



**CITIZEN'S FINANCIAL ADVISORY COMMITTEE
SPECIAL MEETING MINUTES
Wednesday, November 7, 2018 at 8:00 a.m.**

CITIZEN'S FINANCIAL ADVISORY COMMITTEE SPECIAL MEETING

CALL TO ORDER – Committee Chair Mickey Segal called the meeting to order at 8:00 a.m. in the Council Chambers Conference Room.

ROLL CALL OF COMMITTEE MEMBERS

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

ABSENT: Tommy Thai (arrived at 8:07 a.m.)

1. PUBLIC COMMENTS – None

2. CONSENT CALENDAR

a. Approve the Meeting Minutes of October 25, 2018

It was moved by Committee Vice Chair Ursettie, seconded by Committee Chair Segal and carried on roll call vote to approve the October 25, 2018, Meeting Minutes.

AYES: Committee Members Louie, Miller, Segal, & Ursettie

NOES: None

ABSENT: Thai

3. REPORTS FROM STAFF LIAISONS

a. List of Handouts and Resource Materials

City Manager Lazzaretto provided an overview of the handouts and resource materials, which included the following items:

CalPERS Asset Allocation Strategy
Citizen's Financial Advisory Committee Draft Report
Urban Futures, Inc. Presentation

4. REPORTS FROM CITIZEN'S FINANCIAL ADVISORY COMMITTEE MEMBERS

a. Report from Committee – None

5. DISCUSSION ITEMS

a. Presentation and Discussion from CalPERS

Stuart Bennett, Senior Pension Actuary at CalPERS, presented to the Citizen's Financial Advisory Committee regarding the following:

- CalPERS Actuarial Assumptions Policy
- CalPERS Unfunded Termination Liability
- CalPERS Actuarial Amortization Policy
- CalPERS Discount Rate Policy
- CalPERS Member Enrollment Policy

At the conclusion of the presentation, the Committee requested the following:

- Further review the financial scenarios using a different rate of return
- An estimate for the cost of an independent study

b. Presentation and Discussion from Urban Futures, Inc.

Michael Busch, Chief Executive Officer at Urban Futures, Inc., and his associates presented to the Citizen's Financial Advisory Committee regarding the following:

- Urban Futures, Inc. approach to pension liabilities
- Explanation of the City of Arcadia's pension liability
- Pension liability management
- Addressing risks of Pension Obligation Bonds
- Pension Obligation Bond savings potential

At the conclusion of the presentation, the Committee requested the following:

- Information regarding the cost of services for Pension Obligation Bonds from other nearby cities. Mr. Busch stated he will follow-up and provide City Manager Lazzaretto with additional information.

c. Discussion regarding draft CFAC recommendations

City Manager Lazzaretto presented the Citizen's Financial Advisory Committee with the Draft Report and asked the Committee for feedback. It was the consensus of the Committee to include detailed language on the following:

- Municipal fee cost recovery level policy
- Resident vs. nonresident municipal fee level policy
- Municipal Fee Schedule updating policy
- Additional language specifying that the Vacant Home Registry could generate more revenue in the future based off the number of homes registered
- Highlighting CalPERS issue as a priority that needs to be further evaluated
- Community Facilities District (CFD) financing as a contingency plan
- No reductions in the quality and level of service
- Continue looking for efficiencies e.g. technology

City Manager Lazzaretto stated that he will provide the Committee with another draft report by the next Committee meeting on December 13, 2018.

d. Recommendation from Committee

After deliberating, it was moved by Committee Chair Segal, seconded by Committee Vice Chair Ursettie and carried on roll call vote to further study the topic of Pension Obligation Bonds versus other financial models to resolve the Unfunded Accrued Liability.

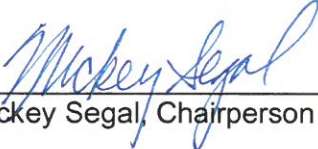
AYES: Committee Members Louie, Miller, Segal, Thai & Ursettie

NOES: None

ABSENT: None

ADJOURNMENT

Chairperson Mickey Segal adjourned this meeting at 11:00 a.m.



Mickey Segal, Chairperson

By: 

Laena Shakarian, Staff Liaison