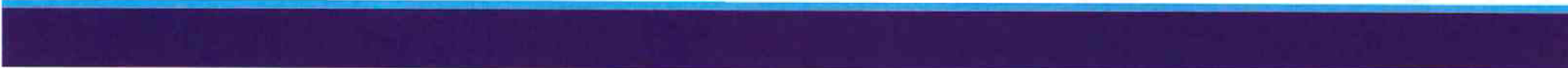
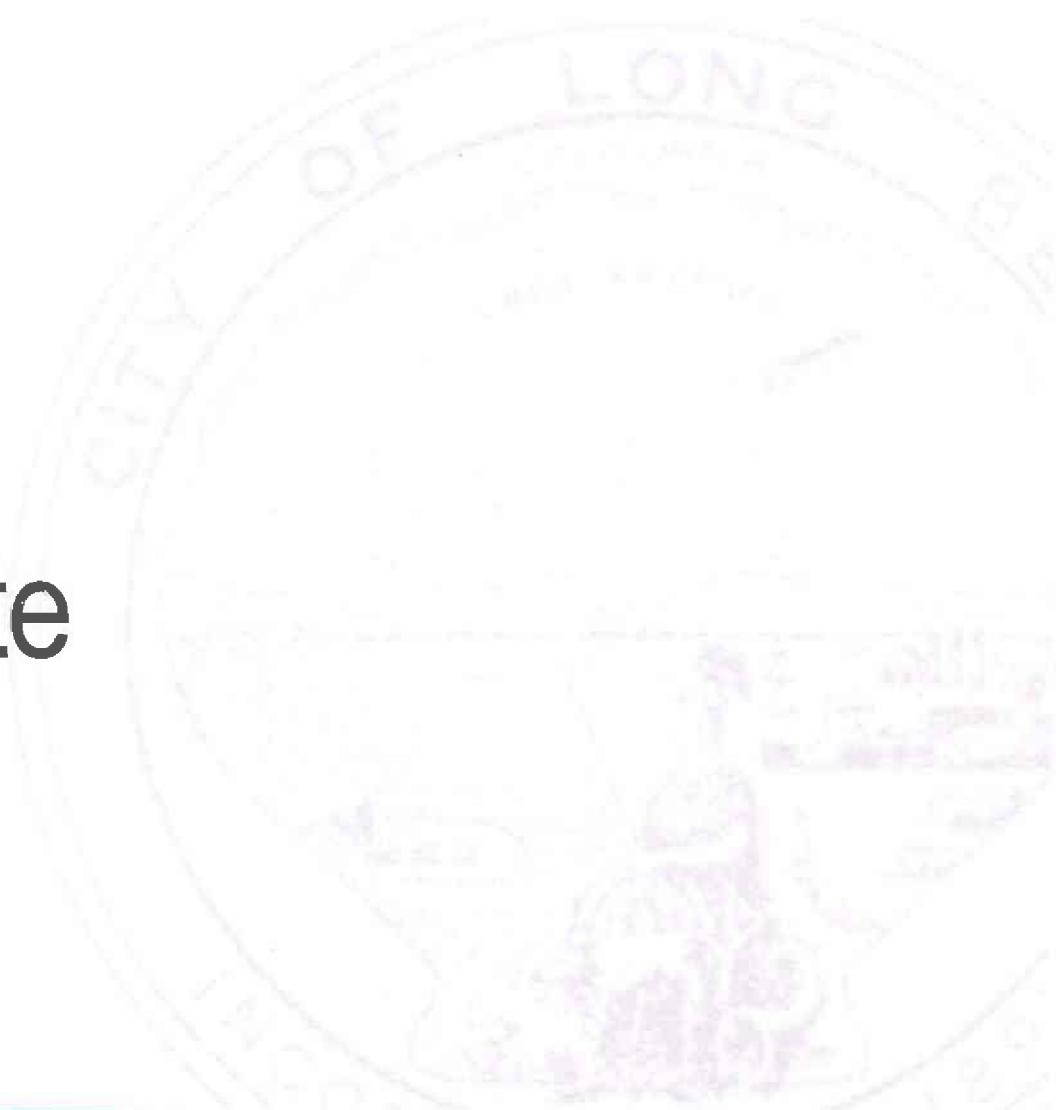


