



City of Camarillo

CITY COUNCIL POLICY

Section: Finance

Date Adopted: July 22, 2009

Last Amended: October 12, 2022

Subject: **Other Post-Employment Benefit
(OPEB) Trust Investment Policy**

Number: 3.09

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PURPOSE

This policy outlines parameters for the investment of funds within the Other Post-Employment Benefit (OPEB) Plan. This policy is independent of the City's Investment Policy and other funds for which the City provides financial management services. This policy is specific to the OPEB Trust and PARS as the selected Plan Administrator. The OPEB trust assets shall provide sufficient liquidity for payment of direct medical benefits and expenses.

POLICY

Full Investment Authority will be delegated to [Highmark Capital PFM Asset Management as the selected Investment Manager](#) to actively manage the OPEB Plan according to the designated risk tolerance. The primary objective is to maximize total Plan return, subject to the risk and quality constraints set forth by the Strategic Asset Allocation model. The Plan has selected the Moderate Asset Allocation Strategy. The primary goals of the Moderate Asset Allocation Strategy are growth of principal and income. It is expected that dividend and interest income will comprise a significant portion of the total return, although growth through capital appreciation is equally important.

Prohibited assets include precious metals, venture capital, short sales, purchase of letter stock, private placements, or direct payments, leveraged transactions, commodities or other option strategies, purchases of real estate, and derivatives.

A. Return Objective

[Achieve a reasonable return within the risk parameters under the Asset Allocation Strategy compared to the established benchmark.](#)

B. Asset Allocation Strategy

Strategic Ranges under the Moderate Asset Allocation Strategy

- 0 – 20% Cash
- 40 – 60% Fixed Income
- 40 – 60% Equity

BC. Funding

Annually, through the budget process, City Council will determine the OPEB Trust annual contribution amount based on the actuarial valuation report. City Council is committed to attain and maintain fully funded status based on a 30-year period.

CD. Disbursements

The OPEB Trust will disburse funds for the costs of eligible retirement benefits.

DE. Reporting

The PARS activity statement will be delivered to staff and City Council monthly. The [Highmark Capital PFM](#) performance statement will be delivered to staff and City Council quarterly and will be reviewed on a semi-annual basis. The [portfolio Investment Manager](#) will keep staff apprised of any material changes in [Highmark Capital's PFM's](#) outlook, recommended investment policy and tactics, and be available on a reasonable basis for telephone communication as needed.

EF. Annual Review

The [fiscal year end](#) performance statement and policy will be reviewed annually by the Investment Committee and the City Council.