



Mendocino County

Legislation Text

File #: 23-1095, Version: 1

To: BOARD OF SUPERVISORS

From: Mendocino County Employees Retirement Association

Meeting Date: January 9, 2024

Department Contact: Doris Rentschler

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Department Contact: Judy Zeller

Phone: 707-463-4328

Item Type: Consent Agenda

Time Allocated for Item: N/A

Agenda Title:

Acceptance of the Mendocino County Employees Retirement Association Actuarial Valuation Report for the Fiscal Year Ending June 30, 2023; and Adoption of the Retirement Contribution Rates Contained Within the Report for Fiscal Year 2024/2025

Recommended Action/Motion:

Accept the Mendocino County Retirement Association Actuarial Valuation report for the fiscal year ending June 30, 2023; and adopt the Retirement Board's recommended employee and employer retirement contribution rates as contained within the report for the fiscal year 2024/2025.

Previous Board/Board Committee Actions:

Actuarial reports are submitted annually for acceptance and adoption of contribution rates by the Board of Supervisors.

Summary of Request:

Segal Consulting prepared an Actuarial Valuation for the Mendocino County Employees Retirement Association as of June 30, 2023. This report is being provided to the Board of Supervisors with a recommendation from the Retirement Board, pursuant to Government Code Section 31453(a), to set the employer and employee contribution rates for fiscal year 2024/2025 as contained within the report as computed and recommended by Segal.

The aggregate recommended employer contribution rate for fiscal year 2024/25 is 40.26% of payroll, a 3.34% increase from the fiscal year 2023/24 aggregate rate. The aggregate recommended employee contribution rate for fiscal year 2024/2025 is 10.52% of payroll, an increase of 0.76% from the fiscal year 2023/2024 aggregate rate.

The plan's funded ratio, on a valuation value of asset basis, decreased from 73.2% to 72.4%. While on a market value of asset basis, the funded ratio increased from 71.4% to 71.6%. The change in funded ratio and increase in aggregate employer and employee contribution rate is primarily attributed to changes in actuarial assumptions, higher than expected individual salary increases for continuing General, Safety, and Probation active members, higher than expected COLA increases for retirees and beneficiaries, and lower than expected return on investments (after asset smoothing). These losses were partially offset by amortizing the prior year's Unfunded Actuarial Accrued Liability (UAAL) over a larger than expected projected total payroll and other

experience gains. The rate of return on the market value of assets was - 8.12% for the July 1, 2022, to June 30, 2023, plan year.

Alternative Action/Motion:

Government code section 31454(a) states that the Board of Supervisors shall “adjust... rates of contributions of members, and county and district appropriations in accordance with (emphasis added) the recommendation of the board (of retirement)...”

Strategic Plan Priority Designation: An Effective County Government

Supervisory District: All

vote requirement: Unanimous

Supplemental Information Available Online At: www.mendocinocounty.gov/retirement

Fiscal Details:

source of funding: N/A

current f/y cost: N/A

annual recurring cost: N/A

budgeted in current f/y: N/A

if no, please describe:

revenue agreement: N/A

AGREEMENT/RESOLUTION/ORDINANCE APPROVED BY COUNTY COUNSEL: N/A

CEO Liaison: Executive Office

CEO Review: Yes

CEO Comments:

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Executed By: Atlas Pearson, Senior Deputy Clerk

Final Status: **Approved**

Date: January 9, 2024

