

# ***City of Fort Myers General Employees' Retirement System***

## **Minutes: Meeting of May 16, 2012**

### **1. CALL TO ORDER**

Chairperson Barbara Carlson called a meeting of the Board of Trustees for the Fort Myers General Employees' Retirement System to order at 9:00 AM. Ms. Carlson called roll. Those persons present included:

#### TRUSTEES

#### OTHERS

Barbara Carlson, Chair

Eloise Pennington, Vice-Chair

Richard Griep, Secretary

Dennis Pearlman

Donna Lovejoy

Tom O'Malley

William Mitchell

Linda Runkle, The Pension Resource Center

Debra Emerson, City of Fort Myers

Mike Seagle, City of Fort Myers

Holly Simone, City of Fort Myers

### **2. APPROVAL OF APRIL 18, 2012 MEETING MINUTES**

Following corrections noted:

Page 2 - correct spelling of Scott Christiansen's name

Page 3 - change "thresholds" to "Trustees"

Page 5 - "meant"

**Richard Griep made a motion to approve the Minutes for the meeting of April 18, 2012 with corrections as noted above, Dennis Pearlman seconded. Motion carried by the Trustees 7-0.**

### **3. ATTORNEY REPORT**

#### **a. Operating Rules and Procedures**

##### **I. Section 1.7: Election Procedures**

##### **II. Section 8: Ordinance changes**

Scott Christiansen reviewed the packets containing revisions and the existing language from the current Operating Rules and Procedures. Mr. Christiansen can incorporate new changes and the Actuarial equivalent change approved in March of 2010, all into one document. Richard Griep proposed that "Non-Union" be defined in the OR & P, perhaps as "exempt employee under FLSA". Essentially, they are employees who are not eligible to be covered by a collective bargaining unit. Scott Christiansen recommended adding a definition in paragraph C - "A non-Union employee is an employee who is not eligible for union membership."

**Richard Griep made a motion to add the recommended definition to the Operating Rules and Procedures second addendum. William Mitchell seconded. Motion carried by the Trustees 7-0.**

**Richard Griep made a motion to have Mr. Christensen create new Operating Rules and Procedures with all changes to date, including the second addendum. Barbara Carlson seconded. Motion carried by the Trustees 7-0.**

**Richard Griep made a motion to approve the second addendum as amended. Barbara Carlson seconded. Motion carried by the Trustees 7-0.**

Mr. Christensen reminded all Trustees to file a Form 1 Financial Disclosure with the State. Deadline for filing is July 1, 2012.

The Pension Resource Center is to facilitate Tim Nash providing the signed Addendums to the Investment Policy Statement that were approved by the Board at the September 2011 meeting to Scott Christensen for the next Board meeting.

Eloise Pennington brought up that at Mr. Christiansen's Trustee Responsibilities & Investments mini-seminar last month, one of the Board's responsibilities is to conduct an Annual Disability Review. To her knowledge, this has not been done for a few years. The meeting packet contains the Operating Rules and Procedures section regarding the Disability Review stating that all plan members under the age of 62 that are receiving disability payments be requested to provide an affidavit of continuing disability from a doctor on an annual basis.

**Eloise Pennington made a motion that The Pension Resource Center conduct a Disability Review of all disability recipients under the age of 62. Richard Griep seconded. Motion carried by the Trustees 7-0.**

#### **4. ADMINISTRATOR REPORT**

- a. Business Associate Agreement**
- b. Onsite Staffing**

A Business Associate Agreement was sent to Connie Gleason, Richard Griep and Debra Emerson in January 2012 from Scott Baur. No additional requests were made of The Pension Resource Center since. The Board deferred discussion of these items to the next meeting (June 20, 2012).

- c. Trustee Terms**

William Mitchell and Marie Adams have had a conversation with Scott Baur that has resulted in accurate terms noted in the May 2012 Trustees document included in this meeting packet. The Board, the City and The Pension Resource Center will use this as the basis for initiating elections and appointments going forward.

