

***City of Fort Myers General Employees' Pension Plan***  
**Minutes: Meeting of June 18, 2014**

**1. Call to Order**

Chairperson Richard Griep called a meeting of the Board of Trustees for the Fort Myers General Employees' Pension Plan to order at 9:05 AM. Mr. Griep called roll. Those persons present included:

**Trustees**

Richard Griep  
Donna Lovejoy  
Eloise Pennington  
Rodolfo Rosso  
Joseph Tallarico

**Trustees Absent**

William Mitchell  
Dennis Pearlman

**Others**

Scott Christiansen, Christiansen & Dehner, P.A.  
Debra Emerson, City of Ft. Myers  
Mike Seagle, City of Ft. Myers  
Holly Simone, City of Ft Myers  
Thel Whitley, Pension Resource Center  
Patrick Donlan, Foster & Foster, Inc  
Tim Nash, The Bogdahn Group

**2. Public Comment**

There were no members of the public that wished to make comments.

**3. Approval of Minutes of the May 21, 2014 Meeting.**

The Board was presented with the minutes of the May 21, 2014 meeting to review.

**A motion was made by Ms. Pennington and seconded by Ms. Lovejoy to approve the minutes as presented. The motion passed 5 – 0.**

**4. Attorney Report – Scott Christiansen, Christiansen and Dehner, P.A.**

Mr. Christiansen reported that the Ordinance related to the TCO IIs was signed by the City Council on June 2<sup>nd</sup> and said that we are now in the time frame for the TCO IIs to make their elections which ends on July 17<sup>th</sup>, 2014.

Mr. Christiansen reported that the Form 1s that each Trustee must file with the Elections Supervisor in their county of residence are due by July 1<sup>st</sup> and if not filed by September 1<sup>st</sup>, a fine can be levied at \$25 per day to the Trustee.

Mr. Christiansen reported that there was no pension related legislation passed in this year's legislative session.

**5. Actuary Discussion – Patrick Donlan, Foster & Foster, Inc.**

Mr. Donlan spoke to the Board regarding three major changes to the reporting requirements of the Valuation Report for the Plan. One of the changes will be the substitution of requirements of GASB 67 instead of the requirements GASB 25 which is effective on 10/01/2014. This will be going from a one page financial report to an eleven page financial portion within the Valuation Report with much more financial disclosure. There will no longer be a five year smoothing for accounting purposes. These issues could result in a divergence of the financial and accounting portions of the report, Mr. Donlan further explained that the Plan and City may have different assumed rates of returns which could cause confusion; he said that his firm will be providing additional financial documentation to the Plan and to the City. The Plan's assumed rate of return must be based on proven methodologies. Mr. Donlan said that he will be working closely with Tim Nash from the Bogdahn Group on this issue. Mr. Christiansen confirmed with

Mr. Donlan that the Plan and City may have different assumed rates of returns. Mr. Nash spoke about the various methodologies that will be utilized for this support and said that their modeling should result in a range of 7% to 8%. Mr. Nash warned that any of these various modeling methods are estimates only have been frequently wrong in relation to the actual returns. Mr. Donlan reported additional changes with GASB 68 which go into effect on 10/01/2015, which deals with the City's financial reporting and specifically the way the unfunded liability is reported. Mr. Donlan spoke of the final change being the reporting requirements with Chapter 2013-10; and that additional reporting will be required annually, with financial statements that are in compliance with GASB 67 and 68 using the RP 2000 Combined Healthy Participant Mortality Tables by gender, with generational projection by Scale AA. Two additional reports will be required, one with the financial statements utilizing an assumed rate of return that is 200 basis points (2%) less than the Plan's assumed rate of return and a financial statement indicating the number of months or years for which the current market assets are adequate to sustain the payment of expected retirement benefits if no other funds are paid into the Plan; the last two of the financial statements cited are purely speculative in nature. Mr. Donlan continued in reporting that with this new reporting that the Plan must provide a publicly available website that would display all of the above mentioned financial reports. Mr. Donlan continued by saying that all of the current and new reports must be completed within 60 days of 10/01/14. Ms. Simone inquired as to whether there will be additional reporting in the Valuation Report. Mr. Donlan said there will be additional reporting with the addition of the GASB 67 reporting. Ms. Simone stated that the City will work with the Board regarding the assumed rate of return as well as the reporting requirements. There was general discussion regarding the use of the RP2000 Mortality Tables and the additional costs which would occur.

