

**CITY OF FORT PIERCE RETIREMENT AND BENEFIT SYSTEM  
MINUTES OF MEETING HELD  
SEPTEMBER 17, 2015**

Summarized Minutes of the regular meeting of the City of Fort Pierce Retirement and Benefit System, September 17, 2015 at 2:03 p.m., in the 2<sup>nd</sup> Floor Conference Room at City Hall.

Present:

Commissioner Tom Perona, Chair  
Gloria J. Johnson  
Stanley Fidge, Vice Chair  
Nina Hurtubise  
Keith Stephens

City Commission Member  
Secretary/Treasurer  
General Member  
U.A. Board Appointee  
U.A. General Member

Attorney Jim Walker  
Christina Paz

Assistant City Attorney, Advisory  
Retirement Clerk

Absent:

Commissioner Reginald Sessions  
Rodney Nieves

City Commission Member  
Police Officer Member

Recording:

Johnna Morris

Chief Accountant

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

**Chairperson, Commissioner Tom Perona** called the meeting to order at 2:03 p.m., the first item on the agenda being the “*Roll Call*”.

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

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**Comm. Perona**, the next item on the agenda was comments from the public. There were no comments from the public.

**ITEM NO. 4 ~ APPROVAL OF SUMMARIZED MINUTES OF AUGUST 20, 2015.**

**Comm. Perona**, the next item was the approval of the summarized minutes of August 20, 2015 and asked if there was a motion to approve the minutes.

**A motion was made by Ms. Gloria Johnson and seconded by Ms. Nina Hurtubise to approve the summarized minutes of August 20, 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** stated the agenda shows, as part of the report presentation, a draft of a proposed amendment to disability retirement. Mr. Walker said it would be his suggestion to have recommendation that this agenda item be presented instead by Ms. Gloria Johnson in her capacity of chair of the Disability Committee since this now comes to the Board as a recommendation of the Committee. Mr. Walker said, other than this, he has no business to present to the Board and would be happy to answer any questions or entertain any comments. It is understood that the second vote is scheduled on the Rule 17 is in another part of the agenda.

**Comm. Perona** turned it over to Ms. Gloria Johnson.

**Ms. Gloria Johnson** stated the Disability Committee has been meeting. In the meeting they have been going over disability ordinance as far as awarding disability to individuals that are part of the system. She said in doing so, she is aware that in the past the Board has been looking at this issue as well; thinking about making some revisions, since our ordinances are very much outdated or need some adjustments to them. In doing so, the Committee made a few changes in Section 13-16. Definitions were added for in-line of duty. Ms. Johnson asked the Board if they had read the changes. The definition was added as to what in-line of duty means. The other change that was done as far as the definition, the Committee is using the provisions of Workmen's Comp, Chapter 440; they are also used as far as awarding our disabilities to our retirees. Also in that definition, it also says, "disabilities arising from drugs or alcohol abuse or use of tobacco products should not be considered in the line of duty. These are some things that were added that would prohibit us from awarding disability. Ms. Johnson said the other thing

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that was added was the definition of administration, which is just the finance director. There was a major change on Page 2 under C. "A". It more or less puts the burden on the person who applied for disability. It's not like they are totally disabled; that they should be able to find some type of employment. We are trying to make sure that they look for some type of employment before we consider any type of disability award. In doing so, the employee must be incapable of performing any gainful sedentary type work on a constant basis or paid within a 50 mile radius. This means they have to look for work within that 50 mile radius to see if there is something they can do.

