

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

Summarized Minutes of the regular meeting of the City of Fort Pierce Retirement and Benefit System, March 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 (3:07pm)	City Commission Member
Nina Hurtubise	U.A. Board Appointee
Keith Stephens	U.A. General Member
Stanley Fidge	General Member, Vice Chairman
Rodney Nieves	Police Officer Member
Attorney Jim Walker	Assistant City Attorney, Advisory
Christina Luna	Retirement Clerk

Guests:

Brad Armstrong	Gabriel Roeder Smith & Company
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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 2:03p.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 FEBRUARY 19, 2015.

Comm. Perona stated that the next item was the approval of the summarized minutes of February 19, 2015. Comm. Perona asked if there was a motion to approve the minutes.

A motion was made by Mr. Keith Stephens and seconded by Ms. Hurtubise to approve the summarized, minutes with correction, of February 19, 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 the most recent legislative update. It was noted that it has been discovered that shutting down a defined benefit plan is a costly device and doesn't yield what has been claimed. The only measure currently affecting local plans is Senate Bill 242, requiring the use of mortality tables being used by the Florida Retirement System; Mr. Armstrong would comment on it later. He said the Board had commissioned him to have Jim Linn take a look at the info previously submitted concerning Qualified Domestic Orders (QDRO). In brief, Subpart C of Section 16 would merit significant changing. He said he would draft language and present it at next month's meeting.

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 to defer retirement from Melissa Jaques with 5 years 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. 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 to defer retirement from Melissa Jaques.** 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 non-duty death retirement from Jeffrey Pinkston with 6 years and 9 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. Seeing none, Comm. Perona closed the public hearing. Comm. Perona opened up the matter for the Board. **A motion was made by Mr. Stan Fidge and seconded by Mr. Stephens to approve the request for non-duty death retirement from Jeffrey Pinkston.** 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, second reading of the proposed amendment to board rule 9, and turned it over Atty. Walker.

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 for second reading.

Comm. Perona asked for a motion to accept.

A motion was made by Mr. Fidge and seconded by Mrs. Johnson 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.

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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 Mr. Brad Armstrong.

Mr. Brad Armstrong said he was here to present the 9/30/2014 valuation, which, once it is approved, becomes an invoice to the City for its FY 2015/16 contribution requirement. He explained that this year GASB 67 became effective, which call for decoupling funding and it would be separately reported. On Page A1, the funding indicators show that there has been substantial funding progress, an increase from 89% to 92% which is good. On market value basis, last year was 95% funded and this year is 98%, which is great. The market value assets exceeded the funding value assets by \$11.7 million. On page A2 the market value rate of returns was 10.24% and the recognized rate was 10.98%. He explained that Senate Bill 242 had been introduced in Tallahassee requiring the use of mortality tables used by the Florida Retirement System; it is opposed by the Florida League of Cities. The bill projects a longer life expectancy which causes higher contribution rates. If imposed it would be an increase of ½% to 2% of payroll. If it happens this year there is a \$1.7 million reserve to offset the liability change. This will cause the funded ratio to go down.

There has been very little wage growth for the last ten years which is creating significant funding increases. The unfunded liability is a real dollar amount and if there is no wage growth to fund the assumption the contribution rate increases. The administrative expenses increased because of plan change expenses or requests. In regards to COLAs, the returns were not favorable to grant them.

Atty. Walker asked how the fund relates to its peer, as it relates to funding.

Mr. Armstrong said the fund is ranked in the upper quartile.

Comm. Perona asked if there were any further questions for Mr. Armstrong; there were none.

A motion was made by Ms. Hurtubise and seconded by Mr. Fidge to accept the September 30, 2014 Actuarial Valuation.

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Comm. Perona opened the next item, a discussion on the asset allocation and allowing for additional investment with Heitman.

Mrs. Johnson said the consultants had recommended that an additional investment be made with Heitman to comply with the investment policy, which calls for a 10% allocation. After discussion, a motion was made by Mrs. Johnson and seconded by Ms. Hurtubise to increase the real estate investment to meet the 10% threshold in the investment policy.

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. There were none.

ITEM NO. 11 ~ COMMENTS FROM BOARD MEMBERS

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

Sgt. Rodney Nieves asked if the board has a system in place to manage retiree fraud, in that a retiree dies and the board is notified so that benefits cease.

Mrs. Johnson replied yes, it is through the social security system, but is only as good as what is reported thru social security.

Sgt. Nieves said he had found a fail-safe system that manages retiree fraud. It verifies if the retiree is living He would bring it before the board for review.

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ITEM NO. 12 ~ NEXT MEETING

Comm. Perona said that the next item was next month's meeting. The next meeting was scheduled for April 16, 2015 at 2:00 p.m.

ITEM NO. 13 ~ ADJOURNMENT

Seeing that there were no further questions or comments, Comm. Perona adjourned the meeting at 3:48 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.