

City of Fort Myers General Employees' Pension Plan

Minutes: Meeting of March 18, 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 9:05 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
Aurelio Gongora, City of Fort Myers

2. Public Comment

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

3. Election Results (Non-Union Employee Trustee)

Mr. Griep reported that the election was held on March 11, 2015 and the vote count and that Donna Lovejoy won.

Mr. Griep reported that Mr. Pearlman was re-appointed by the City Council for another term.

The Oath of the Office administered to Ms. Lovejoy and Mr. Pearlman.

5. Approval of Minutes of the February 18, 2015 Meeting.

The Board was presented with the minutes of the February 18, 2015 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.

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

Mr. Christiansen spoke of the Board's need to formally approval the Plan's assumed rate of return after approving the Actuarial Valuation Report. Mr. Nash reported that based on the asset allocation, historic returns and the expected returns going forward that it would be reasonable to achieve a 7.75% rate of return for Plan for this year, the next several years and the long term thereafter.

A motion was made by Ms. Pennington and seconded by Ms. Lovejoy; based on the advice of the Plan's Investment Consultant, that the assumed rate of return of the Plan for this year, the next several years and the long term thereafter be 7.75%. The motion passed 7 – 0.

Mr. Christiansen spoke of the periodic need to revise the Plan due to changes in the IRS Code in order to maintain compliance. Mr. Christiansen continued reporting that these types of Plan revisions do not affect the cost of the Plan. Mr. Christiansen reported that their firm contracts with a law firm that specializes within the field of IRS pension law. Mr. Christiansen reported that he would bring any required revisions to the Board as necessary.

Mr. Christiansen reported that the Florida Legislature is now in session and at this time there is only one bill (SB 242) that would have affect on this plan; this bill would require that the actuary utilize the same mortality table as the State of Florida Retirement System (FRS). Mr. Christiansen went on to report that he has been told that this mortality table is more conservative than the mortality table that the Plan currently utilizes. Mr. Christiansen reported that he would be watching for any further legislative changes that would affect the Plan and report back.

Mr. Christiansen reported that he has provided the Plan Administrator with a new forms table as well as a new form PF-7 (Authorization to Pay from the Fund).

Mr. Christiansen briefed the Board on a new form (PF-1). As background Mr. Christiansen spoke able the public having access to pension records with exception of certain job classifications such as Human Resources and Codes Enforcement. Mr. Christiansen continued in explaining that if these exempt records are in the care of a custodian, then these records are not exempt unless the employee or the City requests that the records are kept confidential and that is the purpose of the PF-1 form is for the City to formally request that the exempt records remain confidential. Mr. Mitchell stated that he would sign the PF-1 form for the City.

4. Board Reorganization

There was general Board discussion regarding the rotation of Officers.

A motion was made by Ms. Pennington and seconded by Mr. Pearlman to approve Donna Lovejoy as the Chairperson, Eloise Pennington as Vice Chairperson and Richard Griep as Secretary. The motion passed 7 – 0.

7. Investment Performance – Tim Nash, Bogdahn Group

This was a very strong quarter; though any managers that held the energy segment; were down. Mr. Nash reported that six of nine of the money managers beat their bench markets and in January and February (part of the next quarter) all of the money managers beat their bench marks. Mr. Nash continued in reporting that during the quarter that large cap stocks greatly out preformed small cap stocks and the international equity markets underperformed domestic equity returns significantly. Mr. Nash reported that against all expectations, domestic bond yields continued to fall during fourth quarter with exception to low credit quality and the ultra short term segments.

Mr. Nash reported that the Fund increased from \$90,663,474 to \$90,793,716 for the fourth quarter and this represented a 2.52% return, 4.24% for the year, 11.82% for the three year period and 9.07% for the five year (all net of fees). At the end of February, 2015 the fund's total value was \$94,690,232.

Mr. Pearlman inquired whether there is a model or report with returns vs. the amount of risk we take in relation to the others in the rating segment. Mr. Nash explained that the Bogdahn Group does have a report that does show the amount return in relation to risk but he does not have that information with him but will get it to Mr. Pearlman.

Mr. Pearlman inquired about the international allocation amount. Mr. Nash reported that the Plan's target international allocation is 15% and that the Plan is a little underweighted at this time. There was a general discussion regarding the time periods where international markets did well while domestic markets were down; and Mr. Nash spoke about the Plan's current allocation target percentages and how his company had recently completed a study of asset allocation of international vs. US assets. Mr. Nash reported that the study reviewed long term data on the subject and the results were if one were looking at a thirty year plus time frame, it

would not be wise to allocate assets in the international market; though there were correlations between when the domestic market was down the international markets had better returns. Mr. Nash continued in reporting that the study revealed that the ideal mix is 75% US assets and 25% International assets; the recommendation of the study (to the particular Plan) was to reduce their international allocation to 15%. Mr. Nash reported that this Plan's allocation is on target at 5% international fixed income and 10% international equities. Mr. Pearlman agreed with Mr. Nash's explanation and reported that many managers that did not utilize the international market in a proportional mix have not achieved positive results.