**Ms. Johnson** stated that the best thing listed is under No. 7. We have two physicians that are looking at retiree disability. We have our physician and their physician. We receive this suggest from Mr. Walker. Under 7."A" it says, "in the line of duty" the illness must be a major contributing force, as far as the "in the line of duty," request and must be more than 50% responsible. On Page 3 there should be two physicians, one of whom shall be selected by the Retirement Board and paid by the retirement system and another of whom shall be selected by the member and paid by the member; both shall report to the Retirement Board on the member's physical limitations on a form typed by the Board, certifying that the limitations are permanent. Now they don't certify that they are disabled. They have to tell us what their limitations are instead of saying they are permanently disabled. When they let us know, this is what we will use as criteria to determine if we would consider them to be eligible for duty disability. This is the most significant change in this entire Ordinance. Once the employee is sent to the doctor, it would be very difficult for that doctor to say this employee is totally disabled. It now puts it in the hands of the Board to decide. When the applicant gives their physical limitations, it will be decided if the information given is enough to be considered for duty disability.

**Comm. Perona** said in the past, the Board has reviewed more information to be able to make that decision.

**Ms. Johnson** stated, also added to the Ordinance, is that there is some reduction that can be done as far as the benefits and if there are certain situations, we may demand that they actually apply for social security disability. We will be able to adjust what is being paid to the applicant. This information is located on Page 5 of the Ordinance.

**Comm. Perona** stated that the discussion about the changes came up because of the reviews that the Committee and people on the Committee have had to deal with over the last few years. Because of that, these are the corrective ways that will help facilitate the process and expedite the process.

**Ms. Johnson** said if the Board approves these changes, it will have to go to the Unions.

**The Committee** voted and it was a 3 to 1 vote; 3 for and 1 against.

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**Comm. Perona** said the 50-mile radius is his concern. If you have a disabled person driving an hour to work and an hour back from work and it may be a menial job that doesn't coincide with the activities the employee had before, it put them out of the County.

**Comm. Perona** said he doesn't understand why the 50-mile radius was chosen.

**Ms. Johnson** said these are things that can be discussed by the Board.

**Comm. Perona** said he would hope the employee would be able to find gainful employment within the County.

**Mr. Walker** commented that the 50-mile radius is taken from the Workmen's Compensation Act. This is what Workmen's Compensation uses for accessing entitlement to permanent total disability. Mr. Walker pointed out that there are several people who commute to work out of the County. The 50-mile radius was used to give a balance.

**Comm. Perona** said this is true; he just doesn't want to promote finding jobs outside of the County; As long as it doesn't put any hardship on a disabled person who is trying to follow the rules and regulation.

**Ms. Johnson** said this is just the first presentation and she doesn't know if everyone has had a chance to go over the changes.

**Comm. Perona** said this is excellent work from the Committee and a lot of consideration was put into it. He said if there wasn't any problem, should the Board bring the discussion of the changes back in the next Board Meeting.

**Mr. Walker** stated to Comm. Perona it would just be a matter of adoption. If the Board wishes to do so, it would be forward to the Commissioners for a recommendation of approval. The Commission would look it over and the turn it over to a Bargaining Committee to get approval.

**Comm. Perona** asked that this be put on the next agenda as an Ordinance Amendment.

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

None.

**ITEM NO. 7 ~ SECOND READING OF BOARD RULE 17-BENEFIT ADMINISTRATION**

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**Mr. Walker** said this is a proposed draft of a rule memorializing and formalizing a process of follow up with benefit recipients to verify their continued entitlement to benefits; making sure they have not deceased and also that they are paying the right people.

**Comm. Perona** asked if there were any questions or comments. There being no questions or comments, Comm. Perona entertained a motion concerning second reading of Board Rule 17 – Benefit Administration.

**A motion was made by Mr. Stanley Fidge for the approval of Board Rule 17-Benefit Administration and second by Ms. Gloria Johnson. All those in favor of the motion signified by say aye. There were no opposition and the motion was carried unanimously.**

**ITEM NO.8 ~ FY 2015/16 BUDGET**

**Comm. Perona** said the next item is New Business, the 2015/16 Budget.

**Ms. Johnson** said the 2015/16 Budget projected expenditures is \$14,925,000 and the revenues are projected to be \$6,312,243. The revenues do not include investment income. The investment income stays in the bank with the fund. There is going to be a shortfall of \$8,612,757 and recommend that transfers be made; requesting the money managers send us the money during the year to make up the shortfall on the budget. She requested a motion be made to approve the 2015/16 Budget if there aren't any questions.

