

**PENSION TRUST
BOARD OF TRUSTEES**

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San Luis Obispo County
Pension Trust

SLOOPT

MINUTES

**PENSION TRUST
BOARD OF TRUSTEES**

Monday, May 20, 2024 9:30 AM
Regular Meeting of the Pension Trust
Board of Trustees

Board Members Present: Jim Hamilton
Michelle Shoresman
David Grim
Jeff Hamm
Lisa Howe
Geoff O’Quest
Gere Sibbach

Board Members Absent: -

Pension Trust Staff:	Katie Girardi	Executive Director
	Amy Burke	Deputy Director
	Jennifer Alderete	Accountant

General Counsel:	Chris Waddell	Olson Remcho
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Consultants:	Anne Harper	Cheiron
	Alice Alsberghe	Cheiron
	Scott Whalen	Verus

Call to Order: 9:33 AM by President Hamilton

A) PUBLIC COMMENT

1. None

B) ORGANIZATIONAL

None

C) CONSENT

2. Minutes of the Regular Meeting of March 25, 2024 (Approve Without Correction)
3. Reports of Deposits and Contributions for the months of March and April 2024 (Receive and File)
4. Reports of Service Retirements, Disability Retirements, and DROP Participants for the months of March and April 2024, and Disability Case Log (Receive, Approve and File)
5. Monthly Investment Report for March 2024 (Receive and File)
6. 2023 Form 700 Filing Review (Receive and File)

Motion: Approve the Consent items

Discussion: None

Public Comment: None

Motion Made: Hamm

Motion Seconded: O'Quest

Carried: Unanimous

D) APPLICATIONS FOR DISABILITY RETIREMENT

None

E) OLD BUSINESS

None

F) NEW BUSINESS

7. January 1, 2024 Biennial Experience Study – Presentation by Anne Harper and Alice Alsberghe, Cheiron – Plan Actuary

Motion: Receive and file the January 1, 2024 Biennial Experience Study

Discussion: Anne Harper and Alice Alsberghe, the Plan’s Actuaries with Cheiron, presented a draft of the 2024 Actuarial Experience Study. The biennial report provides significant detail about the five year experience patterns of the retirement plan. No recommended changes for the assumed investment rate of return, price inflation, and wage inflation. Recommended changes include incorporating COLA banks into the expected benefit payments, salary merit increases for all groups, disability rate increases for Safety members, and retirement rate increases for Safety Tier 1 members and Probation Tier 1 members with 25 or more years of service. Extensive discussions were held on Cheiron’s recommended assumption changes to form a best estimate of each member’s projected benefits and actuarial liability.

Public Comment: None

Motion Made: O’Quest

Motion Seconded: Hamm

Carried: Unanimous

8. Actuarial Valuation with 2024 Actuarial Assumptions Approval – Presentation by Anne Harper and Alice Alsberghe, Cheiron – Plan Actuary

Motion: Approve actuarial assumptions for the January 1, 2024 Actuarial Valuation as recommended in the Staff memo

Discussion: Anne Harper and Alice Alsberghe, the Plan’s Actuaries with Cheiron, presented the preliminary results of the January 1, 2024 Actuarial Valuation report using the actuarial assumptions recommended for change. Throughout, Trustees asked various questions. No recommended changes for the assumed investment rate of return, price inflation, and wage inflation. Significant recommended assumption changes include incorporating COLA banks into the expected benefit payments, salary merit increases for all groups, disability rate increases for Safety members, and retirement rate increases for Safety Tier 1 members and Probation Tier 1 members with 25 or more years of service. Extensive discussions were held on Cheiron’s recommended assumption changes to form a best estimate of each member’s projected benefits and actuarial liability.

The preliminary estimate by Cheiron of the effect on pension contribution rates from actual 2023 experience as well as all the actuarial assumption changes recommended in the Staff memo is for an aggregate increase of 2.14% of pay. This estimate is subject to change in the final 2024 Actuarial Valuation and will be further detailed into increases for Miscellaneous, Probation and Safety classes. The final increase will also be adjusted for any deferred implementation dates

requested by the Plan Sponsor. The 2024 Actuarial Valuation will be presented at the June 24, 2024, Board of Trustees meeting for approval.

