

**MINUTES OF APRIL 6, 2022 RETIREMENT BOARD
CITY OF ALEXANDRIA
SUPPLEMENTAL RETIREMENT BOARD
INTERIM MEETING**

PRESENT:

<u>Members</u>	<u>Others</u>
Jina Edwards (General Schedule)	Adriana Bradford, Staff
Robert Gilmore ¹ (Deputy Sheriff)	Barry Bryant, Consultant
Jean Kelleher ¹ (Management)	Kadira Coley, Staff
Jesse Maines (Management)	Kevin Condy, Consultant
Laura Triggs ² (Management)	Arthur Lynch, Staff
	Stephen McElhaney, Consultant
	Chris Smith, Employee
	Kendel Taylor, Staff
	Kathy Weaver, Consultant

¹Technical Corrections and Plan Document Review Committee

²Vendor & Service Provider

Absent:

Lynda Barbieri-Strain², (General Schedule)
 Kelsea Bonkoski (Medics/Fire Marshal – Alternate)
 James Mikell (Medics/Fire Marshal)
 Lillian Vagnoni (General Schedule)
 Sharon Vaughan-Roach (Management)
 Valarie Wright² (Deputy Sheriff- Alternate)

CALL TO ORDER

The meeting was called to order at 8:45 AM on Wednesday, April 6, 2022.

ACTUARIAL PRESENTATION

- Cheiron presented the actuarial valuation results as of July 1, 2021.
- Ms. Weaver and Mr. McElhaney presented the annual valuation result. Ms. Weaver explained the actuarial valuation process and how it works.
- The funded ratio for the Supplemental Retirement Plan increased from 92.5% to 99.9%.
- The City’s recommended contribution decreased from 5.36% to 4.54%.
- The rate of return on assets was 29.62% on market value and 12.27% on actuarial value.
- Liability lost \$0.7 million primarily due to active retirements and withdrawals.
- Mr. McElhaney states that based on the NASRA surveys for the investment return policy plans (which is inclusive of all large state plans across the nation) are continuing to decrease their discount rates.
- Ms. Triggs asked about changing the actuarial inflation assumption.

- Mr. McElhaney replied that he does not recommend changing the assumption. It's important to stay focused on long term inflation rates. He noted The Plans assumptions will be reviewed as part of the upcoming experience study.
- Mr. McElhaney stated he is supportive in decreasing the assured rate of return from 7.00% to 6.75%.
- Cheiron noted that there is a revised actuarial standard ASOP 4 adopted February 2022 and will be effective February 2023.
 - ASOP 4 would require a calculation of the low-default risk obligation measure and would require valuations that "lag" consider the impact of the lag on contributions and associated timing.
 - The new guidance will be effective for the City Plans on the July 1, 2023 report.
- The Plans market value return was 29.62%, actuarial value return was 12.27% and The Plans expected return is 7%.
- Cheiron also noted the changes in guidelines to ASOP 51.
- The GASB results as of June 30, 2021 were presented.
- During stress testing Ms. Weaver stated that at a 6.75% assumed rate of return the funded ratio would be 97%.
 - In 2023, assuming The Plan changes the investment rate to 6.75%, the employee contribution rate would be 5.2% as opposed to the 4.2% at the current 7% assumed rate of return.

MEETING RECORD

Minutes will be reviewed at the next Due Diligence Meeting.

ADMINISTRATORS REPORTS

Regular Investment Reports and Cash Flow Reports

Reports will be given at the next Due Diligence Meeting.

COMMITTEE REPORTS

Technical Corrections and Plan Document Review Committee

No report was given.

Vendor & Service Provider Review Committee

No report was given.

Other Items

Education, seminars, conferences & training

- Upcoming virtual and in-person training opportunities were included in the Board packet.

Prudential Update

- Ms. Coley advised the Board that Prudential has officially been acquired by Empower effective April 1, 2022. There are no changes to the services provided by the company, the team servicing our contract. Information on the update is available on the city's Pension website.

OLD BUSINESS

Hamilton Lane Subscription Update

- Mrs. Coley stated that the Hamilton Lane subscription approved in April is now open, Staff is working through the paperwork based on the action taken by the Board. The subscription closes 4/15/2022.

NEW BUSINESS

None.

NEXT MEETINGS

- a. Wednesday, May 4th at 8:45 AM, Interim Meeting
- b. Thursday, June 9th at 8:45 AM, Joint Due Diligence Meeting
- c. Thursday, July 6th at 8:45 AM, Interim Meeting

ADJOURNMENT

The meeting adjourned at 9:58 AM.

HANDOUTS

Distributed to Board members in the Board Packet:

Agenda
Minutes of Prior Meeting
Upcoming Education Listing

Commented [NL1]: Add the other items from the board packet cover

Distributed to Board members via SharePoint:

Cheiron Actuarial Valuation Presentation – July 1, 2021