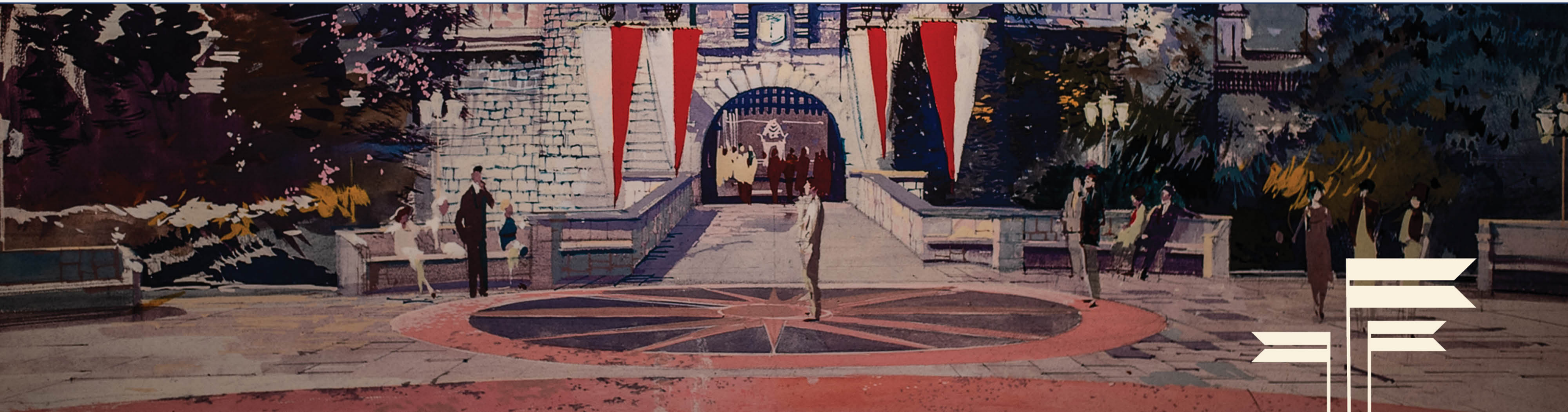




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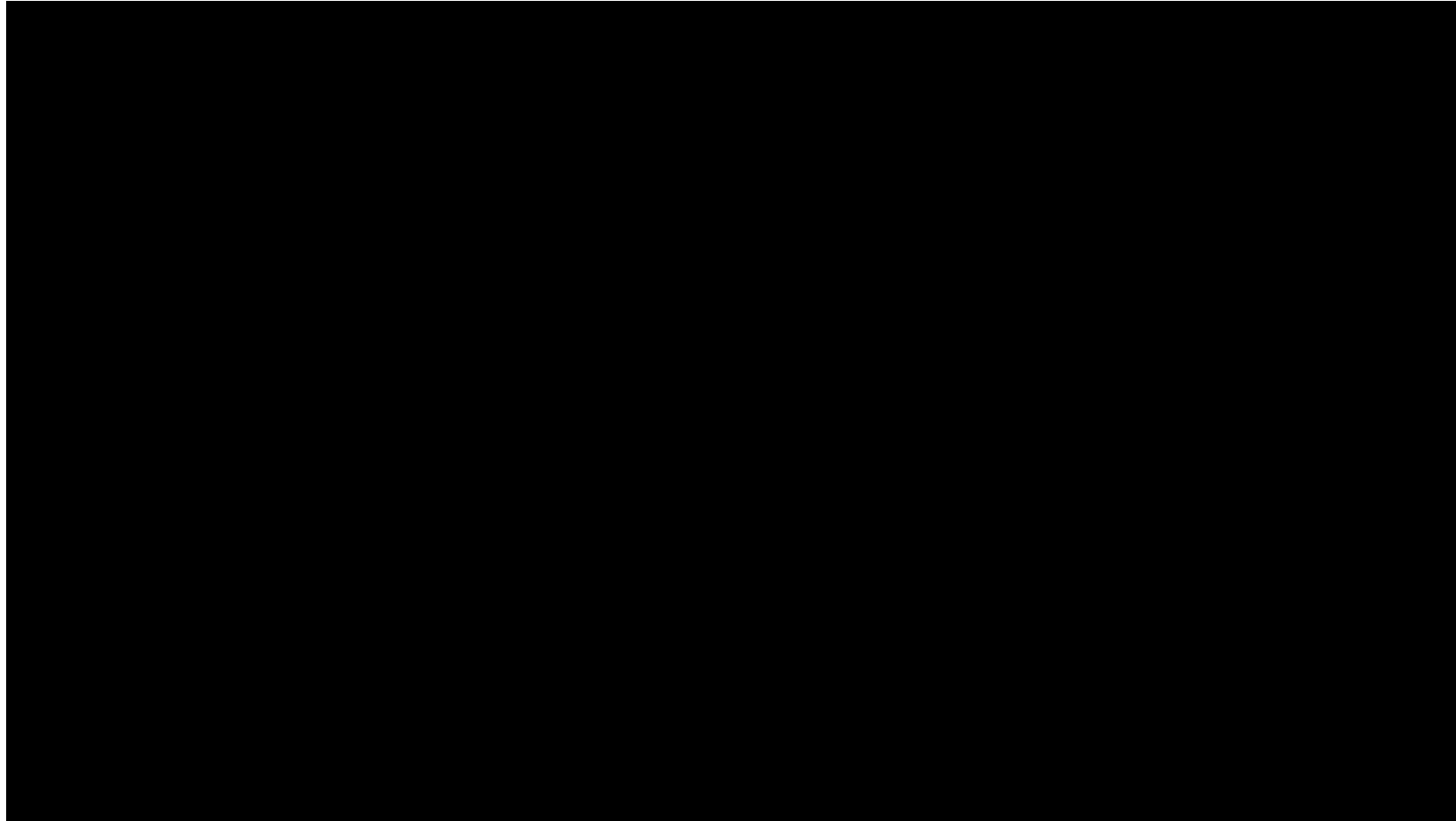
# Consideration of Pension Obligation Bonds





