



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

MEETING DATE: 12/09/2019

ITEM NO: 1

**DRAFT
Minutes of the Council Finance Committee Meeting
October 14, 2019**

The Council Finance Committee of the Town of Los Gatos conducted a meeting on Monday, October 14, 2019, at 6:00 p.m.

MEETING CALLED TO ORDER AT 6:00 P.M.

ROLL CALL

Present: Mayor Steve Leonardis, Council Member Barbara Spector, and Committee Members Ron Dickel, Terry Duryea, and Rick Tinsley.

Absent: None

Staff Present: Town Manager Laurel Prevetti, Assistant Town Manager Arn Andrews, and Finance and Budget Manager Gitta Ungvari

CONSENT ITEMS

1. Approve Council Finance Committee Meeting Draft Minutes of August 12, 2019.

MOTION: Motion by Council Member Barbara Spector to approve the item, **Seconded** by Mayor Steve Leonardis.

VOTE: Motion passed unanimously.

VERBAL COMMUNICATIONS

None.

OTHER BUSINESS

2. Receive CalPERS Actuarial Valuation Reports as of the June 30, 2018 Measurement Date.

Assistant Town Manager Arn Andrews presented the summary of the Actuarial Report.

Committee members discussed the CalPERS Report, its assumptions, and CalPERS past and current practices.

Opened Public Comment.

Peter Hertan

- Commented that the Town should negotiate increased pension cost sharing with its bargaining groups.

Closed Public Comment.

The Finance Committee discussed the matter further. The Committee members generally agreed that the pension obligation is higher than stated in the CalPERS report. In addition, Committee members supported pension cost sharing options with the Town's bargaining units.

3. Receive Bartel Associates, LLC OPEB Accounting Information Report as of the June 30, 2018 Measurement Date.

Assistant Town Manager Arn Andrews presented the summary of the OPEB Accounting Information Report.

The Finance Committee discussed the matter.

Opened Public Comment.

Peter Hertan

- Commented that greater transparency can be provided regarding the discount rate used in the actuarial analysis in the notes and the Management Discussion and Analysis in the Comprehensive Annual Financial Report.

Heidi Owens

- Commented on the complexity of the retirement formulas of the County and she recommended that staff reach out the County regarding their negotiation process since the County has more employees.

Closed Public Comment.

The Finance Committee discussed the matter further. The Committee generally agreed that the Town's pension obligation is bigger than its OPEB obligation, and that the Town should continue and increase the amount in the annual budgets beyond the required pension contributions.

ADJOURNMENT:

The meeting adjourned at 7:20 p.m.

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SUBJECT: Draft Minutes of the Council Finance Committee Meeting of October 14, 2019

DATE: December 2, 2019

This is to certify that the foregoing is a true and correct copy of the minutes of the October 14, 2019 meeting as approved by the Council Finance Committee.

Gitta Ungvari, Finance and Budget Manager