

EAST BAY MUNICIPAL UTILITY DISTRICT

DATE: July 18, 2013

MEMO TO: Members of the Retirement Board

THROUGH: Delores Turner, Manager of Human Resources

FROM: Lisa Sorani, Manager of HR Employee Services *LS.*

SUBJECT: Retirement Board Regular Meeting – July 18, 2013

A regular meeting of the Retirement Board will convene at 8:30 a.m. on Thursday, July 18, 2013 in the Training Resource Center (TRC1) of the Administration Building.

Enclosed are the agenda for the regular May meeting and the minutes for the May 16, 2013 regular meeting. The package also includes the following: **(1) ACTION** items: Declare Results of the Election of an Employee Member of the Retirement Board; Authorize recommendation to the Board of Directors of Further Amendments to the Retirement Ordinance Pursuant to the IRS Determination Letter; Declare the Rate of Interest Credited to Members: Authorize Low Income Adjustments to Retired Members and Surviving Spouses **(2) INFORMATION** items: Asset Liability Study Primer; **(3) REPORTS FROM THE RETIREMENT BOARD.**

LS:eg

Enclosures

AGENDA
EBMUD EMPLOYEES' RETIREMENT SYSTEM
July 18, 2013
Training Resource Center (TRC1) 8:30 a.m.

ROLL CALL:

PUBLIC COMMENT: The Retirement Board is limited by State Law to providing a brief response, asking questions for clarification, or referring a matter to staff when responding to items that are not listed on the agenda.

CONSENT CALENDAR:

1. Approval of Minutes – Regular Meeting of May 16 , 2013
2. Ratifying and Approving Investment Transactions by Counselors for April 2013 and May 2013 (R.B. Resolution No. 6780)
3. Ratifying and Approving Investment Transactions by Treasurer for April 2013 and May 2013 (R.B. Resolution No.(6781)
4. Treasurer's Statement of Receipts and Disbursements for April 2013 and May 2013

ACTION:

5. Declare Results of the Election of an Employee Member of the Retirement Board (R.B. Resolution No. 6782) - E. Grassetti
6. Authorize Recommendation to the Board of Directors of Further Amendments to the Retirement Ordinance Pursuant to the IRS Determination Letter - L. Matthew
7. Declare the Rate of Interest Credited to Members (R.B. Resolution No. 6783) - E. Grassetti
8. Authorize Low Income Adjustments to Retired Members and Surviving Spouses (R.B. Resolution No. 6784) - E. Grassetti

INFORMATION:

9. Asset Liability Study Primer - E. Sandler

REPORTS FROM THE RETIREMENT BOARD:

10. Brief report on any course, workshop, or conference attended since the last Retirement Board meeting.

ITEMS TO BE CALENDARED:

MEETING ADJOURNMENT:

The next regular meeting of the Retirement Board will be held at 8:30 a.m. on Thursday, September 19, 2013.

2013 Retirement Board Meetings

September 19, 2013
November 21, 2013

2014 Retirement Board Meetings

January 16, 2014
March 20, 2014
May 15, 2014
July 17, 2014
September 18, 2014
November 20, 2014

RETIREMENT SYSTEM CALENDAR

Every Meeting:

- Ratifying and approving investment transaction by counselors for the previous two months.
- Ratifying and approving investment transaction by Treasurer for previous two months.
- Treasurer's statement of receipts and disbursements for previous two months.

January:

- Health Insurance Benefit Survey Results
- Declaring the interest rate credited to Members contributions for period ending December 30.
- Annual Investment Fee Summary

March:

- 4th Quarter Performance Review as of December 31st.
- Determination of annual retiree Cost of Living Adjustment (COLA) to be effective July 1.

May:

- Retirement Board employee & retiree representative election calendar
- COLA Bank Review
- 1st Quarter Performance Review as of March 31st.

June:

- Election of one employee representative to the Retirement Board each year to serve a two-year term.

July:

- Authorizing low income adjustments for retired Members and surviving spouses.
- Declaring the interest rate on Member contributions for the period ending June 30th.
- Declaring the results of the election of the employee Member of the Retirement Board.

September:

- 2nd Quarter performance review as of June 30th.
- Election of a Retired Member to serve a two-year term on the Retirement Board. Election is held in even years.
- Disability retiree medical evaluation report.

November:

- 3rd Quarter performance review as of September 30th.
- Annual Retirement System Audited Financial Report
- District Health Plan Update
- Annual Actuarial Valuation as of June 30th of each year. (Moved to January in years when Quadrennial Experience Study performed)
- Quadrennial Experience Study results every 3-4 years as needed. The last study was done as of June 30, 2012.

MINUTES OF THE RETIREMENT BOARD
May 16, 2013

A regular meeting of the Retirement Board convened on Thursday, May 16, 2013 at 8:35 a.m. in the Large Training Resource Center (TRC) Room. The meeting was called to order by President Doug Higashi.

Roll Call – The following Retirement Board Members were present: Timothy McGowan, Doug Higashi, Lloyd Sawchuk, Frank Mellon, William Patterson, and Alexander Coate.

The following staff members were present: Lourdes Matthew, Eric Sandler, Wanda Hendrix, Delores Turner, Lisa Sorani, and Elizabeth Grassetti.

Others present were Eric White from PCA, Eric Larson from 444 and George McQuary from 2019.

Delores Turner introduced Lisa Sorani, the newly hired manager of HR Employee Services.

PUBLIC COMMENT

There was no public comment.

- 1 - 4. **Consent Calendar** – A motion to approve the consent calendar was made by Frank Mellon, seconded by Tim McGowan and unanimously approved.

ACTION

5. **Placing Barrow Hanley on Heightened Monitoring** - Eric White of PCA recommended that Barrow Hanley be placed on Heightened Monitoring. He said that this level of performance was to be expected because Barrow Hanley has a high quality bias and that when the market jumps 15%, high quality managers underperform the market. Barrow Hanley has been sticking with their investment guidelines. Doug Higashi moved the recommendation, Frank Mellon seconded it, and it was approved unanimously. Barrow Hanley will be on monitoring for 12-18 months.
6. **Approving INTECH Fee Structure Change** – Eric White from PCA informed the Board that he met with INTECH and asked that they consider changing their fee structure to better align their fee structure with the Retirement Board's expectations. Their returns have been flat to the benchmark. They proposed to change their fee structure to one with a 5 basis point fee plus incentive fee that rewards outperforming the benchmark over a three-year period. The new fee structure was moved by Alex Coate, seconded by Frank Mellon, and unanimously approved.

INFORMATION

7. **Quarterly Performance Review as of March 31, 2013** – Eric White of PCA presented the quarterly performance review. It was a very good quarter for the Plan, and at the end

of the quarter the Plan was at \$1.1 billion, up \$63.5 million for the quarter, and up \$98.1 million for the year. The Plan ended the quarter overweight in equities and cash, and under weight in international equity and fixed income. Relative performance trailed benchmark by .1%. Eric White urged caution in rebalancing the portfolio because the plan may face headwinds in due to sequestration, and debt and fiscal cliffs coming in September. EBMUD had done very well against its peers, performing in the top 25% for the quarter and 3 year numbers.

8. **Fixed Income Discussion** – Eric White of PCA framed the discussion by noting that fixed income will present a big challenge for the Retirement Board because the rate of return is around 1.7%, way off its peak of 15.8%. This return rate makes it very difficult to meet the retirement systems assumed rate of return of 7.75%. Any shortfall in earnings will need to be made up by increased contributions.

The current interest rate environment has an extremely asymmetric risk reward profile, meaning that the best outcome is to earn 2% interest on your fixed income investments. The downside potential is enormous. Looking forward, Mr. White outlined possible outcomes for fixed income investments. He presented a base case which was the ideal scenario and less optimistic outcomes.

The base case scenario is one where the economic growth picks-up relatively quickly which reduces unemployment. In this scenario the interest rates would rise at a slow to moderate rate allowing the investors to adjust and breakeven or experience small capital loss.

Other scenarios include cases where growth is determined by whether the government cuts costs or raises taxes, and how these actions affect the cost of debt and unemployment. In a worst case scenario a “Fed Capture” could result in monetary policy when the Fed loses independence from the Government which is a hallmark of countries in default.

Mr. White concluded that plan sponsors must plan for interest rates rising, and it’s not known how long it will be until they begin rising and how investors will react. He said that plan sponsors will need a tool box of options to choose from when rates start to rise. Options include changes to asset allocation, reducing exposure to fixed income investments and alter fixed income portfolio. In any case, plan sponsors are facing an extremely challenging situation and he concluded that there is no right answer to handle the situation because all solutions involve trade-offs.

