

City of Fort Myers General Employees' Pension Plan
Minutes: Meeting of June 20, 2018

1. Call to Order

Chair Lovejoy called a meeting of the Board of Trustees for the Fort Myers General Employees' Pension Plan to order at 9:00 AM. Ms. Lovejoy called roll then the Pledge of Allegiance was recited.

Trustees Present

Donna Lovejoy, Chairperson
Aurelio Gongora, Vice Chair
Rodolfo Rosso, Secretary
Mark Nuber
Dennis Pearlman
Eloise Pennington

Others

Amber McNeill, Resource Centers
Scott Christiansen, Christiansen & Dehner
Tim Nash, AndCo Consulting
Patrick Donlan, Foster & Foster
Mindy Johnson, Salem Trust
Debra Emerson, City of Fort Myers
Holly Simone, City of Fort Myers
Katherine Hall, Former Plan Member

Trustees Absent

Saeed Kazemi

3. Trustee Swear In

Mr. Pearlman was sworn in by Ms. Hageman.

2. Public Comment

Ms. Hall read a letter from her attorney regarding her refund of contributions. Ms. Lovejoy informed the Board that Mr. Baur will be sending the information to Mr. Christiansen.

A motion was made by Mr. Rosso and seconded by Mr. Pearlman authorizing Mr. Christiansen to work with Mr. Baur to look into Ms. Hall's concerns. The motion passed 6 – 0.

The Board discussed the plan rules regarding interest rates and the damages requested. Ms. McNeill informed the Board that this is a management issue and will be addressed by Mr. Baur at the next meeting.

Ms. Hall left the meeting at 9:19 AM.

4. Open Trustee Seat

A motion was made by Mr. Nuber and seconded by Mr. Gongora to re-appoint Ms. Pennington to the Board. The motion passed 5 – 0.

Ms. Pennington was sworn in by Ms. Hageman.

5. Approval of Minutes

The Board was presented with the minutes of the May 16, 2018 meeting to review.

A motion was made by Mr. Rosso and seconded by Ms. Pennington to approve the meeting minutes of May 16, 2018 with amendments. The motion passed 6 – 0.

6a. Investment Consultant Report – Tim Nash, AndCo Consulting

Mr. Nash gave a brief overview of the economy and reviewed the Plan's asset allocation. The total portfolio as of 3-31-18 was \$115,756,537 with a 1.36% net rate of return for the quarter. The fiscal year to date net rate of return was 5.86%. Mr. Nash recommended liquidating the Vanguard Growth Index and reallocating to Alger and Wells. The Board discussed the current market trend and political climate. As of 6-18-18, the total portfolio is over \$121 million.

A motion was made by Mr. Pearlman and seconded by Mr. Rosso to liquidate Vanguard and re-allocate evenly between Alger and Wells. The motion passed 6 – 0.

Mr. Nash informed the Board that the Plan is eligible for a lower fee class with Templeton. There is no cost to change classes.

A motion was made by Ms. Pennington and seconded by Mr. Pearlman to change the share class with Templeton. The motion passed 6 – 0.

6b. Custodian Report – Mindy Johnson, Salem Trust

Ms. Johnson provided the Quarterly Summary Report and reviewed Salem's cyber security procedures. Ms. Johnson informed the Board that Globe Tax is up and running.

6c. Actuary Report – Patrick Donlan, Foster & Foster

Mr. Donlan reviewed the Plan's historical returns and the impact of assumption changes. The current assumption is 7.625%. Ms. Simone reminded that Board that reducing the assumption makes sense due to the current political climate. The Board discussed how the early retirement incentive had a huge negative impact to the UAAL previously.

A motion was made by Ms. Pennington and seconded by Mr. Rosso to reduce the Plan's assumption to 7.5% effective for the 2018 Valuation. The motion passed 6 – 0.

Mr. Nash will update the Investment Policy Statement for the next quarterly meeting.

6d. Attorney Report – Scott Christiansen, Christiansen & Dehner

Mr. Christiansen reminded the Board that Form 1's must be filed with the Supervisor of Elections for the County by July 1st and that ethics training is not a requirement for the Board. The Board is officially the lead plaintiff in the Willis Towers class action. The Ordinance was sent to the State. Ice Miller, a tax attorney firm, reviews the Plan every 3 years to ensure IRS compliance.

