

**CITY OF FORT PIERCE RETIREMENT AND BENEFIT SYSTEM  
MINUTES OF MEETING HELD  
MAY 15, 2014**

Summarized Minutes of the regular meeting of the City of Fort Pierce Retirement and Benefit System, May 15, 2014 at 2:00 p.m. in the 2<sup>nd</sup> Floor Conference Room at City Hall.

Present:

|                                |                        |
|--------------------------------|------------------------|
| Commissioner Tom Perona, Chair | City Commission Member |
| Gloria J. Johnson              | Secretary/Treasurer    |
| Stanley Fidge                  | General Member         |
| Nina Hurtubise                 | U.A. Board Appointee   |
| William Conavay                | U.A. General Member    |
| Rodney Nieves                  | Police Officer Member  |

|                     |                                   |
|---------------------|-----------------------------------|
| Attorney Jim Walker | Assistant City Attorney, Advisory |
| Christina Luna      | Retirement Clerk                  |

Absent:

|                                |                        |
|--------------------------------|------------------------|
| Commissioner Reginald Sessions | City Commission Member |
|--------------------------------|------------------------|

Guests:

|                |                                |
|----------------|--------------------------------|
| Weston Lewis   | Callan Associates              |
| Brad Armstrong | Gabriel Roeder Smith & Company |
| Nancy Norton   | Morgan Stanley                 |
| Ginny Delaney  | Morgan Stanley                 |
| Paul Lundmark  | Richmond Capital               |
| Cliff Kalish   | William Blair                  |

Recording:

|               |                  |
|---------------|------------------|
| Johnna Morris | Chief Accountant |
|---------------|------------------|

**CITY OF FORT PIERCE RETIREMENT AND BENEFIT SYSTEM  
MINUTES OF MEETING HELD  
MAY 15, 2014**

**ITEM NO. 1 & 2 ~ ROLL CALL**

**Chairperson, Commissioner Tom Perona** called the meeting to order at 2:08p.m., the first item on the agenda being the “*Roll Call*”. Absent was Commissioner Reginald Sessions.

**ITEM NO. 3 ~ COMMENTS FROM THE PUBLIC**

**Comm. Perona** stated that the next item on the agenda was comments from the public. He asked if there were any comments from the public. There were no comments from the public.

**ITEM NO. 4 ~ APPROVAL OF SUMMARIZED MINUTES OF MAY 15, 2014.**

**Comm. Perona** stated that the next item was the approval of the summarized minutes of May 15, 2014. Comm. Perona asked for a motion to approve the minutes.

**A motion was made by Mr. Will Conavay and seconded by Mr. Stan Fidge to approve the summarized minutes of May 15, 2014.**

**All those in favor of the motion signified by saying aye. There was no opposition and the motion carried unanimously.**

**ITEM NO. 5 ~ ATTORNEY’S REPORT**

**Attorney Jim Walker** said he had included the proposed rule for the board’s approval and adoption on handwritten notes. He said he was available for questions.

**Comm. Perona** said as the board is moving to paperless agendas and more use of technology, it’s good to be getting ahead of the curve with the adoption of this rule.

**A motion was made by Mrs. Gloria Johnson and seconded by Mr. Stan Fidge to adopt the rule on handwritten notes by board members and the clarification of them as public records.**

**CITY OF FORT PIERCE RETIREMENT AND BENEFIT SYSTEM  
MINUTES OF MEETING HELD  
MAY 15, 2014**

**All those in favor of the motion signified by saying aye. There was no opposition and the motion carried unanimously.**

**Atty. Walker** said the only other thing he had was to inform the board that he would be attending the upcoming NAPPA Conference.

**Comm. Perona** asked if there were any questions Attorney Walker. There were none.

**ITEM NO. 6 ~ PUBLIC HEARING ON BENEFITS APPLICATIONS**

**Comm. Perona** stated that the next item on the agenda was Public Hearings on Benefit Applications.

**Comm. Perona** opened up the public hearings for anyone to comment on the request for retirement from Diane Daniels with 6 years of service with the City of Fort Pierce entering into the DROP. He asked if there was any one here who would like to publicly comment on this request. Seeing none, Comm. Perona closed the public hearing. Comm. Perona opened up the matter for the Board. **A motion was made by Mrs. Johnson and seconded by Ms. Hurtubise to approve the request for retirement from Diane Daniels.** Comm. Perona asked for any questions or comments on this request before the motion was called. **All those in favor of the motion signified by saying aye. There was no opposition and the motion was carried unanimously.**

**Comm. Perona** opened up the public hearings for anyone to comment on the request for retirement from Mazella Smith with 20 years and 8 months of service with the City of Fort Pierce. He asked if there was any one here who would like to publicly comment on this request. Mrs. Mazella Smith said she had worked for the City of Fort Pierce for twenty plus years and was thankful for the chance to serve the citizens. There were some rewarding experiences and some friendship that will last forever. Her retirement application was before the board, but she is asking for her earned hours of sick time to be included in her calculation. She said this was the first time an employee was made to leave 688 hours of sick time on the books. The judge had ruled these were adverse employment actions. She was asking the board to include her time; because she was not charged with a crime she was entitled to these hours. She was asking the board to amend the application to include these hours.

**Comm. Perona** asked what the appeal process was.

**CITY OF FORT PIERCE RETIREMENT AND BENEFIT SYSTEM  
MINUTES OF MEETING HELD  
MAY 15, 2014**

**Atty. Walker** said the board should act on the application that is before them. If the applicant desires to appeal the board's decision she will need to file within ten days for a hearing on reconsideration. There will be a quasi-judicial hearing where both sides are heard.