9. **Real Return Class Education** - Mr. White presented a refresher course on the Real Return Class which is a collection of asset classes including TIPS, timber, commodities, and MLP’s that should provide inflation protection and incremental returns. While they offer inflation protection, these investments are complex and can be difficult to manage.

Mr. White defined and discussed inflation and how inflation can impact traditional asset classes. He described two views of how the fixed income scenario might unfold. The inflation doves believe that inflation is not imminent and won’t occur unless there is a

stronger job market and economic recovery. They believe that policy makers should stimulate the economy. Inflation hawks believe that inflation poses a real and immediate danger to the economy. They believe that the Fed should stop their aggressive monetary policy and raise interest rates.

Most institutional investors believe that inflation will pose a threat sometime in the future, and are positioning their portfolios to respond to the risk. Many are implementing real return classes and diversifying their portfolios to provide inflation hedging and produce stable returns regardless of the market environment. Mr. White recommended including a real return class in the upcoming Asset/Liability Study to determine its attractiveness versus other asset classes.

10. **PEPRA Implementation Update** – Lisa Sorani, Manager of Employee Services, presented an update on the PEPRA implementation, stating that all members of the 2013 plan are now contributing 50% of normal cost, and that the Retirement Ordinance had been updated to reflect the change to the assumed rate of return from 8% to 7.75% effective July 1, 2013.

REPORTS FROM THE BOARD

There were no reports from the Board.

ITEMS TO BE CALENDERED

- Asset/Liability Study was postponed until September

ADJOURNMENT – Doug Higashi moved to adjourn the meeting at 12:27 p.m.; Frank Mellon seconded the motion and the motion was unanimously approved.

President

ATTEST: _____
Secretary

7/18/2013

EAST BAY MUNICIPAL UTILITY DISTRICT

DATE: July 18, 2013

MEMO TO: Members of the Retirement Board

FROM: Eric Sandler, Director of Finance



SUBJECT: Investment Transactions by the Counselor for April and May 2013

The attached Investment Transactions by Counselors is for the months of April 2013 and May 2013 is submitted for Retirement Board approval.

Attachment

ES:WH

I:\finance\draft retirement board packet\Investment Transactions Memo

TRANSACTIONS OF RETIREMENT FUND MANAGERS

FIXED INCOME MANAGER FUNDS

<u>April 2013</u>	<u>PURCHASES</u>	<u>SALES</u>	<u>PORTFOLIO VALUE</u>
Western Asset Management Co.	\$19,620,367	\$21,061,596	\$83,641,400
C.S. McKee	\$7,337,421	\$4,687,924	\$158,375,033
TOTAL	\$26,957,788	\$25,749,520	\$242,016,433

<u>May 2013</u>			
Western Asset Management Co.	\$26,473,977	\$20,456,677	\$82,190,196
C.S. McKee	\$14,681,573	\$10,856,160	\$156,179,645
TOTAL	\$41,155,550	\$31,312,837	\$238,369,841

EQUITY MANAGER FUNDS

<u>April 2013</u>			
DOMESTIC EQUITY	PURCHASES	SALES	PORTFOLIO VALUE
Barrow, Hanley, Mewhinney	\$5,327,894	\$6,240,637	\$156,394,449
Opus Capital	\$603,623	\$470,143	\$24,466,708
Russell 1000 Growth Index Fund	\$0	\$0	\$271,162,201
Russell 2000 Growth Index Fund	\$0	\$0	\$18,502,470
INTECH	\$7,293,664	\$7,159,631	\$71,145,928
T. Rowe Price	\$3,085,243	\$3,222,975	\$68,506,246
Total Domestic Equity	\$16,310,424	\$17,093,386	\$610,178,002
INTERNATIONAL EQUITY			
Franklin/Templeton	\$0	\$0	\$104,064,195
Fisher Investments	\$0	\$0	\$108,940,859
Total International Equity	\$0	\$0	\$213,005,054
REAL ESTATE EQUITY			
RREEF America II	\$0	\$0	\$21,897,756
Urdang	\$0	\$0	\$33,876,022
Total Real Estate	\$0	\$0	\$55,773,778
TOTAL EQUITY	\$16,310,424	\$17,093,386	\$878,956,834
TOTAL ALL FUND MANAGERS	\$43,268,212	\$42,842,906	\$1,120,973,267

<u>May 2013</u>			
DOMESTIC EQUITY	PURCHASES	SALES	PORTFOLIO VALUE
Barrow, Hanley, Mewhinney	\$9,507,416	\$8,397,653	\$161,782,133
Opus Capital	\$1,054,150	\$810,161	\$25,937,587
Russell 1000 Growth Index Fund	\$0	\$0	\$277,208,861
Russell 2000 Growth Index Fund	\$0	\$0	\$19,443,380
INTECH	\$8,157,614	\$8,090,171	\$72,549,690
T. Rowe Price	\$2,093,597	\$2,257,387	\$70,542,952
Total Domestic Equity	\$20,812,777	\$19,555,372	\$627,464,603
INTERNATIONAL EQUITY			
Franklin/Templeton	\$0	\$0	\$105,735,036
Fisher Investments	\$0	\$0	\$106,737,283
Total International Equity	\$0	\$0	\$212,472,319
REAL ESTATE EQUITY			
RREEF America II	\$0	\$0	\$21,897,756
Urdang	\$0	\$0	\$32,003,096
Total Real Estate	\$0	\$0	\$53,900,852
TOTAL EQUITY	\$20,812,777	\$19,555,372	\$893,837,774
TOTAL ALL FUND MANAGERS	\$61,968,327	\$50,868,209	\$1,132,207,615

Prepared By: 

Date: July 2, 2013

R.B. RESOLUTION NO. 6780

RATIFYING AND APPROVING INVESTMENT TRANSACTIONS BY THE COUNSELORS
FOR MONTHS OF APRIL, 2013 AND MAY, 2013

Introduced by: ; Seconded by:

WHEREAS, Retirement Board Rule No. B-5 provides for investment transactions without prior specific approval by the Retirement Board; and

WHEREAS, investment transactions have been consummated during April, 2013 and May, 2013, in accordance with the provisions of said rule and in securities designated as acceptable by Retirement Board Resolution No. 4975, as amended;

NOW, THEREFORE, BE IT RESOLVED that the investment transactions appearing on the following exhibits are hereby ratified and approved.



President

ATTEST:

Secretary

07/18/13

EAST BAY MUNICIPAL UTILITY DISTRICT

DATE: May 23, 2013
MEMO TO: Members of the Retirement Board
THROUGH: Eric L. Sandler, Director of Finance 
FROM: D. Scott Klein, Controller 
SUBJECT: Short Term Investment Transactions for April 2013

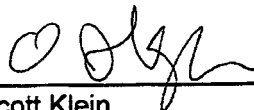
The attached Short Term Investment Transactions report for the month of April 2013 is hereby submitted for Retirement Board approval.

ES/sk

cc Wanda Hendrix, Treasury Manager

**EBMUD EMPLOYEES' RETIREMENT SYSTEM
SHORT TERM INVESTMENT TRANSACTIONS
CONSUMMATED BY THE TREASURER
MONTH OF APRIL 2013**

<u>COST/ FACE VALUE</u>	<u>DESCRIPTION</u>	<u>DATE OF PURCHASE</u>	<u>DATE OF SALE/MAT</u>	<u>YIELD (%)</u>
2,700,000.00	Local Agency Investment Fund	12-Apr-13		0.264
2,700,000.00	Local Agency Investment Fund	26-Apr-13		0.264
(6,200,000.00)	Local Agency Investment Fund		30-Apr-13	0.264
<u>\$ (800,000.00)</u>	Net Activity for Month			

SUBMITTED BY 
D. Scott Klein
Controller

DATE 5/23/13

S. Lindley 5/23/13
S. Lindley, Acctg Sys Supvr
prepared by vwong

EAST BAY MUNICIPAL UTILITY DISTRICT

DATE: June 25, 2013
MEMO TO: Members of the Retirement Board
THROUGH: Eric L. Sandler, Director of Finance *Eric L. Sandler*
FROM: D. Scott Klein, Controller *D. Scott Klein*
SUBJECT: Short Term Investment Transactions for May 2013

The attached Short Term Investment Transactions report for the month of May 2013 is hereby submitted for Retirement Board approval.

