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**BOARD OF PORT COMMISSIONERS
CITY OF OAKLAND**

RESOLUTION AUTHORIZING THE PREPAYMENT OF THE PORT OF OAKLAND'S PROPORTIONATE SHARE OF THE FY 2022 UNFUNDED ACCRUED LIABILITY FOR THE CITY OF OAKLAND ("CITY") MISCELLANEOUS PLAN (CALPERS PENSION PLAN) IN THE AMOUNT OF \$20,355,872 TO THE CITY, BY JULY 22, 2021, AND APPROVING A LETTER AGREEMENT WITH THE CITY REGARDING PROCEDURES FOR FY 2022 AS A RESULT OF THE CITY PARTICIPATING IN THE CALPERS PRE-PAY PROGRAM.

WHEREAS, the Port of Oakland ("Port") participates in the California Public Employees' Retirement System ("CalPERS") through the City of Oakland ("City") Miscellaneous Plan; and

WHEREAS, the City is the contracting agency with CalPERS; and

WHEREAS, the City staff desires to participate in the CalPERS Pre-Pay Program, which in Fiscal Year 2022 ("FY 2022") provides a 3.326% discount on the Unfunded Accrued Liability ("UAL") portion of the annual pension contribution amount if pre-paid in full by July 31, 2021, in lieu of making 12 monthly payments over the course of the fiscal year; and

WHEREAS, in order for the City to participate in the CalPERS Pre-Pay Program, the City requires the Port to pre-pay its proportionate share of the FY 2022 UAL; and

WHEREAS, the Board of Port Commissioners ("Board") has reviewed and evaluated the Agenda Report Item No. 2.3, dated May 13, 2021 ("Agenda Report") and related agenda materials, has received the expert testimony of Port staff, and has provided opportunities for and taken public comment; and

WHEREAS, that in acting upon this matter, the Board has exercised its independent judgment based on substantial evidence in the record and adopts and relies upon the facts, data, analysis, and findings set forth in the Agenda Report, in related agenda materials, and in testimony received;

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

SECTION 1. The Board hereby finds and determines that this action was reviewed in accordance with the requirements of the California Environmental Quality Act ("CEQA"). Per CEQA Guidelines Section 15378, the proposed action would not qualify as a "Project" because it would not result in a physical change in the environment. Specifically, Section 15378(b)(4) states that the "creation of government funding mechanisms or other government fiscal activities which do not involve any commitment to any specific project" are not considered a project. Therefore, the proposed action is not subject to CEQA.

SECTION 2. The Board hereby:

- A. Approves a Letter Agreement with the City outlining certain procedures for FY 2022 as a result of the City participating in the CalPERS Pre-Pay Program;
- B. Authorizes the Chief Financial Officer of the Port to (i) execute such Letter Agreement, subject to approval as to form and legality by the Port Attorney, and (ii) make such additions, modifications, or corrections as necessary to implement the Letter Agreement or to correct errors, provided that any such addition, modification, or correction does not materially differ from the terms and conditions set forth herein and in the Agenda Report; and
- C. Authorizes the transfer of \$20,355,872 to the City, via a book transfer of funds, by July 22, 2021 (or such earlier date as reasonably requested by the City) for the purpose of pre-paying the Port's proportionate share of the FY 2022 UAL of the City Miscellaneous Plan, for which the Port is a participant.

SECTION 3. This resolution is not evidence of and does not create or constitute (a) a contract, or the grant of any right, entitlement or property interest, or (b) any obligation or liability on the part of the Board or any officer or employee of the Port. Unless and until a separate written agreement is duly executed on behalf of the Board as authorized by this resolution, is signed as approved as to form and legality by the Port Attorney, and is delivered to the other contracting party, there shall be no valid or effective agreement.

SECTION 4. This resolution shall be effective immediately upon adoption by the Board.