- d. Signature Authorization Update**

The Board approved adding Pam Nolan, Pension Resource Center Administrator, and the two Trustees new to the Board, William Mitchell and Dennis Pearlman, to the Authorized Signer's list for Comerica.

- e. Disability Review Procedure** - see last item in Attorney Report section above.

## **5. PLAN FINANCIALS**

### **a. Interim Financial Statement**

Linda Runkle presented the Balance Sheet and Statement of Income and Expense provided by The Pension Resource Center. Richard Griep noted that the Income and Expense spreadsheet line 4121-0401 is not a correct total. The Administrator will follow up with the creator of the report at The Pension Resource Center to correct.

### **b. Warrant Dated May 15, 2012**

**Richard Griep made a motion to approve the Warrant as submitted. Barbarra Carlson seconded. Motion carried 7-0.**

### **c. Benefit Approvals**

**Dennis Pearlman made a motion to approve the Benefit Approvals as submitted. Eloise Pennington seconded. Motion carried 7-0.**

## **6. INVESTMENT PERFORMANCE AND REVIEW**

### **a. Monthly performance monitoring by Bogdahn**

The Board reviewed the excerpt from the March 31, 2012 quarterly report from Bogdahn comparing the asset allocation as of March 31, 2012 to asset allocation as of December 31, 2011.

Eloise Pennington brought up that Dave West, the investment specialist from Bogdahn who spoke at the Trustee Responsibilities & Investment seminar, mentioned that consistent rebalancing needed to be included in the Investment Policy Statement. The Board would like to add this discussion point to the June meeting when Tim Nash will be in attendance to address this point.

Dennis Pearlman called the Board's attention to the recap on page 41 of the Bogdahn Quarterly report for March 31, 2012. He noted that on the 3 to 5 year performance the investment portfolio missed its target. The Board will address this issue at the June meeting, when Tim Nash will be present.

### **b. Quarterly Investment Review Schedule Change**

The Board appreciates receiving financial updates in May.

Richard Griep suggested that the Board should consider moving toward setting the target return rate at 7.75% as recommended by the State. This would eliminate a second calculation by Foster & Foster. Mr. Mitchell observed that it is important for the City to look at what is actually being contributed by the City as compared to what was anticipated to be contributed in the budget. The Board and the City should both look at real costs. Donna Lovejoy recalls that the Board "Chose not to reduce the assumption last year because we did not want to burden the City". The Board would like to review

the target investment rate at the next Board meeting. Mr. Mitchell noted that “the City Council favors a realistic assumption and real costs paid”.

## **7. OLD BUSINESS**

Richard Griep had a question regarding what HR’s responsibility was to the Pension Plan. Mr. Mitchell responded that “HR is waiting to see what Scott Baur says about staffing. The HR area is documenting what is being asked and who is asking the questions. Staffing will need to be discussed at the next Board meeting. The objective is to provide the best and quickest service possible”. The Board and City have a responsibility to make things easier and more efficient for the employees. The Board needs to identify if a shift in resources is needed.

## **8. NEW BUSINESS**

A question was posed regarding estimates for purchasing time. Is it possible to obtain a ball park figure? The calculation is done by Foster and Foster at a cost of \$200.00 , paid by the employee. Debra Emerson has tables from Foster and Foster that can be used to estimate the cost of purchasing time. She will send them to the Administrator who will post them on the Pension Resource Center website for the for Ft. Myers General Employees’ Pension Plan.

## **9. NEXT REGULAR MEETING**

The Trustees previously set the schedule for the next regular monthly meeting on Wednesday, June 20, 2012 at 9:00 am.

## **10. ADJOURNMENT**

There being no further business, the meeting was adjourned at 11:10 AM, by unanimous agreement of the Trustees.

Respectfully submitted,

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Richard Griep, Secretary