# SPEAKER PRESENTATION

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# CalPERS Amortization Bases

MISCELLANEOUS PLAN					
Year	Reason	Ramp Up	Years	Balance 6/30/2019	Payment FY 19-20
1	6/29/2003 Assumption Change	NO	6	4,141,979	791,363
2	6/30/2003 Asset Change	NO	6	(6,594)	(1,260)
3	6/30/2004 Method Change	NO	7	(322,056)	(53,801)
4	6/30/2009 Assumption Change	NO	12	5,500,156	590,737
5	6/30/2009 Special (Gain)/Loss	NO	22	6,336,935	446,118
6	6/30/2010 Special (Gain)/Loss	NO	23	(59,772)	(4,097)
7	6/30/2011 Assumption Change	NO	14	4,331,576	414,173
8	6/30/2011 Special (Gain)/loss	NO	24	(5,099,789)	(340,915)
9	6/30/2012 Payment (Gain) / Loss	NO	25	689,756	45,039
10	6/30/2012 Asset (Gain) / Loss	NO	25	22,315,753	1,457,162
11	6/30/2013 Special (Gain)/loss	100%	24	29,900,728	2,000,849
12	<b>6/30/2014 Life Expectancy+2.0/2.5 yrs 80% 17</b>			<b>13,590,382</b>	<b>1,008,353</b>
13	6/30/2014 Non-Asset (gain)/loss	80%	27	(22,185,435)	(1,174,850)
14	6/30/2015 Asset (gain)/loss	60%	28	16,087,170	640,497
15	<b>6/30/2016 Discount: 7.50% to 7.375% 40% 19</b>			<b>4,856,071</b>	<b>178,820</b>
16	6/30/2016 Non-Asset (gain)/loss	40%	29	13,088,374	352,750
17	<b>6/30/2017 Discount: 7.375% to 7.25% 20% 20</b>			<b>5,212,490</b>	<b>98,233</b>
18	6/30/2017 Asset (gain)/loss	20%	30	(9,280,272)	(128,632)
FY 2019-20				\$ 89,097,452	\$ 6,320,539

SAFETY PLAN					
Year	Reason	Ramp Up	Years	Balance 6/30/2019	Payment FY 19-20
1	prior 2013 Fresh Start 30_year	NO	21	\$ (1,565,108)	\$ (113,416)
2	6/30/2009 Assumption Change	NO	12	2,197,897	236,062
3	6/30/2009 Special (Gain)/Loss	NO	22	4,133,062	291,012
4	6/30/2010 Special (Gain)/Loss	NO	23	(3,038,221)	(208,259)
5	6/30/2011 Assumption Change	NO	14	2,588,081	247,465
6	6/30/2011 Special (Gain)/loss	NO	24	646,796	43,238
7	6/30/2012 Payment (Gain) / Loss	NO	25	56,914	3,716
8	6/30/2012 Asset (Gain) / Loss	NO	25	25,352,661	1,655,465
9	6/30/2013 Special (Gain)/loss	100%	24	15,064,809	1,008,083
10	<b>6/30/2014 Life Expectancy +2.0/2.5 yrs 80% 17</b>			<b>10,323,924</b>	<b>765,994</b>
11	6/30/2014 Non-Asset (gain)/loss	80%	27	(13,701,695)	(725,586)
12	6/30/2015 Asset (gain)/loss	60%	28	6,761,956	269,222
13	<b>6/30/2016 Discount: 7.50% to 7.375% 40% 19</b>			<b>3,246,198</b>	<b>119,538</b>
14	6/30/2016 Non-Asset (gain)/loss	40%	29	7,678,274	206,940
15	<b>6/30/2017 Discount: 7.375% to 7.25% 20% 20</b>			<b>4,659,896</b>	<b>87,819</b>
16	6/30/2017 Asset (gain)/loss	20%	30	(6,111,070)	(84,704)
FY 2019-20				\$ 58,294,374	\$ 3,802,589
TOTAL UAL				\$ 147,391,826	\$ 10,123,128

