

**MINUTES OF JANUARY 14, 2016 RETIREMENT BOARD
CITY OF ALEXANDRIA
FIREFIGHTERS AND POLICE OFFICERS PENSION PLAN
INTERIM MEETING**

PRESENT

<u>Members</u>	<u>Others</u>
Michael Cross, ² Chairman, (Fire)	Kadira Coley, Staff
Jack Browand ¹ (Management)	Arthur Lynch, Staff
James Davis (Management, Alternate)	Theresa Nugent, Staff
Jean Kelleher ² Secretary (Management)	Michael Stewart, Staff
Shirl Mammarella ³ (Police, Alternate)	Rich Tobin, Resident
Ed Milner ¹ (Police)	
Rick Muse ³ (Fire, Alternate)	
Al Tierney ² (Police)	
Laura Triggs ³ (Management)	
Christina Zechman Brown (Management)	

Absent:

Patrick Evans ¹ (Fire)

Terms: 1/1/2014 – 12/31/2015

¹Purchase of Service Credit Committee

²Technical Corrections and Plan Document Review Committee

³Vendor & Service Provider

CALL TO ORDER

Mr. Cross called the meeting to order at 8:34 AM on Thursday, January 14, 2016.

INTRODUCTIONS

New management alternate James Davis was introduced to the board.

MEETING RECORD

Ms. Trigs' made a motion to

Approve the November 12, 2015 minutes.
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Mr. Kelleher seconded the motion.

The motion was unanimously approved (7 – 0).

ADMINISTRATOR'S REPORTS

Regular Investment Reports

No report was given. Updated reports will be provided at the February due diligence meeting.

Education: conferences, seminars and training

As part of the agenda, Staff has included details on upcoming educational opportunities for 2016. Staff gave a brief overview of the conferences and training opportunities. Mr. Tierney and Mr. Milner are requesting funding to attend the IFEBP Trustee Master Class and Annual Conference.

Mr. Tierney made a motion to

Approve the cost associated with a trustee to attend an International Foundation of Employee Benefits session in calendar year 2016.
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Mr. Milner seconded the motion. The motion was unanimously approved (8 – 0).

Pension Division Staffing Update

Staff noted that retirement specialist, Bryan Capelli, has been experiencing some fairly major issues. He is anticipated to return to the office sometime in February. Mr. Tierney expressed his concern about whether staffing for the pension division is adequate. Staff noted that their staff is lean and they are doing the best they can when considering being one staff member short.

COMMITTEE REPORTS

Technical Corrections and Plan Document Review Committee

The committee members are reviewing a number of technical corrections. The committee will review updates and then bring a proposed amendment to the board.

Purchase of Service Credit Committee

Staff noted that a calculation sheet has been sent to the actuary for approval and the actuary is reviewing the sheet.

Vendor & Service Provider Review Committee

Staff provided a list of vendors and the contract termination or renewal dates.

Ms. Triggs made a motion to

Extend the Dahab contract by two years.

Mr. Tierney seconded the motion. The motion was unanimously approved (8 – 0).

Ms. Triggs made a motion to

Begin the process to issue an RFP for defined contribution investment consultant.

Mr. Tierney seconded the motion.

Discussion – Staff noted that there is additional exposure given that the City is managing its own fund line. Staff feels they need additional support that could be provided by an investment consultant that focuses on defined contribution plans.

The motion was unanimously approved (8 – 0).

ICMA-RC – the board engaged in a discussion about ICMA-RC to decide whether to grant them an extension or to issue another RFP. It was noted that there are a number of competitors for ICMA-RC. The previous RFP garnered approximately 15 responses and the Board heard from the top 3 choices.

Mr. Tierney made a motion to

Extend utilize one of the one-year contract extensions for ICMA-RC.

Ms. Triggs seconded the motion. The motion was unanimously approved (8 – 0).

Prudential – the board engaged in a discussion about Prudential. Staff noted that the first step will be to engage a consultant to help determine whether it is preferable to bring administration in house to keep a third-party administrator. Mr. Tierney expressed concern about timing and requested Staff put together a target date for transition from Prudential and/or completion of RFP.

Veneble – the board engaged in a discussion about Veneble. It was noted that Ken Hoffman is potentially nearing the end of his career and now may be a good time to explore other options.

Ms. Triggs made a motion to

Begin the process to issue an RFP for pension legal service

Ms. Kelleher seconded the motion. The motion was unanimously approved (8 – 0).

Given the number of RFPs and large projects that are outstanding the Board had a discussion about priorities in ordering the RFPs. Staff noted that work has already begun on the RFP for pension legal services based upon a motion from the Supplemental Retirement Plan. Staff is tasked with putting together a timeline and proposed approach for tackling the upcoming RFPs.

OLD BUSINESS

Investment Policy Statement - Staff provided a brief overview of the changes and updates included in the IPS

Mr. Browand made a motion to

Accept proposed changes to the Investment Policy Statement.

Ms. Kelleher seconded the motion. The motion was unanimously approved (8 – 0).

NEW BUSINESS

Socially Responsible Investing (SRI)

A Call, Click, Connect ticket was received expressing concern about divesting from tobacco. In addition City Council has asked for the board's policy. The Board had a discussion about SRI. Staff provided an exhibit on SRI and a number of considerations.

Ms. Kelleher noted that managers are questioned about their approach to SRI related topics when making their due diligence presentations.

Board members expressed concerns about getting in SRI. It was specifically noted that it would be difficult to adopt policy that gets into a specific policy. Additionally board members inquired about how you would manage it given the amount of work and time that is already put into investment related items.

Board members determined there may be a need to articulate a formal policy. Discussions will continue at February's due diligence meeting with Barry Bryant.

Contribution Rate/Sharing Mechanism

Ms. Triggs distributed an exhibit showing the adjustment mechanism that is scheduled to begin in FY2017. She noted that the City Manager's budget will be including an increase in employee contributions of .14% or approximately \$50,000. Nothing is set yet but the topic is officially on the table. This topic will be brought up in the public safety workgroup meeting.

Ms. Mammarella inquired when the increase in sharing will be announced to members. Ms. Triggs noted that the announcement will be made to the public safety work group first and then to members.

Mr. Milner requested to know the cost of not pre-funding the employee and employer contributions associated with military service accrued due to USERRA. Staff will request this calculation from Cheiron.

NEXT MEETINGS

1. Thursday - February 11th at 8:30 AM, Sister Cities 1101, Due Diligence Meeting
2. Thursday – March 10th at 8:30 AM, Sister Cities 1101, Interim Meeting
3. Thursday – April 14th at 8:30 AM, Sister Cities 1101, Interim Meeting

ADJOURNMENT

The meeting adjourned at 9:27 AM.

HANDOUTS

Distributed to Board members in the Board Packet:

Agenda
Minutes of Prior Meeting - November 12, 2015 [2(a)]
Meeting Calendar [4]
Meeting Planning Exhibit [4 – exhibit 2]
Contract Terms [5(b)]
Investment Policy Statement (Redline) [6(a)]
Call Click Connect Request [7(a)]
Socially Responsible Investing [7(a)]

Items Distributed at the Board Meeting
Contribution Rate Sharing Exhibit