

Mammoth Lakes Town Council Agenda Action Sheet

Title: Pension Funding Discussion and Town of Mammoth Lakes Funding Status.

Council Meeting Date: 3/2/2022

Prepared by: Rob Patterson, Administrative Services / Finance Director

Recommended Motion: No Action – Presentation only.

Summary: The Town of Mammoth Lakes participates in the CalPERS 401(a) defined benefit pension plan to fund and provide pension benefits to its current and former employees. Pension obligations are particularly sensitive to investment earnings and since fixed income yields have continued to slide downward for the past 40-years, pension plans across the nation have struggled to maintain defined benefits at an affordable cost to its member agencies. Rising pension costs can have a profound impact on the Town's financial health and even impair its ability to serve its customers efficiently. Therefore, it is important that pension obligations receive regular and appropriate oversight by the Town boards and committees.

In 2020 the Town hired GovInvest to provide actuarial and analytical support services for both its pension and retiree medical benefit plans. At this committee meeting, GovInvest will present an overview of the Town's pension plan, summarize recent decisions made by the CalPERS Board, and discuss the financial impact to the Town. At a future committee meeting, staff and GovInvest senior consultants will offer strategies to accelerate the funding of the Town's unfunded accrued pension liability.