

**MOORPARK CITY COUNCIL
AGENDA REPORT****TO: Honorable City Council****FROM: Ron Ahlers, Finance Director** *RA***DATE: March 23, 2009 (City Council Meeting of April 1, 2009)****SUBJECT: Consider Resolution Amending the FY 2008/09 Budget to Appropriate Funding for Other Post-Employment Benefits {OPEB} which Includes the One-Time Payment for the Unfunded Liability of \$364,000 and the Annual "Normal Cost" of \$31,000 in Compliance with Governmental Accounting Standards Board (GASB) Statement No. 45****BACKGROUND**

In June 2004, the Governmental Accounting Standards Board (GASB) issued Statement No. 45, the accounting standards for Other Post-Employment Benefits (OPEB). This statement governs public employer accounting of any benefits, other than pensions, promised by an employer to their employees into retirement. The purpose of GASB 45 is to provide better financial information and to ensure that the costs related to providing employees with Other Post-Employment Benefits are accounted for over the working careers of plan members. Implementation dates for GASB 45 are based on the size of the government as measured by fiscal year 1998/1999 annual revenues. The City of Moorpark is a phase 2 Government with annual revenues of \$10 million to \$100 million. As such, the City is required to implement the new standard as of June 30, 2009.

DISCUSSION

GASB 45 requires public employers to report the cost of providing these other post-employment benefits as well as information on any unfunded liability. During the current fiscal year the City contracted with Bartel & Associates, an actuary firm, to calculate our unfunded liability and annual "normal cost" expense under OPEB. The City's unfunded liability was \$364,000 and the annual "normal cost" is \$31,000. On September 3, 2008, the City Council decided to establish an irrevocable trust with CalPERS under their California Employer's Retiree Benefit Trust program {CERBT}. CalPERS accepted the City of Moorpark's application into CERBT and the City made the contribution of \$364,000 in November 2008.

While the City Council authorized the payment be made to CalPERS of \$364,000, we did not officially appropriate the money. The attached resolution appropriates the money from the General Fund reserves for the \$364,000 unfunded liability payment. It also appropriates money for the annual "normal cost" payment of \$31,000, prorated by fund. The General Fund's share is approximately \$380,000.

The following table shows the contributions from each fund.

Fund #	Unfunded Liability	Annual "Normal Cost"	TOTAL FY08/09	Fund #	Unfunded Liability	Annual "Normal Cost"	TOTAL FY08/09
1000 Total	364,000	16,453	380,453	2311 Total		11	11
1010 Total		315	315	2312 Total		44	44
2000 Total		421	421	2314 Total		11	11
2001 Total		49	49	2315 Total		56	56
2200 Total		3,528	3,528	2316 Total		11	11
2300 Total		363	363	2318 Total		11	11
2301 Total		11	11	2319 Total		83	83
2302 Total		13	13	2320 Total		11	11
2303 Total		11	11	2321 Total		83	83
2304 Total		11	11	2322 Total		11	11
2305 Total		13	13	2400 Total		2,025	2,025
2306 Total		11	11	2605 Total		2,827	2,827
2307 Total		11	11	2901 Total		720	720
2308 Total		46	46	2902 Total		2,646	2,646
2309 Total		11	11	5000 Total		512	512
2310 Total		48	48	5001 Total		623	623
				Grand Total	\$ 364,000	\$ 31,000	\$ 395,000

FISCAL IMPACT

The FY 2008/09 Budget appropriation of \$395,000 will pay for the unfunded liability of OPEB (\$364,000 from the General Fund) plus this current year's annual contribution (\$31,000 prorated by fund).

STAFF RECOMMENDATION (Roll Call Vote)

Adopt Resolution No. 2009 - _____.

