

**MINUTES OF APRIL 14, 2022 RETIREMENT BOARD
CITY OF ALEXANDRIA
FIREFIGHTERS AND POLICE OFFICERS PENSION PLAN
INTERIM MEETING**

PRESENT:

<u>Members</u>	<u>Others</u>
Patrick Evans ¹ (Fire)	Adriana Bradford, Retirement Specialist
Jean Kelleher ¹ (Management)	Barry Bryant, Consultant
Dylan Kempton (Fire)	Kadira Coley, Staff
Shirl Mammarella ² (Alternate – Police)	Kevin Condy, Consultant
Ed Milner, Chair (Police)	Arthur Lynch, Staff
Rick Muse ² (Alternate – Fire)	Steven McElhaney, Actuary
Jason North (Police)	Theresa Nugent, Staff
Laura Triggs ² (Management)	Steve Roth, Consultant
	Kendel Taylor, Finance Director
	John Vollmer, Retiree
	Kathy Weaver, Actuary

¹Technical Corrections and Plan Document Review Committee

²Vendor & Service Provider Committee

Absent:

Jesse Maines (Management)

CALL TO ORDER

The meeting was called to order at 8:46 AM on Thursday, April 14, 2022, as an information session only due to lack of quorum. Quorum was later attained at 9:13 AM.

MEETING RECORD

Ms. Triggs made a motion to:

Approve the March 10, 2022 minutes.

Mr. North seconded the motion. The motion was unanimously approved (6–0).

ACTUARIAL PRESENTATION (CHEIRON)

Stephen McElhaney, Kathy Weaver

- Cheiron presented the actuarial valuation results as of June 30, 2021.
- Ms. Weaver presented the annual valuation results and reviewed the new actuarial standards.
- Mr. McElhaney went over the investment return assumption, and changes to

ASOP 4.

- 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 funded ratio for the Basic Plan increased from 84.1% to 91.0% and the funded ratio for the Disability Plan increased from 118.1% to 127.5.1%.
- The Basic Plan’s recommended contribution decreased from 34.86% to 30.83% and the Disability Plan’s recommended contribution decreased from 1.26% to 0.81%.
- Ms. Weaver stated that there are no changes to the actuarial methods, plan benefits or actuarial assumptions.
- Mr. Bryant asked about the funded ratio for the two plans on a market value basis.
 - Ms. Weaver stated that the market value for the Basic Plan is 100.37% and for the Disability Plan it is 134.2%
- The Liability gain for the Basic Plan was \$5.5 million due to salary increases and COLA being less than expected.
- The Liability gain for the Disability Plan was \$0.7 million due to fewer than expected disabilities and growth in RIA balances that offset the disability benefit.
- Ms. Coley noted that the experience study will follow after the upcoming RFP for actuarial services proposal this year.
- Ms. Mammarella asked how often an experience study be done.
 - Ms. Weaver stated that an experience study should be done every four to five years and that the Plan nearing year five.
- Ms. Weaver discussed the historical trends, cashflows ASOP 51 – Material Risks and the summary of demographics and stress testing.
- The GASB results as of June 30, 2021, were presented.

Ms. Kelleher arrived at 9:13 AM.

The meeting was officially called to order at 9:13 AM when a quorum was attained.

ADMINISTRATORS REPORTS

Regular Investment Reports and Cash Flow Reports

- Rebalancing was recommended by staff to sell \$1.55M large cap value and purchase \$1.325M in emerging market Brandes and \$225k emerging markets Wellington for the Fire and Police Disability Plan.

Mr. North made a motion to:

Rebalance to target based on the Staff recommendation to sell \$1.55M large cap value and purchase \$1.325M in emerging market Brandes and \$225k emerging markets Wellington.

Ms. Kelleher seconded the motion. The motion was unanimously approved (6–0).

- No rebalancing was recommended for the Fire and Police Basic Plan.

Other Items

Education, seminars, conferences & training

- Upcoming virtual and in-person training opportunities were included in the packet.
 - Ms. Triggs made note that there is discussion about essential travel.

Prudential/Empower 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.

COMMITTEE REPORTS

Technical Corrections and Plan Document Review Committee

- Ms. Coley is looking for members to serve on the Technical Corrections Committee.
 - Mr. North and Mr. Kempton have agreed to serve on the committee.

Vendor & Service Provider Review Committee

No report was given

OLD BUSINESS

- Ms. Coley advised the board that the Hamilton Lane Fund VI subscription documents have been completed based on the Board's previous motion to invest in the fund when next available.

NEW BUSINESS

Disability Recalculation NRA Issue

- Ms. Coley advised the Board on a Disability Recalculation NRA issue causing some retirees' benefits to decrease at normal retirement.
- Ms. Coley explained the reduction in benefits is occurring because active salary scales have remained level while retirees have been receiving annual cost of living adjustments.
- Mr. Vollmer, Firefighter retiree, claimed he is one of the retirees impacted by the decrease in benefits.
- Board Members recalled that similar issues may have been discussed in the past, and asked staff to investigate the history on this issue.
- Ms. Mammarella expressed concern that this may not be an issue where the retirees are "being harmed" because years back a plan change was made to add COLA increases to disabled retiree benefits.
- Ms. Coley noted that this issue may be subject to collective bargaining if any changes to the Plan are recommended.
- The Board recommended a committee be formed to review this issue. Mr. Evans and Mr. Milner agreed to serve on the committee.

NEXT MEETINGS

- Thursday, June 9th at 8:45 AM, Joint Due Diligence Meeting
- Thursday, July 14th at 8:45 AM, Interim Meeting
- Thursday, August 11th at 8:45 AM, Board Retreat

ADJOURNMENT

The meeting adjourned at 10:35 AM.

HANDOUTS

Distributed to Board members in the Board Packet:

Agenda
Minutes of Prior meeting
Monthly Investment & Rebalancing Report
Education Listing
Disability Recalculation NRA Issue

Distributed to Board members via SharePoint:

Actuarial Valuation Report as of 6/30/2021
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