ES/sk

cc Wanda Hendrix, Treasury Manager

**EBMUD EMPLOYEES' RETIREMENT SYSTEM
SHORT TERM INVESTMENT TRANSACTIONS
CONSUMMATED BY THE TREASURER
MONTH OF MAY 2013**

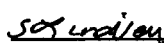
<u>COST/ FACE VALUE</u>	<u>DESCRIPTION</u>	<u>DATE OF PURCHASE</u>	<u>DATE OF SALE/MAT</u>	<u>YIELD (%)</u>
2,700,000.00	Local Agency Investment Fund	10-May-13		0.245
2,700,000.00	Local Agency Investment Fund	24-May-13		0.245
(6,300,000.00)	Local Agency Investment Fund		31-May-13	0.245
<u>\$ (900,000.00)</u>	Net Activity for Month			

SUBMITTED BY


D. Scott Klein
Controller

DATE

6/26/13


 6/27/13
S. Lindley, Acctg Sys Supvr


prepared by vwong

EAST BAY MUNICIPAL UTILITY DISTRICT

DATE: May 23, 2013

MEMO TO: Members of the Retirement Board

THROUGH: Eric L. Sandler, Director of Finance 

FROM: D. Scott Klein, Controller 

SUBJECT: Statement of Receipts and Disbursements for April 2013

The attached Statement of Receipts and Disbursements report for the month of April 2013 is hereby submitted for Retirement Board approval.

ES/sk

cc Wanda Hendrix, Treasury Manager

**STATEMENT OF RECEIPTS AND DISBURSEMENTS
EMPLOYEES' RETIREMENT FUND
MONTH OF APRIL 2013**

CASH BALANCE March 31, 2013 **\$ 2,444,622.29**

RECEIPTS

Employees' Contributions	\$ 804,425.82	
District Contributions	4,657,195.56	
LAIF Redemptions	6,200,000.00	
Commission Recapture	<u>602.96</u>	
TOTAL Receipts		11,662,224.34

DISBURSEMENTS

Checks/Wires Issued:

Service Retirement Allowances	\$ 5,254,857.67	
Disability Retirement Allowances	140,602.67	
Health Insurance Benefit	725,644.02	
LAIF Deposits	5,400,000.00	
Administrative Cost	<u>43,734.72</u>	
TOTAL Disbursements		<u>(11,564,839.08)</u>

CASH BALANCE April 30, 2013 **\$ 2,542,007.55**

LAIF **12,018,401.98**

LAIF and Cash Balance April 30, 2013 **\$ 14,560,409.53**

Domestic Equity

Barrow Hanley	\$ 156,394,449.16
Russell 1000 Index Fund	271,162,200.98
Russell 2000 Growth Index Fund	18,502,470.21
Opus	24,466,707.46
Intech	71,145,928.16
T. Rowe Price	<u>68,506,245.83</u>
Subtotal Domestic Equity	\$ 610,178,001.80

International Equity

Franklin/Templeton Foreign Fund	\$ 104,064,195.43
Fisher Investments	<u>108,940,858.76</u>
Subtotal International Equity	\$ 213,005,054.19

Real Estate

Real Estate RREEF	\$ 21,897,756.00
Urdang	<u>33,876,022.26</u>
Subtotal Real Estate	55,773,778.26

Fixed Income Managers

CS Mckee	\$ 158,375,033.09
Western Asset Management Company	<u>83,641,400.02</u>
Subtotal Fixed Income Managers	\$ 242,016,433.11

Total for Domestic & International Equities **1,120,973,267.36**

MARKET VALUE OF ASSETS at APRIL 30, 2013 **\$ 1,135,533,676.89**

Respectfully submitted,



**D. Scott Klein
Controller**

S. Lindley 5/23/13
S. Lindley-Acctg. Syst. Supvr.
prepared by vwong

EAST BAY MUNICIPAL UTILITY DISTRICT

DATE: June 25, 2013
MEMO TO: Members of the Retirement Board
THROUGH: Eric L. Sandler, Director of Finance *W. A. for E. Sandler*
FROM: D. Scott Klein, Controller *D. Scott Klein*
SUBJECT: Statement of Receipts and Disbursements for May 2013

The attached Statement of Receipts and Disbursements report for the month of May 2013 is hereby submitted for Retirement Board approval.

ES/sk

cc Wanda Hendrix, Treasury Manager

**STATEMENT OF RECEIPTS AND DISBURSEMENTS
EMPLOYEES' RETIREMENT FUND
MONTH OF MAY 2013**

CASH BALANCE April 30, 2013 \$ 2,542,007.55

RECEIPTS

Employees' Contributions	\$ 800,628.19	
District Contributions	4,646,613.42	
LAIF Redemptions	6,300,000.00	
Commission Recapture	<u>109.03</u>	
TOTAL Receipts		11,747,350.64

DISBURSEMENTS

Checks/Wires Issued:

Service Retirement Allowances	\$ 5,291,964.94	
Disability Retirement Allowances	140,602.67	
Health Insurance Benefit	768,276.49	
Payments to Retiree's Resigned/Deceased	62,517.93	
LAIF Deposits	5,400,000.00	
Administrative Cost	<u>59,161.76</u>	
TOTAL Disbursements		<u>(11,722,523.79)</u>

CASH BALANCE May 31, 2013 \$ 2,566,834.40

LAIF 11,118,401.98

LAIF and Cash Balance May 31, 2013 \$ 13,685,236.38

Domestic Equity

Barrow Hanley	\$ 161,782,132.65
Russell 1000 Index Fund	277,208,861.51
Russell 2000 Growth Index Fund	19,443,380.20
Opus	25,937,586.97
Intech	72,549,689.56
T. Rowe Price	<u>70,542,952.32</u>
Subtotal Domestic Equity	\$ 627,464,603.21

International Equity

Franklin/Templeton Foreign Fund	\$ 105,735,036.59
Fisher Investments	<u>106,737,282.77</u>
Subtotal International Equity	\$ 212,472,319.36

Real Estate

Real Estate RREEF	\$ 21,897,756.00
Urdang	<u>32,003,096.37</u>
Subtotal Real Estate	53,900,852.37

Fixed Income Managers

CS Mckee	\$ 156,179,645.09
Western Asset Management Company	<u>82,190,195.92</u>
Subtotal Fixed Income Managers	\$ 238,369,841.01

Total for Domestic & International Equities 1,132,207,615.95

MARKET VALUE OF ASSETS at MAY 31, 2013 \$ 1,145,892,852.33

Respectfully submitted,



D. Scott Klein
Controller

S. Lindley 4/27/13
S. Lindley-Acctg. Syst. Supvr.
prepared by vwong

R.B. RESOLUTION NO. 6781

RATIFYING AND APPROVING INVESTMENT TRANSACTIONS BY THE TREASURER
FOR APRIL, 2013 AND MAY, 2013

Introduced by: ; Seconded by:

WHEREAS, Retirement Board Rule No. B-7 provides for the temporary investment of retirement system funds by the Treasurer or Assistant Treasurer in securities authorized by Sections 1350 through 1366 of the Financial Code or holding funds in inactive time deposits in accordance with Section 12364 of the Municipal Utility District Act; and

WHEREAS, investment transactions during April 2013, and May, 2013 have been made in accordance with the provisions of the said rule;

NOW, THEREFORE, BE IT RESOLVED that the investment transactions consummated by the Treasurer and included on the attached Exhibit A for April 2013, and May, 2013 are hereby ratified and approved.

President

ATTEST:


Secretary

07/18/13

EAST BAY MUNICIPAL UTILITY DISTRICT

DATE: July 18, 2013

MEMO TO: Members of the Retirement Board

FROM: Elizabeth Grasseti, Sr. Human Resources Analyst 

SUBJECT: Declaring Results of the Election of an Employee Member of the Retirement Board

The election of an employee member to the District Retirement Board has been completed. The District Retirement System Election Committee has certified the following results:

A total of 672 ballots were cast in the 2013 election of an employee member to the Retirement Board. Valid ballots totaling 662 were tallied by the Election Committee.

The results of the tally are as follows:

Douglas Higashi	640
Others	22

Of the 10 ballots not tallied, 9 did not follow directions, and 1 was received late.

I hereby certify that Douglas Higashi has been elected to the Retirement Board for a two-year term beginning June 24, 2015.

