



**TOWN OF LOS GATOS
COUNCIL FINANCE COMMITTEE
REPORT**

MEETING DATE: 08/12/2019

ITEM NO: 2

DESK ITEM

DATE: August 12, 2019
TO: Council Finance Committee
FROM: Laurel Prevetti, Town Manager
SUBJECT: Review and Discuss CalPERS 2017 Actuarial Valuations for the Miscellaneous and Safety Pension Plans and Make a Recommendation on an Additional Discretionary Payment (ADP) Strategy Based on the August 2019 Bartel and Associates Analysis

REMARKS:

Attachment 2 contains public comments received by staff from a Committee member and the public after distribution of the Staff Report and before 11:00 a.m. August 12, 2019.

As previously stated, staff is amenable to all the identified ADP strategies dependent on appropriate implementation. As the Finance Committee determines a policy recommendation for the Oversight Committee's consideration for use of the \$8.0 million, staff is prepared to address specific implementation items which could include alternative asset allocations and other information.

Previous staff reports to the Finance Committee have highlighted the differing asset allocation alternatives provided by Highmark Capital (Attachment 3). The staff report for this meeting purposely has no mention of a fresh start consideration; however, the Bartel and Associates analysis includes all ADP options (see Attachment 1). In addition, the Finance Committee has previously reviewed the fresh start option offered by CalPERS and opted for an internally managed shorter amortization program (see Attachment 4). Lastly, slides 21, 24 and 28 of Attachment 1 illustrate the dollar requirements to either maintain a 31.5% employer contribution rate or a 34.6% employer contribution rate.

Attachments previously received with the Staff Report:

1. Bartel and Associates CalPERS 2017 Actuarial Review and ADP Analysis

PREPARED BY: Arn Andrews
Assistant Town Manager

Reviewed by: Town Manager and Finance Director

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Attachment received with this Desk Item:

2. Public Comments received after distribution of the Staff Report and before 11:00 a.m. August 12, 2019
3. Previous Asset Allocation Staff Reports
4. Previous Fresh Start Staff Report