

City of Fort Myers General Employees' Pension Plan
Minutes: Meeting of December 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 9:02 AM. Mr. Griep called roll. Those persons present included:

Trustees

Richard Griep
Donna Lovejoy
Eloise Pennington
Rodolfo Rosso
Joseph Tallarico
William Mitchell
Dennis Pearlman

Others

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

2. Public Comment

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

3. Approval of Minutes of the November 19, 2014 Meeting.

The Board was presented with the minutes of the November 19, 2014 meeting to review.

A motion was made by Ms. Pennington and seconded by Mr. Rosso to approve the minutes as presented. The motion passed 7 – 0.

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

Mr. Christiansen presented to the Board the Record Retention Memorandum and explained the general types of records that are of concern to the Board and its Record Custodian (PRC).

Mr. Christiansen reported to the Board regarding a situation of the death of an active employee and that cited two minors as beneficiaries.

Mr. Christiansen spoke about a Tax Determination Letter from the IRS; the Board is not required to do this but is required to meet the standards. Mr. Christiansen spoke about other plans that his firm works with that requested an IRS Determination Letter; and the issue was with the "net return investment option". Mr. Christiansen reported that his firm has been working with a firm that works with this area of law dealing with the IRS and that their firm has disputed the findings of the IRS relating to the DROP provisions containing the net investment return option; this is an ongoing issue that is several years old at this point and involves plans from around the county. Mr. Christiansen stated that he will report any further IRS determinations made regarding this issue and will he will report those to the Board, but at this point there is no changes that are necessary to the Plan.

There was a discussion of when the Investment Policy Statement (IPS) was effective. The current IPS was signed on June 18, 2014 by the Board but was not filed with the City. Mr. Christiansen reported and Mr. Nash agreed that the IPS takes effect thirty-one days after being filed with the City.

Mr. Christiansen reported that he and his staff are working on two disability applications and due to the time it is taking to retrieve the medical reports that he requested that the Board extend the time for an additional 90 days.

A motion was made by Ms. Pennington and seconded by Ms. Lovejoy to extend the time period by ninety days. The motion passed 7 – 0.

5. Investment Performance – Tim Nash, Bogdahn Group

Mr. Nash reported that since September 30, 2014 the fund is up approximately two million dollars. Mr. Nash said that he will brief the Board on the period after September 30, 2014 presentation.

Mr. Nash spoke of the benchmarks of the international markets during the quarter ending September 30, 2014 and the rebound in the next month. Mr. Nash gave the Board an overview of the market conditions ending September 30, 2014.

Mr. Nash reported for the FY, the Fund increased from \$83,269,312 to \$90,663,474 and this represented a 8.44% return, 12.84% for three year period and 9.16% for the five year (all net of fees).

There was general Board discussion of Lateef and Wells Capital not performing well for the quarter. Mr. Nash explained that these two managers have had a much better longer term performance than the short term. And that Lateef had beat the benchmark in four of the last six years. Ms. Pennington asked Mr. Nash if he had any recommendations for changing any of the money managers at this time. Mr. Nash said that he did not recommend any changes at this point and that he fully supports these two managers. Mr. Pearlman stated that he was concerned that these two managers were not performing well within the peer group and that active management should be viewed vs. peers vs. the benchmark. Mr. Nash explained that we are looking at the long term results vs. the short term results.

Mr. Nash reported that real estate is now 10% of the portfolio allocation and had generated over 6%. Mr. Pearlman inquired as to the effect of the change of leadership at PIMCO. Mr. Nash reported that the funds that the Plan has been invested with managers other than Bill Gross, and those funds are performing but are under "watch". Mr. Nash recommended no allocation changes at this time.

Mr. Nash reported to the Board that the IPS that was signed at the June meeting was initially misplaced, then found. The IPS was then sent to the State and City Clerk on December the 11th, thus the IPS will become effective on January 13, 2015. Mr. Nash explained that the Plan was never out of compliance with the previous IPS and all allocations were within the ranges that were set forth in that document. Mr. Nash assured the Board that he has taken steps to ensure that an issue such as this will not occur in the future.

Mr. Nash reported to the Board that results of the Flash Report to November 30, 2014; the return for the quarter FYTD was 2.67% (net of fees) and market value of the fund was \$92,024,294.

6. Actuary Valuation Report – Patrick Donlan, Foster & Foster, Inc.

Mr. Donlan summarized his presentation with the following information: the total required contribution as a percentage of payroll for the time period of October 1, 2014 to September 30, 2016 will be 41.4%. This represented 4.4% of expected member contributions and 37.0% from the City. Mr. Donlan expounded on this information by reporting the net actuarial experience has been more favorable than expected, principally by an 8.9% investment return which was more than the assumed rate of return of 7.9%, though offsetting these gains was a lower than expected employee turnover. In addition Mr. Donlan reported that the Board adopted a change in the investment return assumption from 7.9% down to 7.75%; this reduction resulted in a 1.0% increase of the payroll funding requirements. Also, the amortization of the unfunded

actuarial accrued liability utilizes a payroll growth assumption that is limited to the historical 10 year average increase in pensionable payroll. Mr. Donlan explained that last year there was 1.4% growth and this year there was 0% growth, this caused an increase in the funding requirements of approximately 2.4% of payroll. Mr. Donlan continued with an explanation of the unfunded actuarial accrued liability and how it is paid for.