EG:eg

R.B. RESOLUTION NO. 6782

DECLARING THE RESULTS OF AN ELECTION OF AN EMPLOYEE MEMBER OF THE
RETIREMENT BOARD

Introduced by: ; Seconded by:

WHEREAS, Section 4(a) of the Retirement Ordinance provides for election by and from membership of the Retirement System to fill a vacancy on the Retirement Board created by the expiration of the term of an elected Retirement Board member, and the Secretary of the Retirement Board has certified that Douglas Higashi has been elected by the membership of the Retirement System as a member of the Retirement Board pursuant to an election conducted for said purpose;

NOW, THEREFORE, BE IT RESOLVED that Douglas Higashi is hereby declared a member of the Retirement Board and that said member shall serve a period of two years commencing June 24, 2013.

President

ATTEST:

Secretary

07/18/13

EAST BAY MUNICIPAL UTILITY DISTRICT
Office of General Counsel

DATE: July 18, 2013

MEMO TO: Retirement Board

FROM: Lourdes Matthew, Attorney III *Lourdes Matthew*

SUBJECT: Authorize the Recommendation to the Board of Directors of
Further Amendments to the Retirement Ordinance Pursuant to
IRS Determination Letter

INTRODUCTION

The Retirement Board is asked to authorize the recommendation of further amendments to the Board of Directors pursuant to the favorable determination letter issued by the Internal Revenue Service. However, this favorable determination is conditioned upon further amendments to Sections 2(dd), 11(b), and 36(j) of the Retirement Ordinance.

Staff recommends that the Retirement Board recommend to the Board of Directors that these further amendments be made to the Retirement Ordinance. Attached for the Board's reference is a draft ordinance reflecting the proposed amendments.

DISCUSSION

In 2008, the Internal Revenue Service provided an opportunity to public retirement systems to submit their plans for review by the IRS and to make voluntary corrections where the plan document was out of compliance with tax laws. In 2009, the Retirement System availed itself of the IRS's voluntary correction program and at the same time submitted a request for determination that the District's plan is a qualified tax plan.

After nearly four years since the Retirement System voluntarily submitted the Retirement Ordinance for review, the IRS finally issued a favorable determination of the District's plan, however, conditioned upon further amendments to the Retirement Ordinance.

I. What a Favorable Determination Letter Means to the Retirement System

The Determination Letter affirms that the District's Retirement System is a qualified governmental retirement plan, entitled to favorable tax treatment. A favorable determination indicates that in the opinion of the IRS, the terms of the plan conform to tax laws. A favorable tax treatment means that employer contributions made to the plan are deductible (which is not applicable to tax exempt entities like the District), the earnings on the plan's related trust fund are not taxed, and that participants in the plan will not be taxed on the benefits accrued under the plan until they are distributed to the participant. Unfortunately, the effectiveness of the

determination letter is not indefinite since new tax laws may be subsequently enacted. As such, the letter remains in effect for five years from the date of the initial application. This means that since the application was submitted in 2009, the letter will expire on January 31, 2014.¹ Despite the expiration date the Retirement Ordinance will remain in compliance with existing tax laws, barring those that are subsequently enacted that may require further amendment to the ordinance.

II. The Further Amendments to be Made to the Retirement Ordinance

The further amendments to the Retirement Ordinance are as follows:

The following language shall be added to Section 2(dd):

In addition, a Member's right to his or her Service Retirement is non-forfeitable on attainment of Normal Retirement Age. For purposes of determining whether a Member has a non-forfeitable benefit, Normal Retirement Age is the earlier of attaining age 65 or the fifth anniversary of the time the Member commenced membership in the Retirement System.

The following language shall be added to Section 11(b):

In addition, notwithstanding any other provisions of the Retirement System, the rights of each Member to his or her accrued retirement benefits under this Ordinance shall be non-forfeitable in accordance with the requirements of section 401(a) of the Internal Revenue Code of 1986 (the "Code") that are applicable to public employee plans, including the requirement that to the extent then funded, on the date of any termination of the Retirement System, any partial termination of the Retirement System, or the complete discontinuance of contributions under the Retirement System, accrued retirement benefits shall be non-forfeitable as provided under the applicable provisions of the Code.

Finally, the following shall be included in Section 36(j)(3):

Health Insurance Benefits provided under the Retirement System are subordinate to the retirement benefits provided under the Retirement System. The aggregate actual contributions for retiree Health Insurance Benefits, when added to the actual contributions for any life insurance provided under the Retirement System, are limited to twenty-five percent of the total actual contributions made to the Retirement System (other than contributions to fund past service credit) after the later of the adoption or effective date of the amendment first adding Health Insurance Benefits to the Retirement System in accordance with Section 401(h) of the Internal Revenue Code.

¹ While this would normally mean that a new determination letter application would have to be filed by January 31, 2014, the IRS has specially authorized governmental plans to delay filing until January 31, 2016, if the District elects to move to a new, later five-year filing cycle. The Office of General Counsel will bring this delay process back for discussion later in 2013.

CONCLUSION

Staff recommends that the Retirement Board authorize the recommendation of the further amendments to the Retirement Ordinance to the Board of Directors as required by the IRS and to ensure that the Retirement Ordinance is in compliance with tax laws.

LM:rj

Attachment

cc: Alexander Coate, General Manager
Eric Sandler, Director of Finance
Delores Turner, Manager of Human Resources
Lisa Sorani, Manager of Employee Services

\\w\400 GOV-MGMT\450.05 Retirement\BOARD\BOARD MEMOS\2013 Board
Memos\Action Items\Further Ordinance Amendment 7-18-13.DOCX

ORDINANCE NO. _____

AN ORDINANCE, EFFECTIVE AS OF _____, AMENDING SUBSECTIONS 2(DD), 11(B), AND 36(J) OF ORDINANCE 40, WHICH IS THE EMPLOYEES' RETIREMENT SYSTEM ORDINANCE.

Introduced by Director _____ ; Seconded by Director _____

BE IT ENACTED by the Board of Directors of the East Bay Municipal Utility District that Ordinance No. 40, which is entitled "AN ORDINANCE ESTABLISHING A RETIREMENT SYSTEM FOR EMPLOYEES OF EAST BAY MUNICIPAL UTILITY DISTRICT, PROVIDING FOR THE PAYMENT OF RETIREMENT ALLOWANCES TO MEMBERS OF THE RETIREMENT SYSTEM, FOR THE PAYMENT OF DEATH BENEFITS AND SURVIVORSHIP BENEFITS, AND FOR THE COST OF LIVING ADJUSTMENTS, PRESCRIBING THE CONDITIONS UNDER WHICH SAID ALLOWANCES AND BENEFITS SHALL BE PAID, DETERMINING RATES OF CONTRIBUTION AND THE AMOUNTS OF RETIREMENT ALLOWANCES, DEATH BENEFITS AND SURVIVORSHIP BENEFITS, AND THE PERCENTAGE OF COST OF LIVING ADJUSTMENT, AND PROVIDING THE ADMINISTRATION OF SAID RETIREMENT SYSTEM," as amended from time to time, is further amended as follows:

1. **Subsection 2(dd) of this Ordinance, entitled "Normal Retirement Age," is amended as follows:**

"Normal Retirement Age" shall mean the age of sixty-five (65) years. Rates of contribution, service Retirement Allowances and disability Retirement Allowances are predicated upon Normal Retirement Age. **In addition, a Member's right to his or her Service Retirement is non-forfeitable on attainment of Normal Retirement Age. For purposes of determining whether a Member has a nonforfeitable benefit, normal retirement age is the earlier of attaining age 65 or the fifth anniversary of the time the Member commenced membership in the Retirement System.**

2. **Subsection 11(b) of this Ordinance is amended to add the following new paragraph to the end of the subsection:**

The District may at any time change, modify, or repeal this Ordinance or any part thereof in respect to its future obligations to any Member not at that time receiving or being eligible to a Retirement Allowance hereunder.

It is hereby specifically provided, however, and the District hereby covenants and guarantees, that the District's obligations to those Members receiving or eligible to receive a Retirement Allowance prior to such change, modification or repeal shall continue in full force and effect as provided in this Ordinance; and that the District's obligation to those Members not receiving or being eligible to receive a Retirement Allowance at the time of such change,

modification or repeal, will be a Retirement Allowance at retirement age equal to the actuarial equivalent of the accumulated value of the Member's contribution standing to his credit at date of retirement, and the accumulated value of the District's contribution for Current Service to the date of such change, modification or repeal, increased further by the accumulations of said amount to date of retirement, but without further contributions from the District.

