VENTURA COUNTY
SUPPLEMENTAL RETIREMENT PLAN COMMITTEE
Channel Islands Conference Room
September 15, 2021
10:00 a.m.

Members Present	Members Absent	Also Present
Kaye Mand		Patti Dowdy
John Polich		Patty Zoll
Shawn Atin		Amanda Diaz
Jeff Burgh		John Garrett
Steven Hintz		Jill Ward
		Kathleen O'Keefe
		Ryan Gunderson
		Jeffrey Kwan
		Joanne McDonald

Ms. Mand called the meeting to order at 10:05 a.m.

1. **Public Comments:** None.

2. **Committee Member Comments**. None.

3. **Minutes of May 6, 2021.** Mr. Atin moved, and Mr. Polich seconded to approve the minutes. The motion carried.

4. **Wells Review of the June 30, 2021 Actuarial Valuation**. Mr. John Garrett, Principal and Consulting Actuary, Cavanaugh Macdonald Consulting, LLC, reviewed the 06/30/2021 Actuarial Valuation of the Supplemental Retirement Plan (SRP), which includes parts B, C, and D. He stated that he has been waiting a long time to deliver good news regarding investment returns. VCERA changed the actuarially determined rates, and the SRP relies on those rates as we use those in our assumptions, the rates were reduced from 7.25% to 7.00%. This has been consistent across all plans, part B decreased in cost an estimated 12.77% for end of fiscal year 2022. Part C has no further contributions, and the plan will never require additional funds. For part D, the liability has been reduced by 1/3 down to $82,000. Mr. Garrett noted that this has been a good year for liability and asset measures.

   He then provided a management summary (page1). Part B's prior year Actuarially Determined Contribution (ADC) was at 12.77%, see measures that compare asset value $3.5M of unfunded liability. ADC from the employer (ER) is 12.77%. The middle column shows no assumption, and there has been an improvement to mortality that pushed the liability back up to 11.82%. He noted a reduction in costs that were partially offset by new assumptions.

   Mr. Atin then asked a question, going forward with part B going into a DC plan, does this change the actuarial analysis as this is a closed pool? Mr. Garrett noted that that the plan will still need an actuarial valuation until there are no longer any participants in the plan. He also added that accounting gets much simpler, and the valuation process will be more streamlined. Mr. Atin also asked when the County should reach out once a bulk shift has occurred? Mr. Garrett stated if there are retirees still receiving benefits a valuation will still need to be done and that the County will need to wait until there are zero active members, and the then fees will go down. Since Part B is closed to future assets, CM can help with studies to move the transition along to the DC plan. Mr. Garrett added that the County will need less of an actuary budget going forward, and he is happy to help with the 457-conversion transfer and clean up that may be needed down the road.

Then, Mr. Gunderson reviewed the GASB 67 information. The funding and accounting processes are the same, however they do use different terms. There are three separate items: accrued liability, fiduciary net post, and unfunded liability/net pension. The method used for liability and costs is the cost method, it is a straight market value for unfunded liability/net profit. It's a blended rate with an expected rate of return at 7%; this will cover future assets and is projected to be enough. There has been a change in the net pension liability, the accrued liability that increased from $33.3M to $36.7M. The increase in liability is due to actual costs, which increased by $1.6M, with the remainder of the increase due to interest at the beginning of the year. The net pension at the beginning of the year was $25.8M, with an increase of $8.2M at end of year it is now $36.7M; this can be attributed to the return of funds. The bottom line is unfunded liability is the first-year negative liability, and the net pension is an asset. The market value is more than the liability at the end of the year.

Mr. Garrett noted that the plan was almost solvent some years back, there wasn't sufficient funding to pay benefits, but the decisions made by the Committee along the way were perfect to get the plan where it is today. Mr. Atin moved, and Mr. Burgh seconded to **approve the June 30, 2021 Actuarial Valuation, Approve Changing the plan investment Rate from 7.25% to 7.0%, change the related mortality tables, rates increasing by 5% with an effective date of 01/01/2022 to allow updates to materials and notify participants, and to receive and file the information.** The motion carried.

Ms. Mand adjourned the meeting at 10:28 a.m.

Respectfully submitted,

Amanda Diaz

Amanda Diaz
Safe Harbor Plan Coordinator