

**CITY OF FORT PIERCE RETIREMENT AND BENEFIT SYSTEM
MINUTES OF MEETING HELD
JANUARY 21, 2016**

Summarized Minutes of the regular meeting of the City of Fort Pierce Retirement and Benefit System, January 21, 2016 at 2:03 p.m., in the 2nd Floor Conference Room at City Hall.

Present:

Commissioner Tom Perona, Chair
Stanley Fidge, Vice Chair
Commissioner Reginald Sessions

City Commission Member
City General Member
City Commission Member

Johnna Morris
Rodney Nieves
Keith Stephens
Nina Penick

Director of Finance
Police Officer Member
U.A. General Member
U.A. Board Appointee

Attorney Jim Walker
Christina Paz

Assistant City Attorney, Advisory
Retirement Clerk

Absent:

None

Recording:

Queen Thompkins

Executive Assistant to the Director of Finance

ITEM NO. 1 & 2 ~ ROLL CALL

Comm. 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 NOVEMBER 19, 2015.

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

A motion was made by Mr. Stanley Fidge and seconded by Ms. Nina Penick to approve the summarized minutes of November 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 stated there were no specific items to be covered under the report. Mr. Walker said he is available for questions from the Board. There were no questions from the Board.

ITEM NO. 6 ~ PUBLIC HEARING ON BENEFITS APPLICATIONS

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

Comm. Perona opened up the public hearing for comments on the request for deferred retirement from Allison Martin with 6 years and 11 months of service with the City of Fort Pierce. He asked if anyone 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 Comm. Reginald Sessions and seconded by Mr. Stanley Fidge to approve the request for deferred retirement from Allison Martin.** 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 hearing for comments on the request for retirement from Barry D. Lezark with 12 years and 10 months of service with the City of Fort Pierce. He asked if anyone 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 Ms.**

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Johnna Morris and seconded by Comm. Sessions to approve the request for retirement from Barry D. Lezark. 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 A. ~RESINATION OF STANLEY FIDGE

Comm. Perona said to Mr. Fidge the Board was going to miss him.

Mr. Fidge said he appreciated the time and have really enjoyed the awesome responsibility the Board members entrusted him with while serving these past four years. He has learned a lot and he will miss everyone. Mr. Fidge said he enjoyed serving and being able to have an input to make the system better than it was. He said he is more than confident that everyone will continue with the cause and he appreciates everyone's efforts.

Comm. Perona asked Mr. Fidge how many years he had with the City.

Mr. Fidge said he has 17½ years.

Comm. Perona said Mr. Fidge knows who he's leaving his retirement future with.

Mr. Fidge said absolutely. He said he is deferring and he knows it is in good hands.

Comm. Perona said the Board members are definitely going to miss Mr. Fidge. He said Mr. Fidge stepped up to the plate in the last couple of years. Comm. Perona said he doesn't think that anyone else here, besides Mr. Walker, have knowledge of the retirement system as Mr. Fidge does. Comm. Perona also said between Mr. Keith Stephens and Mr. Rodney Stephens, one of them has to step up to become the absolute knowledgeable person for this group. He said Mr. Fidge kept the Retirement Board on the straight and narrow and every once and awhile he would catch something that the Board missed and they are going to miss that.

Mr. Fidge said even though he will be a deferred member, he will not be silent. He will still be a part of the system as he encourages a lot of the existing retirees to be involved in the system. Even though you are retired, you should have an active voice and this is what he plans to do, even after his time.

Comm. Perona commented that Mr. Fidge is going with a tremendous amount of knowledge and experience and when you are in the ranking file of retirees, you can also add sensible ideas and answers to questions rather than let them grow like a wild fire of misconceptions. You have the real answers; you know how to read through the statements and you are more than welcome to come visit us at any time you want. If there is anything you think of or if the Board is going in the wrong direction, we expect to hear from you.

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Mr. Fidge said he appreciates that and he will definitely take advantage of the opportunity; maybe forward a few things from time to time with the Board's permission.

ITEM NO. 7 B. ~DISCUSSION ON MILITARY BUY BACK YEARS

Comm. Perona asked who the moderator for this discussion was.

Ms. Johnna Morris responded that she was. She said at the last meeting, Keith Stephens brought up the question concerning purchasing military buy back time. He wanted to know why is it that we calculate the three years in-house and the fourth year goes to the actuary and there's a cost associated with it. Ms. Morris said after researching this, she saw that until 2005 the City allowed for three years. In 2005 the Ordinance was drafted to allow the fourth year to be purchased but stated if you purchase that fourth year, it would have to be actuarially calculated and the off-cost that is associated with the calculation was borne by the employee requesting them. That's why the \$400 fee for the actuary to calculate that cost is paid by the employee and the fourth year has to go to the actuary for it to be calculated.

Mr. Keith Stephens asked if anybody knows why.