In addition, notwithstanding any other provisions of the Retirement System, the rights of each Member to his or her accrued retirement benefits under this Ordinance shall be non-forfeitable in accordance with the requirements of section 401(a) of the Internal Revenue Code of 1986 (the "Code") that are applicable to public employee plans, including the requirement that to the extent then funded, on the date of any termination of the Retirement System, any partial termination of the Retirement System, or the complete discontinuance of contributions under the Retirement System, accrued retirement benefits shall be non-forfeitable as provided under the applicable provisions of the Code.

3. Subsection 36(j) of this Ordinance is amended by replacing the last sentence of paragraph (3) with the following sentences:

Contributions to the 401(h) account shall be made by the District solely to pay to or reimburse Retired Members or Surviving Spouses for health insurance premiums or similar coverage costs. Contributions shall be reasonable, ascertainable, necessary, and appropriate. ~~Contributions shall not exceed the amounts that under the Code would violate the rule requiring health benefits to be subordinate to retirement benefits.~~

Health Insurance Benefits provided under the Retirement System are subordinate to the retirement benefits provided under the Retirement System. The aggregate actual contributions for retiree Health Insurance Benefits, when added to the actual contributions for any life insurance provided under the Retirement System, are limited to twenty-five percent of the total actual contributions made to the Retirement System (other than contributions to fund past service credit) after the later of the adoption or effective date of the amendment first adding Health Insurance Benefits to the Retirement System in accordance with section 401(h) of the Internal Revenue Code.

President

I HEREBY CERTIFY that the foregoing Ordinance was duly and regularly introduced at a regular meeting of EAST BAY MUNICIPAL UTILITY DISTRICT held on _____ day of _____, 2013, at the offices of said District, 375 - 11th⁴ Street, Oakland, California, and

thereupon, after being read, further action was scheduled for the regular meeting of said Board of Directors held at the same place on _____, 2013, at which time the same was finally adopted by the following vote:

AYES: _____

NOES: _____

ABSENT: _____

ABSTAIN: _____

ATTEST: _____

Secretary

APPROVED AS TO FORM AND PROCEDURE


General Counsel

EAST BAY MUNICIPAL UTILITY DISTRICT

DATE: July 18, 2013

MEMO TO: Members of the Retirement Board

THROUGH: Lisa Sorani, HR Manager of Employee Services

FROM: Elizabeth Grasseti, Sr. Human Resources Analyst 

SUBJECT: Crediting Interest Rate on Member Contributions

ACTION: Vote on Resolution No. 6783

RECOMMENDATION

Approve Resolution No. 6783

BACKGROUND

The Retirement Ordinance, Section 4(d), directs the Retirement Board to semi-annually declare the rate of interest to be credited to accumulated Member contributions.

In accordance with Retirement Board Rule B-9, the annual rate of interest credited to Member contributions will be the lesser of the actuarially assumed rate of interest or the five (5) year average rate of return on Retirement System investments for the period ending December 31, 2012. The actuarially assumed rate of interest is 7.75%, and the five-year average rate of return as of December 31, 2012 was 2.6%.

Therefore, Resolution No. 6783 declares that the interest credited to the balance of Member contributions effective June 30, 2013 will be at the annual rate of 2.6%. The rate credited to Members account will be prorated to a semi-annual rate of 1.3%.

R.B. RESOLUTION NO. 6783

DECLARING THE INTEREST RATE

Introduced by:

; Seconded by:

WHEREAS, section 4(d) of Ordinance, as amended, provides that the Retirement Board shall semi-annually declare the rate of interest for the preceding six (6) months to be credited on accumulated contributions of members, which rate shall be based upon criteria to be established by the Retirement Board; and

WHEREAS, the crediting rate be the lesser of the actuarial assumed rate of seven and three quarters percent (7.75%) or the actual five (5) year earnings rate of the fund, determined to be one and six-tenths and percent (2.6%) for the period ending December 31, 2012;

NOW THEREFORE, BE IT RESOLVED that the Retirement Board does hereby declare a one and sixth tenths percent (2.6 %) annual interest rate. The rate credited to members account will be eight tenths percent (1.3%) for the six (6) month period ending June 30, 2013, in accordance with Rule B-9 of Retirement Board.

President

ATTEST:

Secretary


07/18/13

EAST BAY MUNICIPAL UTILITY DISTRICT

DATE: July 18, 2013

MEMO TO: Members of the Retirement Board

THROUGH: Lisa Sorani, Manager of HR Employee Services

FROM: Elizabeth Grasseti, Sr. Human Resources Analyst 

SUBJECT: Authorize Low Income Adjustments to Retired Members and Surviving Spouses

BACKGROUND

Section 35 of the Retirement Ordinance provides for a Low-Income Benefit for retirees or their surviving beneficiary. To qualify, the retiree must have retired with 20 or more years of service; be in receipt of a Social Security benefit; and the retiree (or beneficiary) must demonstrate that his or her total income from all sources is below a certain level of income determined with respect to the poverty level established by the State of California. The qualifying level of income varies: for retirees, total income must be less than 200% of the poverty levels; for surviving beneficiaries, total income must be less than 150% of the poverty level. For 2013, the poverty level is \$15,510 in annual income.

To calculate the Low Income Benefit, the difference between the individual's total income and the applicable threshold level (described above) is determined; then that difference is divided by 12 to find the amount added to the individual's monthly retirement payment.

Two qualified surviving spouses have applied for this benefit to date. The Low Income Benefit for the qualified individual(s) will be \$256.09 per month. The cost to the Retirement System is approximately \$3,073.08 for the fiscal year.

RECOMMENDATION

Staff recommends that the Retirement Board approve Resolution No. 6784 authorizing payment of the Low Income Benefit to the qualified applicant(s).

R.B. RESOLUTION NO. 6784

AUTHORIZING LOW-INCOME ADJUSTMENTS TO RETIRED MEMBERS AND
SURVIVING SPOUSES

Introduced by:

; Seconded by:

Pursuant to the provisions of Section 35 of Ordinance No. 40, as amended, and Retirement Board Rule C-3 adopted with said Section 35, the retired members hereinafter named shall receive a low-income adjustment in addition to the retirement benefit payable. Said low-income adjustment shall result in an increase in total amount payable as set forth below, and shall be effective beginning with the month of July 2013 and thereafter until otherwise ordered by the Retirement Board, and any other resolution or parts of resolutions in conflict herewith are hereby rescinded and cancelled.

<u>Ret No.</u>	<u>Annuity</u>	<u>Low Income Adj.</u>	<u>Total</u>
01120	\$687.43	\$92.32	\$779.75
01029	\$349.18	\$163.77	\$512.95

President

ATTEST:

Secretary

07/18/2013

EAST BAY MUNICIPAL UTILITY DISTRICT

DATE: July 18, 2013

MEMO TO: Retirement Board

FROM: Eric Sandler, Director of Finance



SUBJECT: Asset Liability Primer

BACKGROUND

At the May 17, 2012 Retirement Board meeting, Pension Consulting Alliance (PCA) reviewed the Asset Liability Modeling Options Study with the Retirement Board. Also at that meeting, they decided to postpone the study until after the completion of the Quadrennial Experience Study and the Annual Actuarial Valuation. At the March 21, 2013 Retirement Board meeting, the Board selected the Standard Mean-Variance Based Option Asset Allocation Study as the option for the Plan. The Asset Liability Study is being prepared by PCA and the results will be presented at the September 19, 2013 Retirement Board meeting.

DISCUSSION

The purpose of the Asset Liability Study is to develop the appropriate asset allocation for the Plan. The study is normally conducted within a 3-5 year timeframe; some agencies have been conducting this more frequently as a result of increased volatility in the investment markets. Another goal of the study is to identify the roles and responsibilities of the trustee in the development of a sound asset allocation for its Plan. The study attempts to create an optimal asset allocation to accurately reflect the nature of the Plan's liabilities and establishes its risk tolerance in selecting a longer-term investment strategy and policy allocations.

A representative from PCA will be at the board meeting to discuss the presentation.