Attachments:

Attachment 1: Resolution

RESOLUTION NO. 2009 - _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MOORPARK, CALIFORNIA, AMENDING THE FISCAL YEAR 2008/09 BUDGET TO APPROVE CERTAIN APPROPRIATIONS REQUIRED TO FUND OTHER POST-EMPLOYMENT BENEFITS (OPEB) AS DEFINED HEREIN

WHEREAS, on July 2, 2008, the City Council adopted the Budget for fiscal year 2008/09; and

WHEREAS, on September 3, 2008, a staff report has been presented to the City Council summarizing the results of the actuarial study relating to Other Post-Employment Benefits (OPEB) and various options to comply with Government Accounting Standards Board Statement No. 45 (GASB 45); and

WHEREAS, said staff report has been presented to the City Council providing the cost of accrued and unfunded liability as of June 30, 2008 of \$364,000 and the annual cost for future benefits of \$31,000; and

WHEREAS, the same staff report has been presented to the City Council recommending the pre-funding of the unfunded liability of \$364,000 and the payment of the normal cost of \$31,000 into an irrevocable trust managed by CalPERS under their California Employers' Retiree Benefit Trust (CERBT); and

WHEREAS, on April 1, 2009 a staff report has been presented to the City Council requesting an aggregate appropriation increase of \$395,000 in various operating funds for the \$364,000 unfunded liability and \$31,000 normal cost payments; and

WHEREAS, Exhibit "A", attached hereto and made a part hereof, describes said budget amendments and its resultant impacts to the budget line item(s).

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MOORPARK DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. That a Budget Amendment in the aggregate increase of \$395,000, as more particularly described in Exhibit "A", is hereby approved.

SECTION 2. The City Clerk shall certify to the adoption of this resolution and shall cause a certified resolution to be filed in the book of original resolutions.

PASSED AND ADOPTED this 1st day of April, 2009.

Janice S. Parvin, Mayor

ATTEST:

Deborah S. Traffenstedt, City Clerk

Attachment: Exhibit 'A': Budget Appropriation

**Budget Amendment to
Various Funds for Other Post
Employment Benefits (OPEB) Payments
FY 2008/09**

A. Fund Allocation

Fund	Account	Amount
1000 General Fund	1000-5500	\$380,453
1010 Library Fund	1010-5500	315
2000 Traffic Safety Fund	2000-5500	421
2001 Traffic System Management Fund	2001-5500	49
2200 Community Development Fund	2200-5500	3,528
2300 Assessment District 84-2 City Wide	2300-5500	363
2301 Assessment District 84-2 Zone 1	2301-5500	11
2302 Assessment District 84-2 Zone 2	2302-5500	13
2303 Assessment District 84-2 Zone 3	2303-5500	11
2304 Assessment District 84-2 Zone 4	2304-5500	11
2305 Assessment District 84-2 Zone 5	2305-5500	13
2306 Assessment District 84-2 Zone 6	2306-5500	11
2307 Assessment District 84-2 Zone 7	2307-5500	11
2308 Assessment District 84-2 Zone 8	2308-5500	46
2309 Assessment District 84-2 Zone 9	2309-5500	11
2310 Assessment District 84-2 Zone 10	2310-5500	48
2311 Assessment District 84-2 Zone 11	2311-5500	11
2312 Assessment District 84-2 Zone 12	2312-5500	44
2314 Assessment District 2001-01	2314-5500	11
2315 Assessment District 2001-02	2315-5500	56
2316 Assessment District 2001-03	2316-5500	11
2318 Assessment District 2004-01	2318-5500	11
2319 Assessment District 2005-01 M&M Development	2319-5500	83
2320 Assessment District 0702 - Lyon Homes	2320-5500	11
2321 Assessment District 2006-01 Shea Homes	2321-5500	83
2322 Assessment District 2007-01 Pardee Homes	2322-5500	11
2400 Park Maintenance Fund	2400-5500	2,025
2605 Gas Tax Fund	2605-5500	2,827
2901 Low/Mod Income Housing Fund	2901-5500	720
2902 MRA Operating Fund	2902-5500	2,646
5000 Local Transit Programs 8C	5000-5500	512
5001 Solid Waste AB 939	5001-5500	623
	Total	\$395,000