A motion was made by Ms. Pennington and seconded by Mr. Nuber to authorize Mr. Christiansen to draft an ordinance to bring the Plan into IRS compliance. The motion passed 6 – 0.

Mr. Christiansen provided the updated Summary Plan Description for approval. Mr. Rosso informed the Board that the City of Fort Myers Union has merged with the City of Cape Coral Union and his title has changed. Mr. Christiansen informed Mr. Rosso that the ordinance language may need to be adjusted.

A motion was made by Ms. Pennington and seconded by Mr. Nuber to adopt the new Summary Plan Description. The motion passed 6 – 0.

Mr. Christiansen informed the Board that the attached Exhibit B provides the necessary information and meets the state requirements.

A motion was made by Ms. Pennington and seconded by Mr. Rosso to authorize The Resource Centers to send out the new Summary Plan Description to active employees. The motion passed 6 – 0.

Mr. Pearlman left the meeting at 10:38 AM.

6e. Administrator Report – Amber McNeill, The Resource Centers

The Board was presented the following Benefits for approval:

- Retirement – Karen Dix: Vested Deferred Retirement, Joint & Survivor (\$969.48), commencing 06/01/2018
- Refund – James Blume: Terminated 05/23/2010, \$1,324.43 (To Participant)
- Refund – Jeanette Kreuz : Terminated 08/23/2017, \$973.07 (Rollover)
- Refund – Katherine Hall: Terminated 01/12/2018, \$24,347.85 (Rollover)
- Death – Walter Cole: Date of Death 05/17/2018, Life Annuity (\$246.40)
- Death – Glen Wilcox: Date of Death 05/29/2018, Life Annuity (314.49)

A motion was made by Ms. Pennington and seconded by Mr. Nuber to accept the Benefit Approvals as presented. The motion passed 5 – 0.

Mr. Pearlman returned to the meeting at 10:42 AM.

5. Plan Financials

a. Interim Financial Statements

Ms. McNeill presented the Interim Financial Statements to the Board. Ms. McNeill explained that the tax withholding is regarding a refund from the IRS for a deceased retiree. The Board accepted the statements as presented.

b. Warrant dated June 20, 2018

Ms. McNeill presented the following expenses for approval from the Board:

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| • Foster & Foster | \$2,600.00 |
| • Resource Centers | \$7,663.55 |
| • Resource Centers | \$7,432.50 |
| • Resource Centers | \$7,089.49 |
| • Wells Fargo | \$20,915.98 |
| • Eagle Capital | \$36,073.66 |
| • Trustee Per Diem (Rudy Rosso) | \$337.33 |
| • Trustee Per Diem (Mark Nuber) | \$315.02 |
| • Rosen Shingle Creek (Mark Nuber) | \$447.00 |
| • Rosen Shingle Creek (Rudy Rosso) | \$447.00 |
| • Rosen Shingle Creek (Eloise Pennington) | \$447.00 |

A motion was made by Ms. Pennington and seconded by Mr. Rosso to accept the Warrant dated June 20, 2018 as presented. The motion passed 6 – 0.

8. Old Business

NONE

9. New Business

The Board discussed the passing of Mr. Hosein and the eligibility of his beneficiaries to receive a benefit. Ms. McNeill will have the 10 year certain benefit calculated before having the beneficiaries choose between a refund of his contributions or a 10 year certain benefit.

The Board discussed the quarterly DROP statements and the length of time it takes for the members to receive their statements. Ms. McNeill informed the Board that all DROP participants who elect the investment DROP account are informed that there will be a delay of approximately 6-8 weeks after the end of a quarter. Mr. Nash and Mr. Donlan will work on getting the timeframe shortened.

10. Next Meeting

The next meeting will be held on August 15, 2018 at 9 AM.

11. Adjournment

There being no further business, a motion was made by Ms. Pennington to adjourn and seconded by Mr. Rosso. The motion passed 6 – 0.

Respectfully submitted,



Rodolfo Rosso, Secretary