Mr. Nash reported that Joe Bogdahn had been the majority equity owner of the Bogdahn Group since its inception and in 2005 and 2006 Mike Welker and Dave West became equity partners. Mr. Nash continued reporting that Joe and Mike have co-managed the firm for several years and with these changes Joe began to step away from the day-to-day management of the firm. Over the past year, Joe and Mike have worked on a succession plan to ensure the long term success and stability of the firm. Mr. Nash continued in saying that the firm will begin soon in broadening ownership of the firm to the employees. Mr. Nash emphasized that there will be no change in the firm's leadership or personnel. The clients will continue to experience the same high level of service and attention. With this change, the Bogdahn Group is required to notify the clients. Mr. Nash requested that the Board to sign the Certification of Internal Control Notification.

A motion was made by Mr. Griep and seconded by Ms. Pennington to authorize the signing of the Certification of Change of Internal Control Notification. The motion passed 7 - 0.

8. Administrator Report – Thel Whitley, Pension Resource Center

Mr. Whitley reminded the Trustees of the two informal disability hearings scheduled for March 23, 2015 at 9:00 AM in the Human Resources Office Conference Room.

Mr. Christiansen spoke about the informal hearings being open to the public; and Mr. Whitley acknowledged that the meeting agenda was sent to the City Clerk's office for public notice.

Mr. Whitley reported to the Board that this years PRC's SSAE-16 audit had been completed and sent to the Trustees. Mr. Whitley reported that this audit is an analysis on our firm's procedures and controls. Within the audit there were no deficiencies or recommendations for changes. Mr. Whitley continued in reporting that this process is a benefit to our Clients by ensuring that we in fact follow our internal controls and procedures.

9. 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. Griep 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 Mr. Griep to accept the Warrant as submitted and seconded by Mr. Rosso. The motion passed 7 to 0.

10. Old Business

None

11. New Business

None

Next Meeting – Informal Disability Meeting scheduled for March 23, 2015 at 9:00 AM.


Next Regular Meeting

The Trustees previously set the schedule for the next regular monthly meeting on Wednesday, May 20, 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 7 to 0.

Respectfully submitted,



Richard Griep, Secretary

**FT MYERS GENERAL EMPLOYEES' PENSION PLAN
MEETING OF MARCH 18 , 2015**

APPLICATION FOR RETIREMENT

Classie	Coleman	DATE OF BIRTH	AGE	10/15/1957	57
		DATE OF HIRE		11/18/1999	(03/30/2000)
		DATE OF LAST SERVICE		12/16/2014	
		YEARS OF SERVICE		14.62 Years	
		TYPE OF RETIREMENT		Early	
		BENEFIT OPTION		Life Annuity	
		BENEFIT BEGINS		01/01/2015	
		BENEFIT AMOUNT		\$927.85	
		PLOP AMOUNT		\$28,595.85 to Participant	
Reimundo	Galarza	DATE OF BIRTH	AGE	02/06/1960	55
		DATE OF HIRE		07/09/1990	
		YEARS OF SERVICE		23.78 Years	
		TYPE OF RETIREMENT		Vest Deferred Retirement	
		BENEFIT BEGINS		03/01/2015	
		BENEFIT OPTION		100% Joint & Survivor	
		BENEFIT AMOUNT		\$2,025.82	
		PLOP OR DROP DIST.		N/A	
		Patrick	Walsh	DATE OF BIRTH	AGE
DATE OF HIRE				06/12/2008	
YEARS OF SERVICE				6.44 Years	
TYPE OF RETIREMENT				DROP Entry	
BENEFIT BEGINS				12/01/2014	
BENEFIT OPTION				Life Annuity	
BENEFIT AMOUNT				\$487.50	
DROP DIST.				N/A	

**REFUND OF
CONTRIBUTIONS**

Laurie	Giarrusso	DATE OF BIRTH	AGE	02/26/1964	51
		DATE OF HIRE		07/25/2013	
		LAST DAY OF SERVICE		02/03/2015	
		YEARS OF SERVICE		1.51 Years	
		CONTRIBUTION AMOUNT		\$2,398.87	
		TYPE OF DISTRIBUTION		Lump Sum of Contributions	
		NET AMOUNT		\$1,919.09	
		DATE PROCESSED		02/24/2015	

AIR TIME PURCHASES

Judy	Masiero	DATE OF BIRTH	AGE	11/24/1962	52
		YEARS OF SERVICE		24.20 Years	
		YEARS PURCHASED		2 Years	
		COST OF PURCHASE		\$45,747.71	
		TYPE OF FUNDS USED		Rollovers & Personal	
		PAID IN FULL DATE		02/06/2015	
Mark	Nuber	DATE OF BIRTH	AGE	12/09/1960	54
		YEARS OF SERVICE		9.06 Years	
		YEARS PURCHASED		5 Years	
		COST OF PURCHASE		\$42,793.94	
		TYPE OF FUNDS USED		Rollover	
		PAID IN FULL DATE		02/18/2015	

SECRETARY: 

DATE: 3-18-15

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 13733 dated February 27, 2015	\$5,908.50
Attorney	Christiansen & Dehner Invoice 25995 dated January 31, 2015	\$4,897.01

TOTAL:

\$10,805.51

Dated this 18th day of March, 2015

CHAIR

SECRETARY