Attachment

ES:WH

ASSET LIABILITY PRIMER

East Bay Municipal Utility District



AGENDA ITEMS

<u>Section</u>	<u>Tab</u>
Overview	1
Review of Current Portfolio	2
Capital Market Assumptions	3
Asset Liability Study	4

OVERVIEW

The overall plan goal:

- An investment portfolio in a defined benefit plan exists to *provide assets that meet benefits agreed upon both now and in the future*

The goal of strategic allocation:

- Building a portfolio with the highest probability of achieving the plan's overall goals (with the lowest risk possible)

The issues:

- Growth of EBMUD assets must meet growing cash flow requirements
 - two methods of increasing assets: investment growth and contributions
- Rate of investment growth influenced by a plan's *tolerance for plan risk (uncertainty)*
 - fundamental approach to managing investment risk: asset class *diversification*

OVERVIEW

The Strategic Allocation Process is Designed to:

Select the *ideal* investment portfolio in light of EBMUD's *unique*

- tolerance for risk
- time horizon
- constraints

Types of Asset Allocation:

Strategic vs. Tactical

- Strategic Allocation: a long-term policy decision
- Tactical Allocation: attempts to enhance performance by opportunistically shifting the asset mix of a portfolio in response to changing patterns in the capital markets

OVERVIEW

Identification of an Investment Objective (i.e. 7.75%)



Asset Allocation Construction



Sub-Asset Class Construction



Underlying Fund Selection/Retention

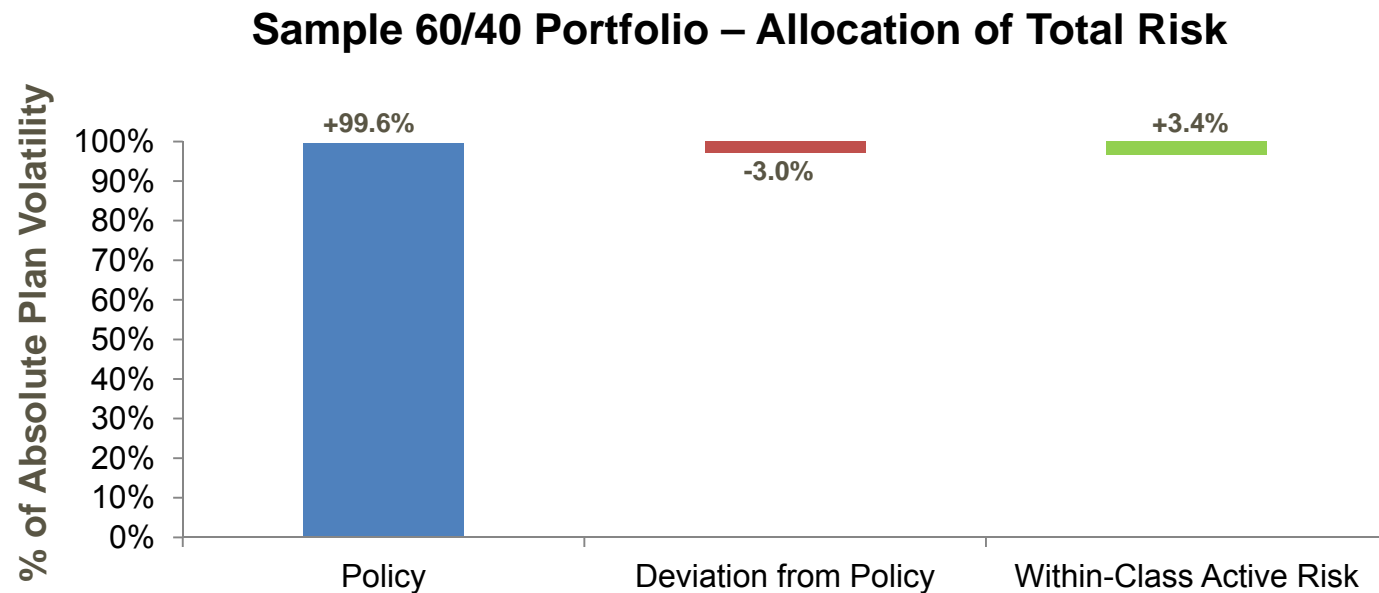
- The Plan should be viewed from the top down
- This can also be seen in terms of their level of importance/risk to the Plan
 - Asset allocation decisions often have a larger impact on the Plan than relative performance of an underlying fund

OVERVIEW

Importance of Strategic Asset Allocation:

- Strategic asset allocation policy explains over 90% of an investment portfolio's return behavior
- Strategic allocation is one of the most important decisions for investors and pension fund managers and has the largest impact on total portfolio returns

OVERVIEW



- In most cases, total plan volatility is explained by its policy allocation (what asset classes the plan is invested in)
- Any deviations around the policy allocation only marginally affect volatility
- Performance of funds within each asset class also has a minimal affect

OVERVIEW

Risk Measures Used in Strategic Allocation:

- Total investment return volatility (annualized standard deviation)
- Probability of not achieving a target rate of return
- Volatility of funding ratios
- Volatility of surplus
- Potential for higher-than-expected employer contributions

OVERVIEW

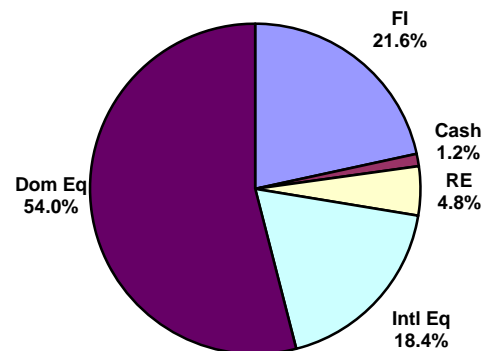
- If Asset Allocation has been our “insurance policy” against investment risk, the different asset classes have not provided the appropriate protection
- Equity risk is like a virus: it has infected everything!
- Bond portfolios can behave like equities
- Real estate portfolios are highly volatile
- U.S. and Non-U.S. Equity still move in tandem
- And today, even gold and oil are rising and falling with equities
- Are Treasuries and Cash the only safe-havens left?

REVIEW OF CURRENT POLICY

Actual vs. Target Allocation

Segment	Actual \$(000)	Actual %	Target %*	Variance
Total Portfolio	1,109,153	100%	100%	---
Domestic Equity	599,471	54.0%	50.0%	4.0%
International Equity	204,568	18.4%	20.0%	-1.6%
Fixed Income	239,489	21.6%	25.0%	-3.4%
Real Estate	52,818	4.8%	5.0%	-0.2%
Cash	12,807	1.2%	0.0%	1.2%

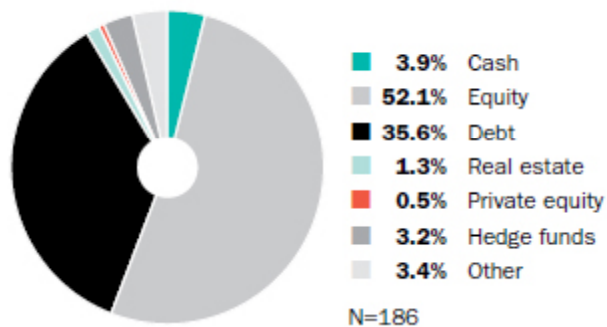
March 31, 2013



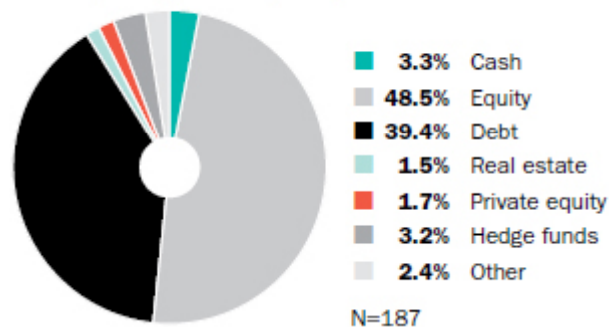
REVIEW OF CURRENT POLICY

Average asset allocations by plan asset size at year-end 2011

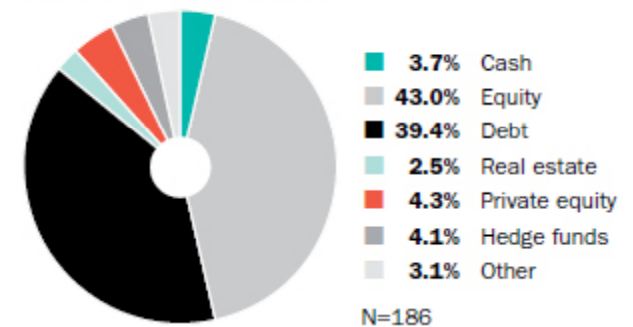
Smallest plans (\$378M or less)



