

City of Fort Myers General Employees' Pension Plan

Minutes: Meeting of Special Meeting of January 21, 2015

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 9:00 AM. Mr. Griep called roll. Those persons present included:

Trustees

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

Others

Scott Christiansen via telephone at 9:55 AM
Debra Emerson, City of Ft. Myers
Holly Simone, City of Ft Myers arrived at 9:05 AM
Patrick Donlan, Foster & Foster, Inc
Thel Whitley, Pension Resource Center

Trustees Absent

Dennis Pearlman

2. Public Comment

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

3. Actuarial Valuation Report – Patrick Donlan of Foster & Foster, Inc.

Mr. Donlan presented to the Board the revised Actuarial Valuation Report for the period ending September 30, 2015. Mr. Donlan explained that the revision was necessary due to the overstatement of the assets of 2.5 million dollars which was due to that amount being counted twice.

Mr. Donlan reported that the revised Total Required Contribution is 41.4% of total payroll.; 4.4% of Expected Members Contributions and 37.0% of City Contribution. Mr. Donlan continued to report that the annual rate of return for the fiscal year is now 8.22% with the annualized rate of return for the prior four year period being 8.87%.

Mr. Donlan explained that the -1.23% will drop off of the four year smoothing next year; thus even with a bad return for this fiscal year the return will meet or exceed the assumed rate of return for this fiscal year. Mr. Donlan reported that the actuarial gain is now reported as \$1,036,595 (approximately \$600,000 less than the previous report) which decreased the amortized payment of unfunded liability and it caused of the increase of the .4% of payroll.

Mr. Mitchell inquired about the effect of how the assumed rate of return effected the required contribution. Mr. Donlan explained that the assumed rate of return was reduced by the Board to 7.75% from 7.9% and the result of this change increased the liabilities and related to the total the contribution required to be 29.2% to pay the unfunded liabilities.

Ms. Lovejoy spoke of the period of time that the gains, loses and assumptions are cited. Mr. Donlan explained that gains/losses are amortized over 10 years, assumption rates over 20 years and benefit changes over 30 years. Mr. Donlan explained that with the gains/losses amortized over 10 years it aggressively pays down the unfunded liability. The investment return reduced the unfunded liability by a million dollars this year, in future years if the there are returns over the assumed rate of return the unfunded liability will be further reduced.

Mr. Griep spoke about the other assumptions that also can decrease the unfunded liability. Mr. Donlan explained about the other assumptions that can cause an effect on the unfunded liability.

There was a general Board discussion of the age demographics of the Participants within the Plan with the highest percentage being between age 55 and 59.

A motion was made by Ms. Pennington and seconded by Ms. Lovejoy to accept and approve the revised Actuarial Valuation Report for the period of ending September 30, 2014. The motion passed 6 – 0.

Mr. Donlan also reported to the Board that the State of Florida has not yet produced the rules for SB 534. He explained that when the rules are complete that their firm will complete the required reports for the Plan and send those to the Administrator for distribution.

4. Discussion of Election Procedures for the Non-Union Trustee – Thel Whitley, PRC

Mr. Whitley reported to that the Non-Union representative's (Ms. Lovejoy) term expires on March 21, 2014. Mr. Griep spoke about the Board's Policies regarding elections of Trustees. There was a general Board discussion of how elections have been ran in the past. Mr. Griep said that he would discuss and ask the City Clerk for her office's involvement with the election process. Mr. Mitchell agreed that the City Clerk would be ideal to process the Trustee election. There was general Board discussion of the use of bulletin boards, flyers and the City's Intranet as a means of the nomination process and advertising of the voting date and time frame.

5. FPPTA Winter School (Trustee Education) – Thel Whitley, PRC.

Mr. Whitley reported that the FPPTA Winter Trustee School is scheduled for February 1st through the 4th in Orlando, Florida. Mr. Rosso expressed a desire to attend the school; no other Trustees indicated that they were able to attend.

A motion was made by Mr. Mitchell and seconded by Ms. Lovejoy to approve the the attendance and expense of Mr. Rosso attending the FPPTA Winter School. The motion passed 6 – 0.

Mr. Rosso inquired to the Administrator on the status of the two disability retirement applications. Mr. Whitley reported that one of the Applicants have been scheduled and attended their IME (Independent Medical Exam) and a IME Physician is being located for the other Applicant. There was general Board discussion regarding the disability application process. Mr. Whitley suggested that the Board have a teleconference with Scott Christiansen regarding the issue. Mr. Christiansen reported to the Board via telephone on the status of the two disability retirement applicants. There was a specific question of whether the Applicant being approved for Social Security Disability had a bearing on the application. Mr. Christiansen reported that obtaining SSDI is not in its self mean that the Applicant is granted a disability retirement approval by the Board, but is a part of the medical record and weight of a Board decision. There was a question of whether the Board must require an Applicant to have an IME. Mr. Christiansen reported that the IME requirement is in the Ordinance but could be waived if it would be prudent to do so. Mr. Christiansen explained that he will continue to search for IME Physician for one of the Applicants and in the meantime review, assemble and distribute the medical records for the possibility of an informal hearing without an IME.

Ms. Lovejoy inquired as to the status of an Applicant if their employment is terminated. Mr. Christiansen reported that if an employee is terminated for medical reasons, the Applicant's

disability application continues, also if an employee is terminated due to medical reasons, that employee can apply for a disability retirement within 30 days after termination.

Mr. Christiansen summarized his immediate tasks in relation to the two Applicants. There were no other questions for Mr. Christiansen.

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. Rosso. Motion passed 6 to 0.

Respectfully submitted,

Eloise Pennington, Secretary