

14. Pension Stabilization Policy

This section replaces the policy adopted by Resolution 2017-219 and amends language and form for consistency with this policy. The policy is also updated and amended to factor in UAL funding for UAL costs attributable to positions funded by Measure L.

A. Pension Stabilization Funding

- i. The Treasurer is authorized to invest all fund balance in excess of 16% in the General Fund (Pension Stabilization Resources, or PSR), based on the City's Annual Comprehensive Financial Report (ACFR) from the previous year in the City's Internal Revenue Code Section 115 Trust account with Public Agency Retirement Solutions (PARS); and with Council consent use PARS trust funds to make:
 - a. ADP to the Safety Plan of the City of Lodi held by CalPERS; or
 - b. ADP to the Miscellaneous Plan of the City of Lodi held by CalPERS;

until such time that the combined Market Value of Assets at the two CalPERS Plans plus the Market Value of Assets in the PARS fund exceed 80% of the combined "Entry Age Normal Accrued Liability" for both Safety and Miscellaneous or its most proximate equivalent as calculated by CalPERS in the annual Actuarial Reports.

B. Allocation of Pension Stabilization Reserve Funding

- i. PSR investments made under this policy shall be accounted for by source fund and be made from all source funds in equal proportions to the actual allocation of CalPERS combined normal cost plus UAL cost within the Fiscal Year of the most recently approved ACFR.
 1. The Measure L Fund shall not contribute to the Pension Stabilization Fund.
- ii. The base fund for determining the amount of proportional PSR for other funds shall be the City's General Fund (Fund 100).
 1. If PSR for a particular fund is not adequate to cover the proportional requirement for that fund, the Treasurer shall prepare a report and recommendations to City Council to seek direction on PSR for that Fiscal Year.
- iii. Nothing in this policy shall allow the Treasurer to make PSR investments of any fund to have a projected year end fund balance below thresholds established in Section 7, 8, 9, 10, or 11 of this policy.
 1. If proportional PSR investments would cause the projected year end fund balance of any fund to fall below thresholds established in the Fiscal Policies, the Treasurer shall prepare a report and recommendations to City Council within the scope of this policy.

C. Budget Adjustments

- i. The City Manager is authorized to make any necessary budget adjustments to execute this policy in each Fiscal Year based on the calculated PSR.

D. Pension Stabilization Reporting

- i. The Treasurer shall prepare and present the funded statuses of the City's combined pension plans in the Annual Budget and the Mid-Year Budget report.