

A. CALL TO ORDER

A Regular Meeting of the Redondo Beach Budget and Finance Commission was called to order by Chair Marin at 6:30 PM, in the City Hall Council Chambers, 415 Diamond Street, Redondo Beach, California and teleconference.

B. ROLL CALL

Commissioners Present: Castle, Woodham, Conroy, Solomon, and Chair Marin

Commissioners Absent: Samples and Vice Chair Jeste

Officials Present: Mike Witzansky, City Manager
Doug Kaku, Grants Financial Administrator

C. SALUTE TO THE FLAG

Chair Marin led the Commissioners in a Salute to the Flag.

D. APPROVE ORDER OF AGENDA

Motion by Commissioner Woodham, seconded by Commissioner Solomon, to approve the order of the agenda. Motion carried unanimously, with no objection.

AYES: Castle, Woodham, Conroy, Solomon, and Chair Marin.

NOES: None.

ABSENT: Samples and Vice Chair Jeste.

E. BLUE FOLDER ITEMS - ADDITIONAL BACK UP MATERIALS

E.1. For Blue Folder Documents Approved at the Budget and Finance Commission Meeting.

Grants Financial Administrator Kaku confirmed that there were no Blue Folder Items.

F. CONSENT CALENDAR

F.1. APPROVE AFFIDAVIT OF POSTING FOR THE REGULAR BUDGET AND FINANCE COMMISSION MEETING OF DECEMBER 8, 2022

F.2. APPROVAL OF THE MINUTES FROM THE REGULAR BUDGET AND FINANCE COMMISSION MEETING OF NOVEMBER 10, 2022

Commissioner Solomon requested for the Budget and Finance Commission Meeting Minutes of November 10, 2022, to reflect the request of the Commissioners' to receive a copy of the monthly investment report that is distributed to City Council to be distributed to the Budget and Finance Commission.

Motion by Commissioner Solomon, seconded by Commissioner Woodham, to continue the Budget and Finance Commission Regular Meeting Minutes of November 10, 2022 as amended to the next Budget and Finance Commission meeting. Motion carried unanimously, with no objection.

AYES: Castle, Woodham, Conroy, Solomon, and Chair Marin.
NOES: None.
ABSENT: Samples and Vice Chair Jeste.

Motion by Commissioner Castle, seconded by Commissioner Conroy, to approve the affidavit of posting for the Regular Budget and Finance Commission Meeting of December 8, 2022. Motion carried unanimously, with no objection.

AYES: Castle, Woodham, Conroy, Solomon, and Chair Marin.
NOES: None.
ABSENT: Samples and Vice Chair Jeste.

G. EXCLUDED CONSENT CALENDAR ITEMS

None.

H. PUBLIC PARTICIPATION ON NON-AGENDA ITEMS

H.1. For eComments and Emails Received from the Public

Chair Marin opened the floor to public comments.

Grants Financial Administrator Kaku confirmed that there were no eComments or public comments received.

Seeing no requests to speak, Chair Marin closed the floor to public comments.

I. ITEMS CONTINUED FROM PREVIOUS AGENDAS

None.

J. ITEMS FOR DISCUSSION PRIOR TO ACTION

J.1. RECEIVE AND FILE CALPERS UPDATE AND PATH FORWARD PRESENTATION

CalPERS, Assistant Division Chief David Teykaerts provided the PowerPoint presentation regarding the CalPERS and City of Redondo Beach Update. The PowerPoint presentation included the following details:

- Agenda
- Unprecedented Market Dynamics
- Have a Plan & Stick to the Plan
- Total Net Investment Returns Over Time
- Have a Plan & Stick to the Plan
- Balancing Risk & Reward
- Public Employees' Retirement Fund (PERF) Asset Allocation

- Why Are Private Assests Critical to the Asset Allocation?
- 10 Year Projections – Funded Status and Public Agency Employer Rates
- Projected Contribution Rates – Sample City
- The Two Components of Employer Contributions
- Actuarial Valuation Overview
- Projected UAL Payments
- Schedule of Amortization Bases (screenshot)
- Total Employer Contributions (Normal Cost + UAL Payment)
- Funded Status for City and Comparable Plans at June 30, 2021
- Pension Outlook Tool

