

City of Fort Myers General Employees' Pension Plan

Minutes: Meeting of September 17, 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 9:01 AM. Mr. Griep called roll. Those persons present included:

<u>Trustees</u>	<u>Others</u>
Richard Griep	Scott Christiansen, Christiansen & Dehner, P.A.
Donna Lovejoy	Debra Emerson, City of Ft. Myers
Eloise Pennington	Mike Seagle, City of Ft. Myers
Rodolfo Rosso	Holly Simone, City of Ft Myers
Joseph Tallarico	Thel Whitley, Pension Resource Center
William Mitchell (out at 11:08)	Patrick Donlan, Foster & Foster, Inc
Dennis Pearlman (in 9:03)	Tim Nash, The Bogdahn Group
	Kadmiel Onodje, The Bogdahn Group

2. Public Comment

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

3. Approval of Minutes of the August 20, 2014 Meeting.

The Board was presented with the minutes of the August 20, 2014 meeting to review.

A motion was made by Ms. Pennington and seconded by Mr. Mitchell to approve the minutes as presented. The motion passed 6 – 0.

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

Mr. Christiansen reported that the Form 1s that each Trustees have been filed with the Elections Supervisor in their county of residence and all Trustees are in compliance.

Mr. Christiansen spoke about the new Disability Application form and a new payment authorization form which clarifies all of the benefit options including change dates where indicated.

Mr. Christiansen reported to the Board regarding a question of the 10 Year Certain benefit; describing that if a participant chooses this benefit and goes into the DROP program for 5 years, then 5 years of the 10 Year Certain guarantee remain.

Mr. Christiansen reported to the Board that it is time to revise and distribute the Summary Plan Description. The goal will be to merge the two SPD documents (one for non-PBA participants and one for PBA participants) if possible.

A motion was made by Ms. Pennington and seconded by Ms. Lovejoy to revise the Summary Plan Description into one document at the discretion of Scott Christiansen The motion passed 7 – 0.

There was a general discussion of the method of which to distribute the revised Summary Plan Description document once revised. Mr. Christiansen advised that the document had to be given to each active plan participant as well as be available on a centralized website. There was general discussion of the utilization of email for distribution but it was acknowledged that all participants do not have access to email, therefore individualized mailing was necessary.

A motion was made by Mr. Pearlman and seconded by Mr. Mitchell to mail each active participant a copy of the revised Summary Plan Description. The motion passed 6 – 1.

7. Administrators Report – Thel Whitley, PRC (item moved up on the Agenda)

Mr. Whitley reported that the multiplier election period is approximately halfway through the date specified which is September 1st through the 30th. Mr. Whitley explained further that this election of the multiplier rate is the second of the two time periods specified in the Plan Document for those employees that were employed as of September 17th, 2012.

There was general discussion as to the original intent of this second election period being for the purpose of another opportunity to buy-up or to maintain the 3% multiplier once the employee's pay was restored from the decrease. The consensus of the Board was that if another election period was desired by the employees that it would have to be a negotiable item with the City.

Mr. Whitley presented the Fiduciary Liability Insurance coverage renewal in the amount of \$18,604.33 plus \$180.81 for the Waiver of Recourse. Mr. Whitley explained the coverage was shopped by the Agent and the increase from last year's coverage was \$89.87. Mr. Christiansen explained that this policy carries 2 million dollars of coverage and the majority of the plans he represents carry only 1 million.

A motion was made by Ms. Pennington and seconded by Mr. Tallarico to accept the renewal rate for Fiduciary Liability Insurance. The motion passed 7 – 0.

Mr. Whitley presented the Board for review the list of Participants who will receive a COLA per their Tier. Mr. Griep inquired whether the DROP Participants with a Tier 3 or 4 would be on another report; Mr. Dolan said that he will produce a separate report for DROP Participants with a COLA.

Mr. Whitley presented the Board with the meeting dates for the remainder of 2014 and the dates for the meetings for 2015. One correction was made to the June 2015 meeting date.

A motion was made by Ms. Pennington and seconded by Mr. Russo to accept the 2015 meeting dates as amended. The motion passed 7 – 0.

5 & 6. Investment Performance/Assumed Rate of Return - Tim Nash, Kadmeil Onodje, the Bogdahn Group and Patrick Dolan, Foster & Foster, Inc.

Mr. Nash introduced Mr. Onodje, a member of the Bogdahn Consulting Team to the Board. Mr. Nash stated that the previous quarter ending June 30th was uneventful across the market segments despite political concerns, Middle East discourse and economic worries. The CBOE Volatility Index finished the quarter at 11.6 which is its lowest quarterly close since December 2006. Mr. Nash continued reporting that the S & P 500 appreciated 5.2% during the period, which marked the sixth consecutive positive quarter for the index, this is the first time the S & P has had a quarterly run this strong since 1998. Mr. Nash reported that emerging market equities surged to the head of the asset classes during the second quarter, after struggling on a relative basis for a majority of the past year and a half; Developed International equity markets lagged domestic large cap equities slightly, but were up strongly on an absolute basis.

