



October 15, 2015

To: Members of the Actuarial Committee

From: Keith Carson, Chair

Subject: Summary of the October 15, 2015 Actuarial Committee Meeting

Actuarial Committee Chair Keith Carson called the October 15, 2015 Actuarial Committee meeting to order at 12:38 p.m. Committee members present were Keith Carson, Chair, Liz Koppenhaver, and Elizabeth Rogers. The other Board members present were Dale Amaral and Annette Cain-Darnes, and alternate members David Safer and Darryl Walker. Staff present were Kathy Foster, Interim Chief Executive Officer; Joseph Fletcher, Chief Counsel; Margo Allen, Fiscal Services Officer; Betty Tse, Chief Investment Officer; Latrena Walker, Project and Information Services Manager; Harsh Jadhav, Chief of Internal Audit; Victoria Arruda, Human Resources Officer; and Sandra Dueñas-Cuevas, Benefits Manager.

#### **ACTION ITEM**

**1. Discussion and possible motion to approve using the Contingency Reserve Account (CRA) as available earnings during the same six-month interest crediting period that the CRA is restored**

Staff recapped that one last policy decision should be made concerning whether or not to use the CRA immediately to credit interest during the same six-month interest crediting period that the CRA is restored to one (1) percent of total assets of the fund, when available earnings are less than the assumed rate of return, but not negative. Paul Angelo, Senior Vice-President and Actuary, and Andy Yeung, Vice-President and Actuary, Segal Consulting (Segal), were present at the meeting. Staff reviewed that at the September 17, 2015 Actuarial Committee meeting, Andy Yeung, Vice-President and Actuary, Segal, presented illustrative examples of the two policy choices for the treatment of the CRA in this scenario.

It was moved by Elizabeth Rogers and seconded by Liz Koppenhaver that the Actuarial Committee recommend to the Board of Retirement that the Board approve using the Contingency Reserve Account (CRA) as available earnings during the same six-month interest crediting period that the CRA is restored to one (1) percent of total assets of the fund, when available earnings are less than the assumed rate of return, but not negative.

The motion passed with 5 yes (*Amaral, Cain-Darnes, Carson, Koppenhaver, and Rogers*), 0 no, and 0 abstentions.

**2. Discussion and possible motion to extend Segal Consulting's contract through December 31, 2016**

Staff presented a recommendation to extend Segal Consulting's (Segal) contract through December 31, 2016. Segal's proposed fee schedule to perform the actuarial valuations as of December 31, 2015, and for consulting during 2016 related to compliance with GASB 74 and 75 were discussed. Afterwards, Staff was directed to bring an information item to the next Actuarial Committee meeting that will facilitate a discussion about the potential impacts of hiring another actuarial firm.

It was moved by Liz Koppenhaver and seconded by Elizabeth Rogers that the Actuarial Committee recommends to the Board of Retirement that the Board approve extending Segal Consulting's contract through December 31, 2016.

The motion passed with 3 yes (*Carson, Koppenhaver, and Rogers*), 0 no, and 3 abstentions (*Amaral, Cain-Darnes, and Walker*).

**INFORMATION ITEMS**

There were no information items for discussion.

**TRUSTEE/PUBLIC INPUT**

**ESTABLISHMENT OF NEXT MEETING DATE**

The next meeting is scheduled for December 17, 2015 at 12:30 p.m.

**MEETING ADJOURNED**

The meeting adjourned at 1:05 p.m.