



**TOWN OF LOS GATOS
FINANCE COMMISSION
AGENDA REPORT**

MEETING DATE: 01/08/2024

ITEM NO: 1

**DRAFT
Minutes of the Finance Commission Meeting
December 11, 2023**

The Finance Commission of the Town of Los Gatos conducted a meeting in person and utilizing teleconferencing means on Monday, December 11, 2023, at 5:00 p.m.

THE MEETING WAS CALLED TO ORDER AT 5:14 P.M.

ROLL CALL

Present: Chair Rick Tinsley, Vice Chair Phil Koen, Commissioner Stacey Dell, Commissioner Linda Reiners, Mayor Maria Ristow, and Council Member Rob Rennie

Absent: Commissioner Andrew Howard

Town Staff Present: Town Manager Laurel Prevetti, Finance Director Gitta Ungvari, and Town Clerk Wendy Wood.

CONSENT ITEMS

1. Approve Draft Minutes of the October 9, 2023, Finance Commission Regular Meeting
2. Approve Draft Minutes of the December 4, 2023, Finance Commission Special Meeting
3. Receive the Monthly Financial and Investment Report for September 2023 and October 2023
4. Receive the CalPERS Public Employees' Retirement Fund (PERF) Performance Report as of September 30, 2023
5. Receive the California Employer's Pension Prefunding Trust (CEPPT) Strategy 2 Market Value Summary Report for the Period Ending September 30, 2023, and Performance as of October 31, 2023
6. Receive the California Employer's Retiree Benefit Trust (CERBT) Strategy 1 Market Value Summary Report for the Period Ending September 30, 2023, and the Performance Report as of October 31, 2023.
7. Receive a Report of the CalPERS 2023 Annual Review of Funding Levels and Risks

Items 2, 3, 4, 5, and 7 were pulled from consent.

MOTION: Motion by Vice Chair Koen to approve the consent items 1 and 6. **Seconded** by Commissioner Reiners.

VOTE: Motion passed 4-0 (Commissioner Howard was absent).

VERBAL COMMUNICATIONS

No one spoke.

OTHER BUSINESS

8. Receive the First Quarter Key Performance Indicators (KPIs of FY 2023/24).

Finance Director Ungvari presented the staff report.

The Commission asked questions and discussed the item.

Opened Public Comment.

No one spoke.

Closed Public Comment.

No action was taken.

9. Conclude Recommendation to the Town Council Regarding the Draft Annual Comprehensive Financial Report (ACFR) for the Preceding Fiscal Year

Finance Director Ungvari presented the staff report.

The Commission asked questions and discussed the item.

Staff and the consultant addressed the Commissioners' questions.

Opened Public Comment.

No one spoke.

Closed Public Comment.

MOTION: Motion by **Commissioner Reiners** to make a recommendation to the Town Council to adopt a practice to hire a separate accounting firm who will perform the work and someone else who will do the final preparation of the financial statements.
Seconded by **Vice Chair Keon**.

VOTE: Motion passed 4-0 (Commissioner Howard was absent).

MOTION: Motion by **Commissioner Reiners** to make a recommendation to the Town Council to restructure of the Management Discussion and Analysis and engage the auditors in the update. **Seconded** by **Vice Chair Keon**.

VOTE: Motion passed 4-0 (Commissioner Howard was absent).

MOTION: Motion by **Vice Chair Keon** that the Finance Commission recommends staff present the FY 2023 Annual Comprehensive Financial Report (ACFR) to the Town Council for formal adoption, incorporating all the changes the Finance Commission has discussed. **Seconded** by **Commissioner Reiners**.

VOTE: Motion passed 4-0 (Commissioner Howard was absent).

2. Approve Draft Minutes of the December 4, 2023, Finance Commission Special Meeting

There was no public comment.

MOTION: Motion by **Commissioner Reiners** amend the draft minutes of the December 4, 2023, Finance Commission Special Meeting to include Commissioner Stacey Dell's name as present. **Seconded** by **Vice Chair Keon**.

VOTE: Motion passed 3-0-1 (Chair Tinsley abstained and Commissioner Howard was absent).

3. Receive the Monthly Financial and Investment Report for September 2023 and October 2023

Vice Chair Koen asked questions about the item.

Staff addressed the questions.

There was no public comment.

The Commission received the report.

4. Receive the CalPERS Public Employees' Retirement Fund (PERF) Performance Report as of September 30, 2023

Vice Chair Koen asked questions about the item.

Staff addressed the questions.

There was no public comment.

The Commission received the report.

5. Receive the California Employer's Pension Prefunding Trust (CEPPT) Strategy 2 Market Value Summary Report for the Period Ending September 30, 2023, and Performance as of October 31, 2023

Vice Chair Koen asked questions about the item.

Staff addressed the questions.

There was no public comment.

The Commission received the report.

7. Receive a Report of the CalPERS 2023 Annual Review of Funding Levels and Risks

Vice Chair Koen asked questions about the item.

There was no public comment.

MOTION: **Motion by Vice Chair Keon** to schedule at the soonest time available a joint meeting with the Town Pension and OPEB Trust and Oversight Committee and the Finance Commission with the actuary consultant Foster and Foster present to return to the best path forward to reduce the unfunded pension liabilities and schedule a second joint meeting with the Town Council to address strategies to reduce the pension cost. **Seconded by Commissioner Reiners.**

VOTE: **Motion passed 4-0 (Commissioner Howard was absent).**

ADJOURNMENT:

The meeting adjourned at 6:42 p.m.

This is to certify that the foregoing is a true and correct copy of the minutes of the December 11, 2023, meeting as approved by the Finance Commission.

Wendy Wood, Town Clerk