



# CITY OF HAYWARD

Hayward City Hall  
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## Cover Memo

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**DATE:** September 19, 2018

**TO:** Council Budget and Finance Committee

**FROM:** Director of Finance

**SUBJECT**

CalPERS Unfunded Accrued Liability Funding Options

**RECOMMENDATION**

That the Committee reviews potential funding options for the City to consider for reducing the City's unfunded benefit liabilities and recommends to the City Council a strategy to maximize its resources and reduce unfunded liabilities.

**SUMMARY**

The City of Hayward, like all cities and municipal agencies, manages unfunded benefit liabilities. An unfunded liability results in the City paying contributions in excess of the normal cost or the employer unfunded accrued liability annual contributions amount. There are four options provided in this staff report to reduce unfunded liabilities: (1) Additional discretionary payments through utilization of otherwise invested City reserves in the form of short term borrowing; (2) creating a section 115 irrevocable pension trust; (3) re-amortizing the current unfunded liability over a shorter period of time; or (4) maintaining the current status quo.

**ATTACHMENTS**

Attachment I          Staff Report