Midsized plans (\$379M – \$1.5B)



Largest plans (\$1.6B – \$110B)



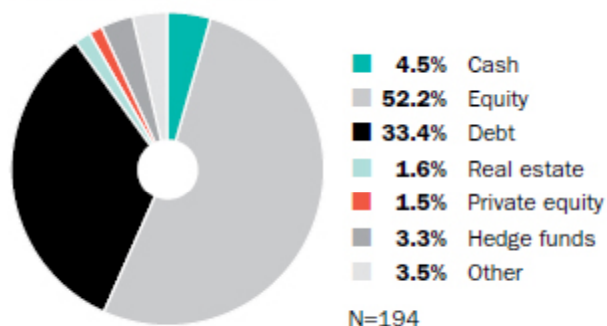
- Larger Plans tend to use a broader range of asset classes
- Larger Plans have larger allocations to private and less liquid assets

Source: Towers Watson

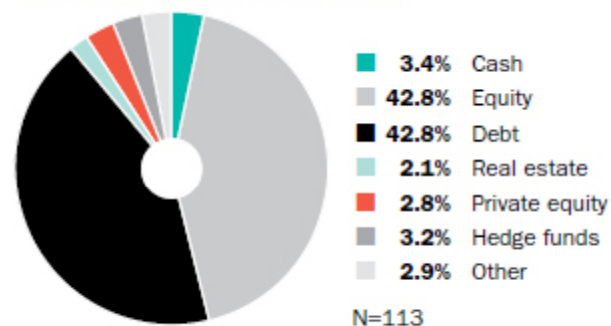
REVIEW OF CURRENT POLICY

Average asset allocations by plan funded status at year-end 2011

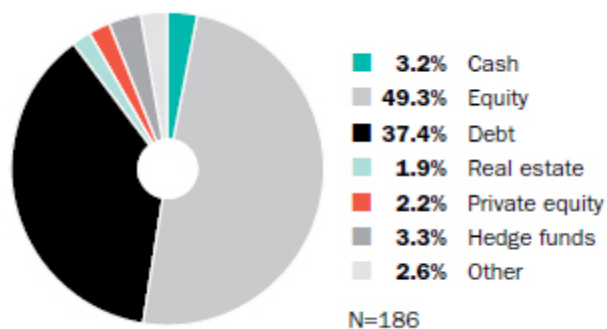
Funded status below 70%



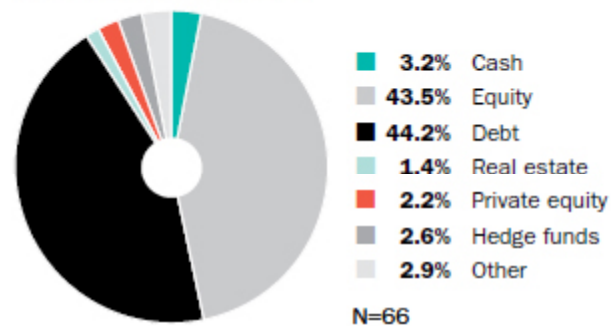
Funded status between 80% and 89%



Funded status between 70% and 79%



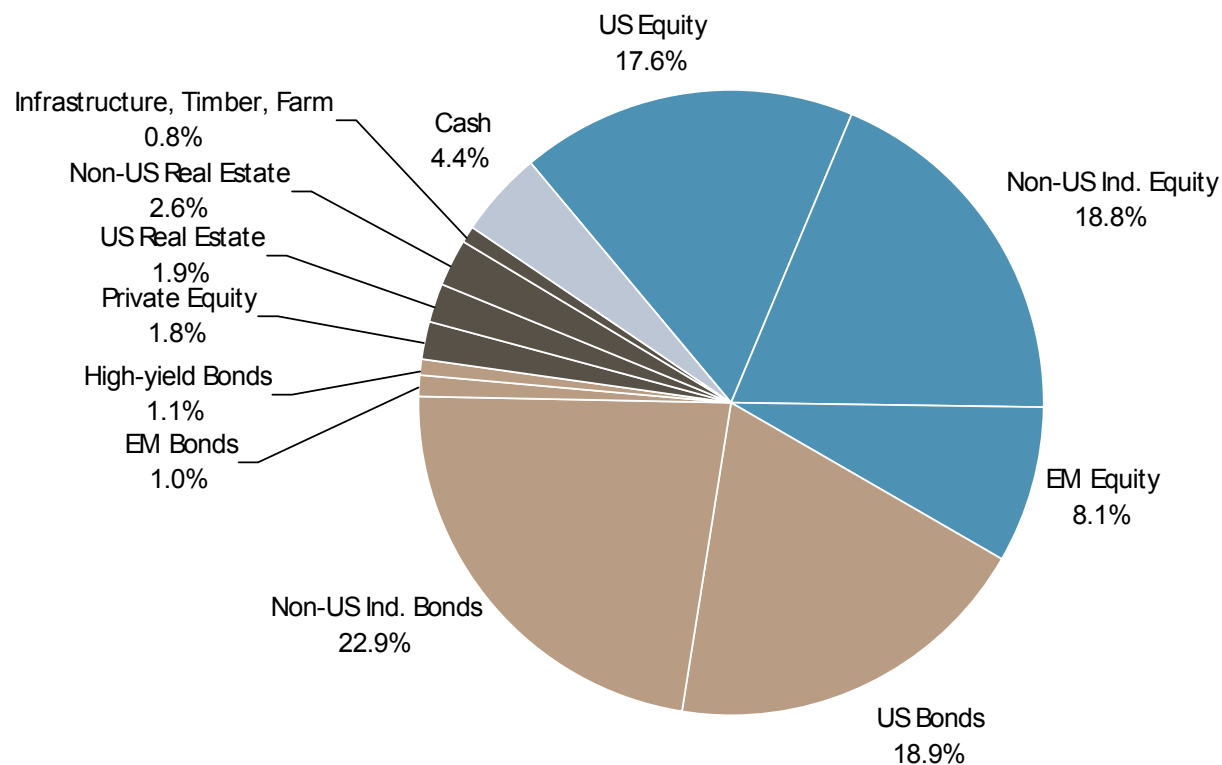
Funded status 90% or above



Source: Towers Watson

REVIEW OF CURRENT POLICY

Total investable capital market USD 90.3 trillion¹



Source: UBS Global Asset Management
1 Figures have been cyclically adjusted, 12/31/2011

CAPITAL MARKET ASSUMPTIONS

PCA 10-Year Capital Market Assumptions

Investment Class	Exp. Arith. Return	Expected Std. Dev.
Cash	2.25%	2.0%
Fixed Income	2.25%	4.5%
Real Estate	6.40%	10.0%
US Equity	8.75%	18.0%
Private Equity	12.00%	26.0%
Real Return	5.85%	8.0%
International Equity	9.15%	21.0%
Covered Calls	7.85%	13.5%

Expected 10-Year Mean-Variance Outcomes

Expected Portfolio Arith. Annual Return 7.1%

Expected Portfolio Annual Risk 13.3%

CAPITAL MARKET ASSUMPTIONS

How accurate have PCA's capital market assumptions been?

EBMUD Allocation	50%	20%	25%	5%		
	Domestic Equity	International Equity	Fixed Income	Real Estate	Estimated Result	Actual Result
2002 Assumptions	9.50%	9.50%	5.25%	7.50%	8.30%	8.20%
2013 Assumptions	8.75%	9.25%	2.25%	6.40%	7.10%	Million \$ Question

- Overtime PCA's capital market assumptions have been a fairly good estimator of future returns
- From the chart you can see the big driver of the reduced return comes from the reduction in the Fixed Income return assumption

ASSET LIABILITY STUDY

- A/L studies attempt to create an optimal asset allocation to accurately reflect the nature of a Plan's liabilities
 - In accordance with the Plan's Investment Policy Statement
- A/L studies focus on developing *longer-term strategic* investment policy allocations
- One of the most important responsibility of a trustee is to develop a sound asset allocation
- A/L studies have typically taken place under a 3-5 year window; but many plan sponsors are now tightening the review window as a result of the increased volatility in the investment markets

ASSET LIABILITY STUDY

The objectives of an asset-liability project are threefold:

1. Develop an understanding of how the financial condition of the EBMUD Plan might vary based on investment outcomes of the EBMUD investment portfolio
2. Given the variability in (1.), establish a consensus definition and view of the risk(s) EBMUD should bear
3. Once a view/tolerance for risk has been established, select an appropriate long-term investment strategy (i.e., a policy portfolio)

