



Sacramento Regional Transit District Agenda

SPECIAL RETIREMENT BOARD MEETING
9:00 A.M. WEDNESDAY, APRIL 27, 2016
REGIONAL TRANSIT AUDITORIUM
1400 29th ST., SACRAMENTO, CALIFORNIA
Website Address: www.sacrt.com
(29th St. Light Rail Station/Bus 38, 67, 68)

MEETING NOTE: *This is a joint and concurrent meeting of the five independent Retirement Boards for the pension plans for the employees and retirees of the Sacramento Regional Transit District. This single, combined agenda designates which items will be subject to action by which board(s). Members of each board may be present for the other boards' discussions and actions, except during individual closed sessions.*

<u>ROLL CALL</u>	ATU Retirement Board:	Directors: Wiley, Morin, Niz, De La Torre Alternates: Jennings, Muniz
	IBEW Retirement Board:	Directors: Wiley, Morin, Ohlson, Burdick Alternates: Jennings, Gallow
	AEA Retirement Board:	Directors: Wiley, Morin, Drake, Devorak Alternates: Jennings, Devorak
	AFSCME Retirement Board:	Directors: Wiley, Morin, Mallonee, Hoslett Alternates: Jennings, Kent
	MCEG Retirement Board:	Directors: Wiley, Morin, Masui, Thorn Alternates: Jennings, Sanchez-Ochoa

PUBLIC ADDRESSES BOARD ON MATTERS ON CONSENT AND MATTERS NOT ON THE AGENDA
At this time the public may address the Retirement Board(s) on subject matters pertaining to Retirement Board business listed on the Consent Calendar, any Closed Sessions or items not listed on the agenda. Remarks may be limited to 3 minutes subject to the discretion of the Common Chair. Members of the public wishing to address one or more of the Boards may submit a "Public Comment Speaker Card" to the Assistant Secretary. While the Retirement Boards encourage your comments, State law prevents the Boards from discussing items that are not set forth on this meeting agenda. The Boards and staff take your comments very seriously and, if appropriate, will follow up on them.

NEW BUSINESS

		<u>ATU</u>	<u>IBEW</u>	<u>AEA</u>	<u>AFSCME</u>	<u>MCEG</u>
1. Resolution:	Accept Experience and Actuarial Valuation Studies and Approve the Actuarially Determined Contribution Rate for Salaried Employees' Retirement Plan for Fiscal Year 2017.	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
2. Resolution:	Accept Experience and Actuarial Valuation Studies and Approve the Actuarially Determined Contribution Rate for Contract Employees' Retirement Plan for Fiscal Year 2017.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

REPORTS FROM COMMITTEES
REPORTS, IDEAS AND COMMUNICATIONS
ADJOURN

NOTICE TO THE PUBLIC

It is the policy of the Boards of Directors of the Sacramento Regional Transit District Retirement Plans to encourage participation in the meetings of the Boards of Directors. At each open meeting, members of the public shall be provided with an opportunity to directly address the Board on items of interest to the public that are within the subject matter jurisdiction of the Boards.

This agenda may be amended up to 72 hours prior to the meeting being held. An agenda, in final form, is located by the front door of Regional Transit's building at 1400 – 29th Street and posted to RT's website at www.sacrt.com.

Any person(s) requiring accessible formats of the agenda or assisted listening devices/sign language interpreters should contact the Human Resources Manager at 916-556-0280 or TDD 916/483-4327 at least 72 business hours in advance of the Board Meeting.

Copies of staff reports or other written documentation relating to each item of business referred to on the agenda are on file with the Human Resources Administrative Technician at 916-556-0298 and/or Clerk to the Board of Directors of the Sacramento Regional Transit District, and are available for public inspection at 1400 29th Street, Sacramento, CA. Any person who has questions concerning any agenda item may call the Human Resources Administrative Technician of Sacramento Regional Transit District to make inquiry.

REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
1	04/27/16	Retirement	Action	03/23/16

Subject: Accept Actuarial Valuation Study and Approve the Actuarially Determined Contribution Rate for Salaried Employees' Retirement Plan for Fiscal Year 2017 (AEA/AFSCME/MCEG). (Bonnell)

ISSUE

Accept Actuarial Valuation Study and Approve the Actuarially Determined Contribution Rate for Salaried Employees' Retirement Plan for Fiscal Year 2017 (AEA/AFSCME/MCEG).

