

MINUTES OF THE ADJOURNED MEETING OF THE MONTCLAIR CITY COUNCIL HELD ON TUESDAY, APRIL 20, 2021, AT 6:00 P.M. CONDUCTED REMOTELY PURSUANT TO GOVERNOR NEWSOM'S EXECUTIVE ORDERS SUSPENDING CERTAIN ASPECTS OF THE BROWN ACT DURING THE COVID-19 STATE OF EMERGENCY AND MANDATING STAY-AT-HOME SAFETY PROTOCOLS

I. CALL TO ORDER

Mayor Dutrey called the meeting to order at 6:00 p.m.

II. ROLL CALL

Present: Mayor Dutrey; Mayor Pro Tem Ruh; Council Members Johnson, Martinez, and Lopez

City Manager Starr; Finance Manager Kulbeck; City Clerk Phillips

III. COUNCIL WORKSHOP

A. Presentation on Potential Pension and Infrastructure Bonds

Ms. Robin Thomas, Senior Vice President/Managing Director, **Hilltop Securities**, led a PowerPoint presentation discussing the City's options for pursuing the issuance of lease revenue bonds to fund public improvement projects, and pension obligation bonds to better manage the City's annual unfunded accrued liability (UAL) payments to **CalPERS**. She discussed the processes and parties involved with bonds issuances and repayment structure options. She provided the benefits and risks of pension obligation bonds and showed examples of several recent issuances in other cities.

Mayor Pro Tem Ruh asked what appeal government bonds have for the institutional market.

Ms. Thomas stated the stability of government bonds is appealing to institutional investors, and that even with the low interest rates, there is always capital needing to be moved and no time to wait for higher interest rates to get a better return.

Mayor Dutrey stated his understanding that with the pension obligation bonds, the City would be essentially replacing a debt with 7 percent interest rate for one with 3.5 percent interest, and would also have control over structuring the repayment schedule.

Mayor Pro Tem Ruh asked what the risk would be if **CalPERS** were to make a bad investment that increases the City's UAL.

City Manager Starr noted the City would be responsible for any increases to the UAL regardless of whether the City pays off its current UAL, and added that cities in the past two years have been regarding pension obligation bonds as responsible fiscal policy.

Mayor Dutrey asked if there was a penalty to pay the bonds early if the City realizes enough savings to do so.

Ms. Thomas advised there is no penalty but typically there is a 10-year waiting period to do so.

Moved by Mayor Dutrey and seconded by Mayor Pro Tem Ruh, the City Council directed staff to prepare resolutions to move forward on pension and infrastructure bonds for Council consideration at an upcoming City Council meeting.

By roll call vote, the motion carried 5-0 as follows:

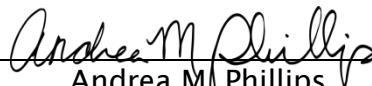
AYES: Lopez, Martinez, Johnson, Ruh, Dutrey
NOES: None
ABSTAIN: None
ABSENT: None

IV. PUBLIC COMMENT - None

V. ADJOURNMENT

At 7:31 p.m., Mayor Dutrey adjourned the City Council.

Submitted for City Council approval,



Andrea M. Phillips
City Clerk