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Sierra Madre City Council Approves \$3 Million Prepayment to CalPERS

Sierra Madre, CA. – November 15, 2019

During the City Council meeting on November 12, 2019, the Sierra Madre City Council approved an additional discretionary payment to CalPERS in the amount of \$3 Million and established a pension funding policy that sets the City's pension funding goal at 100%.

"The new pension funding policy will ensure that the City does not return to an underfunded pension position or have to reduce services or increase revenues as many local cities have done," said City Manager Gabriel Engeland.

The additional discretionary payment will bring the pension funding level of Sierra Madre to more than 90%. In contrast, many California cities are funded at 70%, while Sierra Madre's peer cities have an average funding ratio of 71%.

The City's Pension Funding Policy will ensure the funded ratio does not fall below 85%. "This is a critical step that all cities and agencies should be taking to ensure the viability of their employees' retirements and their own financial standing," Mayor John Harabedian said. "We will continue to actively manage our pension liabilities for the good of the taxpayers, current employees, and retirees."

For more information on pension funding policy, please contact City Manager Gabriel Engeland at (626) 355-7135.

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