



**TOWN OF LOS GATOS**  
**FINANCE COMMISSION REPORT**

MEETING DATE: 05/13/2024

ITEM NO: 6

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DATE: May 7, 2024  
TO: Finance Commission  
FROM: Laurel Prevetti, Town Manager  
SUBJECT: Receive Actuarial Presentation on CalPERS Analysis – 6/30/2022 Valuation Report by Foster & Foster Actuaries and Consultants and Recommend Amortization Bases for Future Potential Additional Discretionary Payments (ADPs)

**RECOMMENDATION:**

Receive Actuarial Presentation on CalPERS Analysis – 6/30/2022 Valuation Report by Foster & Foster Actuaries and Consultants and recommend amortization bases for future potential Additional Discretionary Payments (ADPs).

**BACKGROUND:**

The Town's pension plans are administered by the Board of Administration of the California Public Employees' Retirement System (CalPERS). The Board of Administration is responsible for the management and control of CalPERS and maintains exclusive control of the administration and investment of pension funds. In addition, CalPERS actuaries are responsible for the provision of actuarial valuations for the Town's pension plans. Sworn employees are covered under the Safety Plan which is a pooled plan, while all other employees are covered in the Miscellaneous Plan, which is a separate plan. The Miscellaneous Plan is administered by CalPERS in the Public Employees' Retirement Fund (PERF).

Recognizing the importance of the Town's pension obligations and projected increases in future pension costs, starting in 2018 the Town contracted Bartel and Associates to perform an annual review of the actuarial valuation reports provided by CalPERS. Foster & Foster Actuaries and Consultants (formerly Bartel and Associates) is an industry leader in providing actuarial related services to California local governments.

**PREPARED BY:** Gitta Ungvari  
Finance Director

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

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SUBJECT: Actuarial Presentation on CalPERS Analysis – 6/30/2021 Valuation Report by Foster & Foster Actuaries and Consultants

DATE: March 6, 2023

DISCUSSION:

Foster & Foster has prepared an analysis of the status of the Town's pension plans for its Miscellaneous and Safety employees as provided in Attachment 1. The Town Actuarial Consultants are attending the meeting to review the following key issues regarding the Town's pension plans:

- An introduction to actuarial valuations
- An introduction to the development of expected returns
- A review of 6/30/2022 valuations and subsequent projections
- Recommended amortization bases for potential future ADPs

The presentation slides are contained in Attachment 2.

CONCLUSION:

The Finance Commission is welcome to ask questions of the Consultants and make recommendation(s) to the Town Pension and Other Post-Employment Benefits Trusts Oversight Committee regarding potential future ADPs. The Town Council sits as the Oversight Committee.

COORDINATION:

This report has been coordinated with the Town Manager's Office.

FISCAL IMPACT:

None.

ENVIRONMENTAL ASSESSMENT:

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

Attachments:

1. CalPERS Analysis – 6/30/2022 Valuation Report by Foster & Foster Actuaries and Consultants
2. Actuarial Presentation on CalPERS Analysis – 6/30/2022 Valuation Report by Foster & Foster Actuaries and Consultants