

**CITY OF FORT PIERCE RETIREMENT AND BENEFIT SYSTEM
MINUTES OF MEETING HELD
FEBRUARY 19, 2015**

Summarized Minutes of the regular meeting of the City of Fort Pierce Retirement and Benefit System, February 19, 2015 at 2:00 p.m. in the 2nd Floor Conference Room at City Hall.

Present:

Commissioner Tom Perona, Chair	City Commission Member, Chairman
Gloria J. Johnson	Secretary/Treasurer
Commissioner Reginald Sessions (2:05pm)	City Commission Member
Nina Hurtubise	U.A. Board Appointee
Keith Stephens	U.A. General Member
Attorney Jim Walker	Assistant City Attorney, Advisory
Christina Luna	Retirement Clerk

Absent:

Stanley Fidge	General Member, Vice Chairman
Rodney Nieves	Police Officer Member

Guests:

Weston Lewis	Callan Associates
Cody Chapman	Callan Associates
Ron Peyton	Callan Associates

Recording:

Johnna Morris	Chief Accountant
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ITEM NO. 1 & 2 ~ ROLL CALL

Chairperson, Commissioner Tom Perona called the meeting to order at 2:00p.m., the first item on the agenda being the “*Roll Call*”.

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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 JANUARY 15, 2015.

Comm. Perona stated that the next item was the approval of the summarized minutes of January 15, 2015. **Comm. Perona** asked if there was a motion to approve the minutes.

A motion was made by Ms. Hurtubise and seconded by Mrs. Gloria Johnson to approve the summarized, minutes as corrected, of January 15, 2015.

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 provided board members with a copy of a document he had received from the Florida Bar Journal on QDROs (Qualified Domestic Relations Orders). He said the board receives them from time to time so he felt it would be helpful for the board to review. The subject is rather complicated, so he asked the board for permission to refer with Jim Linn on the matter. After a brief discussion he was granted permission to consult with Jim Linn. He said that was all he had and was available for any questions the board may have.

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

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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 the public hearings for anyone to comment on the request for retirement from Fred R. Sloan with 10 years of service with the Fort Pierce Utilities Authority. 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 Ms. Hurtubise and seconded by Mrs. Johnson to approve the request for retirement from Fred R. Sloan.** 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 the public hearings for anyone to comment on the request for retirement from Eugene D. Knight with 18 years and 8 months of service with the Fort Pierce Utilities Authority (DROP Program). 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 Ms. Hurtubise and seconded by Mr. Keith Stephens to approve the request for retirement from Eugene D. Knight.** 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 the public hearings for anyone to comment on the request for retirement from Estella M. Wilson with 15 years and 7 months of service with the Fort Pierce Utilities Authority (DROP Program). 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 Ms. Hurtubise and seconded by Mr. Keith Stephens to approve the request for retirement from Estella M. Wilson.** 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, proposed amendment to board rule 9, and turned it over Atty. Walker.

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Atty. Walker said the board directed preparation to amend the rules to allow for servicing via email, as a voluntary benefit to applicants. Before them was the drafted amendment to provide a new section to include such, which mimics the Florida court systems.

Comm. Perona asked if there was a way to prove that it was received.

Mrs. Johnson said yes.

Comm. Perona asked for a motion to accept.

A motion was made by Comm. Reginald Sessions and seconded by Ms. Hurtubise to adopt the amendment to rule 9, allowing for email notification to applicants. All those in favor of the motion signified by saying aye. There was no opposition and the motion was carried unanimously.

Comm. Perona asked for any other old business, there was none.

ITEM NO. 8 ~ NEW BUSINESS

Comm. Perona stated that the next item is New Business, and introduce the board's consultant.

Mr. Weston Lewis of Callan Associates said Ron, the president of the company, was here today and wanted to stop by and thank the board for its long standing relationship.

Mr. Ron Peyton thanked the board for the years of service, everything was well at Callan and anytime the board was not happy with service they would switch out consultants. He wanted the board to remember the 3 things for a plan to work; must have a benefit policy, a funding policy and investments. He briefly explained that defined benefit plans are ½ the cost of defined contribution plans.

