

## FEBRUARY 10, 2021 – CITY COUNCIL STUDY SESSION MEETING

### CALL TO ORDER

Mayor Pacheco called the meeting to order at 6:00 p.m.

### ROLL CALL

PRESENT: COUNCILMEMBERS: M/Pacheco, MPT/Ching, C/Freedman, C/Tragarz, C/Wu  
ABSENT: COUNCILMEMBERS: None

Also present: City Manager Wishner; Assistant City Manager Weiner; Assistant City Manager Rooney; Administrative Services Director Ogawa; City Attorney Leibold; Finance Officer Cortez; City Planner Carlson; Senior Planner Vasquez; Senior Management Analyst Layman; Senior Management Analyst Guerra; Finance Analyst Meza; Assistant Planner Munoz; Public Information Officer Maio; Administrative Assistant Markel; and City Clerk De Dios.

### DISCUSSION ITEM:

- **Pension Trust Fund**

CM/Wishner introduced the study session item.

ASD/Ogawa provided a presentation on funding options.

Rachel Sanders, Public Agency Retirement Services (PARS) representative, and Hoddy Fritz, HighMark Capital Management representative, shared information on the pension trust including costs of managing the trust and average rate of return.

Discussion took place amongst Council and staff regarding the following: different strategies to fund the trust fund, unfunded pension and OPEB liability, costs of managing the trust, and investment requirements.

M/Pacheco stated that he is in favor of the following: opening a separate fund with PARS to get a higher return rate to help reduce the deficit, having flexibility with the amount committed to the trust annually, and beginning with an initial investment of two million dollars.

C/Wu stated that he is in favor of starting low and gradually increasing funding to the trust. He is in favor of initially investing two million dollars.

C/Tragarz expressed concerns regarding placing a large amount of money in the initial investment in the trust as well as having a set percentage committed to the trust annually. She stated that she is in favor of initially investing one million dollars.

C/Freedman stated that she is in favor of initially investing reserved funds as well as having an annual amount contributed. She is in favor of initially investing two million dollars.

MPT/Ching stated that he is in favor of initially investing two million dollars to the trust.

It was a majority consensus of Council to ask staff place an item on an agenda to approve contributing two million dollars as an initial investment for a pension trust fund.

**MOTION**

***To give staff direction to place an item on an agenda to approve contributing two million dollars as an initial investment for a pension trust fund. Motion carried by the following voice vote:***

***AYES: COUNCILMEMBERS: Ching, Freedman, Pacheco, Wu***

***NOES: COUNCILMEMBERS: Tragarz***

***ABSTAIN: COUNCILMEMBERS: None***

***ABSENT: COUNCILMEMBERS: None***

CM/Wishner stated that staff will work with PARS to formalize a trust with an initial investment of two million dollars and bring the item to Council at a future meeting.

**ORAL COMMUNICATIONS**

There being no input, it was unanimously moved by Council to close oral communications. Motion carried.

**ADJOURNMENT:** There being no further business, the meeting adjourned at 6:53 p.m.

**PASSED AND APPROVED on the 24th day of February 2021.**

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Bob Pacheco, Mayor

ATTEST:

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Teresa De Dios, City Clerk

PREPARED BY:

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Ray Markel, Administrative Assistant