**Comm. Perona** said the shortfall was not a true shortfall because it did not include the investment income.

**Ms. Johnson** said that was true. She said this is the money that would actually go into the bank next year. When the money managers invest the money, it stays with the fund.

**Comm. Perona** asked about the million dollar contingency.

**Ms. Johnson** said that contingency is anything that is needed that is not budgeted. She said they will come back to the Board if it is needed. It was not needed last year; it is put there just in case something comes up.

**Comm. Perona** asked Ms. Johnson for some ideas that could happen.

**Ms. Johnson** said sometimes we may have to pay more retirees than was anticipated.

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**Comm. Perona** stated when you have a budget of \$14-\$15 million dollars and you have a contingency that is a million dollars, it draws a flag, so you need an explanation to go with it. When you start talking about retirement and what's going to happen in a given year, it is a series of educated guesses. He asked Ms. Johnson if she didn't budget the million dollars; this has happened in the past, what would be done as far as the Board movement?

**Ms. Johnson** said they would have to come back to the Board and amend the Budget. She said this avoids amending the Budget.

**Mr. Fidge** said he remembers the Board making the approval in advance. It stays in flux for each approval that is done. He asked Ms. Johnson if it was like running a cash balance plan.

**Ms. Johnson** said no, it is a Budget and it is incorporated in the \$8 million they have on top. If it is not needed, it will not be sent for.

**Comm. Perona** said it is earned income if it is not needed. He asked what investment do you pull from.

**Ms. Johnson** said they don't decide; Callen does; it is based on the investment policy and the percentage they have.

**A motion was made by Ms. Johnson and seconded by Mr. Stephens to approve the Budget.**

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

**ITEM NO. 9 ~ CONSENT OF AGENDA**

None.

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

None.

**ITEM NO. 11 ~ BOARD MEMBER COMMENTS**

**Comm. Perona** asked for comments from the board.

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**Mr. Fidge** commented that he is signed up for the conference and is looking forward to attending.

**Ms. Johnna Morris** asked if there were some problems with getting hotel rooms.

**Ms. Christina Paz** said when she tried, 100 rooms had already been taken. The rooms are being taken in large quantities. She said she was told to keep calling back because most likely there will be cancellation.

**Mr. Keith Stephens** spoke with someone and was told the rooms are booked one to three years in advance. Mr. Stephens also apologized for being late.

**Ms. Nina Hurtubise** said the information provided on the financial report was a little disturbing in terms of the income from the investments this year versus last year. She said this time last year there was over \$19 million dollars income and there is only a little over \$7 million this year is this something to be aware of.

**Ms. Johnson** stated that it said estimated but we still have a few more months that are not there.

**Mr. Stephens** said he did hear there still could be some volatility between now and the end of the calendar year. There are things going on in China and Japan that may have some effect.

**Ms. Johnson** extended her thanks to everyone for working with her and she enjoyed working on the Board with everyone. She asked the Board to keep it going because she definitely wants her check every month. She also commented that this is a dynamic Board.

**Comm. Perona** complimented Ms. Johnson on the institutional knowledge she brought to the Board and she is leaving them in good hands. He said when the money managers come in and tell him the Board is the best of the best nationally; it makes him feel good to hear this. With that being said, Comm. Perona presented Ms. Johnson with a plaque for her years of outstanding service and dedication to the City of Fort Pierce Retirement Board.

**ITEM NO. 12 ~ NEXT MEETING**

**Comm. Perona** said that the next item was next month's meeting. The next meeting was scheduled for October 15, 2015 at 2:00 p.m.

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**ITEM NO. 13 ~ ADJOURNMENT**

Seeing that there were no further questions or comments, Comm. Perona adjourned the meeting at 2:37p.m. He thanked everyone for their time and attendance.

ATTEST:

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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.