



Pension Board Meeting

Tuesday, June 13, 2023 at 11:00 AM

City Council Chambers, City Hall (10 3rd Ave SW)

Any person needing special accommodation for the meeting is requested to notify the City Clerk's Office at 857-4752.

1. APPROVAL OF MINUTES

2. REQUEST FOR CITY OF MINOT PENSION REFUND

1. Matthew Pappenfus
2. Jessica Sundheim
3. Zerek Kroll
4. Corey Long

3. REQUEST FOR SURVIVOR BENEFITS

1. Roger Rau (Sylvia Rau)
2. Robert Johnson (Rhonda Johnson)

4. REQUEST FOR CITY OF MINOT PENSION RETIREMENT BENEFITS

1. Randy Burckhard
2. David Cox
3. Stephen Kenny

5. REQUEST FOR DEFERRED VESTED PENSION

1. Jay Bloyer
2. Kelly Hendershot
3. Aaron Moss
4. Ray Neuhalfen
5. Joshua Duchsherer

6. PENSION AND OPEB DISCOUNT RATES

It is recommended the Pension Board recommend approval to City Council for the pension and OPEB (postemployment benefits other than pensions) to update the assumed investment return from 7.5% to 6.5% to better match the current market.

Documents:

[Pension Board - rate of return.pdf](#)

7. OTHER BUSINESS



TO: Members of the Pension Board

FROM: David Lakefield, City Finance Director

DATE: June 13, 2023

SUBJECT: Pension and OPEB discount rates

I. RECOMMENDED ACTION

Recommend approval to City Council for the pension and OPEB (postemployment benefits other than pensions) to update the assumed investment return from 7.5% to 6.5% to better match the current market.

II. DEPARTMENT CONTACT PERSONS

David Lakefield, City Finance Director	857-4784
Melody Shelkey, City Treasurer	857-4771

III. DESCRIPTION

A. Background

The City is required by Governmental Accounting Standards Board (GASB) to include schedules of pension and OPEB liability and/or assets, that information requires certain inputs to calculate the necessary information. Currently, the City is using 7.5% for the investment rate of return, current market conditions do not support that rate. Gallagher Benefit Services, Inc., the City's actuarial services for the City's pension feel this is too high, the City is recommending the investment rate of return be reduced to 6.5%.

IV. IMPACT:

A. Strategic Impact:

Approval is needed so the City can utilize a more realistic approach to current market conditions.

B. Service/Delivery Impact:

N/A

C. Fiscal Impact:

This change will bring the liabilities and/or assets for pension and OPEB more in line with current market conditions, this can also affect the recommended pension contributions that will be needed from the employer and employee to maintain the plans.

V. CITY COUNCIL ASPIRATIONS

The City Council aspiration achieved through this is Resilient and Prepared. This allows the City to continue operations without service interruptions.

VI. ALTERNATIVES

The City could continue to use the current investment rate of return of 7.5%, but this isn't feasible based on current market conditions

VII. TIME CONSTRAINTS
N/A

VIII. LIST OF ATTACHMENTS
N/A