

Date: December 13, 2017
To: Board of Retirement
From: James Wilbanks, Retirement Administrator
Subject: Administrator Report

Consolidated Case Update

This case (Alameda County Deputy Sheriffs Association, et al, v. Alameda County Employees Retirement Association and Board of the Alameda County Employees' Retirement Association, et al) was scheduled for oral arguments before the Court of Appeals on December 12, 2017. The notice from the Court setting the date specifically directed the parties to be prepared to address the most recent holding in the Marin case.

Amortization Schedule

Attached is the letter and schedule from Segal outlining the projection for the amortization of the UAAL over the next 22 years. It is especially important to note the following from the letter:

“You will notice on the enclosed amortization schedule that the balance of the current total UAAL of \$204.3 million as of June 30, 2017 will start to be reduced effective with fiscal year 2017/2018, as the annual payment of \$14.6 million for the first year is greater than the interest charged to the UAAL at 7.00% of \$13.8 million.”

This means the Board's many years of effort to improve governance, actuarial practices and policies are starting to bear fruit. We have worked our way out of the negative amortization period and expect to see a monotonically decreasing UAAL in the future.

RV Kuhns Comparison

Attached to this report is a copy of the latest RV Kuhns report comparing the investment performance of the 1937 Act plans during fiscal year 2017. This report was presented at the SACRS meeting last month.

625 King's Court Update

I am happy to report that the work to replace the HVAC system in the building has been completed. Also, the signs on the building were finally installed on December 7 and they look very professional.

MCERA Holiday Hours

The Association will be closed to the public the week of December 26-29, 2017 to allow staff to enjoy time with family and friends during the holidays. Staff will be allowed to either use accrued leave or work their normal schedule without clients during these times.

Fiduciary Insurance Renewal, Waiver of Recourse Payments

For those Trustees that have yet to pay, your annual waiver of recourse payment is due to Judy at the December Board of Retirement Meeting. Please bring a \$9.00 check for payment.