

I. CALL TO ORDER: 12:02 p.m.

II. ROLL CALL:

Present: Lee Kennedy, Darryl Nind, Josie Hirsch, Mary Platt

Absent: Dean Kunicki

Staff: Brian Gabler, Interim City Manager, Joe Toney, Administrative Services Director;
Samantha Argabrite, Deputy City Manager, Linda Swan, Deputy City Manager;
Frank Catania, Deputy City Manager; Carolyn Johnson, Budget Officer

III. REVIEW AND APPROVE MINUTES

Committee Member Nind moved, and Committee Member Hirsch seconded, the approval of the minutes from the April 24, 2019 meeting. The motion passed 4-0.

IV. PUBLIC STATEMENTS

Ms. Teresa Jordan provided committee members copies of her May 23, 2019 letter to the Budget Officer and requested that staff provide a copy to Mr. Kunicki.

Mr. Michael Brown indicated that he is a retired member of the Los Angeles City Employees Retirement System (LACERS) and would like to see numbers comparing the cost of the Simi Valley Police Department with the cost of using the Ventura County Sheriff's Department.

V. PENSION OBLIGATION BONDS PRESENTATION – URBAN FUTURES, Inc.

Interim City Manager, Brian Gabler introduced the topic of paying down the City's unfunded pension liability. He stated that the City put out a request for proposals and ultimately hired Urban Futures, Inc. to assist the City with exploring the available options.

Mr. Julio Morales, Director, Urban Futures, Inc. gave an overview of the basics of the CalPERS retirement system and how it works. He explained a variety of issues that created the current unfunded liability issue, such as retroactive benefits being awarded in the early 1990's, investment losses during the recent recession, increases in life expectancy, the lowering of the discount rate, and changes in the CalPERS contribution policy.

Mr. Morales reviewed the various options to pay down the unfunded liability and explained the pros and cons of each one for the City. He explained in further detail his recommendation of a pension obligation bond as the best option for the City of Simi Valley.

Committee Members asked questions about the process involved, any administrative fees the City would have to pay, and if a pension obligation bond would affect the future credit worthiness of the City.

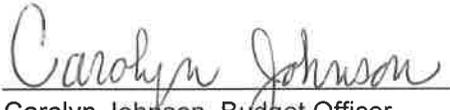
Interim City Manager Gabler commented that addressing the issue of unfunded pension liabilities is prudent as the impact affiliated with the lowering of the discount rate coupled with the proposed change in the amortization term could increase the City's annual CalPERS payment significantly for the City. Interim City Manager Gabler indicated that City staff will develop a comprehensive plan that would include a pension obligation bond as well as methods to make extra payments to reduce the City's unfunded liability.

The Committee requested an outline of a comprehensive plan for issuing a pension obligation bond be brought back to the Committee at the next meeting.

VI. ADJOURN

The next meeting is scheduled for June 13, 2019 at 5:00 p.m. at the Simi Valley Library – Business Center Conference Room.

The meeting adjourned at 1:23 p.m.



Carolyn Johnson, Budget Officer