Discussion followed throughout the presentation regarding the net of management fees v private equity, for the CalPERS presenter to provide to the Commissioners' the data for the last ten-years by fiscal year, private equity for the last fiscal year, presentation to include the path of the numbers have changed, reset of the rates for members if it is cyclable, going back to members and ask for contributions, impact on expected returns, capital preservation as the main objective, risk by Cities (employers) v risk by companies assisting the Cities in financial decisions, returns from private equity, City of Redondo Beach's portfolio as handled by CalPERS, lower discount rate and the projected costs, UAL for employers and the impact on investment returns, historical rate of return within the last ten-years, revenue bonds, what the liability would be for 2024-2025 and if there is any remaining surplus, inflation affect the data presented, what type of reporting does the City receive regarding the portfolio, request to receive on a quarterly basis a report for each City or County from CalPERS that provides trending data, difficultness to research information from the CalPERS website, PEPRAs for the City of Redondo Beach, and trending line for PEPRAs employees.

Assistant Division Chief Teykaerts responded and provided clarification to the Commissioners' questions.

Chair Marin opened the floor to public comments.

Grants Financial Administrator Kaku confirmed that there were no eComments or public comments received.

Seeing no requests to speak, Chair Marin closed the floor to public comments.

Motion by Commissioner Solomon, seconded by Commissioner Woodham, to receive and file the CalPERS Update and Path Forward Report. Motion carried unanimously, with the following roll call vote:

AYES: Castle, Woodham, Conroy, Solomon, and Chair Marin.

NOES: None.

ABSENT: Samples and Vice Chair Jeste.

J.2. DISCUSSION WITH THE CITY MANAGER ON THE STATUS OF STAFFING AND WORKLOAD OF THE FINANCIAL SERVICES DEPARTMENT

City Manager Witzansky provided an update on the current staffing and workload for the Financial Services Department. Provided an update on pending annual reports that are currently being reviewed and worked on by staff. Some reports that might not be presented to the Budget and Finance Commission and will go to City Council, but, that information will be provided to the

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Commissioners'. Former Finance Director is assisting with the process moving forward and Laurie and Doug Kaku for their assistance and continuation to produce the necessary reports that are due annually.

Discussion followed delays attributed to the GASB 87 (Governmental Accounting Standards Board) v delays to the reduction in staffing in the Finance Department, limitations of work hours done by Laurie, challenges in hiring, salary incentives, and other factors in hiring the correct staff, the information provided by CalPERS tonight, decisions that will need to be made based on information presented, future discussions, 2023 requirements for salary ranges to be posted, jobs advertisement, recruitment v retention of employees, GASB 87 and the infrastructure bonding, internal deadlines v required state deadlines, request by Commissioners' to receive an annual CalPERS presentation, infrastructure bonding returning at a future date, pending items that will be returning next year, and recruitment process for the vacancies.

City Manager Witzansky responded and provided clarification to the Commissioners' questions.

Chair Marin opened the floor to public comments.

Grants Financial Administrator Kaku confirmed that there were no eComments or public comments received.

Seeing no requests to speak, Chair Marin closed the floor to public comments.

Motion by Commissioner Conroy, seconded by Commissioner Castle, to receive and file the City Manager's status of staffing and workload of the Financial Services Department. Motion carried unanimously, with the following roll call vote:

AYES: Castle, Woodham, Conroy, Solomon, and Chair Marin.
NOES: None.
ABSENT: Samples and Vice Chair Jeste.

K. MEMBER ITEMS AND REFERRALS TO STAFF

Commissioner Conroy thanked Financial Services Department staff for their work.

Commissioner Woodham requested a copy of the CalPERS PowerPoint presentation.

Commissioner Solomon thanked fellow Commissioners' and staff for a great 2022.

L. ADJOURNMENT

Motion by Commissioner Solomon, seconded by Commissioner Conroy, to adjourn the meeting at 8:44 PM. Motion carried unanimously, with no objection.

AYES: Castle, Woodham, Conroy, Solomon, and Chair Marin.
NOES: None.
ABSENT: Samples and Vice Chair Jeste.

The next meeting of the Redondo Beach Budget & Finance Commission will be a Regular Commission Meeting to be held at 6:30 PM on January 12, 2022, in the Redondo Beach Council Chambers, at 415 Diamond Street, Redondo Beach, California and via teleconference.

All written comments submitted via eComment are included in the record and available for public review on the City website.

Doug Kaku
Grants Financial Administrator