

NON-CERTIFIED EMPLOYEE RETIREMENT PLAN (NCERP)

COMMITTEE MEETING

Thursday October 20, 2016

SPECIAL MEETING

SUMMARY MINUTES

CALL TO ORDER

Mrs. Keisha Robinson Vice-Chair, called the meeting of the NCERP Committee to order at 10:28 a.m., in Room 321, at the Cosand Center.

Members Present

Mark Foxx
Keisha Robinson, Vice Chair
Kevin White

Others Present

Celeste Metcalf, Controller
Bill Miller, Plan Administrator
James Hayden, Plan Coordinator
Shirley Hynes, Participant
Lesley Holland, Participant
Tim O'Neill, Participant
Traci Carpenter, Participant
Tracy Arnold, Participant

Annual Actuarial Valuation 2016:

The annual actuarial valuation for the Plan was presented by the Plan's actuaries; Julie Hupperts, and Mr. Donald Schisler, both from Willis Towers Watson.

Hupperts expressed to the NCERP committee that she would be covering the following topics:

- Valuation Results
 - 2016 Valuation Results
 - Historical Results

- 2017 COLA

Hupperts was pleased to report to the NCERP committee the actual asset return for the year between July 1, 2015 and June 30, 2016 the actual asset return was 1.4 per cent. The cumulative asset return was about 22 per cent over the past 3 years, versus the expected cumulative return of about 23 per cent based on the actuarial assumptions of 7.25 per cent. Demographic review revealed that participants are working longer than the actuarial assumptions, retiree deaths are

much lower than the actuarial assumption, and the COLA increases have been smaller than the actuarial assumptions. This year's valuation revealed the workers are working longer before actually retiring.

Mr. Miller, vice Chancellor of Human Resources wanted to express his concerns about keeping the Board of Trustees informed concerning this Plan, since they are fiducially responsible, then and Mr. Schisler, Willis Towers Watson, Plan actuary thought it may be helpful if they could add an appendix to the annual valuation that would be helpful in informing the Board of Trustee's about the Plan and its stability. General consensus was that all committee members that would be helpful.

Mr. Miller continued with informing the NCERP committee with his intentions to secure a date to discuss the Plan with the Chancellor. His concerns are the Chancellor as well as the Board of Trustees know very little about this retirement plan and they need to be informed expeditiously about its performance and the funding levels.

Mrs. Hupperts continued her presentation by reporting the market value measured against the actuarial present value of accrued benefits; which revealed (Market Value /APV of Accrued Benefits) at 125 per cent also considered as present day funding, a 6 percent decrease from last year. The market value measured against the actuarial present value of projected benefits (Market Value / APV of Projected Benefits) is 92 percent, considered as projected funding in future benefits (25 years), a 3 per cent decrease from last year, but still in a very good position.

2017 COLA:

Huppert continued her presentation by focusing on the 2017 COLA increase which is based on the growth in Consumer Pricing Index (CPI) for the previous 12 months ending June 2016. The increase in the CPI over the specified time period is 1.0 per cent and since the increase is less than 4.0 per cent the board of trustees will have to vote on potential COLA increase. She briefly covered the previous COLA increases implemented by the Plan:

2012; 3.6 per cent increase; CPI 3.6 per cent
2013; 1.7 per cent increase; CPI 1.7 per cent
2014; 1.0 per cent increase; CPI 1.8 per cent
2015; 1.0 per cent increase; CPI 2.2 per cent
2016; 0.0 per cent increase; CPI 0.10 per cent

After much discussion the vice chairperson, Keisha Robinson asked for a motion from the floor, Kevin White provide the motion to increase the COLA for all eligible participants by 1.0 per cent beginning on January 1, 2017, this motion was seconded by Mr. Foxx, a vote was taken and the motion carried.

Mr. Schisler announced he would be retiring at the end of the year and he is passing the baton over to Mrs. Hupperts who has been working with the Plan for the last several years. He expressed his experience with working with this Plan has been very positive experience.

Mrs. Keisha Robinson entertained a motion to adjourn the meeting, Mr. White made a motion to adjourn the meeting and Mrs. Fox seconded the motion, the special meeting adjourned at 11:30 p.m. on October 20, 2016.

Keisha Robinson
Vice - Chairman

Date

Bill Miller
Plan Administrator

Date