



ADMINISTRATIVE SERVICES DEPARTMENT

CITY HALL

10300 TORRE AVENUE • CUPERTINO, CA 95014-3255

TELEPHONE: (408) 777-3220 www.cupertino.org

CITY COUNCIL STAFF REPORT

Meeting: June 6, 2017

Subject

Annual adoption of Other Post-Employment Benefits ("OPEB") Trust Investment Policy

Recommended Action

Adopt resolution accepting the OPEB Trust Investment Policy

Description

The Audit Committee is recommending full implementation of the policy as revised and approved in its Audit Committee Meeting held May 1, 2017.

Discussion

The California Government Code requires a statement of investment policy to be reviewed and adopted by the City Council on at least an annual basis. This statement is intended to provide guidelines for the prudent investment of the City's OPEB Trust's idle cash.

In this year's annual review, the Audit Committee identified one revision as shown in the attached, City of Cupertino OPEB Trust Investment Policy MARKED. This revision made a slight modification to the "Investment Objective: 'Balanced'" section by shifting 1% in the benchmark targets from Real Estate to Equities. The change is being made to reflect minor improvement in the performance of equity investments when compared to real estate investments. Both targets remain well within their asset class ranges.

Upon adoption of the Resolution Accepting the City OPEB Trust Investment Policy, the final version (attached) will be effective immediately.

<u>Prepared by:</u>	Lisa Taitano, Deputy City Treasurer
<u>Reviewed by:</u>	Kristina Alfaro, City Treasurer
<u>Approved by:</u>	David Brandt, City Manager
<u>Attachment:</u>	Resolution Accepting the City OPEB Trust Investment Policy City of Cupertino OPEB Trust Investment Policy MARKED City of Cupertino OPEB Trust Investment Policy Final