



**TOWN OF LOS GATOS**  
**TOWN PENSION AND OPEB TRUSTS**  
**OVERSIGHT COMMITTEE REPORT**

MEETING DATE: 12/03/2019

ITEM NO: 6

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DATE: November 21, 2019  
TO: Town Pension and OPEB Trusts Oversight Committee  
FROM: Laurel Prevetti, Town Manager  
SUBJECT: Adopt Proposed Revisions to the Town of Los Gatos IRS Section 115 Pension Trust and California Employers' Retiree Benefit Trust (CERBT) Investment Policy

**RECOMMENDATION:**

Adopt Proposed Revisions to the Town of Los Gatos IRS Section 115 Pension Trust and California Employers' Retiree Benefit Trust (CERBT) Investment Policy.

**BACKGROUND:**

At its November 7, 2017 meeting, the Town Council reviewed and discussed the IRS Section 115 Trust governance. At the conclusion of the meeting, the Town Council established the Town Council as an Oversight Committee for the Town of Los Gatos IRS Section 115 Pension Trust and CERBT and adopted an Investment Policy for the Trusts (Attachment 1).

At its December 18, 2019 meeting, the Town Pension and OPEB Trusts Oversight Committee adopted revisions to the Investment Policy to reflect that the "purpose" of the 115 pension funds is for "long-term capital accumulation and appreciation, additional discretionary payments (ADPs), and pension contribution management strategies. "

**DISCUSSION:**

The current proposed revisions to the Investment Policy include simplifying the Title of the Investment Policy, acknowledging the closure of the PARS 115 pension trust, identifying the Town's participation in the CalPERS California Employers' Pension Prefunding Trust (CEPPT), and stating that the OPEB actuarial valuations occur biennially (Attachment 2).

**PREPARED BY:** Arn Andrews  
Assistant Town Manager

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Reviewed by: Town Manager and Finance Director

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SUBJECT: Investment Policy Updates

DATE: November 21, 2019

CONCLUSION:

Approval of the recommended updates will bring the Investment Policy in conformity with practice and reflect current trust providers.

COORDINATION:

This report was coordinated with the Town Manager and Director of Finance.

Attachments:

1. Existing Town of Los Gatos IRS Section 115 Pension Trust and California Employers' Retiree Benefit Trust (CERBT) Investment Policy
2. Town of Los Gatos IRS Section 115 Trust and OPEB Trust Investment Policy (redlined)