

California Actuarial Advisory Panel

**Minutes of
May 27, 2011**

**Locations:
State Controller's Office
300 Capitol Mall, 2nd Floor, San Diego Room
Sacramento, CA 95814**

**3928 Mission Peak
Palm Springs, CA 92262**

**Waldorf Astoria Hotel
900 S Ocean Blvd
Boca Raton, FL, 33432**

1. Call to Order

Chair Angelo called the meeting to order at 9:32 AM and called the roll.

Present: Sacramento: Paul Angelo, Lynn Miller, Rick Reed, Harold Loeb, John Bartel, And Leslie Finertie
Palm Springs, CA via telephone: Allan Milligan
Boca Raton, FL via telephone: Ed Friend

SCO Staff: John Hiber, SCO, Chief Operating Officer
George Lolas, SCO, Assistant Division Chief
Jocelyn Roubique, SCO, Bureau Chief
Cong Lu, Fiscal Analyst
Shawn Silva, Staff Counsel
Scott Taylor, Fiscal Analyst
Satveer Ark, SCO, Fiscal Analyst

2. Oath- Ms. Leslie Finertie

Mr. George Lolas administered the oath of office to Ms. Leslie Finertie.

3. Introductions

The Panelists and SCO staff introduced themselves.

4. Approval of Minutes of the April 15, 2011 Meeting

Mr. Angelo requested a correction of the title of Minutes Item #4. Mr. Angelo motioned and Mr. Reed seconded to approve amended minutes of the April 15, 2011 meeting. **The motion passed 8-0.**

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5. Legislation AB 1247 and other work not included in the work plan

Mr. Milligan brought forward a discussion regarding AB 1247. In discussing the bill, several Panelists expressed a variety of concerns with its provisions. Mr. Reed objected to AB 1247's involvement of the Panel, stating that this is outside of the scope of the Panel's legislative charge and that the panel shouldn't be pulled into individual plan issues in a routine role of reviewer. Mr. Bartel stated that using the Panel should be the last resort; the most appropriate choice would be the original actuary who performed the work, and then the reviewing actuary or a contracted reviewer. Mr. Milligan felt that the bill should at least allow the Panel to designate a representative as an alternative to the Chair. Mr. Angelo expressed his concurrence with the points raised by the other Panelists. The Panel fully supported Mr. Milligan's decision to form a work group (Bartel, Reed, and Loeb) draft a letter expressing the Panel's concerns with AB 1247 to be presented and considered for adoption by the Panel at its next meeting.

6. Use of SCO Staff resources

After discussion, the Panel decided that requests to use SCO resources should be made at scheduled meetings, or through the Chair or Vice Chair.

After discussion, the Panel decided not to request a legal opinion from SCO regarding the legality of the Panel seeking legislation to require pension plans.

7. 2011 work plan

Mr. Miller motioned, and Mr. Milligan seconded, to add preparing a response to AB 1247 to the work plan and change the date on Work Plan Item #2 from July to August. **The motion passed 8-0.**

8. State Controller's Staff-process for reviewing retirement system reports and preparing the Controller's Public Retirement Systems Annual Report

The SCO report was tabled until next meeting.

9. Defining the Range of Model Funding Policies and Practices Working Group Update

Mr. Angelo discussed work related to this topic being done by other actuarial groups.

With the consensus of the Panel, Mr. Angelo reopened Agenda Item 7.

The Panel added Mr. Milligan to the group addressing Work Plan Item #2 and Ms. Finertie to group addressing Work Plan Item #4.

11. Developing Pricing and Disclosure Standards for Public Sector Benefits Improvements Working Group Update

Mr. Reed reports no work at this time, as expected

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10. Developing Disclosure Standards for Public Sector Actuarial Valuation Reports Working Group Update

Mr. Angelo discussed version four of the draft (work plan #3). The Panel provided feedback and the work group said it will distribute a draft of the standards to practitioners for comment. SCO staff will also post the draft to the SCO website and include a public comment mailbox. Public comment will be cut off in late June. The Panel agreed to add Mr. Bartell to the group addressing Work Plan Item #3.

12. Providing Assistance to the Governor/Legislature regarding Pension & OPEB issues related to the Budget or Pension/OPEB Reform Working Group Update

Mr. Milligan told the Panel that neither the Governor nor the Legislature has accepted the Panel's offer of assistance.

13. Next Meeting

The next meeting is scheduled for June 22, 2011, starting at 9:30am. The Panel requested that staff schedule the July meeting for July 28, 2011, starting at 9:30. The schedule date for the August meeting will either be August 18th, or 19th.

14. Public Comment

No public comment.

15. Adjournment

Mr. Loeb motioned and Mr. Friend seconded to adjourn the meeting. **The motion passed 8-0,** and the panel adjourned at 12:17 PM.