



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

MEETING DATE: 12/03/2019

ITEM NO: 3

DATE: November 21, 2019
TO: Town Pension and OPEB Trusts Oversight Committee
FROM: Laurel Prevetti, Town Manager
SUBJECT: Receive Monthly Performance and Account Summary Reports for the Town of Los Gatos IRS Section 115 Pension Trust for the Periods Ending September 30, 2019 and October 31, 2019

RECOMMENDATION:

Receive Monthly Performance and Account Summary Reports for the Town of Los Gatos IRS Section 115 Pension Trust for the Periods Ending September 30, 2019 (Attachment 1) and October 31, 2019 (Attachment 2).

BACKGROUND:

On August 15, 2017, Town Council approved Public Agency Retirement Services (PARS) as the administrator of the Town's Section 115 Pension Trust. The initial \$300,000 was deposited into the PARS account in March 2018 with additional \$300,000 deposits programmed monthly.

On September 17, 2019, the Town Council directed staff to terminate the PARS agreement, consistent with the Town Pension and OPEB Trusts Oversight Committee recommendation and utilize the assets to make additional discretionary payments directly to CalPERS. The first additional discretionary payment of \$4,753,965 was transferred to CalPERS from PARS on October 11, 2019.

DISCUSSION:

As of October 31, 2019, the PARS account returned -0.52% gross of fees for the month and 8.92% gross of fees for the one-year period. The ending account balance as of October 31, 2019 was \$294,764.63. The decline in assets reflected in the October statement is primarily the result of the aforementioned additional discretionary payment (ADP) to CalPERS.

PREPARED BY: Arn Andrews
Assistant Town Manager

Reviewed by: Town Manager and Finance Director

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DISCUSSION (continued):

Per previous Oversight Committee direction, the remaining account balance will be distributed directly to CalPERS as part of an ADP prior to September 2020.

Attachments:

1. PARS IRS 115 Pension Trust Account Summary as of September 30, 2019
2. PARS IRS 115 Pension Trust Account Summary as of October 31, 2019