

**SONOMA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
ACTUARIAL RETIREMENT BOARD MEETING MINUTES**

Thursday, May 4, 2023

9:03 a.m.

Presiding: Brian Williams, Chair

Present: Trustees Neil Baker (Alternate Retiree - voting), Travis Balzarini, Chris Coursey, Amos Eaton, Greg Jahn, Erick Roeser, Joe Tambe, and Bob Williamson (Vice Chair); Assistant CEO/Chief Legal Counsel Cristina Hess, Chief Investment Officer Jim Failor, Investment Officer Mickey Nguyen, Finance and Retiree Services Manager Cheryl Enold, Retirement Analyst Rebecca Gay, and Administrative Aide Julia Smith; Emily Klare and Todd Tauzer (of Segal Consulting)

Present via

Zoom: Chief Executive Officer Julie Wyne

Absent: Trustee Tim Tuscany

Public comments were solicited prior to the meeting by emailing Rebecca.Gay@sonoma-county.org. Members of the public that joined the Zoom meeting via the app or dial in were provided opportunity to submit live public comment for each agenda item after the Board and staff provided their comments.

I. REGULAR CALENDAR

A. Actuarial Topics

1. Actuarial Valuation and Review as of December 31, 2022 – Actuaries Todd Tauzer and Emily Klare of Segal Consulting presented the SCERA Actuarial Valuation for the Year Ended December 31, 2022. Mr. Tauzer highlighted the plan's funded ratio, the unfunded actuarial accrued liability and how it is calculated, contribution rates, and how investment results are smoothed in the calculation of the actuarial value of assets.

Mr. Tauzer reminded the Board that the valuation is a snapshot of the plan as of December 31, 2022, and that data as of that date is used to calculate the contribution requirements for the employers' fiscal year beginning in or around July of 2024. Ms. Klare highlighted the sunset of the additional unfunded actuarial accrued liability contribution being paid by general and safety employees in certain bargaining units and the continuation of the additional payment for other bargaining units. Mr. Tauzer noted that the Sonoma County

Association of Retired Employees asked for language to be included indicating that the plan does not have an ongoing, funded cost of living adjustment but that Segal decided not to include it because the valuation is an analysis of the benefits that are in place.

In response to Trustee questions, Mr. Tauzer noted that Segal measures normal cost in the middle of the year because it is an average of what they expect the normal cost to be for the year, which is necessary to calculate in order to make sure contributions cover the normal cost plus interest and a payment towards the unfunded actuarial accrued liability. Ms. Klare explained that it is an actuarial standard of practice to charge interest on the unfunded actuarial accrued liability because the plan is missing the growth of the assets that are not in the plan and our funding policy goal is full funding of expected benefits.

In closing the Board was reminded that pension obligation bond debt service is not part of the valuation because it is not paid through the plan, it is a county obligation.

Recommendation: Approve the Actuarial Valuation for the Year Ended December 31, 2022.

A motion was made by Trustee Tambe, seconded by Trustee Baker to approve the Actuarial Valuation for the Year Ended December 31, 2022. The motion carried 9-0-0-0 with voting as follows:

Mr. Baker	Aye
Mr. Balzarini	Aye
Mr. Coursey	Aye
Mr. Eaton	Aye
Mr. Jahn	Aye
Mr. Roeser	Aye
Mr. Tambe	Aye
Mr. Williams	Aye
Mr. Williamson	Aye

2. Summary Analysis of System Experience – Assistant Chief Executive Officer/Chief Legal Counsel Cristina Hess presented a multi-year review of retirement system key metrics including items impacting the unfunded actuarial accrued liability and funded ratio, significant actuarial gains/losses, investment experience, market stabilization reserve amortization/forecast, and key demographic information.

II. GENERAL DISCUSSION ITEMS

Opportunity was given to advise the Board of new matters and for Board members to ask questions for clarification, provide information to staff, request staff to report back on a matter, or to direct staff to place a matter on a subsequent agenda.

There were no general discussion items.

III. PUBLIC COMMENT

Opportunity was given for public comment on non-agenda items within the jurisdiction of the Retirement Board.

There were no public comments.

IV. NOTICE OF NEXT MEETINGS

All meetings are held at SCERA in the Board Room at 433 Aviation Boulevard, Suite 100, Santa Rosa, CA.

Disability Committee
May 18, 2023
8:30 a.m.

Retirement Board
May 18, 2023
9:00 a.m.

Investment Committee
May 25, 2023
8:30 a.m.

V. ADJOURNMENT

With no further business to conduct, the meeting adjourned at 10:36 a.m.

VI. APPROVAL

The above minutes from the May 4, 2023, Actuarial Retirement Board meeting were approved at the Retirement Board meeting on June 22, 2023.

BOB WILLIAMSON, VICE CHAIR