director  
Wendy Sommer, Deputy Executive Director

SUBJECT: Pension Liability Payoff and a Related Schedule Proposal

---

**BACKGROUND:**

Staff committed during the budget process in April and May 2015 to bring back a plan for paying more toward our agency pension liability. Because funds that could be used for pension payments could also be used for other purposes, a full memo providing a framework for decision making on this and related financial management topics was provided to the Programs and Administration (P&A) Committee and the Recycling Board/ Planning and Organization (P&O) Committee on November 12th. The full memo is available at: <http://stopwaste.org/Pension/Payoff/Proposal/2016/memo.pdf>.

The P&A voted 9-0 (Sadoff, Turner, Chan, absent) and the Recycling Board/ P&O voted 10-0 (Peltz absent) in favor of the recommendation stated below.

**RECOMMENDATION**

That the WMA:

1. Approve the proposed changes to reserves, and \$0.6 million payment to PERS, when the mid-year budget revisions are brought before them on December 16, 2015.
2. Approve the framework schedule for staff to follow in concept, with budget amounts to be discussed as part of the Agency's budget development process.
3. Direct staff to bring before the WMA Board a discussion of a pension funding target (e.g., some percentage of total pension liability; noting that the actual funded percentage will fluctuate around the target due to changes in market value, even after any chosen target level has been achieved).