Mr. Nash reported that the total value of the Plan as June 30th, 2014 was \$91,244,967; that the net of fees return for the quarter was 2.84%, the FYTD was 10.80%, 1 Year was 17.50%, 3 Year 9.69% and 5 Year was 11.86%. Mr. Nash explained that both Lateef and Wells Capital have struggled to hit their benchmarks. Mr. Nash reported that we recently received a capital call from our Morgan Stanley Real Estate Fund for \$5,000,000 which the Board allocated several quarters ago, this will put the Plan in line with most funds this size for a total allocation of 10% of the portfolio with Real Estate. The funds for the capital call will be from the liquidation of the dedicated TIPS Bond Fund.

Mr. Nash reported that as of August 31, 2014 the market value of the fund was \$90,914,181 with a net of fees return for the month of 2.14%, -.13% for the quarter and 10.65% for the FYTD.

Mr. Nash reported to the Board regarding the Global Tax recovery service through Comerica Bank. Mr. Nash explained that several months ago that Comerica Bank sent the Board a letter stating that going forward that the Board will now be responsible for the cost of this service. Mr. Nash explained that certain assets that are foreign company owned assets are subject to taxation with some exchanges exempting pension plans automatically and others requiring paperwork to exempt or get the taxes paid back. Mr. Nash reported that we were unable to have Comerica Bank continue this service for no fee to the Plan. The fees involve an annual IRS fee of \$85 and a percentage of the returned taxes that would have been lost to that foreign government. Mr. Nash stated that he checked with the two other large bank custodians in Florida and neither of those provide for this service.

A motion was made by Mr. Pearlman and seconded by Mr. Tallarico to accept the terms of the Globe Tax Service through Comerica bank. The motion passed 7 – 0.

Mr. Nash presented the Board two Asset Allocation reports. Mr. Nash explained the purpose of the reports relate to the requirements of the GASB 67/68 reporting and accounting standards of demonstrating the methodologies employed in quantifying the data of the Actuary through the Financial Consultant. The first report; the GASB Asset Class Building Block document is based on a very long term projection of the asset classes, outward to 30 plus years. Mr. Nash explained the rationale of the cited returns of the different asset classes and summarized the cited asset classes balanced against the Plan's Target Allocation to determine a total return of this model to be 8.65% (net of fees) over a 30 plus year time period. Mr. Mitchell inquired as to whether this report met the requirements for GASB 67/68? Mr. Nash agreed that the models did meet the reporting requirements and Mr. Donlan concurred that it did. Mr. Mitchell then inquired regarding the inflation figures in the report; Mr. Nash explained that the 2.5% cited in the report is projected for the 30 plus year time period going forward, and that the inflation figure is developed through analysis of GDP and the overall economy. Mr. Nash presented the second report to the Board titled Asset Allocation Analysis, and said that this report looks at a much shorter time duration of 10 to 15 years and are developed to identify asset classes for tactical modeling. Mr. Nash further reported that the data within this report is developed by JP Morgan and that this type of report utilizes geometric vs. arithmetic calculations. Mr. Nash indicated that both reports show that the current 7.9% assumed rate of return is reasonable.

There was general discussion of decreasing the Plan's assumed rate of return and its impact to the cost of the plan. Mr. Donlan spoke of the different financial data points that were computed to calculate the cost of the plan and said that a decrease in the assumed rate of return may not mean an additional cost for the sponsor.

A motion was made by Mr. Mitchell and seconded by Ms. Lovejoy to reduce the Plan's assumed rate of return to 7.75% and decrease the inflation rate to 2.5%. The motion passed 7 – 0.

There was general discussion regarding the additional reporting requirements, specifically the report that must be done with the assumption that the Plan would earn 2% less than the assumed rate of return. Mr. Donlan reported that many of the municipal plans are having an additional report that is not required done with the assumption that the plan earns 2% more than the assumed rate of return. Mr. Donlan explained this as a desire to add balance for the fictitiousness of the 2% less than the assumed rate of return report.

A motion was made by Ms. Pennington and seconded by Mr. Mitchell to have Foster & Foster, Inc. produce an additional report for the Plan Valuation citing the Plan earning 2% more than the assumed rate of return for the cost of \$500. The motion passed 7 – 0.

Mr. Nash briefed the Board on a recommended change from the current Templeton Global Fund to a class of Templeton Global Fund shares. Mr. Nash reported that there will be no adverse effected of this change and the action will reduce the fees associated from the current fund.

