



**TOWN OF LOS GATOS  
COUNCIL AGENDA REPORT**

MEETING DATE: 06/02/2020

ITEM NO: 8

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**DATE:** May 28, 2020  
**TO:** Mayor and Town Council  
**FROM:** Laurel Prevetti, Town Manager  
**SUBJECT:** Approve an Expenditure Budget Adjustment in the General Fund (Restricted PARS Pension Trust Assets) in the Amount of \$4,753,965 to Reflect the Payment from the PARS Restricted Pension Trust Assets Reported in the General Fund to CalPERS During FY 2019/20.

**RECOMMENDATION:**

Approve an expenditure budget adjustment in the General Fund (restricted PARS Pension Trust assets) in the amount of \$4,753,965 to reflect the payment from the PARS Restricted Pension Trust assets reported in the General Fund to CalPERS during FY 2019/20.

**BACKGROUND:**

On September 3, 2019, the Town Pension and OPEB Trusts Oversight Committee directed staff to utilize the funds in the PARS account to make payments directly to CalPERS toward existing long-term amortization bases. The first additional discretionary payment (ADP) of \$4,753,965 for the 2016 gain/loss amortization base was transferred directly to CalPERS from PARS on October 11, 2019.

**DISCUSSION:**

For financial reporting purposes in the June 30, 2019 Comprehensive Annual Financial Report, the Town changed its accounting for the PARS Pension Trust to classify it as a restricted cash amount held in the General Fund in accordance with guidance from GASB 84. The FY 19/20 budget was prepared before the GASB 84 implementation was finalized resulting in no corresponding budgeted line item for the General Fund in the adopted budget. This budget adjustment establishes a line item appropriation for the current year (FY 19/20 closing as of

**PREPARED BY:** Stephen Conway  
Finance Director

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Reviewed by: Town Manager, Assistant Town Manager, Town Attorney, and Finance Director

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SUBJECT: Transfer from PARS to CalPERS

DATE: May 28, 2020

DISCUSSION (continued):

June 30, 2020) to match the amount that was paid from the PARS Trust on October 11, 2019 directly to CalPERS to pay off a pension liability amortization base as directed by Town Pension and OPEB Trust Oversight Committee.

COORDINATION:

This staff report was coordinated with the Town Manager and Finance Department.

FISCAL IMPACT:

This action is an administrative “housekeeping” action for the FY 19/20 fiscal year close providing an appropriated expenditure line item to match current year expenditures with available funds in the PARS Pension Trust restricted asset account .

ENVIRONMENTAL ASSESSMENT:

This is not a project defined under CEQA, and no further action is required.