



City of San Leandro

Civic Center
835 East 14th Street
San Leandro, California

Minutes

Finance Committee

Mayor Pauline Russo Cutter
Councilmember Pete Ballew
Councilmember Corina N. Lopez

Tuesday, September 7, 2021

4:00 PM

Access the meeting remotely by using this URL
<https://us02web.zoom.us/j/81913603321>

San Leandro Finance Committee conducted this meeting in accordance with the State Emergency Services Act, the Governor's Emergency Declaration related to COVID-19, and the Governor's Executive Order N-29-20 issued on March 17, 2020.

1. CALL TO ORDER

Meeting Began at 4:02pm

1.A. Attendance

COMMITTEE MEMBERS PRESENT:

Mayor Pauline Cutter, Advised she will be joining later into the meeting
Councilmember Pete Ballew
Councilmember Corine Lopez

STAFF MEMBERS PRESENT:

Fran Robustelli, City Manager
Janelle Cameron, Assistant City Manager
Susan Hsieh, Finance Director
Sally Perez, Purchasing Technician
Michael Hamer, IT Technician

Presenters:

Mitch Barker, Executive Vice President, PARS
Randall Yurchak, Vice President, Portfolio Manager, HighMark Capital Management
Anthony Armas, Client Services Coordinator, PARS

1.B. Announcements

2. DISCUSSION ITEMS

2.A [21-493](#) Staff Report for Discussion on Commercial Banking Services

Finance Director, Susan Hsieh presented background information regarding Commercial Banking Services.

In December 2018, the City issued a request for proposals(RFP) for banking services. The City received three proposals from Bank of the West, JP Morgan Chase, and Wells Fargo Bank.

At that time, Bank of the West was favored to be the choice in banking services, however, their online system services did not support the needs of the City, and due to staff turnover, the City did not proceed to make the change.

Currently, the proposals previously presented have expired. Staff recommends to reopen the RFP process.

The Committee supported staff's recommendation.

Council member Ballew recommended that what was previously laid out in terms of banking services being offered remained as guidelines for when looking for a Bank. I.E. Banking with a bank that is local and within San Leandro, permitting that they can support the services needed by the City.

2.B [21-500](#) Staff Report for Discussion on the Section 115 OPEB (Other Post-Employment Benefits) Trust Investment Report for the Quarter Ended June 30, 2021

Attachments: [OPEB Trust Investment Report 2Q21](#)
[Presentation - OPEB Trust Annual Review FY21](#)

Finance Director, Susan Hsieh, introduced the presenters from PARS and HighMark Capital Management.

Mitch Barker and Anthony Armas presented the Summary of Agency's OPEB Plan. Since June 1, 2009, with the initial contribution of \$500,000, the Total Investment balance has grown steadily and is currently at \$21.9 million as of July 31, 2021.

Randall Yurchak presented the investment objective to be Moderately Conservative High Mark Plus. (Active). Randall explained the difference between the two options of Active versus Passive. "Active" being that the investments using actively managed funds that seek to outperform the benchmark versus "Passive" being that the investment would use passive index funds that seeks to mimic the benchmark.

Randall made a point to note, that over the years, the return has exceeded the expected. It was also pointed out that the return may subside going forward.

The Committee thanked the PARS team for presenting the information.

2.C. Future Agenda Items

1. CalPERS Update

Finance Director Hsieh advised the committee of the CalPERS updated to be presented at the next meeting. Highlights including investment return and how this triggered the reduction of the discount rate. CalPERS is currently reevaluating their asset liability program. The presentation at the next meeting will show the committee how this change will affect the discount rate going forward.

Mayor Cutter requested that staff provide an update regarding the Budget Task Force recommendations at a future meeting. Council Member Ballew and Council Member Lopez also made comments regarding the Budget Task Force recommendations and supported the Mayor's request.

City Manager Fran Robustelli informed the Committee that a survey was conducted with the members of the Budget Task Force and the survey results will be distributed to the City Council and the Budget Task Force.

3. PUBLIC COMMENTS

4. COMMITTEE MEMBER COMMENTS

Council Member Lopez and Council Member Ballew thanked the team and the presenters of PARS.

5. ADJOURN

Meeting concluded at 4:28 P.M.

6. MEETING ACCESSIBILITY