

**VENTURA COUNTY
SUPPLEMENTAL RETIREMENT PLAN COMMITTEE
Channel Islands Conference Room or via Zoom
October 25, 2022
10:30 a.m.**

Members present

Shawn Atin
Jeff Burgh
Kaye Mand
John Polich

Members absent

Steven Hintz

Also present

Patti Dowdy
Patty Zoll
Amanda Diaz
Andrew Gratt
John Garrett
Ryan Gundersen
Josh Jasneski

Ms. Mand call to order at 10:33 a.m.

1. Public Comments.

No public comments were provided

2. Committee Member Comments.

No committee member comments were provided

3. Minutes of February 10, 2022.

Motion to approve: 1. **Mr. Polich** 2. **Mr. Atin** **Motion Carries**

4. Review of the June 30, 2022 Actuarial Valuation.

Mr. John Garrett, Principal Consulting Actuary, Cavanaugh Macdonald Consulting, LLC, presented the Actuarial Valuation Report for fiscal year ending (FYE) June 30, 2022, with the Committee. Mr. Garrett reviewed the Management Summary which provides comparative results of the SRP as of June 30, 2022. He also reviewed the Actuarially Determined Contribution (ADC) for FYE 2023 and 2024. Mr. Garrett then provided the Committee with an overview of the current amortization periods set in the Committee's funding policy. He discussed the decrease in the Part B participants due to the establishment of the SRP 457 and how this decrease has resulted in a significant reduction in employer contributions. In response, Mr. Garrett recommended that the Committee establish a contribution requirement to the DB plan to be applied to the payroll of Part B active employees with coverage under the 457 plan. This in effect, would spread the funding of the accrued liability and administrative expenses of the DB plan over the payroll of all extra-help and part-time employees. In addition, Mr. Garrett also recommended re-

setting the closed 15-year amortization period of the Part B unfunded actuarial accrued liability in response to the current decrease in funding.

The following is a summary of the ADC for the FYE June 30, 2024, in comparison to FYE June 30, 2023's ADC for Parts B, C, and D:

<u>FYE</u>	<u>June 30, 2023</u>	<u>June 30, 2024</u>
Part B (% of DB payroll)	11.82%	5.26%
Part B (% of 457 payroll)	8.15%	3.66%
Part C	\$ -	\$ -
Part D	\$82,038	\$33,252

The question was raised by Ms. Mand as to whether the fund would need to be raised to the ADC of 8.15% per actuarial suggestion for the remainder of FY 2023. Ms. Dowdy inquired if it were possible to wait until beginning of FY 2024 to raise ADC to the recommended 3.66% in lieu of the indicated 8.15% for the remainder of FY 2023. Mr. Garrett advised that the fund would be in an adequate position if the employer DB contribution for all active SRP 457 employees was set to 3.66% for the remainder of FYE 2023.

Further detail reviewed by the Committee for Parts B, C, and D for FYE June 30, 2021, in comparison to FYE June 30, 2022, is as follows:

1. Part B – Extra Help and Part-Time Employees' Retirement Benefits:
 - a. Active participants decreased from 523 to 60.
 - b. Unfunded actuarial accrued liability decreased from approximately \$3 million to \$1.8 million (due to transfer of funds out of plan).
 - c. Employers' contribution rate of 5.26% equates to 1.6% to fund the benefits and additional 3.66% cost to amortize the unfunded liability, plan fees, and administrative expenses.
 - i. Part B experienced asset loss of \$426,152 and liability gain of \$967,998 due to participants transferring to SRP 457 plan.

2. Part C – Early Retirement Benefits:
 - a. Retired participants/beneficiaries decreased from 27 to 24.
 - b. Unfunded actuarial accrued liability increased from approximately \$39 thousand to \$118 thousand.
 - c. Surplus is present, no contributions are required.

3. Part D – Elected Department Head Retirement Benefits:

- a. Active participants remained the same at 1.
- b. Retired participants/beneficiaries decreased from 7 to 6.
- c. Unfunded actuarial accrued liability decreased from approximately \$218 thousand to \$46 thousand.
 - i. Ms. Dowdy confirmed last participant will be retiring at the beginning of 2023 which Mr. Garrett confirmed Part D will subsequently be reflective of Part C provisions.

5. **Action Items:**

- 1. Approve the June 30, 2022, actuarial valuation and GASB 67 reporting prepared by CMC to be included in the Annual Comprehensive Financial Report prepared by the Auditor Controller's office.
- 2. Approve the re-set of the amortization period of the Part B unfunded actuarial accrued liability to a closed 15-year period.
- 3. Approve the establishment of a contribution requirement to the DB Plan be applied to active employees with coverage under the DC SRP 457 Plan effective during FY 2023.
- 4. Direct staff to prepare Board Letter for approval of FY 2023 employer contribution change to implement DB contribution requirement for active employees covered under the 457 DC plan to fund the future liability of the DB Plan.

A. Motion to Approve Action Items:

Motion to approve: 1. **Mr. Burgh** 2. **Mr. Polich** **Motion Carries**

Ms. Mand adjourned the meeting at 11:37 a.m.

Respectfully submitted,



Andrew Gratt
Deferred Compensation Personnel Assistant