



City of San Leandro

Civic Center
835 East 14th Street
San Leandro, California

Minutes

Finance Committee

Mayor Pauline Russo Cutter
Councilmember Ed Hernandez
Councilmember Benny Lee

Tuesday, October 6, 2020

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

The meeting was called to order at 4:02 p.m.

1.A. Attendance

COMMITTEE MEMBERS PRESENT:

Mayor Cutter
Councilmember Hernandez
Councilmember Lee

STAFF MEMBERS PRESENT:

Jeff Kay, City Manager
Liz Warmerdam, Assistant City Manager/Interim Finance Director
Susan Hsieh, Finance Director
Michael Hamer, Assistant Information Services Manager
Rachel Reside, Administrative Assistant, Finance

OTHER ATTENDEES PRESENT:

Eric Moore, Deputy Chief, Alameda County Fire Department
Irene de Jong, Administrative Services Director, Alameda County Fire Department

1.B. Announcements

City Manager Kay commented that the discussion is timely and provides a good opportunity to check-in and to collectively determine strategy moving forward.

2. DISCUSSION ITEMS

2.A [20-445](#)

Staff Report for Discussion on the Prioritization Unfunded Liability Liquidation (PULL) Plan

Finance Director Hsieh provided an update of the Prioritization Unfunded Liability (PULL) Plan.

The presentation included the City Council goal, PULL plan goal, and the status of

pension and OPEB funding.

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The presentation included the City Council goal, PULL plan goal, and the status of pension and OPEB funding.

Director Hsieh mentioned that one of City Council's goals is to place San Leandro on a firm foundation for long-term fiscal sustainability. Key factors to help achieve this goal include:

- 1) Reduction of unfunded pension and other post-employment benefits (OPEB) liabilities*
- 2) Continuing to identify viable revenue options*
- 3) Cost control and management of risk exposure (workers' comp and general liability claims)*

Since the PULL plan goal of \$5 million was reached and exceeded with approximately \$19M in OPEB trust assets, it may now be time to consider pivoting focus on reduction of pension liabilities (PERS).

3. PUBLIC COMMENTS

None were provided.

4. COMMITTEE MEMBER COMMENTS

Comments, questions, and recommendations were made by Mayor Cutter, Councilmember Hernandez and Councilmember Lee.

"Annual Determined Contribution" and "Annual Required Contribution" are interchangeable terms.

The City's investment portfolio currently managed by Chandler Asset Management (Chandler), is a different asset type than the OPEB trust. The investments managed by Chandler are regulated by the State, have time constraints, limitations, etc.

It was stated that the investment strategy for the OPEB Trust allows for more flexibility and takes a more aggressive approach than the more conservative one taken with City investments.

The City has an earmarked amount for ACFD OPEB Liability which may change as contract negotiations are currently taking place.

The Committee expressed interest in establishing a Pension Trust and requested staff to bring back an analysis (additional information, historical context, etc.) for further evaluation.

5. ADJOURN

The meeting was adjourned at 4:46 p.m.