Ms. Morris said it's such a substantial difference between that third and fourth year. She said she spoke with Brad, who is our actuary, and he said that he is doing a little more research.

Mr. Stephens said he's not the finance director or an actuary but, the cost doesn't make sense to him. He said three years is a lot more than one year. You are just adding one year.

Ms. Morris said in the Ordinance, up until 2005, we would do the three years in-house and that fourth year, because it is an additional year, it would be actuarially calculated and the cost to calculate it would be done and paid for by the employee.

Mr. Stephens said as he stated, it was brought to him as a member of the Retirement Board and he brought it before the Board. He said any changes would have to go back to the City.

Ms. Morris said he was correct.

Mr. Stephens said there would be a reason but he doesn't know the reason.

Comm. Perona said he would like to see how that looks on paper. He said he knows what Ms. Morris is saying and he agrees with the fourth year but if you had a scenario they could walk through, they would have a better understanding on it.

Ms. Morris said they did look at it.

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Mr. Rodney Nieves asked on the conventional or on the four-year.

Ms. Morris said for the fourth year.

Comm. Perona asked if we have had people to take advantage of this.

Mr. Stephens said yes. He said recently an individual who no longer works at FPUA did it. Mr. Stephens said the individual bought the third year and then changed his mind and wanted to add the fourth. When he added the fourth, he had to pay the \$400 and it didn't make sense to him. He said when he joined FPUA in 2003, it was said that if you are going to buy military time, it was the year to purchase it because everything was going to change. This was because the percentages were going to change.

Comm. Perona said he understands what Ms. Morris is saying but it sounds like the City was willing to give the ability to get three years. He said it seems like there was a negotiation for the fourth year and they said if you want the fourth year, you will have to pay for it.

Ms. Morris said there was nothing in the files to actually go back to that showed why they came to this conclusion other than in this Ordinance it was said that we would allow the three years but the fourth year has to be actuarially calculated and the cost is borne on the employee requesting it.

Mr. Stephens said he understands things are treated differently for the police, maybe because of Union, but he can see that the police are exempted too. He said he is wondering why the military wouldn't be exempt too.

Comm. Perona asked Mr. Walker if he had any idea how this was created.

Mr. Walker said he did not. He said the language that is highlighted in the draft predated his arrival with the Board. The change that was being made by this particular Ordinance was an increase in the number of years that could be purchased.

Mr. Stephens said he understands now. It has always been three years. He said the person that asked him about this is a 25 year employee, so he probably knew about this. The person asked Mr. Stephens if you could buy back three years or could you buy back four years. He said he told the person that he thought it was four years but he called to check and found out about the difference.

Comm. Perona said this is likely an addendum to the original three years which somewhat negotiated out the cost of it. He said there are some people who had three years and probably want the fourth year now.

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Mr. Stephens said his biggest question is, when we do three years, we don't go to the actuary and that's three quarters of the money.

Comm. Perona said there are some people who had three years because of how it was previously stated and they want the fourth year, so they had this addendum added to it to cover all bases.

Mr. Stephens asked if we could have done the fourth year in-house too.

Comm. Perona said he doesn't know, but he would assume so.

Mr. Stephens asked is there an expense.

Mr. Fidge said part of the Board's responsibility is to defray the reasonable cost of the plan, so maybe when that decision was made at that time, the requirement was for the member to bear some of the cost so that it is defrayed from the system.

Mr. Stephens said the extra cost, from what he understands, is \$400 and that has nothing to do with the system. That goes to the actuary. The actuary is not involved in the first three years.

Mr. Fidge said that is correct.

Mr. Stephens said what is being explained is that you have to do that anyway for the three years.

Ms. Morris said not for the three years. She said three years is done in-house. According to the Ordinance the fourth year has to be actuarially calculated and the cost the actuary charges us is \$400.

Comm. Perona said it seems that fourth year was added as something extra. It doesn't matter if the first time you wanted all four years or you already had the three years and you needed the fourth year; that was the negotiation to cover all bases. You are going to have to pay the actuarial \$400.

Mr. Walker said he would like to bring to the Board's attention, the title of the Ordinance which sheds some light on the intent of this discussion. Beginning on the third line, it says, "Providing that member of the retirement system may be credited with one additional year of military time if such year purchased for actuarial cost." He said maybe it was conceived as a trade-off.

Mr. Stephens said he didn't know and this is the reason he was asking. He asked if the Board was going to wait to see what the actuary is going to do.

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Comm. Perona said he thinks the Board have an opportunity to get a better understanding and will go further on this as we get information. He said Ms. Morris can bring further information to the Board.

ITEM NO. 7C. ~ DECEMBER 31, 2015 FINANCIAL REPORT

Comm. Perona said the next item on the agenda is the financial report.

Ms. Morris said this is the financial report we provide every month. We know how rocky the last part of the year has been when it comes to investments. We are seeing a little bit of turn around.

Mr. Walker suggested to Comm. Perona to entertain a motion to approve the financial report.