# What does that translate to?

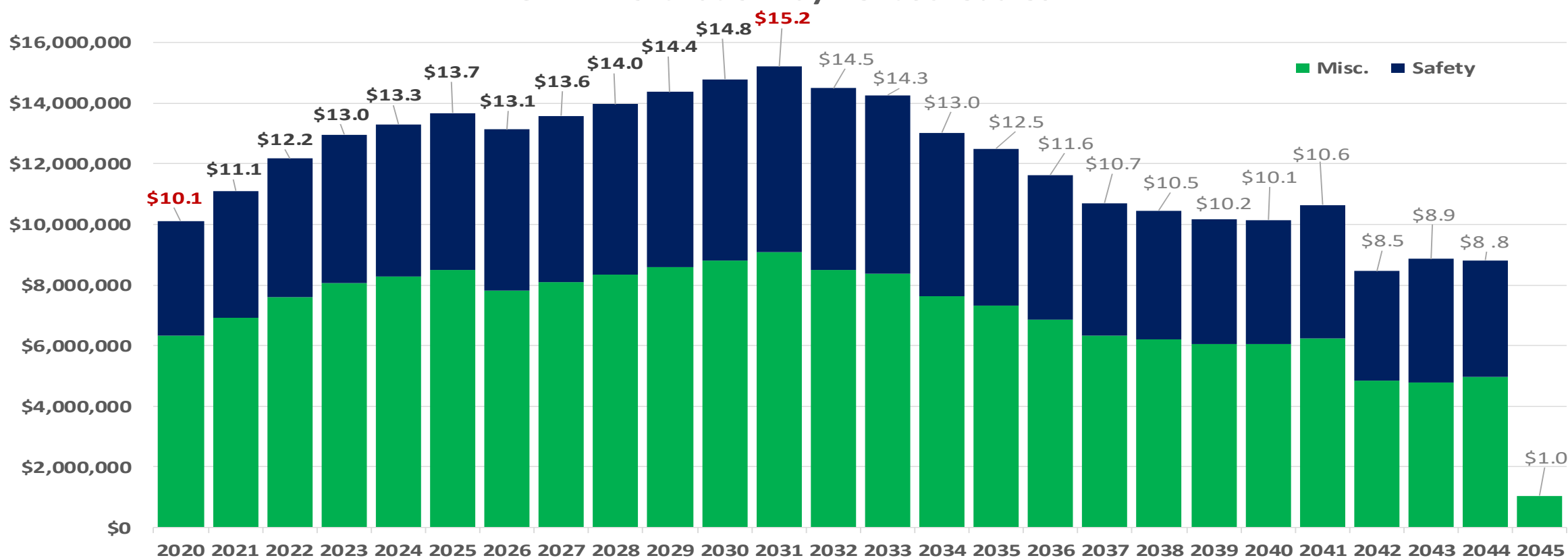
**Normal Costs** - Benefits Earned by Employees during the Year  
**\$4,275,000**

**UAL Payments** - Payments for Past Experience/Adjustments  
**\$10,123,000**

**Total Payment: \$14,398,500**

# UAL Amortization Payment Schedule

UAL Amortization Payment Schedules



# Timeline

- Simi Valley issued an RFP for Financial Advisors in late fall 2018
- Proposals were due in early December 2018
- Financial Advisor firms were interviewed in February 2019
- The City engaged UFI by the end of the month
- Staff began multiple meetings with UFI in March 2018

# The Meetings

- Julio from UFI, the City Manager and myself met with the City Council Members prior to the first time the item was publicly presented in May.
- Presentations to the City's Budget Advisory Committee
- A Policy for Addressing Unfunded Retirement Costs is drafted

# More Meetings...

- June 2019, the City Council considers whether to move forward with the Judicial Validation Proceeding and a Draft Policy for Addressing Unfunded Retirement Costs
- At this time, the Ventura County Taxpayers Association take interest
- The City Manager, Julio and I begin meeting with them to explain why a POB is a responsible option



# December 2019

- The City Council considered whether to proceed with the Judicial Validation process during the December 9 City Council meeting.
- A revised Draft Policy to address Unfunded Retirement Costs was presented.
- The VCTA opposed the action.
- The City Council voted 4-1 to pursue it.
- The validation was filed on December 27, 2019 in Ventura County Superior Court

# Next Steps

- Engage the Unions
- Will return to the City Council in March/April once Judicial Validation is complete for direction.

# In Conclusion

- Lengthy process
- Encourage due diligence and stakeholder engagement
- It can be a tough road



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# Questions?

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