CITY OF  
**LONG BEACH**

# CaIPERS Update

Budget Oversight Committee Meeting



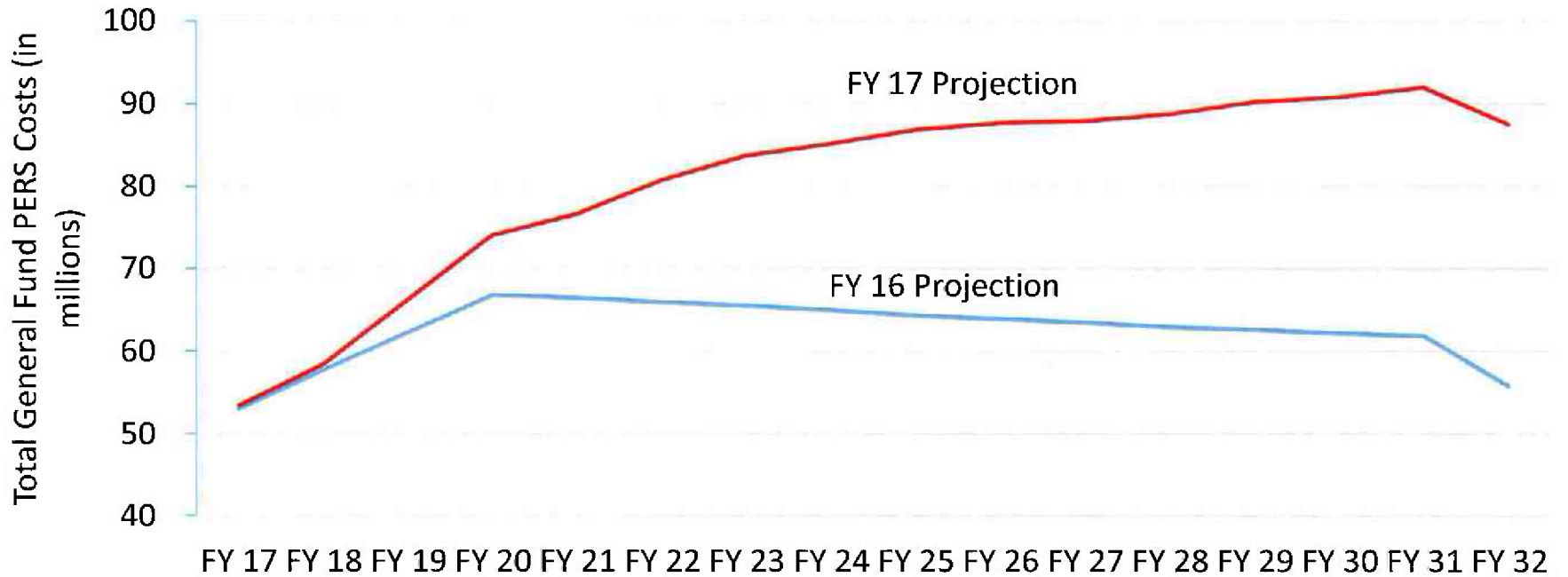
# Recent CalPERS Changes

---

- FY 17 Proposed Budget includes large CalPERS pension costs increases
- Current projection takes into consideration the new CalPERS risk mitigation strategy, which aims to reduce the assumed investment return over time from 7.5% to 6.5%
- Instead of the City's pension cost increases peaking in FY 20, it is now expected to continue to increase until FY 31
- Even with these changes, still expect to pay off unfunded liability within 30 years.

# CalPERS Cost Projections

PERS Costs Projections  
FY 17 - FY 32  
General Fund Cost



# CalPERS Stabilization Fund

---

- The City established an innovative fund to mitigate the large fluctuations in pension costs by locking in rates
- Preliminary CalPERS reports show a 12-month 0.61% net return on investment for period ending June 30, 2016 which impacts the City's FY 19 contribution rates
- This negative impact will be smoothed for the General Fund utilizing the CalPERS Stabilization Fund
- Currently, the CalPERS Stabilization Fund has a balance of \$10.2 million, which is estimated to be sufficient to cover these normal investment return variations

CITY OF  
**LONG BEACH**

# CalPERS Update

Budget Oversight Committee Meeting

