



TOWN OF LOS GATOS
FINANCE COMMISSION REPORT

MEETING DATE: 03/9/2026

ITEM NO: 4

DATE: March 9, 2026
TO: Finance Commission
FROM: Chris Constantin, Town Manager
SUBJECT: Receive the California Employer's Retiree Benefit Trust (CERBT) Strategy 1 Market Value Summary Report for the Period Ending December 31, 2025, and the Performance Report as of January 31, 2026.

RECOMMENDATION:

Receive California Employer's Retiree Benefit Trust (CERBT) Strategy 1 Market Value Summary Report for the Period Ending December 31, 2025, and the Performance Report as of January 31, 2026.

BACKGROUND:

In 2009, the Council approved participating in the CERBT Fund. The CERBT Fund is an IRS Section 115 trust fund dedicated to the prefunding of other post-employment benefits ("OPEB"). The CERBT Strategy 1 is the single investment vehicle for the Town's OPEB Plan ("OPEB Plan").

DISCUSSION:

The ending OPEB 115 Trust account balance as of December 31, 2025, was \$32,526,434.78 compared to \$30,284,763.02 as of June 30, 2025 (Attachment 1). As of January 31, 2026, the CERBT Strategy 1 fund had a net return of 2.72% for the month and 10.32% as of Fiscal Year to Date (Attachment 2).

This report was presented to the Town Pension and OPEB Trusts Oversight Committee at its regular meeting on March 3, 2026.

PREPARED BY: Eric Lemon
Accounting and Finance Manager

Reviewed by: Town Manager, Town Attorney, and Administrative Services Director

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Attachments:

1. OPEB 115 Trust Market Value Summary Report as of December 31, 2025
2. CERBT Strategy 1 Performance Report January 31, 2026