A motion was made by Mr. Pearlman and seconded by Ms. Lovejoy to make change to the different class of Templeton Global Fund in order to reduce management fee. The motion passed 7 – 0.

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. Rosso to approve the Benefit Approvals. The motion passed 6 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 and seconded by Mr. Tallarico to accept the Warrant as submitted. The motion passed 6 to 0.

9. Old Business

None

10. New Business

None

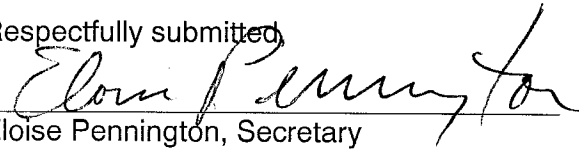
Next Regular Meeting

The Trustees previously set the schedule for the next regular monthly meeting on Wednesday, November 19, 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 6 to 0.

Respectfully submitted,


Eloise Pennington, Secretary

**FT MYERS GENERAL EMPLOYEES' PENSION PLAN
MEETING OF SEPTEMBER 17, 2014**

APPLICATION FOR RETIREMENT

Rosemary	Pettigrew	DATE OF BIRTH	AGE	October 15, 1953	60
		DATE OF HIRE		November 15, 2007	
		DATE OF LAST SERVICE		June 25, 2014	
		YEARS OF SERVICE		6.5534 Years	
		TYPE OF RETIREMENT		Early Retirement	
		BENEFIT TYPE		Social Security Option Age 63 + Supp	
		BENEFIT AMOUNT		\$1,288.17/\$671.85	

Stephen	Ambers	DATE OF BIRTH	AGE	May 26, 1952	62
		DATE OF HIRE		November 14, 2005	
		DROP ENTRY DATE		June 1, 2014	
		YEARS OF SERVICE		8.5452 Years	
		TYPE OF RETIREMENT		Normal	
		DROP EXIT DATE		May 31, 2019	
		BENEFIT OPTION		Normal Form Life Annuity	
		BENEFIT AMOUNT		\$1,150.09	

Margaret	Nyberg	DATE OF BIRTH	AGE	March 31, 1952	62
		DATE OF HIRE		November 29, 2007	
		DROP ENTRY DATE		June 1, 2014	
		YEARS OF SERVICE		6.4767 Years	
		TYPE OF RETIREMENT		Normal	
		DROP EXIT DATE		May 31, 2019	
		BENEFIT OPTION		Ten Year Certain and Life Annuity	
		BENEFIT AMOUNT		\$447.22	

DEATHS

Donald	Bottorff	DATE OF DEATH	August 21, 2014
		BENEFIT OPTION	50% Joint & Survivor
		SURVIVOR BENEFICIARY	Frances Bottorff (Spouse)
		SURVIVOR BENEFIT	\$207.10

Rufus	Jones	DATE OF DEATH	August 16, 2014
		BENEFIT OPTION	Life Annuity

Emanuel	Pope	DATE OF DEATH	August 30, 2014
		BENEFIT OPTION	Life Annuity

FT MYERS GENERAL EMPLOYEES' PENSION PLAN
MEETING OF SEPTEMBER 17, 2014

REFUND OF CONTRIBUTIONS

Mark	Nael	DATE OF BIRTH	July 17, 1975
		DATE OF HIRE	January 5, 2012
		LAST DAY OF SERVICE	March 3, 2014
		YEARS OF SERVICE	2.0833 Years
		CONTRIBUTION AMOUNT	\$4,586.89
		TYPE OF DISTRIBUTION	To Participant
		NET AMOUNT	\$3,669.51
		DATE PROCESSED	August 12, 2014
Tracy	Wright	DATE OF BIRTH	September 7, 1966
		DATE OF HIRE	July 21, 2011
		LAST DAY OF SERVICE	August 13, 2014
		YEARS OF SERVICE	3.0416 Years
		CONTRIBUTION AMOUNT	\$1,915.92
		TYPE OF DISTRIBUTION	To Participant
		NET AMOUNT	\$1,532.73
		DATE PROCESSED	August 22, 2014

SECRETARY:

Elvin Perry L

DATE:

9-17-14

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 13374 dated August 29, 2014	\$5,275.35
Attorney	Christiansen & Dehner Invoice 25114 dated July 31, 2014	\$568.50
Actuary	Foster & Fostrer, Inc. Invoice 6375 dated September 8, 2014	\$3,928.00
Investment Consultant	The Bogdahn Group Invoice 10794 dated September 8, 2014	\$6,250.00
Trustee Education	FPPTA - Fall Trustee School For: Dennis Pearlman & Joseph Tallarico	\$900.00

TOTAL:

\$16,921.85

Dated this the 17th day of September, 2014

CHAIR

SECRETARY