Mr. Lewis said the first thing he wanted to address was the work plan for 2015 and began with the investment periodic table. He explained the MSCI and EAFE had negative returns because the dollar was so strong and there has been weaker global growth and more muted returns moving forward. Taking this into account he thinks the returns will be around 7 ½ %. He introduced Cody Chapman to complete the review.

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Cody Chapman said there had been very good results and began on page 3, the asset allocation. The board is overweight to domestic equity and is 7% in real estate but supposed to be 10%, should be at 18 million based on the Investment Policy.

Comm. Perona asked when it comes to the investment into real estate is it standard for it take that long to get the call to invest.

Mr. Chapman answered yes, to remember they are prudently deciding what type of properties to purchase and only make the calls when they have great investment properties. He went on to say that if the board decided to do the additional investment into real estate it would be pulled from domestic equities, which is at 55% and should be at 48%. If there is a desire to wait the board could wait until there was more return history.

The board decided it would be discussed at the next meeting.

Mr. Chapman went on to explain that plan has a 3.1% return for the Qtr. and was ranked in the 15th percentile; it was 3 basis points below fund benchmark. The managers continue to add value.

Emerald had a good year; they outperformed the benchmark by 1.52%, are meeting their objectives and are doing very well.

Ceredex outperformed the benchmark by .22% for the Qtr. but underperformed by 1.19% for the year. The long term results remain strong. .

Morgan Stanley-Developing Markets underperformed for the Qtr. and the last year, however the long-term performance remains strong. He reminded the board of the personnel changes as well as the fact that the strong dollar is usually bad for emerging markets. He recommended they continue to be watched.

Comm. Person asked if they would let the board know if they needed to change managers.

Mr. Chapman said yes; the board needs to remember it had been tough for emerging markets but what would be a better replacement.

Mr. Lewis said that Morgan Stanley would be here in May and any concerns should be voiced to them then.

William Blair out performed by 2.28% for the Qtr. and 1.21% for the year, they added a lot of value. They remain stable and look good, your patience was rewarded.

Richmond Capital slightly underperformed for the Qtr. but outperformed for the year by .51%.

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Morgan Stanley-Emerging Markets underperformed by 1.72% for the Qtr. and 2.28% for the year.

Heitman had outperformed 1.5% for the Qtr. and 1.2% came from income.

Comm. Perona asked if there were any questions for the consultants. He thanked Callan for coming and for the presentation. He asked the board if there was any other new business.

Mrs. Johnson said she would like the board to consider recommending to the Commission the inclusion of a reserve in the budget to help with future increases in the contribution rate, maybe 1% of payroll. Just as they have in the past, the investments will fall in the future and the contribution rate will increase, a reserve in place would to help with this.

Comm. Perona said he would like to have data before moving forward on it.

Mrs. Johnson also said there had been a required minimum contribution rate by the City in the past that for some reason had been taken out of the ordinance. She was suggesting that it be put back into the ordinance so that in the future, when the fund gets back to over 100% the City would not be tempted to not make a contribution.

The board agreed and tasked Atty. Walker to draft an ordinance.

ITEM NO. 9 ~ CONSENT AGENDA

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

A motion was made by Mr. Stephens and seconded by Comm. Sessions 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 Comm. Sessions and seconded by Mr. Stephens to approve the absences of Mr. Stan Fidge and Sgt. Rodney Nieves. All those in favor of the motion signified by saying aye. There was no opposition and the motion carried unanimously.

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ITEM NO. 11 ~ COMMENTS FROM BOARD MEMBERS

Comm. Perona said that the next item was comments from board members.

Comm. Perona asked Mrs. Johnson if they had moved forward with the disability retirement review committee.

Mrs. Johnson replied yes.

Mr. Stephens let the board know he had attended the FPPTA conference and thought it was a great thing.

ITEM NO. 12 ~ NEXT MEETING

Comm. Perona said that the next item was next month's meeting. The next meeting was scheduled for March 19, 2015 at 2:00 p.m.

ITEM NO. 12 ~ ADJOURNMENT

Seeing that there were no further questions or comments, Comm. Perona adjourned the meeting at 3:34 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.