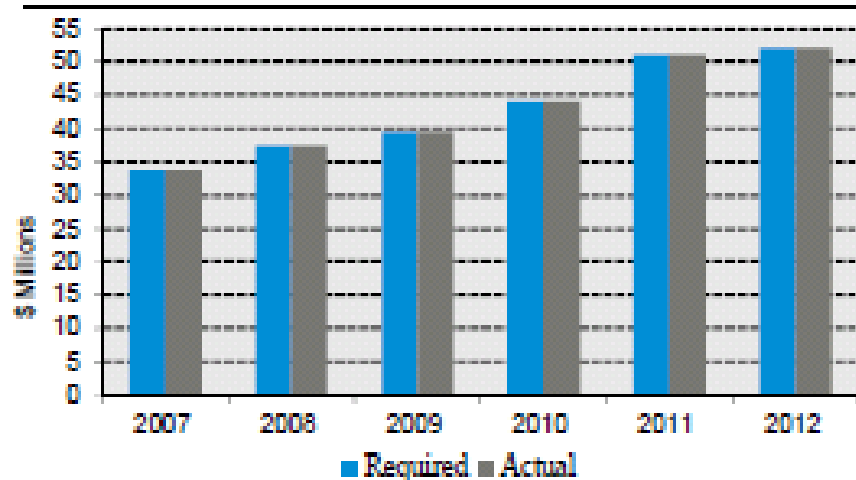
ASSET LIABILITY STUDY

In order to avoid spikes in the District's required contributions and to improve the funding ratio the Plan must meet its required return of 7.75%

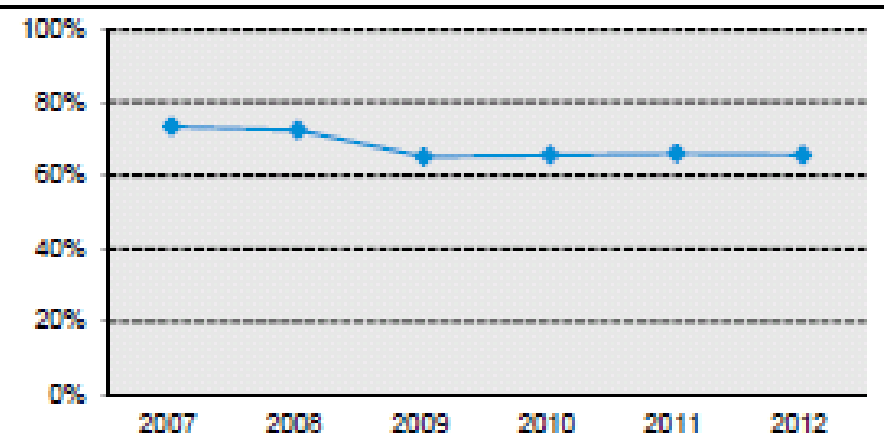
EBMUD currently has a Asset Volatility Ratio equal to 6.1

- This means that a 1% gain(loss) relative to the required return translates to 6.1% of 1 year's payroll
- Since EBMUD amortizes actuarial gains and losses over a 20-year period, there would be a 0.4% decrease(increase) in the required contribution

Required Versus Actual Contributions



Funded Ratio



Source: Segal

ASSET LIABILITY STUDY

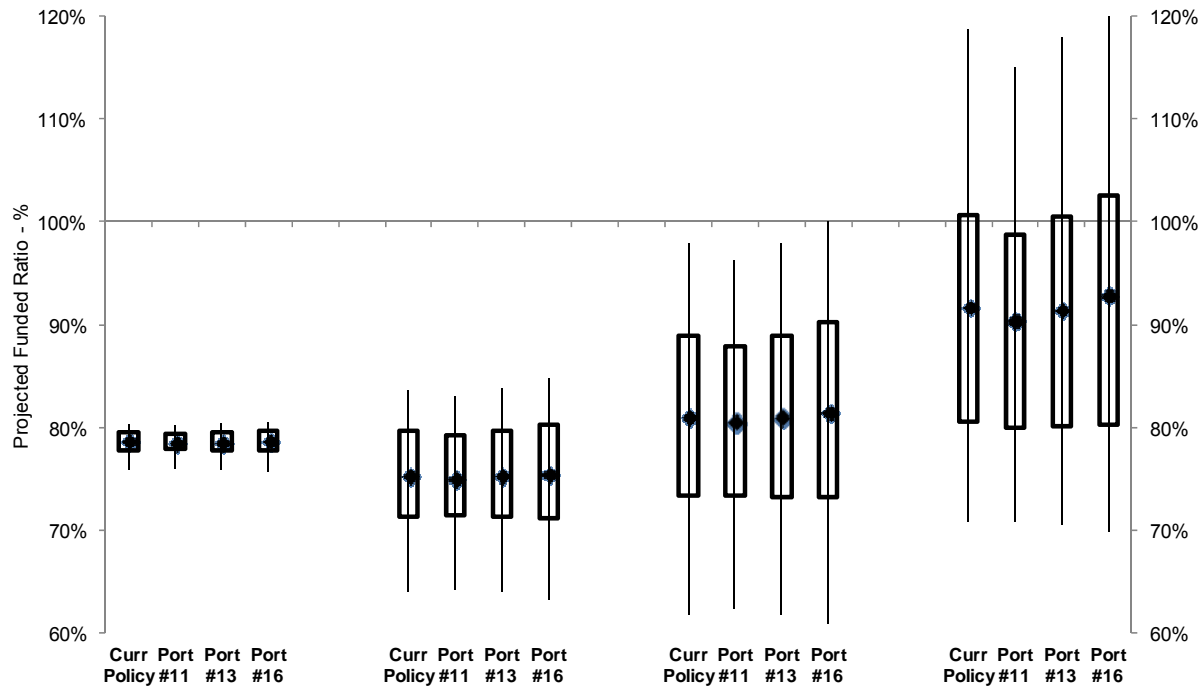
■ Example of Asset Liability Model Output

Investment Class	Port #11 - best ret/risk	Port #13 - same ret/ min risk	Port #16 - same risk/ max ret	Current Long- Term Policy
Private Equity	3%	4%	5%	5%
International Equity	18%	21%	27%	24%
Domestic Equity	32%	33%	34%	34%
Covered Calls	9%	8%	4%	0%
Real Return	5%	5%	4%	7%
Real Estate	5%	4%	4%	5%
Fixed Income	27%	24%	21%	24%
Cash	1%	1%	1%	1%
Total	100%	100%	100%	100%
<i>Modeled Results</i>				
Expected Arithmetic Return	7.6%	7.8%	8.1%	7.9%
Estimated Compound Return	7.0%	7.2%	7.4%	7.2%
1 Yr. ADD vs. 3.25%	7.5%	7.9%	8.9%	8.6%
1 Yr. Down. Deviation	5.6%	5.9%	6.7%	6.4%
1 Yr. Down. Prob.	33.1%	33.1%	32.9%	33.0%
10 Yr. Down. Deviation	0.8%	0.8%	1.0%	1.0%
10 Yr. Down. Prob.	10.3%	10.5%	11.0%	10.8%
<i>Simulated Results</i>				
Average Compound Return	7.6%	7.8%	8.1%	7.9%
Median Compound Return	7.2%	7.3%	7.5%	7.4%

ASSET LIABILITY STUDY

■ Example of Asset Liability Model Output

Funding Status



	Portfolio	Average	Highest		Lowest	
			25th Pct	5th Pct	95th Pct	75th Pct
1 Year	Curr Policy	79%	80%	80%	76%	78%
	Port #11	79%	79%	80%	76%	78%
	Port #13	79%	80%	80%	76%	78%
	Port #16	79%	80%	81%	76%	78%
3 Years	Curr Policy	75%	80%	84%	64%	71%
	Port #11	75%	79%	83%	64%	71%
	Port #13	75%	80%	84%	64%	71%
	Port #16	76%	80%	85%	63%	71%
5 Years	Curr Policy	81%	89%	98%	62%	73%
	Port #11	81%	88%	96%	62%	73%
	Port #13	81%	89%	98%	62%	73%
	Port #16	82%	90%	100%	61%	73%
10 Years	Curr Policy	92%	101%	119%	71%	81%
	Port #11	91%	99%	115%	71%	80%
	Port #13	92%	101%	118%	71%	80%
	Port #16	93%	103%	122%	70%	80%

Disclosures

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