

**CITY/COUNTY ASSOCIATION OF GOVERNMENTS
FINANCE COMMITTEE
MEETING MINUTES
May 23, 2018**

Committee Members Attending:

Maryann Moise Derwin (Town of Portola Valley)
Ann Wengert (Town of Portola Valley)
Marie Chuang (Town of Hillsborough)
Bob Grassilli (City of San Carlos)

Guests or Staff Attending:

Sandy Wong, Jean Higaki - C/CAG Staff
Carrie Tam - San Carlos Financial Services Manager

1. Call to order

At 12:05 P.M. Finance Committee meeting was called to order.

2. Public comment on related items not on the agenda.

None

3. Approval of minutes of February 28, 2018 meeting. (Action)

Member Wengert moved and member Derwin seconded approval of the minutes. Motioned passed 3-0. Member Chuang abstained.

4. Receive copies of monthly investment statements for January, February, and March 2018. (Information)

Finance committee members reviewed the investment statements and cash flow reports and had no comments.

5. Review of the quarterly investment report and recommend modifications to the C/CAG investment portfolio as needed. (Action)

Staff provided the latest LAIF investment reports per an earlier request from member Benton. The committee observed that LAIF and the County Pool performed about the same and that they saw no need to modify the portfolio.

Member Grassilli moved to recommend no change to the portfolio. Member Chuang seconded.

Motioned passed unanimously.

6. Review of the Draft Other Post-Employment Benefits (OPEB) Actuarial Valuation as of July 1, 2017 and recommend prefunding of OPEB through CERBT of CalPERS for fiscal year 2017-18

Staff presented the recommendation to fund the OPEB contribution for fiscal year 2017-18. Staff explained how OPEB benefits were prefunded in the last few years through a PERS trust account and how an actuarial valuation is performed every two years. Clarification was provided regarding the reduced subsidy credit resulting from retiree's Medicare eligibility. There was a request to analyze cost and potential savings to fully prefund the OPEB liabilities instead of making annual contributions to CalPERS each year. It was too late to make that analysis for the June Board meeting, but staff can provide that analysis in the future.

Member Wengert moved to recommend that the Board prefund the OPEB 2017-18 contribution in the amount of \$44,631 and direct staff to perform an analysis of fully prefunding the OPEB liabilities at a future meeting. Member Chuang seconded. Motioned passed unanimously.

7. Review the draft final C/CAG Program Budget and Member Fees for Fiscal Year 2018-2019

The draft budget was presented to the C/CAG Board in April. There is a slight difference in the Board presented version due to the correction of projected numbers to actuals to account for some additional recent invoices. A correction was pointed out that the beginning and end balance incorporated reserves which should not have been included. That correction will be made in the final budget. The general fund balance is in better shape however the NPDES fund will have issues in the future as requirements increase without an increase in funding.

Staff distributed a spreadsheet showing fund balances, reserves, and fund commitments for discussion purposes. Measure M has a high balance because there is 6 months of accumulation of funds that is collected prior to sending out a notice to cities to claim.

Member Derwin moved to recommend that the Board adopt the C/CAG Program Budget and Member Fees for Fiscal Year 2018-2019. Member Chuang seconded. Motioned passed unanimously.

8. Adjournment

The meeting adjourned at approximately 1:05 P.M.