

FINANCIAL COMMISSION MEETING AGENDA

6:00 PM - Monday, September 09, 2024

***Community Center- 97 Hillview Ave, Los Altos, CA
94022***

PARTICIPATION: Members of the public may participate by being present at the Los Altos Community Center Sequoia Room located at 97 Hillview Avenue Los Altos, CA 94022 during the meeting. Public comment is accepted in person at the physical meeting location, or via email to financialcommissionmeeting@losaltosca.gov

REMOTE MEETING OBSERVATION: Members of the public may view the meeting via the link below but will not be permitted to provide public comment via Zoom. Public comment will be taken in-person, and members of the public may provide written public comment by following the instructions below.

Telephone: 1-669-444-9171 | Zoom Webinar ID: 885 5802 9766 | Passcode: 622379

<https://losaltosca-gov.zoom.us/j/88558029766?pwd=F3Lc6JWnXuPG9KaSeu2SUze54fspSa.1>

SUBMIT WRITTEN COMMENTS: Verbal comments can be made in-person at the public hearing or submitted in writing prior to the meeting. Written comments can be mailed or delivered in person to the City Clerk's Office or emailed to financialcommissionmeeting@losaltosca.gov

Correspondence must be received by 2 PM on the day of the meeting to ensure distribution prior to the meeting. Comments provided after 2 PM will be distributed the following day and included with public comment in the packet.

ESTABLISH QUORUM

PLEDGE OF ALLEGIANCE

PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA

Members of the audience may bring to the Commission's attention any item that is not on the agenda. Please complete a "Request to Speak" form and submit it to the Staff Liaison. Speakers are generally given two or three minutes, at the discretion of the Chair. Please be advised that, by law, the Commission is unable to discuss or take action on issues presented during the Public Comment Period. According to State Law (also known as "the Brown Act") items must first be noticed on the agenda before any discussion or action.

ITEMS FOR CONSIDERATION/ACTION

1. Introduction of new Staff Liaison and update on Finance Director position
2. City of Los Altos PERS Reserve: Receive an informational report related to the City's pension obligations and plan to manage expected future increases in pension costs

3. City of Los Altos CIP Reporting: Follow-up and discussion of Financial Commission's review of the CIP

COMMISSIONERS' REPORTS AND COMMENTS

POTENTIAL FUTURE AGENDA ITEMS

ADJOURNMENT

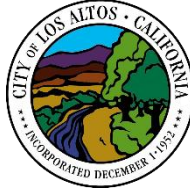
SPECIAL NOTICES TO PUBLIC

In compliance with the Americans with Disabilities Act, the City of Los Altos will make reasonable arrangements to ensure accessibility to this meeting. If you need special assistance to participate in this meeting, please contact the City Clerk at least 48 hours prior to the meeting at (650) 947-2720.

Agendas, Staff Reports and some associated documents for Financial Commission items may be viewed on the Internet at <http://www.losaltosca.gov/meetings>.

If you wish to provide written materials, please provide the Commission Staff Liaison with **10 copies** of any document that you would like to submit to the Commissioners in order for it to become part of the public record.

For other questions regarding the meeting proceedings, please contact the City Clerk at (650) 947-2720.



TO: Financial Commission
FROM: Jon Maginot, Staff Liaison
SUBJECT: City of Los Altos PERS Reserve

RECOMMENDATION:

Receive an informational report related to the City’s pension obligations and plan to manage expected future increases in pension costs

BACKGROUND

The City participates in CalPERS for employee retirement pension plans. Each year, the City pays into PERS to provide retirement benefits for qualifying employees. Over the last number of years, the City has seen rising costs related to PERS and will continue to do so.

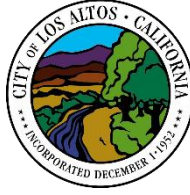
The City’s annual contribution to PERS is made up of two main components: normal cost and the amortization of the City’s Unfunded Accrued Liability (UAL). The normal cost is based on a percentage of the City’s active payroll and depends on the plan each employee is enrolled in. The UAL is based on the amount PERS estimates the City is short in covering benefits for future retirees. Staff will further explain this relationship and subsequent cost at the September Commission meeting. For reference, the City contributed the following amounts to PERS over the last few years:

	FY 2021/22	FY 2022/23	FY 2023/24
Total Contribution	\$11,630,145.25	\$6,597,424.66	\$6,897,201.28
Normal Cost	\$3,384,142.25	\$3,270,469.66	\$3,803,681.28
UAL Payment	\$3,246,003.00	\$3,326,955.00	\$3,093,520.00
ADP Payment	\$5,000,000.00	\$0	\$0

In 2016, the City established a “PERS Reserve” fund as part of the General Fund and has routinely made contributions to this reserve. In 2021, the City sent \$5 million from the PERS Reserve as an additional discretionary payment (ADP) to “pay down” the City’s UAL. This action saved the City an estimated \$1.5 million in payments to PERS over the last three fiscal years and will continue to provide additional savings in future years.

The City has continued to transfer funds to the PERS Reserve. The fund currently has \$5 million and the City has planned a transfer of an additional \$1 million for the end of the current fiscal year.

At the September Commission meeting, staff will present further information on this item and explain the City's plan to offset future rising costs related to PERS payments.



TO: Financial Commission
FROM: Jon Maginot, Staff Liaison
SUBJECT: City of Los Altos CIP Reporting

RECOMMENDATION:

Follow-up and discussion of Financial Commission’s review of the CIP

BACKGROUND

From time-to-time, the Financial Commission reviews the City’s Capital Improvement and Major Maintenance Plan (CIP) and provides recommendations based on that review. The last review of the CIP was held on May 20, 2024. The CIP was adopted by the City Council as part of the overall budget process on June 11, 2024.

This item is intended to allow the Commission to review the discussion held in May.