

**MINUTES OF MAY 9, 2024 RETIREMENT BOARD  
CITY OF ALEXANDRIA  
FIREFIGHTERS AND POLICE OFFICERS PENSION PLAN  
INTERIM MEETING**

**PRESENT:**

<u>Members</u>	<u>Others</u>
Patrick Evans (Fire)	Kadira Coley, Staff
Dylan Kempton (Fire)	Denise Cummings, Staff
Katherine Key - Secretary (Management)	Diana Fuentes, Staff
Ryan Klein (Police – Alternate)	Catisha Jackson, Staff
Shirl Mammarella - Chair (Police)	Nicole LaPoint, Staff
Rick Muse (Fire)	Arthur Lynch, Staff
Jason North (Police)	Steve McElhaney, Cheiron
Kendel Taylor (Management)	Patrick Nelson, Cheiron
	Kathy Weaver, Cheiron

<sup>1</sup>Technical Corrections and Plan Document Review Committee

<sup>2</sup>Vendor & Service Provider Committee

**Absent:**

Julian Gonsalves (Management)

Jean Kelleher<sup>1</sup> (Management)

Jesse Maines (Management)

**CALL TO ORDER**

The meeting was called to order at 8:51 AM Thursday, May 9, 2024 without a quorum.

Ms. Taylor arrived at 8:53 AM and a quorum was reached.

**MEETING RECORD**

Ms. Key made a motion to:

Approve the March 14, 2024, minutes.

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

**ACTUARIAL VALUATION PRESENTATION**

- Cheiron presented the 2023 valuation results and introduced Patrick Nelson who has been with Cheiron for 15 years but is new to working on the City’s account.
- Cheiron gave an overview update of the demographic and economic assumptions changes recommended at the April meeting based on their experience study.
- Mr. Evans asked if the DROP change in 2013 was considered for the 100% retirement rate at 30 years of service.

- Cheiron responded that there is no actual experience because those hired after 2013 have not reached 30 years. Once there is actual experience it can be considered.

Ms. Key made a motion to:

Accept the actuaries recommended plan assumption changes based on the experience study while maintaining the assumed rate of return at 6.75%.

Mr. Evans seconded the motion.

Discussion:

Ms. Coley noted that at the April meeting Cheiron presented all the costs for the recommended changes and that lowering the assumed rate of return would require additional employee contribution cost to the plan. At 6.75% assumed rate of return we are in line with other plans in the area. Thus, lowering the assumption rate is not currently being recommended.

The motion was unanimously approved (6-0).

- Cheiron explained how the ASOP 4 revisions affected the valuations, using the LDRM (low default risk obligation measure) calculation would create a \$669 million liability compared to the \$520 million using the 6.75% (the Plan's assumed return). This liability calculation is for disclosure only and does not affect the calculations of the GASB.
- The Basic plan had a market return of 5.42% and an actuarial return of 5.10%.
- The Disability plan had a market return of 3.24% and an actuarial return -0.05%.
- Total assets market return of 5.15% and an actuarial return of 4.65%.
- Liability loss of \$7 million, 1.5% of liability primarily due to a higher than expected COLA and salary increases more than expected partially offset by terminations and fewer retirements than expected.
- Liability gains for the Disability plan of \$0.9 million, 2.9% of liability primarily due to no new disabilities and more deaths than expected.
- Mr. Klein asked if now that Fire and Police are eligible for the City's long term disability program will the disability rates and liability change.
  - Ms. Coley stated that the biggest impact on disabilities is the alternate placement program. Employees are being placed in alternate employment instead of being placed out on disability retirement. The plan won't see whether the long-term disability has any impact on the rates until the next experience study.
- The total actuarially determined contribution rate increased from 36.30% to 37.94%.
- Mr. Klein asked if the Plan could expect to see a change in returns with the large cap management change.
  - The biggest impact from active to passive will be a reduction in fees so there will be a small bump in the net of fees return but not an overall significant increase to the overall return. The biggest impact on the fund's returns is the asset allocation.
- Cheiron also presented the Plan's risk measures as required by ASOP 51. Cheiron presented graphs related to key risks (investment risk, interest rate risk, longevity risk and assumption change risk).

- Cheiron presented the projection software (P-Scan) which shows projections of future funded ratios contribution rates as they annual investment returns are updated.
- Cheiron reviewed the accounting calculations as required by GASB.

## **ADMINISTRATORS REPORTS**

### *Regular Investment Reports and Cash Flow Reports*

- No reports

### *Other Items*

Education, seminars, conferences & training

- An updated education listing was included in the packet.

## **OLD BUSINESS**

None.

## **NEW BUSINESS**

Ms. Mammarella noted that as trustee without a City email, she is having trouble accessing the Board SharePoint site and is looking for solutions.

## **NEXT MEETINGS**

- Thursday, June 13<sup>th</sup> at 8:45 AM, Joint Due Diligence Meeting
- Thursday, July 11<sup>th</sup> at 8:45 AM, Annual Educational Retreat
- Thursday, August 8<sup>th</sup> at 8:45 AM, Interim Meeting

## **ADJOURNMENT**

The meeting adjourned at 10:17 AM.

## **HANDOUTS**

### **Distributed to Board members in the Board Packet:**

Agenda
Minutes of Prior Meeting
Education Listing

### **Distributed to Board members at the meeting:**

Cheiron 2023 Valuation Presentation
-------------------------------------