



**COUNTY ADMINISTRATIVE OFFICE
MANAGEMENT & BUDGET TEAM
COUNTY OF HUMBOLDT**

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TO: ELISHIA HAYES, COUNTY ADMINISTRATIVE OFFICER
CC: BOARD OF SUPERVISORS
FROM: JESSICA MACIEL, DEPUTY COUNTY ADMINISTRATIVE OFFICER
SUBJECT: **UNFUNDED PENSION LIABILITIES ANNUAL REPORT - 2025**
DATE: 12/23/2025

On July 11, 2025, the Civil Grand Jury released its report titled, "Pension Tension Relieved? An Investigation into The County's Unfunded Accrued Pension Liabilities." The Board of Supervisors approved responses to that report on Sept. 23, 2025, including implementation of an annual report to be posted to the county website. Per that direction, the 2025 annual report is included with the following sections:

1. Pension Contributions
2. Pension Account Fees
3. Funded Status and Balances

Of note, in the current year, the County Administrative Office (CAO) as the PARS trust administrator, in coordination with the Treasurer-Tax Collector revised the investment strategy of the PARS Section 115 trust. The county previously maintained a Moderately Conservative investment strategy during the uncertainty of the prior years. In alignment with the long-term funding strategy, it was determined that a more aggressive investment strategy was prudent, therefore, the investment strategy was changed to a Capital Appreciation investment strategy.

Section 1: Pension Contributions

Fiscal Year	Approved CalPERS UAL Contribution	Actual CalPERS UAL Contribution	Approved PARS Trust Contribution	Actual PARS Trust Contribution
2024-25	\$ 33,906,491.00	\$ 33,906,491.00	\$ 3,275,003.00	\$ 2,993,592.40

In Fiscal Year (FY) 2024-25, the county contributed the planned amount to CalPERS for the Unfunded Accrued Liability (UAL). Per the county's pension funding policy, the CAO must do a financial analysis of the benefits to the one-time payment versus monthly payments to CalPERS. The CAO completed this analysis and recommended the one-time upfront payment of the entire amount for FY 2024-25 approved by the Board of Supervisors with the Proposed Budget on June 4, 2024.

In FY 2024-25, the Board of Supervisor's approved contributions of 2% of salaries to the PARS Section

115 Trust. This figure is based on budgeted salaries, therefore, there is always a variance as actual salaries are lower due to vacancy.

The strategy for these contributions aligns with the county’s pension funding policy and the long-term investment strategy to build the Section 115 trust balance earning better returns than available in the county Treasury and providing more flexibility to the county than if remitted to CalPERS. Additional payments are not advised at this time due to the financial condition of the county. The CAO completed the UAL analysis and recommended the one-time upfront payment of the entire amount for FY 2025-26 approved by the Board of Supervisors with the Proposed Budget on June 3, 2025. The county maintains the same PARS Trust Contribution strategy at 2% of salaries in FY 2025-26.

Fiscal Year	Approved CalPERS UAL Contribution	Approved PARS Trust Contribution
2025-26	\$ 36,785,235.00	\$ 3,152,637.00

Section 2: Pension Account Fees

Fiscal Year	PARS 115 Trust Fees	PARS 115 Trust Earnings
2024-25	\$ 67,621.21	\$ 1,101,857.08

The county’s Section 115 trust is managed by PARS utilizing PFM Asset Management for investment management. On the June 30, 2025 statement, fees were roughly 0.04% of assets in the account.

Section 3: Funded Status and Balances

The following funded status and balances are based upon the most current available CalPERS actuarial reports released for fiscal year ending June 30, 2024 (Attachments 1 and 2).

Pension Plan	Funded Status	UAL Balance
Safety	68.1%	\$ 99,653,322.00
Miscellaneous	71.2%	\$ 294,554,307.00
		\$ 394,207,629.00

The UAL total \$412.0 million as of June 30, 2023. This is an improvement of \$17.7 million over the prior year. Funded status improved by 2.5% on both pension plans.