#### **7. Investment Performance - Tim Nash, the Bogdahn Group**

Mr. Nash reported that so far this year it has been a much bumpier ride with the market volatility above what was seen for almost all of 2013. The quarter started out with a modest sell off but reversed in March after the Federal Reserve offered reassuring comments which helped bolster the market. Overall returns for the broad indices ranged from slightly negative to modestly positive. Mr. Nash continued citing that the fund grew to \$88,412,040 as of March 31, 2014 up from \$86,630,901 on December 31, 2013 and for the FYTD is ahead of the benchmark and is in the top 20 percentile of funds. Mr. Griep inquired regarding the inception dates, Mr. Nash explained that these dates are when the Bogdahn Group started with the Plan or when that asset was put into the portfolio. Mr. Nash continued with a report of the plans' performance as of May 31, 2014; for the month, the plan had a net of fees return of 1.25% and a FTYD return of 8.92%. with a total fund balance of \$89,706,159.

Mr. Nash spoke about the current Investment Policy Statement. Mr. Nash recommended that the Board consider increasing the allocation in Real Estate to a target of 10% from 5% with a range of 0% to 15%; decreasing the TIPS (Treasury Inflation Protected Securities) from 3% to 0% and decreasing the Broad Market Fixed Income to a target of 20% from 22% with a range of 20% to 30%.

**A motion was made by Ms. Lovejoy and seconded by Mr. Rosso to revise the Investment Policy Statement to reflect increasing the allocation in Real Estate to target of 10% from 5% with a range of 0% to 15%; decreasing the TIPS (Treasury Inflation Protected Securities) from 3% to 0% and decreasing the Broad Market Fixed Income to a target of 20% from 22% with a range of 20% to 30%. The motion passed 5 – 0.**

**7. Administrator Report – Thel Whitley, Pension Resource Center**

Mr. Whitley spoke to the Board regarding a letter from Mr. Ralph Johnston of Comerica Bank related to Comerica's notice that they will be passing through any charges for GlobeTax Services. Mr. Whitley explained that this is a cost that Comerica had, in the past been absorbing for the GlobeTax service; this service assists Comerica in reclaiming tax withholdings for any of the Plan's monies invested in non-U.S. companies. There was general discussion regarding the issue. Mr. Nash told the Board that he would make contact with Mr. Johnston of Comerica and attempt to persuade Comerica to continue their current process with no pass-through of the charges.

Mr. Whitley brought to the Board's attention the issue of a few Participants that have been non-responsive in completing their Benefits Election form after entering DROP. Mr. Whitley explained that the Participant is at risk of the default benefit which is the "lifetime annuity" (retiree's life time only) if they were to pass away without making a benefit election. It was the consensus of Board the PRC inform the Participants in writing the action that would take place in the event that they passed away without making a benefit election.

Mr. Whitley reported that the ballots, as well as a personal financial example report were mailed to each of the TCO IIs on June 3<sup>rd</sup>. The TCO IIs will have until July 17<sup>th</sup>, 2014 to make their multiplier election.

**8. Plan Financials**

**a. Interim Plan Financial Statements.**

Mr. Whitley presented the Interim Financial Statements to the Board for review. There were no questions or comments regarding the Interim Financial Statements.

**b. Benefit Approvals** (see attached list of Benefit Approvals)

The Board was presented the Benefit Approvals for review.

**A motion was made by Ms. Pennington and seconded by Mr. Tallarico to approve the Benefit Approvals. The motion passed 5 to 0.**

**c. Warrant** (see attached Warrant – Payment of Invoices)

The Board reviewed the warrant and individual invoices.

