

Present: Chairperson Maxwell; Vice-Chair Fisher; Members: Mooney and Peddie

Absent: Shock

Also Present: Village Manager, Wilson
Council member, Abboud

Maxwell called the regular Retirement Board meeting to order at 7:32 p.m. in the Village of Beverly Hills municipal building at 18500 W. Thirteen Mile Road.

REVIEW AND APPROVE MINUTES OF A REGULAR RETIREMENT BOARD MEETING HELD ON AUGUST 26, 2014

Motion by Mooney, second by Fisher, that the minutes of a regular Retirement Board meeting held August 26, 2014 be approved as submitted.

Motion passed.

Motion by Mooney, second by Fisher, to add an item to the agenda to elect a chair and vice-chair of the Retirement Board.

Motion passed.

ELECT CHAIR AND VICE-CHAIR

Mooney nominated Richard Maxwell to the position of Chairperson of the Retirement Board. There were no further nominations. Maxwell was elected Chairperson of the Retirement Board by acclamation.

Mooney nominated PSO Robert Fisher to serve as Vice-Chair of the Retirement Board. There were no further nominations. Fisher was elected to the position of Vice-Chair of the Retirement Board by acclamation.

REVIEW RETIREMENT FUNDS AS OF SEPTEMBER 30, 2014

Board members are in receipt of the Statement of Fiduciary Net Position from MERS (Municipal Employees' Retirement System) as of September 30, 2014. Manager Wilson referred to the breakdown of all retirement funds and commented on activity in the last quarter. The balance as of 9/30/2014 was \$20,978,499.66.

The Actuarial Valuation will be based on the fund performance as of December 31, 2014. The Retirement Fund was 101% funded as of last December 31; Wilson expects the Fund to be at the same level or higher based on Retirement Fund returns this year.

Motion by Mooney, second by Peddie, to receive and file the MERS Statement of Fiduciary Net Position of the Beverly Hills Public Safety Department Retirement System for the quarter ended 9/30/2014.

Motion passed.

REVIEW RETIREMENT FUND ASSET ALLOCATION

Wilson referred to a sheet entitled “Actuarial Accrued Liabilities and Valuation Assets as of December 31, 2013. He reviewed that, as part of moving Retirement System assets to MERS, active and retired employees were assigned to separate MERS Divisions. After reviewing the activity and percent funded in the five divisions, Wilson and Finance Director Wiszowaty are recommending a rebalancing of the funds in the divisions for increased accuracy of money allocation. MERS representatives have agreed to the Village’s reallocation of the fund divisions.

Wilson described the proposed changes in the five divisions to balance out the funding percentages in the classifications. Division 01 (General) and Division 10 (Non Union & AFSCME) have the same benefit plan and will be merged. Divisions 02, 20 and 21 are Public Safety related. Wilson explained the make up of the divisions and discussed the inaccurate asset allocation in Division 21.

Administration recommended combining Division 01 and Division 10. Sixty percent of Division 21 will be moved to fund Division 20-Vested Former Members; 15% of Division 21 will be moved to Division 20-Retiree and Beneficiaries; 25% of Division 21 will go to fund the Active costs of the new General Division (01 and 10 combined).

Questions from Board members on reallocation of funds were addressed by Wilson. This action would result in all divisions being close to 100% funded. Rebalancing of these numbers will effect the accuracy of the ARC (actuarial required contribution).

Wilson also suggested that the Retirement Board recommend that Council set the Village’s next ARC contributions based on the 2013 valuation, acknowledging that the contribution number will be high. The Village has the money to allocate to pension funds. Wilson noted that the actuarial valuation as of December 31, 2014 will not be available until May or June of 2015, after adoption of the Village budget.

Motion by Mooney, second by Peddie, that the Retirement Board authorize the Village Manager and Administration to instruct the Municipal Employees’ Retirement System (MERS) to proceed with rebalancing of Village Retirement System funds as set forth by Chris Wilson to the Retirement Board. It is further recommended that Council set the Village’s ARC contribution for 2015/16 to pay retiree benefits based on the 2013 Actuarial Valuation from MERS.

Motion passed (4 – 0).

REVIEW RETIREE HEALTH FUNDING VEHICLE QUARTERLY STATEMENT AS OF SEPTEMBER 30, 2014

Board members are in receipt of a Quarterly Statement from MERS for the Retiree Health Funding Vehicle for the period of July 1, 2014 to September 30, 2014. The Beginning Balance was \$3,177,616. There was a 2013/14 contribution of \$600,000.00.

The Ending Balance shows \$3,761,732. Wilson referred to a sheet referencing a contribution of \$138,672 submitted on October 14, 2014, which is not included in the quarterly statement. There will be another quarterly contribution made before the end of 2014.

Motion by Mooney, second by Peddie, to accept the MERS 2014 Third Quarter Report for the Retiree Health Funding Vehicle as submitted.

Motion passed (4 – 0).

PUBLIC COMMENTS

Council member Rock Abboud asked questions about the transfer of the Beverly Hills Public Safety Pension Fund and the Retiree Health Care Fund to the Municipal Employees' Retirement System (MERS). Wilson and Board members provided background on the transfer to MERS in 2013.

Motion by Mooney, second by Fisher, to adjourn the meeting at 8:00 p.m.

Motion passed.