

PERSONNEL, AUDITS, AND HIRING and BUDGET, FINANCE, AND INNOVATION COMMITTEES REPORT relative to the City's California Public Employees Retirement System pension obligation in connection with the Los Angeles Memorial Coliseum Commission.

Recommendations for Council action, pursuant to Motion (Price – Blumenfield):

1. DIRECT the City Administrative Officer (CAO) to provide recommendations within a Financial Status Report in 2022-23 that identify a source of funds to meet the City's financial obligation and ensure that \$1,461,022 is provided to the Los Angeles Memorial Coliseum Commission prior to July 30, 2023.
2. AUTHORIZE the CAO to finalize and execute a Letter or Agreement or Memorandum of Agreement with the Los Angeles Memorial Coliseum Commission, subject to the City Attorney approval as to form, to establish payment parameters and other terms required to complete this transaction and any future required contributions.

Fiscal Impact Statement: Neither the City Administrative Officer nor the Chief Legislative Analyst has completed a financial analysis of this report.

Community Impact Statement: None submitted.

Summary:

On March 21, 2023, the Personnel, Audits, and Hiring (PAH) Committee considered a Motion (Price – Blumenfield) relative to the City's California Public Employees Retirement System pension obligation in connection with the Los Angeles Memorial Coliseum Commission. According to the Motion, the Los Angeles Memorial Coliseum Commission (Commission) is a Joint Powers Authority (JPA) created by the City of Los Angeles, County of Los Angeles and the State of California. Assembly Bill (AB) 1912 (2018) requires member agencies to fund the cost of any pension obligations for employees of a JPA.

While as of December 14, 2013, the Commission no longer has any employees, the pension obligations to former Commission employees who are members of the California Public Employees Retirement System (CalPERS) remain. On March 9, 2023 the Commission adopted a resolution (attached) that reports that the Commission's current and projected finances (including the revenues of the related Coliseum Foundation) do not provide sufficient revenues for the Commission to be able to pay its CalPERS pension obligations on an ongoing basis beyond the current Fiscal Year (2022-2023). In light of this situation, the Commission's resolution requests that each of its member agencies (City of Los Angeles, County of Los Angeles, and State of California) contribute to meeting the Commission's CalPERS obligations. Specifically, based on calculations from

CalPERS, the Commission's outstanding pension obligation is \$4,383,066. This amount would be sufficient to pre-fund the CalPERS pension fund obligation, subject to actuarial assumptions and conditions. The required amount from each of the three JPA member agencies is \$1,461,022 if payment is received by July 30, 2023. This is a one-time contribution, however, each July, CalPERS will determine if there is any change in the valuation, so there will be two year's notice of any additional money due. The pension obligation is fulfilled once there are no more former employees enrolled in the plan. The City should meet its financial commitment and obligation under AB 1512. After consideration and having provided an opportunity for public comment, the PAH Committee moved to recommend approval of the Motion.

Subsequently, on April 11, 2023, the Budget, Finance, and Innovation Committee also considered this matter. After consideration and having provided an opportunity for public comment, the Committee moved to concur with the PAH Committee's March 21, 2023 action. This matter is now submitted to Council for its consideration.

Respectfully Submitted,

Personnel, Audits, and Hiring Committee

COUNCILMEMBER	VOTE
McOSKER:	YES
PRICE:	YES
SOTO-MARTINEZ:	YES

Budget, Finance, and Innovation Committee

COUNCILMEMBER	VOTE
BLUMENFIELD:	YES
PRICE:	YES
YAROSLAVSKY:	YES
McOSKER:	YES
RODRIGUEZ:	YES

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4/12/23

-NOT OFFICIAL UNTIL COUNCIL ACTS-