**A motion was made by Ms. Pennington to accept the Warrant as submitted and seconded by Ms. Lovejoy. The motion passed 5 to 0.**

**9. Old Business**

None

**10. New Business**

Mr. Whitley reported that he has contacted Ms. Adams the City Clerk and has re-sent the list of Trustees, Trustee contact information, their appointment and term expiration dates. Mr. Whitley assured the Board that he would send Ms. Adams Meeting Packets at the same time the Trustees receive their packets.

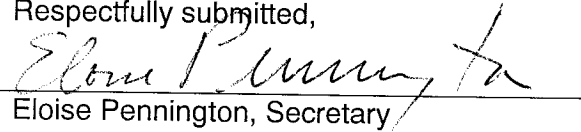
**Next Regular Meeting**

The Trustees previously set the schedule for the next regular monthly meeting on Wednesday, August 20, 2014 at 9:00 AM.

**11. Adjournment**

**There being no further business, A motion was made by Ms. Pennington to adjourn and seconded by Mr. Rosso. Motion passed 5 to 0.**

Respectfully submitted,

  
Eloise Pennington, Secretary

FT MYERS GENERAL EMPLOYEES' PENSION PLAN  
MEETING OF JUNE 18, 2014

APPLICATION FOR RETIREMENT

John	Bolder	DATE OF BIRTH	AGE	7/10/1953	60
		DATE OF HIRE		May 13, 1993	
		DATE OF LAST SERVICE		March 26, 2014	
		YEARS OF SERVICE		20.8713 Years	
		DATE OF <b>DROP ENTRY</b>		April 1, 2014	
		DATE OF DROP EXIT		March 25, 2019	
		TYPE OF DROP INVESTMENT		Net Investment Return	
		BENEFIT TYPE		100% Joint & Survivor	
		BENEFIT AMOUNT		\$2,524.20	
Ruth	Moorehouse	DATE OF BIRTH	AGE	12/12/1950	63
		DATE OF HIRE		February 12, 2009	
		DATE OF LAST SERVICE		March 26, 2014	
		YEARS OF SERVICE		5.1178 Years	
		DATE OF <b>DROP ENTRY</b>		April 1, 2014	
		DATE OF DROP EXIT		March 25, 2019	
		BENEFIT OPTION		Life Annuity	
		TYPE OF DROP INVESTMENT		Net Investment Return	
		BENEFIT TYPE		100% Joint & Survivor	
		BENEFIT AMOUNT		\$387.47	
Leo	Tremblay	DATE OF BIRTH	AGE	7/10/1956	57
		DATE OF HIRE		February 15, 2007	
		DATE OF LAST SERVICE		March 23, 2014	
		YEARS OF SERVICE		7.1863 Years	
		TYPE OF RETIREMENT		Early	
		BENEFIT OPTION		Social Security Age 66	
		BENEFIT AMOUNT		\$750.94/\$53.18	
		PLOP OPTION		\$6,364.39	

DEATHS

Charles	Person	DATE OF DEATH	May 21, 2014
		BENEFIT OPTION	Social Security Option

SECRETARY:

*Elvira Pannoy*

DATE:

6-18-14

**Fort Myers General Employees' Pension Fund**  
**WARRANT - PAYMENT OF INVOICES**

TO: BOARD OF TRUSTEES  
FROM: PLAN ADMINISTRATOR

This Warrant serves as authorization to transfer the specified funds from Comerica Cash Account and the Plan Administrator is hereby authorized by the Board of Trustees to pay the persons named below hereby certified by the Board as being due payments.

<u>Account Description</u>	<u>Name</u>	<u>Amount</u>
Administrator	Pension Resource Center LLC Invoice 13200 dated May 30, 2014	\$4,380.00
Attorney	Christiansen & Dehner Invoice 24705 dated April 30, 2014	\$182.50

TOTAL:

\$4,562.50

Dated this 18th of June, 2014

CHAIR

SECRETARY

*[Handwritten Signature]*  
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*[Handwritten Signature]*  
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