Public Comment: None

Motion Made: Grim

Motion Seconded: Hamm

Carried: Unanimous

11:26 AM – President Hamilton called for a 10-minute break

11:37 AM – Back in session

9. Administrative Budget for Fiscal Year 2024-2025 – Approval

Motion: Approve the Staff recommendation on SLOCPT’s FY 24-25 Administrative Budget as presented

Discussion: Deputy Director Burke presented the Staff recommendation on SLOCPT’s Administrative Budget for FY24-25.

Public Comment: None

Motion Made: Shoresman

Motion Seconded: Grim

Carried: Unanimous

10. Board Policy Review – Employee Policies and Procedures

Motion: Approve the updated Employee Policies and Procedures document, with requested language change in Section 2.4.4

Discussion: Executive Director Girardi presented the Staff recommendation to approve the Employee Policies and Procedures document as amended.

Public Comment: None

Motion Made: Shoresman

Motion Seconded: Hamm

Carried: Unanimous

11. Tax and Employee Benefits Legal Counsel Engagement

Motion: Approve Staff recommendation to engage Hanson Bridgett, LLP to provide tax advice on an as-needed basis

Discussion: SLOCPT had worked with tax counsel Don Wellington of Wellington Gregory for many years; however, General Counsel attempted to contact Mr. Wellington recently but was unsuccessful. SLOCPT was notified that Mr.

Wellington was inaccessible and had relocated out of California. As such, General Counsel worked within his legal counsel network to identify two potential replacements who both demonstrate expertise in pension fund taxation and knowledge of relevant laws and regulations. Both candidates were evaluated by General Counsel and Executive Director Girardi to determine Hanson Bridgett, LLP best met the criteria for expertise, reputation, cost, and availability.

Public Comment: None

Motion Made: Sibbach

Motion Seconded: O'Quest

Carried: Unanimous

G) INVESTMENTS

12. Quarterly Investment Report for the 1st Quarter of 2024 – Verus

Motion: Receive and File the quarterly investment report

Discussion: Scott Whalen of Verus delivered an extensive presentation on investment market conditions and SLOCPT investment performance during 1Q24.

Public Comment: None

Motion Made: Hamm

Motion Seconded: O'Quest

Carried: Unanimous

13. Monthly Investment Report for April 2024

Motion: Receive and file the monthly investment report

Discussion: Executive Director Girardi presented the report.

Public Comment: None

Motion Made: Shoresman

Motion Seconded: Hamm

Carried: Unanimous

14. Asset Allocation

Discussion: Routine item included should asset allocation changes be necessary.

Public Comment: None

No Action Necessary

H) OPERATIONS

15. Staff Reports

- i. Executive Director Girardi reported the following:
 - a. A Trustee election update: Trustee Grim ran unopposed and is officially seated for another three-year term effective July 1, 2024
 - b. SLOCPT's Education Outreach included a presentation to the County Public Works department
 - c. Executive Director Girardi gave a presentation at the San Luis Obispo County Retired Employees' Association (SLOCREA) luncheon in early May
 - d. A SLOCPT office update: the Administrative Assistant gave notice. The process has been started to find a qualified replacement.
 - e. SLOCPT, with the approval of the FY24-25 Administrative Budget, will design a new stand-alone website off the County platform

16. General Counsel Reports

None

17. Committee Reports:

- i. Audit Committee No Report
- ii. Personnel Committee Report
 - a. Trustee Grim discussed the review of the personnel policies covered under Agenda Item 10.

18. Upcoming Board Topics – published on meeting agenda

19. Trustee Comments

Trustees Hamm and Grim commented on the CALAPRS Trustee Round Table held earlier in May.

I) CLOSED SESSION

None

J) ADJOURNMENT

There being no further business, the meeting was adjourned at 12:55 PM. The next Regular Meeting was set for June 24, 2024 at 9:30 AM, in Room 161/162, County Government Center, San Luis Obispo, California 93408.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "K. Girardi". The signature is fluid and cursive, with a period at the end.

Katie Girardi
Executive Director

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