

**PENSION TRUST
BOARD OF TRUSTEES**

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MINUTES

Monday, June 24, 2024 9:30 AM
Regular Meeting of the Pension Trust
Board of Trustees

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

Board Members Absent: David Grim

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

General Counsel: Chris Waddell Olson | Remcho

Consultants: Lindsey Zimmerman Brown Armstrong
Anne Harper Cheiron
Alice Alsberghe Cheiron

Call to Order: 9:30 AM by President Hamilton

A) PUBLIC COMMENT

- 1. None

B) CONSENT

2. Minutes of the Regular Meeting of May 20, 2024 (Approve Without Correction)
3. Report of Deposits and Contributions for the month of May 2024 (Receive and File)
4. Report of Service Retirements, Disability Retirements, and DROP Participants for the month of May 2024, and Disability Case Log (Receive, Approve and File)
5. Resolution Modifying and Affirming Investment and Banking Authority – Resolution 2024-01 (Recommend Approval)

Motion: Approve the Consent items

Discussion: None

Public Comment: None

Motion Made: Sibbach

Motion Seconded: O’Quest

Carried: Unanimous

C) APPLICATIONS FOR DISABILITY RETIREMENT

6. Application for Industrial Disability Retirement – Case 2023-05

Motion: Approve Staff recommendation of approval for Industrial Disability Retirement case 2023-05.

Discussion: Executive Director Girardi presented the Staff recommendation.

Public Comment: None

Motion Made: Hamm

Motion Seconded: Shoresman

Carried: Unanimous

7. Application for Industrial Disability Retirement – Case 2023-06

Motion: Approve Staff recommendation of approval for Industrial Disability Retirement Case 2023-06.

Discussion: Executive Director Girardi presented the Staff recommendation.

Public Comment: None

Motion Made: O’Quest

Motion Seconded: Shoresman

Carried: Unanimous

8. Application for Ordinary Disability Retirement – Case 2023-07

Motion: Approve Staff recommendation of approval for Ordinary Disability Retirement Case 2023-07.

Discussion: Executive Director Girardi presented the Staff recommendation.

Public Comment: None

Motion Made: Sibbach

Motion Seconded: Hamm

Carried: Unanimous

9. Application for Industrial Disability Retirement – Case 2023-10

Motion: Approve Staff recommendation of approval for Industrial Disability Retirement Case 2023-10.

Discussion: Executive Director Girardi presented the Staff recommendation.

Public Comment: None

Motion Made: Hamm

Motion Seconded: Shoresman

Carried: Unanimous

10. Application for Industrial Disability Retirement – Case 2024-02

Motion: Approve Staff recommendation of approval for Industrial Disability Retirement Case 2024-02.

Discussion: Executive Director Girardi presented the Staff recommendation.

Public Comment: None

Motion Made: Shoresman

Motion Seconded: O'Quest

Carried: Unanimous

11. Application for Industrial Disability Retirement – Case 2024-01

Motion: Approve Staff recommendation of approval for Industrial Disability Retirement Case 2024-01.

Discussion: Executive Director Girardi presented the Staff recommendation.

Public Comment: None

Motion Made: Hamm

Motion Seconded: Shoresman

Carried: Unanimous

D) OLD BUSINESS

None

E) NEW BUSINESS

12. Audited Financial Statements for the period ended December 31, 2023 – Annual Comprehensive Financial Report – presentation by Lindsey Zimmerman, CPA, of Brown Armstrong Accountancy

Motion: Receive and file the Independent Auditor’s Report, approve the December 31, 2023 Annual Comprehensive Financial Report, and direct Staff to distribute in accordance with the Retirement Plan.

Discussion: Lindsey Zimmerman, CPA, of Brown Armstrong Accountancy, presented their report on the December 31, 2023 financial statements. They issued an unmodified audit opinion and no findings of material weaknesses or significant deficiencies in internal control as well as no recommendations to management. Zimmerman stated it was pleasure working with Aldrete and Burke on the audit process. Board President Hamilton and Executive Director Girardi thanked Staff for their work on the audit and financial statements.

Public Comment: None

Motion Made: Howe

Motion Seconded: O’Quest

Carried: Unanimous

10:35 AM – President Hamilton called for a 5-minute break

10:41 AM – Back in session

13. January 1, 2024 Actuarial Valuation and Pension Contribution Rates – Presentation by Anne Harper and Alice Alsberghe, Cheiron – Plan Actuary

Motion:

- 1) Approve, Receive and File the January 1, 2024 Annual Actuarial Valuation.
- 2) Approve the transfer of \$8,745,861 from the Current Reserve to the Retiree Reserve as recommended by Cheiron.
- 3) Approve the recommendation from Cheiron to increase the current level of County Appropriation and Employee Contribution rates such that the Total Contribution Rate of 54.71% effective January 1, 2024 is received - an increase of 1.90% over the current 52.81% Charged Rate of contributions as recommended by Cheiron.

Discussion: Anne Harper and Alice Alsberghe, the Plan’s Actuaries with Cheiron, presented the final report of the January 1, 2024 Actuarial Valuation report. Throughout, Trustees asked various questions. The calculated Pension Contribution Rates to prudently fund the Plan were detailed in the Staff memo.

Public Comment: None

Motion Made: Hamm

Motion Seconded: Hamilton

Carried: Unanimous

14. CAME Security Alarms – Indemnification Authorization pursuant to Section 16.02(j) of the Retirement Plan

Motion: Approve the CAME Security alarm contract for Mill and Osos locations as presented.

Discussion: Executive Director Girardi presented the Staff request to approve the contract which includes an indemnification clause.

Public Comment: None

Motion Made: Shoresman

Motion Seconded: Hamm

Carried: Unanimous

F) INVESTMENTS

15. Monthly Investment Report for May 2024

Motion: Receive and file the monthly investment report.

Discussion: Executive Director Girardi presented the report. One-month portfolio returns were positive and in line with the policy index. Year-to-date portfolio returns were reported as 3.6%, slightly underperforming the policy index.

Public Comment: None

Motion Made: Hamm

Motion Seconded: Shoresman

Carried: Unanimous

16. Asset Allocation

Discussion: Routine item included should asset allocation changes be necessary. Based on the approved long-term strategic asset allocation, Brandywine Global Fixed Income, Ashmore Emerging Debt, and Dodge & Cox Income funds were redeemed in June. The redemption will be reflected in the July reports.

Public Comment: None

No Action Necessary

G) ORGANIZATIONAL

None

H) OPERATIONS

17. Staff Reports

Executive Director Girardi reported the following:

- i. The recruitment process for a new Administrative Assistant is ongoing.
- ii. Training update – each Trustees was presented with their three (3) year rolling continuing education totals. BoardSmart should be utilized to fulfill education requirements.

18. General Counsel Reports

None

19. Committee Reports:

- i. Audit Committee Covered under Agenda Item 12
- ii. Personnel Committee No Report

20. Upcoming Board Topics – published on meeting agenda

21. Trustee Comments

Trustee Sibbach commented on the public comment issues via Zoom at the most recent Atascadero City Council meeting and discussed implementing a Board policy regarding inappropriate public comment.

I) CLOSED SESSION

None

J) ADJOURNMENT

There being no further business, the meeting was adjourned at 12:16 PM. The next Regular Meeting was set for August 26, 2024 at 9:30 AM, in the Board of Supervisors chambers, 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