RECOMMENDED ACTION

Adopt Resolution No. 16-04_____, Accept Experience and Actuarial Valuation Studies and Approve the Actuarially Determined Contribution Rate for Salaried Employees' Retirement Plan for Fiscal Year 2017.

FISCAL IMPACT

Budgeted: FY17 Budget not yet approved

General Ledger #: 520002

Current FY 2016: \$7,131,898

Estimate FY 2017: \$7,575,236

DISCUSSION

Cheiron, the Pension Plans' actuary, has completed the Experience Study, performed every 5 years, as well as the annual Actuarial Valuation for the Salaried Employees' Retirement Plan as of June 30, 2015 (Exhibit A).

The purpose of the Experience Study is to review the actual Salaried Plan experience (for example, hiring, terminations, retirements, deaths, etc.) in relation to the Plans' current actuarial assumptions and to recommend changes to those actuarial assumptions as may be indicated in light of the review. The purpose of the Actuarial Valuation is to compute the annual actuarially determined contribution rate (ADC) required to fund the Plan according to actuarial principles and to present items required for disclosure under Statement No. 67 of the Governmental Accounting Standards Board (GASB).

At the January and March 2016 Retirement Board meetings, Cheiron presented the draft studies and a variety of options to the Board to consider in establishing the ADC for Fiscal Year (FY) 2017, including the reduction of the assumed rate of return and assumed rate of interest. At the January meeting, the Boards provided instruction to Cheiron that the assumed rate of interest should be reduced to 7.5% by reducing the assumed investment rate of return

Approved:

Presented:

Final 04/18/2016

AGM of Administration

Director, Human Resources

J:\Retirement Board\2016\Special Meetings\April 27\Salaried Actuarial Valuation.docx

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to 4.35% and maintaining the assumed rate of inflation at 3.15%. However, the Boards instructed Cheiron that these adjustments should be smoothed over a three-year period, allowing Sacramento Regional Transit District, as Plan sponsor, the opportunity to gradually phase in adjustments to the ADC.

Based on (1) the Experience Study and Actuarial Valuation findings, and (2) the Boards' instructions (including the three-year smoothing), Cheiron recommends adjusting the ADC rate from the FY 2016 level of 31.55%, to a FY 2017 level of 31.48% of gross Salaried payroll. Cheiron's recommendation is explained in greater detail in the study attached as Exhibit A.

Staff Recommendation:

Staff recommends the Boards accept Cheiron's Experience and Actuarial Valuation studies and instruct the Sacramento Regional Transit District to implement the new Actuarially Determined Contribution rate, previously known as the Annual Required Contribution, at the levels established by the Boards.

RESOLUTION NO. 16-04_____

Adopted by the Retirement Board of Directors for the Retirement Plan for Sacramento Regional Transit District Employees Who Are Members of the MCEG on this date:

April 27, 2016

**ACCEPT EXPERIENCE AND ACTUARIAL VALUATION STUDIES AND APPROVE
ACTUARIALLY DETERMINED CONTRIBUTION RATE FOR SALARIED
EMPLOYEES' RETIREMENT PLAN FOR FISCAL YEAR 2017**

BE IT HEREBY RESOLVED BY THE RETIREMENT BOARD OF DIRECTORS FOR THE RETIREMENT PLAN FOR SACRAMENTO REGIONAL TRANSIT DISTRICT EMPLOYEES WHO ARE MEMBERS OF THE MCEG AS FOLLOWS:

THAT, the Retirement Board hereby accepts the Experience Study and Actuarial Valuation Study for Salaried Employees' Retirement Plan prepared by Cheiron and attached as Exhibits A and B.

THAT, the Retirement Board hereby authorizes contributions to be made to the Salaried Employees' Retirement Plan fund on a monthly basis in the amount of 31.48% of the payroll for the Salaried Employees, effective July 1, 2016.

Alane Masui, Chair

A T T E S T:

Roger Thorn, Secretary

By: _____
Donna Bonnel, Assistant Secretary