



CITY OF HAYWARD

Hayward City Hall
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Cover Memo

File #: CONS 20-494, **Version:** 1

DATE: October 20, 2020

TO: Mayor and City Council

FROM: Director of Finance

SUBJECT

Adopt a Resolution Authorizing the City Manager to Enter into an Agreement with CalPERS via the California Employers' Pension Prefunding Trust (CEPPT), a Section 115 Irrevocable Trust, and Delegating Authority to Request Disbursements

RECOMMENDATION

That Council adopts a resolution (Attachment II) authorizing the City Manager to enter into an agreement with CalPERS to establish an Section 115 Irrevocable Trust through its California Employers' Pension Prefunding Trust (CEPPT) and delegating authority to the City Manager and Director of Finance for the request of disbursement from the CEPPT.

SUMMARY

As part of the City's most recent Strategic Roadmap, Council directed staff to investigate funding tools and strategies to reduce the City's pension and other post-employment benefits (OPEB) liabilities. A Section 115 Irrevocable Trust allows cities to invest assets to fund future pension and OPEB contributions over shorter time horizons than the pension fund and with potentially better yields than other short term instruments such as the Local Agency Investment Fund (LAIF).

CalPERS' Section 115 Irrevocable Trust Program, CEPPT, does not have a minimum initial contribution or required annual contribution amount. The City will have the ability to make deposits into the CEPPT as funds become available. The attached resolution (Attachment II) authorizes the City Manager to enter into an agreement to establish a Section 115 Trust through CalPERS, and authorizes the City Manager and Director of Finance to withdraw funds from the CEPPT to make payments toward pension liabilities.

ATTACHMENTS

Attachment I	Staff Report
Attachment II	Resolution