

**FINANCE COMMITTEE MEETING MINUTES**  
**July 20, 2020**

**Committee Members** Tasha Cerda, Mayor  
Art Kaskanian, Councilmember  
J. Ingrid Tsukiyama, City Treasurer (Absent)

**Also in Attendance** Clint Osorio, City Manager  
Raymond Beeman, Chief Fiscal Officer  
Khoi Quach, Financial Services Technician  
Michael Saffell, Chief of Police  
Diana Schnur, Human Resources Analyst  
Michael Hassoldt, GPOA President  
Kevin Kwak, Principal Engineer  
Kevin Thomas, Park Maintenance Superintendent  
Donny Harris, GMEO President  
Jean-Paul Berube, IT Coordinator  
Mark Young, Managing Director, KNN Public Finance  
Larry Lom, Vice President, KNN Public Finance

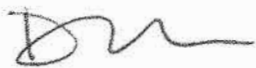
- Call to Order  
Mayor Cerda called the meeting to order at 3:06pm on Monday, July 20, 2020, telephonically utilizing teleconferencing and electronic means.
- Public Comment  
No public comments.
- Approval of Minutes  
It was moved by Councilmember Kaskanian, and seconded by Mayor Cerda, to approve the minutes of the June 18, 2020 meeting. The motion carried.
- New Business
  - Mayor Cerda inquired if City Treasurer Ingrid Tsukiyama had received an invitation to the Finance Committee meeting. CFO Beeman confirmed that an email invite had been sent to Treasurer Tsukiyama. A follow-up telephone call inviting Treasurer Tsukiyama to the meeting was also made. Mayor Cerda requested that it be noted in the minutes that Treasurer Tsukiyama was not in attendance at today's meeting.
  - Review of pension cost background and pension obligation bonds, which is a taxable debt issuance used to extinguish some or all of a public agency's unfunded accrued liability (UAL).
  - Presentation given by Mark Young, KNN Public Finance, that shows pension obligation bonds (POB) are increasing in the current market and several cities such as City of Carson and City of Pasadena are POB issuers.

July 20, 2020

- Proposed impact: Pension obligation bonds refinanced at 85% will provide a PV savings of \$38,195,295 and at 90% PV would be \$40,463,488.
- It is recommended that the City of Gardena develop a UAL policy as a "best practice" that includes:
  - The City establish an Unfunded Pension Liability Policy that provides guidance on developing and adopting a funding plan for any UAL.
  - Objective would be to fund the CALPERS pension plan at 100% of the total accrued liability and no less than 80% when possible.
  - Layout was provided in presentation of an example of parameters to pay off /fund UAL within a designated amount of time.
  - Funding plan will utilize prepayment discounts, Section 115 Trust, additional discretionary payments, allocated reserves, and POBs.
  - Dedicate percentage of savings to be used to offset future UAL costs that may arise and use remaining savings to offset General Fund expenditures.
  - Enhanced pension benefits to City employees will not be offered while POBs are outstanding.
- Oral Communications
  - Mayor Cerda made the motion to approve moving forward with a pension obligation bond. Vote was seconded by Councilmember Kaskanian.
- Adjournment

As there was no further business, the meeting was adjourned at 3:45pm.

Respectfully submitted,



Diana Marquez  
Senior Account Clerk