B. Distribution of Appropriation to Expenditure Accounts

Account Number	Current Budget	Revision	Amended Budget
1000-9030	\$0	\$364,000	\$364,000
1000-1100-0000-9030	\$0	\$220	\$220
1000-2100-0000-9030	\$0	\$3,586	\$3,586
1000-3100-0000-9030	\$0	\$2,074	\$2,074
1000-3110-0000-9030	\$0	\$814	\$814
1000-3120-0000-9030	\$0	\$1,038	\$1,038
1000-5110-0000-9030	\$0	\$3,014	\$3,014
1000-6100-0000-9030	\$0	\$267	\$267
1000-7100-0000-9030	\$0	\$463	\$463
1000-7210-0000-9030	\$0	\$853	\$853
1000-7610-0000-9030	\$0	\$751	\$751
1000-7620-0000-9030	\$0	\$879	\$879
1000-7630-0000-9030	\$0	\$1,538	\$1,538
1000-8100-0000-9030	\$0	\$360	\$360
1000-8320-0000-9030	\$0	\$326	\$326
1000-8410-0000-9030	\$0	\$270	\$270
1010-7640-0000-9030	\$0	\$315	\$315
2000-8210-0000-9030	\$0	\$150	\$150
2000-8330-0000-9030	\$0	\$271	\$271
2001-6100-0000-9030	\$0	\$49	\$49
2200-6100-0000-9030	\$0	\$838	\$838
2200-6430-0000-9030	\$0	\$240	\$240
2200-6440-0000-9030	\$0	\$2,450	\$2,450
2300-7900-7901-9030	\$0	\$363	\$363
2301-7900-7901-9030	\$0	\$11	\$11
2302-7900-7901-9030	\$0	\$11	\$11
2302-8320-8902-9030	\$0	\$2	\$2
2303-7900-7901-9030	\$0	\$11	\$11
2304-7900-7901-9030	\$0	\$11	\$11
2305-7900-7901-9030	\$0	\$11	\$11
2305-8320-8902-9030	\$0	\$2	\$2
2306-7900-7901-9030	\$0	\$11	\$11
2307-7900-7901-9030	\$0	\$11	\$11
2308-7900-7901-9030	\$0	\$46	\$46
2309-7900-7901-9030	\$0	\$11	\$11
2310-7900-7901-9030	\$0	\$28	\$28

Account Number	Current Budget	Revision	Amended Budget
2310-8320-8902-9030	\$0	\$20	\$20
2311-7900-7901-9030	\$0	\$11	\$11
2312-7900-7901-9030	\$0	\$44	\$44
2314-7900-7901-9030	\$0	\$11	\$11
2315-7900-7901-9030	\$0	\$56	\$56
2316-7900-7901-9030	\$0	\$11	\$11
2318-7900-7901-9030	\$0	\$11	\$11
2319-7900-7901-9030	\$0	\$83	\$83
2320-7900-7901-9030	\$0	\$11	\$11
2321-7900-7901-9030	\$0	\$83	\$83
2322-7900-7901-9030	\$0	\$11	\$11
2400-7800-0000-9030	\$0	\$2,025	\$2,025
2605-8310-0000-9030	\$0	\$2,820	\$2,820
2605-8900-8902-9030	\$0	\$7	\$7
2901-2420-0000-9030	\$0	\$720	\$720
2902-2410-0000-9030	\$0	\$1,595	\$1,595
2902-5110-0000-9030	\$0	\$106	\$106
2902-6100-0000-9030	\$0	\$741	\$741
2902-6430-0000-9030	\$0	\$204	\$204
5000-8510-0000-9030	\$0	\$512	\$512

Finance Approval: 