



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

MEETING DATE: 03/30/2021

ITEM NO: 3

DATE: March 22, 2021
TO: Town Pension and OPEB Trusts Oversight Committee
FROM: Laurel Prevetti, Town Manager
SUBJECT: Receive Monthly Performance and Account Summary Reports for the Town of Los Gatos IRS Section 115 Pension Trust for the Period Ending December 31, 2020

RECOMMENDATION:

Receive Monthly Performance (Attachment 1) and Account Summary (Attachment 2) Reports for the Town of Los Gatos IRS Section 115 Pension Trust for the Period Ending December 31, 2020.

BACKGROUND:

On September 17, 2019, the Town Council directed staff to terminate the PARS agreement, consistent with the Town Pension and OPEB Trusts Oversight Committee recommendation, and to return to Council with an agreement to initiate participation in the California Employers' Pension Prefunding Trust (CEPPT). On November 5, 2019, the Town Council authorized the Town Manager to enter into an agreement with CalPERS for participation in the CEPPT program.

The CEPPT Fund is a Section 115 trust fund dedicated to prefunding employer contributions to defined benefit pension systems for eligible California public agencies. On February 3, 2020, the Council Finance Committee reviewed the two CEPPT asset allocation options available through CalPERS and recommended that Strategy 2 be brought forward to the Town Pension/OPEB Oversight Committee. On March 3, 2020, the Town Pension and OPEB Trusts Oversight Committee adopted CEPPT Strategy 2 as the asset allocation for the Town's Section 115 Trust pension assets.

PREPARED BY: Arn Andrews
Assistant Town Manager

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

PAGE 2 OF 2

SUBJECT: CEPPT Account and Performance Summary Reports

DATE: March 22, 2021

DISCUSSION:

As of December 31, 2020, the CEPPT Strategy 2 fund returned 1.20% net of fees for the month and 5.80% net of fees fiscal year to date. The ending account balance as of December 31, 2020 was \$708,807.33. The initial account balance is the result of approximately \$300,000 in remaining PARS assets after Additional Discretionary Payments (ADPs) to CalPERS and deposit of the annual General Fund Policy addition of \$390,000. Per previous Oversight Committee direction, the current account balance is recommended for making an Additional Discretionary Payment (ADP) (see separate agenda item on this topic).

Attachments:

1. CEPPT 115 Pension Trust Fund Performance Summary as of December 31, 2020
2. CEPPT 115 Pension Trust Account Summary as of December 31, 2020