



BUDGET AND FINANCE COMMISSION SUMMARY MINUTES
Regular Meeting
Monday, February 24, 2025 - 6:00 P.M.
Solana Beach Mayor's Conference Room
635 S. Highway 101, Solana Beach, CA 92075

1. Call To Order And Roll Call:

Chairperson Lyle called the Budget and Finance Commission (Commission) Meeting to order at 6:02 p.m. on February 24, 2025.

Budget & Finance Commissioners:

Present: Jeff Lyle – Chair
Christopher Maulik
Ken Zito
Scott Hermes
Larry Marmon

Staff Members/Others: Rachel Jacobs, Finance Director/Treasurer
John McDowell, Chandler Asset Management
Jennifer Meza, PARS
Dennis Mullins, PMF Asset Management

2. Oral Communications - Public:

Chairperson Jeff Lyle opened this portion of the agenda which provides an opportunity for members of the public to address the Commission on items not appearing on the agenda. There were no members of the public to speak to any item not on the agenda.

3. Oral Communications – Commission Members:

Chairperson Jeff Lyle asked Commission members if they wished to address the Commission on items not appearing on the agenda. No members of the commission wished to speak to any item not on the agenda.

4. Approval of Meeting Minutes – January 13, 2025

Meeting minutes for January 13, 2025, were unanimously approved.

5. Chandler Asset Management Investment Update

John McDowell from Chandler presented first. He started by giving an economic update and then went into the city's account profile. He discussed the benchmarking that was set by the City in 2016/2017. He reviewed the 1–3-year strategy with an average duration of 1.74 and reviewed the 1-5 year strategy with an average duration of 2.5. He stated that they were selling shorter securities to purchase longer year securities as rates continue to go down for short term. The city also had a gain of \$319,000 (including interest) over the course of the quarter. John noted that the funds continue to outperform the benchmark. John answered questions from commission members regarding maturity dates, asset classes, strategies, allocations and legal limits and then ended his presentation.

6. PARS Investment Update

Jennifer Meza and Dennis Mullins presented on the PARS 115 trust investments. Jennifer presented a breakdown of the two 115 trust accounts and what they are. She discussed the Measurement Date of 6/30/23 (latest report date she had available), OPEB was 39% funded, and the pension account was 68.5% funded. Dennis then went over the investment performance review. He started by stating the investments are 50% stocks and 50% bonds held as funds. He pointed out that the City could consider changing the risk level of the portfolio. He mentioned that assets are held as individual accounts and are not pooled. Dennis answered questions from commission members regarding active vs passive.

7. Fiscal Year 2024 Annual Comprehensive Financial Report

Finance Director Rachel Jacobs presented the FY2024 Annual Comprehensive Report presentation. Director Jacobs reported that there was a positive net change of \$5,169,530 in the General Fund, including internal service funds. She also reported on the general fund reserves, other governmental funds, and the proprietary funds. Lastly, she discussed the changes in Net OPEB liability and Net Pension Liability. Over, the Funded Ratio per CalPERS increased to 50.1% compared to 39% last year due to additional city contributions to the PARS 115 Trust for OPEB Prefunding. The Net Pension funded status is shown at 76.21%, however, due to the city's continued contributions to PARS 115 Trust for Pension Rate Stabilization, our true funded ratio is closer to 82% for FY 2024.

8. Fee Study Recap

Finance Director, Rachel Jacobs, provided a brief recap on the Fee Study that was adopted by Council on January 15th. She discussed what changes were made by the

Council compared to the proposed fee schedule reviewed in January. She reviewed the number of permits issued in FY 2024. She discussed the follow up received from Willdan based on commission questions provided at last meeting. Lastly she discussed the next steps for City staff based on Commission Recommendation provided at January's meeting.

9. City Manager Roundtable

The City Manager, Alyssa Muto, was not present so there was no City Manager Roundtable.

10. Adjournment

The meeting was adjourned at 8:15 pm.

Respectfully Submitted,



Rachel Jacobs, Finance Director/Treasurer