

MINUTES OF THE MEETING OF THE FINANCIAL COMMISSION OF THE CITY OF LOS ALTOS, HELD ON MONDAY, OCTOBER 19, 2015, AT 7:00 P.M. AT NEUTRA HOUSE, 183 HILLVIEW AVENUE, LOS ALTOS, CALIFORNIA

ESTABLISH QUORUM

PRESENT: Chair Les Poltrack, Vice Chair Amy Pearl, Commissioners Ray Afshordi, David Byrne, Robin Dickson, Harold Guthart

ABSENT: Commissioner Ritu Varma

PUBLIC COMMENTS

Dick Fancher, Los Altos resident, wanted to understand why the City's \$25 million pension liability and the Fire Services contract were not factored into the Hillview Community Center report prepared by the Financial Commission.

ITEMS FOR CONSIDERATION/ACTION

1. Commission Minutes

Action: Moved by Commissioner Byrne and seconded by Commissioner Guthart, the minutes of the October 19, 2015 regular meeting were approved as amended

2. Investment Portfolio Update

Action: Received the third quarter investment performance update from Nancy Jones and Charles Cooke of PFM Asset Management. The Commission requested that PFM provide an analysis of portfolio performance since moving to a discretionary client relationship, as well as recommendations on additional investment policy changes at the fourth quarter report.

3. Other Post-Employment Benefits (OPEB)

Action:

The OPEB subcommittee gave a report on their review on the establishment of an Internal Revenue Code 115 Irrevocable Trust for OPEB. The Financial Commission made a motion to recommend the following to the City Council:

- a. The City should set-aside a total of \$2 million to pre-fund its OPEB obligation.
- b. The City should establish an IRC Section 15 Irrevocable Trust to hold and invest the OPEB funds.
- c. The City should pre-fund with the CERBT administered by CalPERS and invest funds in accordance with CERBT Investment Strategy 1.

INFORMATIONAL ITEMS

4. Monthly staff report

Administrative Services Director Juran-Karageorgiou announced that the City Council would be interviewing and appointing a new commissioner in early November.

COMMISSIONERS' REPORTS AND COMMENTS

None

POTENTIAL FUTURE AGENDA ITEMS

Ten Year Financial Forecast
Comprehensive Annual Financial Report as of June 30, 2015

ADJOURNMENT

Meeting adjourned at 8:31 p.m.