**Comm. Perona** informed Ms. Smith that the board would have to consider the application before them today, but she would have ten days to appeal the decision. He asked for any other comments from the public. Seeing none, Comm. Perona closed the public hearing. Comm. Perona opened up the matter for the Board. Mrs. Gloria Johnson said there was an amended application before the board deleting the 688 hours that had been previously written in. **A motion was made by Mrs. Johnson and seconded by Mr. Fidge to approve the amended request for retirement from Mazella Smith .** Comm. Perona asked for any questions or comments on this request before the motion was called. **All those in favor of the motion signified by saying aye. There was no opposition and the motion was carried unanimously.**

**ITEM NO. 7 ~ OLD BUSINESS**

**Comm. Perona** stated that the next item is Old Business, there was none.

**ITEM NO. 8 ~ NEW BUSINESS**

**Comm. Perona** stated that the next item is New Business.

**Comm. Perona** said Callan, the board's consultant, as well as the money managers were present to report, and deflected to Mr. Cody Chapman of Callan Associates.

**Report from Callan**

**Mr. Cody Chapman** explained that the plan is affected by what the market did, what our policy is and what our managers did. The portfolio is doing well, it is ranked (200 funds) in the 13<sup>th</sup> percentile and all objectives are being met. The portfolio had a 14.01% return and outperformed the benchmark by 56 basis points or 12.76%. He said that Heitman would probably request a \$4.8 million call in July and they would recommend it come from domestics. He explained that Emerald had favorable months January and February but pulled back some in March. Ceredex was down relative to the bench mark for the quarter, but for the long run continue to be good.

**CITY OF FORT PIERCE RETIREMENT AND BENEFIT SYSTEM  
MINUTES OF MEETING HELD  
MAY 15, 2014**

The S&P 400 Index has performed well for the quarter. Morgan Stanley was up 19 basis points for International Markets and 16 basis points for Emerging Markets. William Blair was down 1.5% and this is the first quarter that the previously discussed personnel changes were in complete control of the fund. In spite of this, they continue to like the team and recommends the board continue to be patient with them. Richmond Capital beat the benchmark and met their objectives, they were positive and meeting their goals. Morgan Stanley was beating the benchmark and meeting their objectives. Overall, all objectives were met for the quarter and the portfolio continues to do well.

**Richmond Capital**

**Mr. Paul Lundmark** introduced himself as the Portfolio Manager and they have been managers for the system for the past 24 years. The portfolio outperformed the benchmark by 24 basis points for the quarter and 47 points for the year. He said the portfolio is well positioned.

**Comm. Perona** asked if any members had any more questions. Seeing none he thanked Mr. Lundmark.

**William Blair**

**Mr. Cliff Kalish** said he had been managing the fund for 10 years. He explained the personnel issues and said there had not been any problems since George left.

**Mr. Chapman** asked if there had been any departures from the analysis team.

**Mr. Kalish** answered there had been none. He went on to say the fund had outperformed the benchmark by 18.9% for the year. January and February it outperformed, March and April trailed and as of today's date, May has outperformed. He said they have had slow returns for the 1<sup>st</sup> Quarter and are cautiously optimistic going forward.

**Comm. Perona** asked if any members had any more questions. Seeing none he thanked Mr. Kalish.

**Morgan Stanley**

**Ms. Nancy Norton and Ms. Ginny Delaney** portfolio specialists, commented on the 23 year history and thanked for support. The portfolio returned 3.66% vs. the EFA index of 3.12% and the value of the portfolio is \$12.6 million International Markets. She said they are positioned well and expect to perform well moving forward. In Emerging Markets the portfolio returned 2.4% vs -.88%.

**CITY OF FORT PIERCE RETIREMENT AND BENEFIT SYSTEM  
MINUTES OF MEETING HELD  
MAY 15, 2014**

**Comm. Perona** asked if there any questions. Seeing none he thanked Ms. Norton and Ms. Delaney for coming.

**Mr. Lewis** told the board to continue to be patient, overall things look good.

**Comm. Perona** asked for any other new business. Seeing none he moved to item no. 9.

**ITEM NO. 9 ~ CONSENT AGENDA**

**Comm. Perona** stated that the next item is the Consent Agenda.

**A motion was made by Mrs. Johnson and seconded by Mr. Fidge to approve the refund of member contributions.**

**All those in favor of the motion signified by saying aye. There was no opposition and the motion carried unanimously.**

**ITEM NO. 10 ~ CONSIDERATION OF ABSENCES**

**Comm. Perona** said that the next item is Consideration of Absences.

**A motion was made by Mrs. Johnson and seconded by Mr. Fodge to approve the absence of Comm. Sessions.**

**All those in favor of the motion signified by saying aye. There was no opposition and the motion carried unanimously.**

**ITEM NO. 11 ~ NEXT MEETING**

**Comm. Perona** said the next meeting was scheduled for June 19, 2014 at 2:00 p.m.

**Mrs. Hurtubise** asked for an update on the proposed plan changes.

**CITY OF FORT PIERCE RETIREMENT AND BENEFIT SYSTEM  
MINUTES OF MEETING HELD  
MAY 15, 2014**

**Mrs. Johnson** said there had not been any changes only discussion and there would not be changes until all unions have approved.

**ITEM NO. 12 ~ ADJOURNMENT**

Seeing there were no further questions or comments, Comm. Perona adjourned the meeting at 4:33 p.m. He thanked everyone for their time and attendance.

ATTEST:

\_\_\_\_\_  
Secretary/Treasurer

\_\_\_\_\_  
Chairperson

Note: These minutes are not verbatim, only important issues and motions are reproduced in writing for the benefit of the Fort Pierce Retirement and Benefit System members. The recording itself is the official record for the meeting. The meeting tape/cd is available.