



**Town of Atherton  
FINANCE COMMITTEE  
DRAFT MINUTES  
SEPTEMBER 14, 2021**

**2:00 PM**

**THIS MEETING IS BEING HELD VIRTUALLY**

*This meeting is compliant with the Governors Executive Order N-25-20 issued on March 4, 2020, and Executive Order N-29-20 issued on March 17, 2020, allowing for deviation of teleconference rules required by the Brown Act. The purpose of this is to provide the safest environment for staff and the public while allowing for public participation. The meeting will be held by tele or video conferencing. The public may participate via: Zoom Meeting.*

**One tap mobile**

+16699006833,99666188166# US (San Jose)

**Dial by your location**

+1 669 900 6833 US (San Jose)

**Meeting ID:** 996 6618 8166

**Weblink:** <https://ci-atherton-ca.zoom.us/j/99666188166>

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

**1. ROLL CALL**

Ann Yvonne Walker, Walter Sleeth, Devika Patil, Bob Polito, Kate Scolnick, Elizabeth Lewis, Mike Lempres

**Present: Walker, Polito, Sleeth, Scolnick, Lewis, Lempres**

**Excused: Patil**

**2. PUBLIC COMMENT**

None

**REGULAR AGENDA**

3. Review and Approve Draft Minutes of May 11, 2021 Finance Committee  
**Motion to approve minutes by Polito, Seconded by Sleeth; Roll call vote for**

**all others in Favor**

4. Selection of Chair and/or Vice Chair of the Audit/Finance Committee for FY 2021/22

**This item was selection of Chair and Vice Chair of the Finance Committee. Walker proposed to be the Chair and second motion by Polito. Roll call vote All in Favor. For Vice Chair, Sleeth nominated member Polito; Second motion by Walker. Roll call vote, all in Favor**

5. Discussion of the Fiscal Year 2020/21 Preliminary Audit & Scope SAS 114 communication– Grace Zhang, Auditor, Maze & Associates

**This item was a discussion presentation by Town independent audit engagement partner Grace Zhang of the Fiscal Year Audit & Scope SAS 114 communication. This was the audit planning communication of the auditor responsibilities, scope, timing, independence, and process of the audit. Discussion included fraud considerations, materiality, auditing standards and process communication of the interim audit process. The final field work audit is scheduled for the week of October 5.**

6. Discuss and set Finance Meeting dates for Fiscal Year 2021/22

**This item was a discussion to set the Finance meeting dates for fiscal year 2021/22. Meeting dates were presented as second Tuesday of every other month, starting with November 9, January 11, 2022, March 8, 2022, May 10, 2022 and July 12, 2022. With possibly joint budget study sessions in April 6 and May 4. Discussion ensued and it was suggested to move the November 9 meeting due to members being out of town to November 16. All in favor for the presented meeting dates and changes. It was communicated, any meeting dates presented outside these dates would be listed as Special Meetings of the Audit & Finance Committee.**

7. Brief review of CalPERS assumption changes and discussion of actuarial reports as of June 30, 2020

**This was a brief review of CalPERS assumption changes regarding the Asset Liability Management (ALM) review process. As we monitor the CalPERS Board Administration review of the pension fund, current board processes are taking place in the current year regarding asset allocation and discount rates. Discussion included the ALM process review as this process is done every four years. This involves the review of various assumptions that include the cost of future pension payments, liabilities, future investment returns and demographic changes. Staff discussed that the ultimate process of the ALM is the discount rate. In November 2015, the CalPERS Board of Administration adopted a Funding Risk Mitigation Policy. It was discussed that this policy results in a gradual shifting of the asset allocation in a way that will lower risk investment. Discussed were the mitigation thresholds for discount rate reductions. In FY 20/21 the investment returns of 21.3% falls within the 13%**

**additional investment return required and thus reduces the discount rate by .20% This is the first time the policy has been triggered and it calls for reduction of discount rate from 7% to 6.8%.**

8. Next Meeting Date, Future Agenda Items and Time- **Moved from November 9 to November 16, 2021**

**9. Adjourn: Motion to adjourn Polito, seconded Sleeth; All in Favor 3:08pm**

☞ 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

Posted: