

# CITY OF ROCHESTER

## RETIREMENT BOARD MEETING MINUTES

August 20, 2025 – 8:30 AM

400 Sixth Street, Conference Room

### ROLL CALL

Present: Mayor Nancy Salvia, Council Member Christian Hauser, DPW Member Colin Pettit, Citizen Member David Berletich

Absent: City Manager Nik Banda, General Member Sherry Kush, Retiree Member Holly Meyers

### 1. Approval of Minutes

Motion by Berletich, supported by Pettit, to approve the minutes of the May 28, 2025 meeting. Motion carried unanimously.

### 2. MERS Actuarial Report and Pension Discussion

Jessica Fitzgerald (Morgan Stanley) and Finance Director Moggio presented the 2024 MERS Actuarial Valuation Report. MERS funding ratio was reported at 66%, but when including the City's Pension Trust (≈\$6.5 million), the effective funding ratio improves to approximately 87%. The Board discussed MERS' conservative assumptions, the amortization extension to 13 years (reducing annual contributions by \$240,000), and the introduction of new MERS representative Jamie following Sue's retirement.

Further discussion included MERS' refusal to include Pension Trust assets in actuarial calculations and a request for "what-if" reports treating those assets as included. The Board also reviewed potential legal mechanisms to reallocate OPEB reimbursements (≈\$93,000 annually) to the Pension Trust, noting the OPEB Trust is overfunded (≈\$5M) while the pension remains underfunded (≈\$4M).

### 3. Market and Performance Update (Morgan Stanley)

Morgan Stanley reported that both OPEB and Pension Trusts outperformed MERS for the quarter (≈6–6.5% vs. 5.4%). Rebalancing recommendations included reducing equity exposure, withdrawing \$275,000 from the Pension Trust to fund MERS quarterly payments, and adjusting OPEB allocations to cover current liabilities.

Motion by Salvia, supported by Hauser, to approve the recommended rebalancing actions for both trusts. Motion carried unanimously.

### 4. Cemetery Trust

The Cemetery Trust returned 7.62% year-to-date. Funds remain intended for long-term maintenance, and no withdrawals are planned. Staff noted 93 new lots being opened and discussed market pricing around \$2,500 per upright lot. Staff will review pricing and maintenance costs with the Cemetery Committee at its next meeting.

#### **5. Other Business**

The next meeting is scheduled for Tuesday, November 12, 2025, at 8:30 a.m. Council Member Hauser may attend remotely due to arbitration conflict.

#### **6. Adjournment**

Motion by Hauser, supported by Pettit, to adjourn the meeting at 9:33 a.m. Motion carried unanimously.