



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

MEETING DATE: 9/3/2019

ITEM NO: 4
ADDENDUM

DATE: August 20, 2019
TO: Town Pension and OPEB Trusts Oversight Committee
FROM: Laurel Prevetti, Town Manager
SUBJECT: Review and Discuss CalPERS 2017 Actuarial Valuations for the Miscellaneous and Safety Pension Plans and Decide on an Additional Discretionary Payment (ADP) Strategy Based on the August 2019 Bartel and Associates Analysis

REMARKS:

A Committee Member asked for additional elaboration on the discussion surrounding the last bullet item on page three of the staff report.

- *If a PARS investment strategy cannot be maintained for a minimum of ten years, then the PARS account should be closed, and other ADP options considered.*

The Committee discussed at length whether or not future Councils can be bound to maintain a strategy of ADPs provided to PARS being held for a period of ten years or longer. At the conclusion of this discussion, four of the Committee Members concluded that if future Councils cannot be bound, then ADPs should be directed to CalPERS.

In addition, staff would like to clarify what was meant by the first paragraph of the Discussion section on page three.

While no consensus was achieved by Committee members there were certain themes associated with ADPs that Committee members did coalesce around. Highlighted below are areas of consensus:

The final sentence should read:

Highlighted below are areas where a majority opinion emerged.

PREPARED BY: Arn Andrews
Assistant Town Manager

Reviewed by: Town Manager and Finance Director

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SUBJECT: Additional Discretionary Payment (ADP) Strategy Based on the August 2019
Bartel and Associates Analysis

DATE: August 20, 2019

Attachments:

1. March 5, 2019 Pension OPEB Committee Staff Report
2. June 17, 2019 Finance Committee Staff Report
3. August 12, 2019 Finance Committee Bartel and Associates CalPERS 2017 Actuarial Review and ADP Analysis
4. Bartel and Associates CalPERS 2017 Actuarial Review and ADP Analysis Full Report