



**CITIZEN'S FINANCIAL ADVISORY COMMITTEE
SPECIAL MEETING MINUTES
Thursday, August 2, 2018 at 6:00 p.m.**

CITIZEN'S FINANCIAL ADVISORY COMMITTEE SPECIAL MEETING

CALL TO ORDER – City Manager Dominic Lazzaretto called the meeting to order at 6:01 p.m. in the Recreation Department Conference Room.

ROLL CALL OF COMMITTEE MEMBERS

PRESENT: Jessica Louie, Robert Miller, Mickey Segal, Tommy Thai, Howard Ursettie

ABSENT: None

1. **PUBLIC COMMENTS** – None.
2. **REPORTS FROM STAFF LIAISONS**

a. Update on Schedule

Staff provided an update on the Committee schedule. It was the consensus of the Committee to proceed with future meetings dates as long as four Committee members are confirmed to be in attendance. Based off of everyone's availability, the following schedule for the remaining Committee meetings was confirmed:

Wednesday, August 15 at 6:00 PM
Thursday, August 23 at 8:00 AM
Thursday, September 6 at 8:00 AM
Thursday, September 27 at 8:00 AM
Thursday, October 11 at 8:00 AM
Thursday, October 25 at 8:00 AM
Thursday, November 8 at 8:00 AM
Thursday, December 13 at 8:00 AM

b. List of Handouts and Resource Materials

The following handouts and resource materials were provided to the Committee members:

Future Budget Challenges Presentation
Committee Report to Council-1988
FY 17-19 Operating Budget
Restricted/Unrestricted Funds
PERS Information
Pension Liability Presentation

Vehicle Replacement Schedule

Staff also noted that all the handouts and resource materials for the Committee are available on the City website at <https://ArcadiaCA.gov/CFAC>.

3. REPORTS FROM CITIZEN'S FINANCIAL ADVISORY COMMITTEE MEMBERS

a. Report from Committee– None.

4. DISCUSSION ITEMS

a. Presentation and Discussion

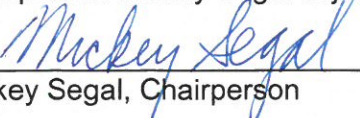
City Manager Dominic Lazzaretto provided an overview of the City of Arcadia's future budget challenges. This included information regarding the City's escalating pension costs and growing liability for Other Post Employment Benefits. Hue Quach, Administrative Services Director, presented information to the Committee regarding how pension costs are calculated. In addition, Mr. Quach presented information on the City's various options, which included: making Additional Discretionary Payments (ADPs), shortening the Unfunded Actuarial Liability amortization period, establishing a Pension Obligation Trust Fund, issuing Pension Obligation Bonds, and increasing employee cost sharing.

Mr. Lazzaretto asked the Committee to provide feedback on the City's various options, including Pension Obligation Bonds, based on prior experience. A discussion ensued regarding the best approach to address future budget challenges.

At the conclusion of the presentation, it was the consensus of the group to obtain information on the average rate of return for private sector retirement plans; information on the strategy the City of Beverly Hills is using to address the pension crisis; an analysis on what a Pension Obligation Bond would look like, including information on the spread with the prepayment to determine if it would make sense to issue such bonds; and an analysis on increasing employee cost sharing.

ADJOURNMENT

Chairperson Mickey Segal adjourned this meeting at 8:03 p.m.



Mickey Segal, Chairperson

By: 

Laena Shakarian, Staff Liaison