Mr. Donlan discussed the calculations that were done after the multiplier election period had ended and its resulting few changes. Mr. Donlan stated that no change of the employee rate is required for the different Tiers/Multiplier Rates.

Mr. Donlan and Mr. Nash realized there was a difference in 2.5 million dollars within the asset valuation and determined that the value of the plan is overstated by the 2.5 million in the Actuarial Valuation Report. It was determined that the 2.5 million was counted twice due to funds that were transferred from one manager to another. Mr. Donlan stated that he would revise the Actuarial Valuation Report to correct the overstated value and send the revised report to the Administrator for distribution to the Board for approval at the next meeting.

The Board set a Special Meeting for the review and approval of the to be revised Actuarial Valuation Report and to discuss the Trustee Election procedure for the Non-Union Trustee representative for January 21, 2015 at 9:00AM.

A motion was made by Ms. Pennington and seconded by Mr. Rosso to schedule a special meeting on January 21, 2015 at 9:00 AM. The motion passed 7 – 0.

7. Administrator Report – Thel Whitley, Pension Resource Center

Mr. Whitley presented to the Board the revised Summary Plan Description that was prepared by Scott Christiansen to review.

A motion was made by Ms. Pennington and seconded by Mr. Tallarico to approve as written the Summary Plan Description. The motion passed 7 – 0.

Mr. Whitley explained that through previous Board action, the SPD will be mailed to each Participant along with the Participant's Annual Statement.

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)

Mr. Whitley presented the list of Benefit Approvals.

A motion was made by Ms. Pennington and seconded by Mr. Pearlman to approve the list of Benefit Approvals. The motion passed 7 – 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 7 to 0.

9. Old Business

None

10. New Business

None

Next Meeting – Special Meeting scheduled for January 21, 2015 at 9:00 AM.

Next Regular Meeting

The Trustees previously set the schedule for the next regular monthly meeting on Wednesday, February 18, 2015 at 9:00 AM.

11. Adjournment

There being no further business, A motion was made by Ms. Pennington to adjourn and seconded by Mr. Pearlman. Motion passed 7 to 0.

Respectfully submitted,

Eloise Pennington, Secretary

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

APPLICATION FOR RETIREMENT

Sharon	Wright	DATE OF BIRTH	AGE	07/13/1952	62
		DATE OF HIRE		12/18/1997	
		DATE OF LAST SERVICE		8/13/2014	
		YEARS OF SERVICE		16.6548 Years	
		TYPE OF RETIREMENT		Normal	
		BENEFIT OPTION		SS Option to Age 66	
		BENEFIT BEGINS		09/01/2014	
		BENEFIT AMOUNT		\$3,342.40/\$2,565.21	
John	Kremiski	DATE OF BIRTH	AGE	5/16/1958	56
		DATE OF HIRE		6/2/1981	
		YEARS OF SERVICE		18.1041 Years	
		TYPE OF RETIREMENT		Vested Deferred - Normal	
		BENEFIT BEGINS		12/1/2014	
		BENEFIT OPTION		Normal Form, Life Annuity	
		BENEFIT AMOUNT		\$2,235.14	

SURVIVOR BENEFIT

Ralph	Gloster	DATE OF DEATH		10/29/2014	
Bessie	Gloster	BENEFICARY/RELATIONSHIP		Mother	
		DATE OF BIRTH	AGE	1/23/1934	80
		BENEFIT BEGINS		11/1/2014	
		BENEFIT ENDS		5/29/2023	
		TYPE OF RETIREMENT		Balance of 10 Year Certain	
		BENEFIT AMOUNT		\$1,351.88	

**FT MYERS GENERAL EMPLOYEES' PENSION PLAN
MEETING OF**

**REFUND OF
CONTRIBUTIONS**

Albert	Bailey	DATE OF BIRTH	10/9/1974
		DATE OF HIRE	7/21/2011
		LAST DAY OF SERVICE	11/04/2014
		YEARS OF SERVICE	3.3000 Years
		CONTRIBUTION AMOUNT	\$8,693.22
		TYPE OF DISTRIBUTION	To Participant
		NET AMOUNT	\$6,954.57
		DATE PROCESSED	11/14/2014
Rodney	Wimbush	DATE OF BIRTH	5/22/1976
		DATE OF HIRE	9/8/1994
		LAST DAY OF SERVICE	7/26/2006
		YEARS OF SERVICE	11.8822 Years
		CONTRIBUTION AMOUNT	\$5,941.99
		TYPE OF DISTRIBUTION	To Participant
		NET AMOUNT	\$4,753.60
		DATE PROCESSED	11/13/2014

SECRETARY: Elaine Penny

DATE: 12-17-14

12/17/2014

Page 2 of 2

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 13556 dated November 30, 2014	\$4,380.00
Attorney	Christiansen & Dehner Invoice 25546 dated October 31, 2014	\$3,812.69
Investment Consultant	The Bogdahn Group Invoice 11172 dated December 3, 2014	\$6,250.00

TOTAL:

\$14,442.69

Dated this the 17th day of December, 2014

CHAIR

SECRETARY




