

**Board Meeting
Minutes
Telephone Conference 1-408-418-9388 ID 1328337395
October 16, 2020**

PRESENT: John Rodgers, Chairperson; Mikhael Sukhenko, Citizen Representative; Beryl Feinberg, Councilmember, , Derrick Pierson, Union Representative, Paula Perez, AAME, and Karen Marshall, Human Resources. Also, on the call were; Tim Peifer, Finance; Daisy Harley, Human Resources; Gavin Cohen, Executive Secretary to the Board; and Harry Atlas from Venable.

ABSENT: Sgt. Chris Peck, FOP Representative

The meeting commenced at 10:00AM.

Approval of Minutes from September 25, 2020

Beryl Feinberg made a motion to approve the minutes as presented. The motion was seconded by Karen Marshall. The motion passed unanimously 6-0.

Pension Plan Restatement

Mr. Rodgers suggested the most expedient way to review the Pension plan was for Mr. Cohen to brief the Board on each of the proposed changes as summarized in the agenda material.

Mr. Cohen gave a brief overview to the Board about the reasons for the Plan Restatement. He mentioned that the changes were occasioned by the Plan review due to the implementation with Lincoln Financial. Other changes were due to changes in law, and the interest crediting change was the only change not related to the implementation with Lincoln Financial.

Effective Date: The effective date for the restatement is December 1, 2020 the transition to Lincoln. – No Board objections

Applicability to Former Employees: Changes apply to all employees. – No Board objections

Beneficiary Definition: Updated for spousal consent. – No Board objections

Contingent Annuitant: Updated for spousal consent. – No Board objections.

Interest Crediting: Staff recommended a decrease in the interest crediting rate from 6% to 3% due to current and future low interest rate environment. The Board discussed this topic at length. Each Board Member was asked to opine on their respective viewpoint. Board Members voted 2 for Feinberg, Rodgers, and 4 **against** Sukhenko, Pierson, Marshall , and Perez (2-4) reducing the interest crediting rate from 6% to 3% as staff had recommended.

Age 72 RMD: Increase the age from 70.5 to age 72. – No Board objections.

IRA Rollover at \$5,000: Force-out small balances under \$5,000 to an IRA. – No Board objections.

Thrift Plan Supplement: Consolidate Article XVI into Article XV: - No board Objections.

Board Members voted unanimously 6-0 to make a recommendation to the Mayor and Council to support the Pension Plan Restatement without a change to the interest crediting.

Councilmember Feinberg requested that the Mayor and Council agenda report include a paragraph on this issue so that the full Mayor and Council were made aware of the issue. The Board agreed.

457 Plan Renewal

Mr. Cohen presented this item for information purposes only. The new Plan is as a result of the transition to Lincoln. Harry Atlas from Venable has reviewed the document for the Board to ensure all previous provisions have transferred into the new document. The Board agreed that the Mayor and Council Agenda item could say that the Plan was presented at the meeting and the Board had no comments.

The call ended at 11:42pm.

THE NEXT REGULAR MEETING IS FRIDAY NOVEMBER 20, 2020