Comm. Perona asked for any questions or comments on this request before the motion was called. **A motion was made by Mr. Fidge and seconded by Comm. Sessions to approve the December 31, 2015 Financial Report.**

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

ITEM NO. 8 ~ CONSENT OF AGENDA

Comm. Perona, the next item is the Consent Agenda.

Mr. Rodney Nieves had a question regarding the Consent Agenda. He said he noticed Officer Petry received two different checks and he left a year and a half ago. Mr. Nieves asked if Officer Petry was just now receiving his money and he wanted to know why.

Ms. Christine Paz said Officer Petry decided to leave his money here and he has up to four years to get it.

A motion was made by Mr. Nieves and seconded by Ms. Morris 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.

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ITEM NO. 9 ~ CONSIDERATION OF ABSENCES

None.

ITEM NO. 10 ~ BOARD MEMBER COMMENTS

Ms. Hurtubise informed everyone that she got married on January 1, 2016 and her new name is Mrs. Nina Penick. She asked what she has to do to get that information changed in the system. Congratulations were given to her by the Board members.

Mr. Stephens said to Mr. Fidge that he will be missed and the Board is hoping to find someone as energetic to learn the system as Mr. Fidge was. He said Mr. Fidge is one of the reasons he went to the FPPTA to get certified. He also asked Mr. Fidge if he was in the DROP.

Mr. Fidge said he is not in the DROP. He said effectively on February 1, he will no longer be employed with the City.

Mr. Stephens said he hopes everything works well with Mr. Fidge. Mr. Stephens also asked to receive all future Board information at his work email.

Ms. Nina Penick made the same request.

Ms. Morris informed Mr. Stephens and Ms. Penick to make sure they give their information to Ms. Queen Thompkins because the way MIS has it set up in the system that once you click on the Retirement Group, it is sent out as a group email.

Mr. Stephens said the City Employees are a part of this group but he and Ms. Penick have to log into it to get the email. Sending it to their work email would be much easier for them.

Mr. Fidge said he receives a journal concerning pension and investments and was wondering if any other Board members were receiving the journal as well. Mr. Fidge said the Board would be happy to know that as of 2015 William Blair, which is one of our money managers, is on the list as one of the best places to work with a range of 100-499 employees.

Mr. Nieves comment that Mr. Fidge is one of the instruments on the Board that will be truly missed. His leaving is a shock to everyone. He too became interested in becoming a Board member after talking with Mr. Fidge. Mr. Nieves said the attitude and the passion that was shown to him is what inspired him to become a member and he appreciates that.

Comm. Sessions also said he appreciates and is grateful for the service Mr. Fidge has given to the Retirement Board. On behalf of the City of Fort Pierce, Mr. Fidge has certainly gone beyond

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the call of duty. It was a shocker to him as well when he learned of Mr. Fidge leaving. He wishes him well in his future endeavors.

Ms. Morris said she wanted to make the Board aware that on December 12, 2015, Heitman did a call for the last \$5,000,000 that the Board allocated to be invested.

Mr. Stephens asked if this was for the Real Estate.

Ms. Morris said yes and it's doing well.

Comm. Perona asked if an election has been set up to replace Mr. Fidge.

Ms. Morris said it has been sent to HR to start the process.

Comm. Perona commented that this Board had instructed us to take before Commission for approval to allow the Board to have the ability to hire our own attorney. There was a lot of discussion about it at Commission level. He said personally he does think it was something that wasn't going to pass because of the way it was presented. A long discussion with Mr. Schwerer and with some investigation, we found out that the City Attorney has a responsibility to fill to ensure that this position is legally represented for our Board. Rather than drag this out into the public, I asked that it be pulled. If we have the new attorney in the chair and that new attorney has to hire a staff, get it ready to go, I think that person will add to our intent to fill this position as quickly as we possibly can. I think we can enlist that help unless we miraculously hire someone who has the pension knowledge and experience that Mr. Walker has. I doubt seriously that is going to happen. The job is going to be overwhelming to say the least. To push this in front of the Commission where you add the politics into it, my feelings were we weren't going to be successful. Comm. Perona said they already have the function for the Commission to go ahead and have an appointment of that attorney to this Board. Comm. Perona said the group of attorneys from Mr. Bassinger's search should be in some time in the next week. Comm. Session, himself, and the others will be speaking to the candidates within the next two weeks. They hope to have a selection made by March 1. Hopefully, that selection can be here ready to go by April 1.

ITEM NO. 11 ~ NEXT MEETING

The next item was next month's meeting. The next meeting was scheduled for February 18, 2016 at 2:00 p.m.

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ITEM NO. 12 ~ ADJOURNMENT

Seeing that there were no further questions or comments, Comm. Perona gave Mr. Fidge the honor to make a **motion to adjourn the meeting.**

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

The meeting was adjourned the meeting at 2:44 p.m. Mr. Fidge 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.