



**Town of Atherton  
FINANCE COMMITTEE  
DRAFT MINUTES**

**March 1, 2016**

**2:00 PM**

**TOWN COUNCIL CHAMBERS**

94 Ashfield Road  
Atherton, California

**PLEASE NOTE:** *Times listed on the Agenda are approximate; items may be taken up out of order.*

**1. ROLL CALL**

Bob Polito, Jim Massey, Jeffrey Lee, Kenneth Hausman, Gary Dillabough, Elizabeth Lewis, Michael Lempres,

**Present: Polito, Massey, Lee, Dillabough, Lewis, Massey**

**Excused: Hausman**

**2. PUBLIC COMMENT**

(This portion of the meeting is reserved for persons wishing to address the Committee on any matter not on the Agenda that is within the subject matter jurisdiction of the Committee. State law prohibits the Committee from acting on items not listed on the Agenda in most circumstances. Each speaker is limited to three minutes.)

**REGULAR AGENDA**

3. Review and discuss CalPERS actuarial reports as of June 30, 2014 to Provide future analysis for City Council review
- Staff Reviewed and presented the CalPERS valuation reports as of June 30, 2014. Discussion included CalPERS new amortization and smoothing policies that were implemented in the June 30, 2013 actuarial reports. Employer contribution rates are expected to gradually increase each year, with rates peaking in FY 2019/20 and then ramp down. Within this new policy CalPERS adopted modest changes to its current asset allocation to allow for a reduction in volatility in returns. Staff discussed CalPERS had an investment return of 18.42 percent for FY 2013/14, of which was included in the calculation of the FY 2016/17 contribution rates. Included investment scenarios that provide an investment sensitivity analysis should CalPERS not achieve its 7.5% rate of return. Staff discussed that we paid our UAL payment and The total amounts paid were \$116,323 for**

**Miscellaneous Employees and \$325,906 for Public Safety, for a total of \$442,229 for the CALPERS unfunded accrued liability portion for FY 2015/16. Staff mentioned that the FY 16/17 increased by a combined \$106,726. The UAL for Miscellaneous Employees is \$146,085 and \$402,865 for Public Safety, for a total of \$548,950. Staff mentioned that the employer rates have changed. The FY 2014/15 Employer contribution rate for Miscellaneous employees was 11.84% and decreased to 8.844% in FY 2015/16. The contribution rate for Public Safety employees was 29.566% in FY 2014-15 and decreased to 20.230% for FY 2015/16. Staff mentioned that within the actuarial reports are projected employer contribution rates through FY 2020/21 so agencies can see changes in the contribution rates over the years. These rates could change as each valuation period CalPERS reassess investment returns in rate calculations. Also discussed was that estimated projections of employer contribution rates will be based on the most recent information CalPERS has available. Staff mentioned that For Miscellaneous Employees the unfunded liability as of June 30, 2014 is \$2,462,836 and for Public Safety that amount is \$6,777,271. This calculates to a total unfunded liability of \$9,240,107. Also provided in the reports are five different investment scenarios. Town staff believes we will have multiple discussions over the course of the year as we gain more understanding of CalPERS recent risk mitigation strategies. Staff mentioned The Finance Committee in review of these actuarial valuation reports can use the assumptions and create healthy discussions on setting the Town up with a potential plan on how to pay down its unfunded pension liabilities.**

4. Combined Statement of Revenues, Expenditures, and Changes in Fund Balance Financial Report for January 31, 2016; Receive and File.  
**This was a receive and file**
5. Next Meeting Date, Future Agenda Items and Time-May 10, 2016
6. **Adjourn Polito motioned to adjourn, seconded Massey; All in favor 3:30**

 Please contact the City Clerk's office at (650) 752-0500 with any questions

Pursuant to the Americans with Disabilities Act, if you need special assistance in this meeting, please contact the Park Program Manager at (650) 752-0534. Notification of 48 hours prior to the meeting will enable the Town to make reasonable arrangements to ensure accessibility to this meeting. (29 CRF 35.104 ADA Title II)

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