

City of Cupertino
Fiscal Strategic Plan Committee
Minutes
April 5, 2018

1. CALL TO ORDER

At 9:02a.m. Kristina Alfaro called the meeting to order at Cupertino City Hall, 10300 Torre Avenue, Conference Room A, Cupertino, CA.

2. ROLL CALL

Present: Zach Korach, Katy Nomura, Karen Guerin, Chad Mosley, Timm Borden, David Brandt, Kristina Alfaro, Aarti Shrivastava, Thomas Leung, Mayor Paul and Councilmember Scharf

Absent: Jaqui Guzman, Roger Lee

Guests: Mitch Barker for item 6A, Section 115 Irrevocable Trust

3. APPROVAL OF MINUTES – Approval of May 15, 2017 meeting minutes

4. ORAL COMMUNICATIONS

5. OLD BUSINESS

6. NEW BUSINESS

A. Section 115 Irrevocable Trust (PARS Pension Trust)

Mitch Barker of PARS gave a presentation on the PARS Pension Rate Stabilization Program (PRSP). PARS acts as Trust Administrator and Consultant with US Bank as Trustee and Investment Manager. They currently act in this capacity for Cupertino's OPEB (Retiree Medical Benefits) account. Thomas Leung presented a proposal for funding the trust using GFOA's recommended amortization period of 20 years and bringing it to the Audit Committee for yearly review of asset allocation strategy. Using GovInvest, the financial management team can go to Council each year with recommended contribution amounts and show on-demand analysis and projections of City's pension costs and liabilities allowing for increased transparency.

B. FY 2018-19 Fee Schedule

Finance Manager, Zach Korach, gave a presentation of the FY 2018-19 Fee Schedule. Committee reviewed the fee schedules using a hybrid approach (Schedule A based on CPI (3.546%) and Schedules B-D based on Labor Costs (4.10%) and Schedule E based on market study). Schedule B's *Transportation Permit* (State Regulated Fee) was not increased as the State of California regulates this fee, and the *Transportation Impact Fees* and *Master Storm Drain Area Fees* were adjusted using CCI (3.5%) rather than the anticipated labor cost. Committee recommended bringing fee schedule to council.

C. FY 2018-19 Revenue and Expenditure strategies

There was some discussion regarding Storm Water Fee increase and Employer based business license tax fee increase. These 2 items to be polled by residents.

7. ADJOURNMENT

The meeting was adjourned at 10:44a.m.

Kristina Alfaro, Administrative Services Director

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