



**CITY OF LODI
COUNCIL COMMUNICATION**

AGENDA TITLE: Adopt Resolution Approving Partial Funding of Other Post Employment Benefits Liability and Appropriating Funds (\$698,000)

MEETING DATE: May 15, 2013

PREPARED BY: Deputy City Manager

RECOMMENDED ACTION: Adopt resolution approving partial funding of Other Post Employment Benefits liability and appropriating funds in the amount of \$698,000.

BACKGROUND INFORMATION: Council received information regarding the status of the City's unfunded Other Post Employment Benefits (OPEB) liability at a Shirtsleeve Session on April 9, 2013. At June 30, 2012, the recorded unfunded liability was \$3,621,593. Council indicated a desire to begin funding the liability.

Staff has identified a one-time revenue source to partially fund the General Fund portion of the OPEB liability. As Council has been advised, the City received \$697,955 in the form of a refund of overpayments to the County for property tax administration fees in the current year. Property tax administration fees are paid solely by the General Fund. Staff proposes that Council approve using these one-time funds to partially fund the outstanding liability. Staff further proposes that an additional amount of \$301,000 be transferred from other funds outside the General Fund to partially fund the outstanding liability. Amounts for all funds have been determined based upon the ratio of positions within each fund. The table below shows the complete funding proposal:

Fund	Amount
General Fund	\$698,000
Electric	\$105,000
Water/Wastewater	\$135,000
Streets	\$16,000
Transit	\$8,000
Community Development	\$21,000
PRCS	\$16,000
Total	\$999,000

Staff requests that Council approve the funding proposal and appropriate funds within the General Fund. Amounts within funds outside the General Fund will be absorbed within existing appropriations.

APPROVED: _____

Konradt Bartlam, City Manager

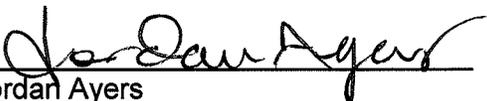
FISCAL IMPACT:

Partially funding the outstanding liability represents fiscal prudence. It is also expected that partial funding will have a positive impact on future actuarial reports and be looked upon favorably by rating agencies.

FUNDING AVAILABLE:

Appropriation requested: General Fund \$698,000.

Funding for this expense outside the General Fund will be absorbed within existing appropriations.


Jordan Ayers
Deputy City Manager

JA/ja

1. AA# _____
 2. JV# _____

**CITY OF LODI
 APPROPRIATION ADJUSTMENT REQUEST**

TO: Internal Services Dept. - Budget Division
 3. FROM: **Jordan Ayers** 5. DATE: **5/15/13**
 4. DEPARTMENT/DIVISION: **City Manager**

6. REQUEST ADJUSTMENT OF APPROPRIATION AS LISTED BELOW					
	FUND #	BUS. UNIT #	ACCOUNT #	ACCOUNT TITLE	AMOUNT
A. SOURCE OF FINANCING	100	1001	5394	Revenue-Other	\$698,000.00
	270		4210	Operating Transfers In	\$698,000.00
B. USE OF FINANCING	100		4220	Operating Transfers Out	\$698,000.00

7. REQUEST IS MADE TO FUND THE FOLLOWING PROJECT NOT INCLUDED IN THE CURRENT BUDGET

Please provide a description of the project, the total cost of the project, as well as justification for the requested adjustment. If you need more space, use an additional sheet and attach to this form.

To recognize refund from San Joaquin County related to overpayment of Property Tax Administration Fees for years 2006/07 thru 2011/12 and appropriate same, transferring funds to the Benefits fund to partially fund the OPEB liability.

If Council has authorized the appropriation adjustment, complete the following:

Meeting Date: 5/15/13 Res No: _____ Attach copy of resolution to this form.

Department Head Signature: *Jordan Ayers*

8. APPROVAL SIGNATURES

Deputy City Manager/Internal Services Manager _____ Date _____

Submit completed form to the Budget Division with any required documentation.
 Final approval will be provided in electronic copy format.

RESOLUTION NO. 2013-_____

A RESOLUTION OF THE LODI CITY COUNCIL APPROVING
PARTIAL FUNDING OF OTHER POST EMPLOYMENT BENEFITS
LIABILITY AND APPROPRIATING FUNDS

WHEREAS, the City has an unfunded liability related to Other Post-Employment Benefits in the amount of \$3,621,593 at June 30, 2012; and

WHEREAS, Council has expressed its desire to begin funding the OPEB liability, and

WHEREAS, staff recommends using one-time money derived from a refund of overpayments to San Joaquin County for property tax administration fees to fund the General Fund portion of the OPEB liability; and

WHEREAS, staff recommends that funds outside the General Fund contribute a proportionate share of costs toward funding the OPEB liability; and

WHEREAS, partial funding of the OPEB liability represents fiscal prudence and is expected to have a positive impact on actuarial report calculations and rating agency perceptions.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Lodi does hereby approve partial funding of the OPEB liability in the following amounts:

Fund	Amount
General Fund	\$698,000
Electric	\$105,000
Water/Wastewater	\$135,000
Streets	\$16,000
Transit	\$8,000
Community Development	\$21,000
PRCS	\$16,000
Total	\$999,000

BE IT FURTHER RESOLVED that funds in the amount of \$698,000 be appropriated in the General Fund for this purpose.

Dated: May 15, 2013

I hereby certify that Resolution No. 2013-_____ was passed and adopted by the City Council of the City of Lodi in a regular meeting held May 15, 2013, by the following votes:

- AYES: COUNCIL MEMBERS –
- NOES: COUNCIL MEMBERS –
- ABSENT: COUNCIL MEMBERS –
- ABSTAIN: COUNCIL MEMBERS –

RANDI JOHL
City Clerk