

**MINUTES OF OCTOBER 8, 2015 RETIREMENT BOARD  
CITY OF ALEXANDRIA  
FIREFIGHTERS AND POLICE OFFICERS PENSION PLAN  
INTERIM MEETING**

**PRESENT**

<u>Members</u>	<u>Others</u>
Michael Cross, <sup>2</sup> Chairman, (Fire)	Kadira Coley, Staff
Jack Browand <sup>1</sup> (Management)	Arthur Lynch, Staff
Patrick Evans <sup>1</sup> (Fire)	Theresa Nugent, Staff
Jean Kelleher <sup>2</sup> Secretary (Management)	Sergey Zelensky, Staff
Al Tierney <sup>2</sup> (Police)	
Christina Zechman Brown (Management, Alternate)	

Absent:

Laura Triggs <sup>3</sup> (Management)  
Shirl Mammarella <sup>3</sup> (Police, Alternate)  
Ed Milner <sup>1</sup> (Police)  
Rick Muse <sup>3</sup> (Fire, Alternate)

Terms: 1/1/2014 – 12/31/2015

<sup>1</sup>Purchase of Service Credit Committee  
<sup>2</sup>Technical Corrections and Plan Document Review Committee  
<sup>3</sup>Vendor & Service Provider

**CALL TO ORDER**

Mr. Cross called the meeting to order at 8:36 AM on Thursday, October 8, 2015.

**MEETING RECORD**

Ms. Kelleher made a motion to

Approve the September 10, 2015 minutes.
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Mr. Tierney seconded the motion.

Discussion: Ms. Kelleher noted an error in the committee notation in the members list. Staff will update on the final minutes.

The motion was unanimously approved (4 – 0).

Mr. Browand arrived at 8:40 AM. Mr. Evans arrived at 8:47 AM.

**ADMINISTRATOR’S REPORTS**

Regular Investment Reports

No rebalancing was required.

Private Equity

Hamilton Lane Fund VIII & Fund IX had a distribution since the previous meeting.

### Real Estate

A distribution occurred on September 30<sup>th</sup> that was reinvested per the motion passed at the March 2014 meeting.

### Timber

A distribution occurred on September 30<sup>th</sup>.

### Other Items

#### Education: conferences, seminars and training

As part of the agenda, Staff has provided a copy of the IFEBP's education schedule for 2016.

Mr. Cross recommended the Wharton Investment sessions for all trustees, specifically the Portfolio Concepts and Management Class held in May.

### COLA

At a previous Board meeting Staff was asked to provide the Board with documentation on COLAs. Included in the board packet provided is documentation and research on the history of the CPI-U and CPI-W. Also included were articles on how Social Security calculates its COLA, the difference between CPI-U and CPI-W, an article predicting that Social Security will not have a COLA in the coming year.

### 1099 Settlement

Staff reported that those disabled participants who were affected by incorrectly issued 1099s have been offered a settlement. The notification letters were sent out on October 2, 2015.

This issue was identified in 2009 and the City was able to re-issue the 1099s for 2007 through 2009. The settlement that is being offered is for any potential damages that may have occurred prior to 2007. Individuals were potentially affected by this back to 1991. It was noted that the settlement would not be taxable.

It was recommended that Staff had reached out to the retiree association. A trustee asked what happened if someone passed away before the settlements were offered. Staff noted that the City has not attempted to contact beneficiaries or the estates of any deceased participants.

### National Save for Retirement Week

The City of Alexandria will be participating in National Save for Retirement Week (October 18-24, 2015) in a number of ways:

- Employees are invited to sit in on webinars hosted by ICMA-RC on Tuesday, Wednesday and Thursday about saving and planning for retirement.
- 1-on-1 Financial Consultations will be held on Tuesday and Wednesday
- VRS Hybrid members can participate in retirement savings sessions the following week
- Mr. Browand noted that RCPA is hosting an all hands meeting during National Save for Retirement Week and invited Staff to set up a table.

## **COMMITTEE REPORTS**

### Technical Corrections and Plan Document Review Committee

No report was given. The next meeting for the technical corrections committee has been set for November 12<sup>th</sup> immediately following the board meeting.

Purchase of Service Credit Committee

Staff noted that a calculation sheet has been sent to the actuary for approval but the actuary's focus has been on finishing the end of the reports.

Vendor & Service Provider Review Committee

No report was given.

**OLD BUSINESS**

ICMA-RC Follow-up - Staff noted they are working with ICMA-RC and anticipate having a report for next month's due diligence meeting.

Actuarial Valuation Report – Staff distributed hard copies of the June 30, 2014 actuarial valuation report. Mr. Cross noted that Cheiron had come to a previous meeting to discuss the results of the valuation. This report is the finalized documentation of what had previously been presented.

Mr. Tierney made a motion to

Accept Cheiron's June 30, 2014 actuarial valuation report.

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

**NEW BUSINESS**

Disability Certification Letter – The disability certification was provided in the board packet. Cheiron has certified that an employee contribution of at least 0.53% would cover the ongoing annual actuarial cost. The Board had discussions about

- Board members expressed concern about the effect on the plan of paying the employee portion of the contributions. Members also expressed concern that the employer portion of the contribution is being rolled into the actuarial gains and losses.
- Board members want to ensure the City is paying what is required of the City and that the employees are not paying for any part of the contribution that is required to be paid by the employer.
- Staff was asked to follow up on the following items:
  - Contact AMRS-VA/local jurisdiction peers to determine who pays employee contributions and how/when employer portion of contribution is paid.
  - Determine how much costs are attributable to USERRA historically.
  - Contact plan attorney to confirm if there is a conflict between the language in USERRA and the proposed contribution sharing that will take effect next year.
  - Include the discussion on a future agenda so board can determine any future recommended steps.

Investment Policy Statement ("IPS") – Staff provided a redline draft of the updated IPS. Board members are asked to review the suggested revisions and be prepared to discuss the document at the next meeting.

**NEXT MEETINGS**

1. Thursday - November 12<sup>th</sup> at 8:30 AM, Sister Cities 1101, Due Diligence Meeting
2. Thursday – December 10<sup>th</sup> at 8:30 AM, Sister Cities 1101, Interim Meeting

**ADJOURNMENT**

The meeting adjourned at 9:15 AM.

## **HANDOUTS**

Distributed to Board members in the Board Packet:

Agenda
Minutes of Prior Meeting - September 10, 2015 [1(a)]
Monthly Investment & Rebalancing Report [2(a)(i)]
Private Equity Cash Flow Report [2(a)(iii)]
Real Estate Cash Flow Report [2(a)(iv)]
Timber Cash Flow Report [2(a)(v)]
Cola Comparison & Related Articles [2(b)(ii)(1)]
Cheiron Letter – Disability Contribution Certification [5(a)]
Investment Policy Statement (Redline) [5(b)]

Items Distributed at the Board Meeting

Cheiron's Actuarial Valuation Presentation as of July 1, 2014