

**CITY OF FORT PIERCE RETIREMENT AND BENEFIT SYSTEM
MINUTES OF MEETING HELD
October 20, 2016**

Summarized Minutes of the regular meeting of the City of Fort Pierce Retirement and Benefit System, October 20, 2016 at 2:00 p.m., in the 2nd Floor Conference Room at City Hall.

Present:

Commissioner Tom Perona, Chairperson	City Commission Member
Keith Stephens, Vice -Chairperson	U.A. General Manager
Johnna Morris	Director of Finance
Rodney Nieves	Police Officer Member
Nina Penick	U.A. Board Appointee
Caleta Scott	General Member

Attorney Jim Walker	Assistant City Attorney, Advisory
Christina Paz	Retirement Clerk

Absent:

Commissioner Reginald Sessions	City Commission Member
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Recording:

Queen Thompkins	Executive Assistant to the Director of Finance
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ITEM NO. 1 & 2 ~ ROLL CALL

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

ITEM NO. 3 ~ COMMENTS FROM THE PUBLIC

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 JULY 21, 2016.

Comm. Perona, the next item was the approval of the summarized minutes of September 15, 2016 and asked if there was a motion to approve the minutes.

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A motion was made by Ms. Nina Penick and seconded by Ms. Johnna Morris to approve the summarized minutes of September 15, 2016.

All those in favor of the motion signified by saying aye. A poll was done of each Board member. There was no opposition and the motion was carried unanimously.

ITEM NO. 5 ~ ATTORNEY'S REPORT

Attorney Jim Walker said there is nothing specific to report this month, but he would be glad to entertain any questions.

ITEM NO. 6 ~ PUBLIC HEARING ON BENEFITS APPLICATIONS

Comm. Perona opened up the public hearing for comments on the request for Retirement (DROP) Program from Daniel D. Flaherty with 20 years and 4 months of service with the City of Fort Pierce Police Department. He asked if there was anyone 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 Ms. Johnna Morris and seconded by Mr. Keith Stephens to approve the request for retirement from Daniel D. Flaherty.** 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. A poll was done of each Board member. There was no opposition and the motion was carried unanimously.**

Comm. Perona opened up the public hearing for comments on the request for Retirement (DROP) Program from Joseph M. Fuore with 11 years and 3 months of service with the Fort Pierce Utilities Authority. He asked if there was anyone 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 Ms. Nina Penick and seconded by Mr. Keith Stephens to approve the request for retirement from Joseph M. Fuore.** 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. A poll was done of each Board member. There was no opposition and the motion was carried unanimously.**

Comm. Perona opened up the public hearing for comments on the request for Retirement (Drop) Program from Daniel D. Flaherty with 20 years and 4 months of service with the City of Fort Pierce Police Department. He asked if there was anyone 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 Ms. Johnna Morris and seconded by Mr. Keith Stephens to approve the request for retirement from Daniel D. Flaherty.** 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. A poll was done of each Board member. There was no opposition and the motion was carried unanimously.**

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Comm. Perona opened up the public hearing for comments on the request for Retirement (DROP) Program from Willie B. Hammond, Jr. with 15 years and 4 months of service with the City of Fort Pierce. He asked if there was anyone 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 Ms. Johnna Morris and seconded by Ms. Nina Penick to approve the request for retirement from Willie B. Hammond, Jr.** 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. A poll was done of each Board member. There was no opposition and the motion was carried unanimously.**

Comm. Perona opened up the public hearing for comments on the request for Deferred Retirement from Melissa H. Harned with 10 years and 8 months of service with the City of Fort Pierce. He asked if there was anyone 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 Ms. Car and seconded by Mr. Keith Stephens to approve the request for retirement from Daniel D. Flaherty.** 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. A poll was done of each Board member. There was no opposition and the motion was carried unanimously.**

ITEM NO. 7 ~ OLD BUSINESS

None

ITEM NO. 8 ~NEW BUSINESS

A. DESIGNATION OF ELECTION FOR THE CHAIRPERSON & VICE-CHAIRPERSON FOR THE RETIRMENT BOARD

Comm. Perona said the next item on the agenda is the designation of chairperson and vice-chairperson for the Retirement Board. He asked if an application was offered to everyone. Comm. Perona opened the floor for nomination. **A motion was made by Mr. Morris nominate Comm. Perona to remain as chairperson of the Retirement Board.**

Ms. Morris asked Comm. Perona if it's done one at a time.

Comm. Perona asked Mr. Walker if a slate of officers is done.

Mr. Walker said this is a matter that is vested to the discretion of the Chairperson and the procedure that is normally seen in these matters is first, the Chairperson requests nominations for the office of Chairperson; nominations are taken; the Chairperson then calls nomination for Vice-Chairperson; the nominations are made. Once all nominations have been presented, the

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Chairperson request a Motion to close the nomination; whereupon if there is only an individual nominated in the category, the Chairperson would then call upon a Motion to accept or reject the nominations.

Comm. Perona said this sounds good to him. He then opened the floor to any nominations for Chairperson of the Retirement Board.

A motion was made by Ms. Morris and seconded by Mr. Stephens to nominate Comm. Perona as the Chairperson for the Retirement Board.

A motion was made by Ms. Scott and seconded by Ms. Morris to nominate Keith Stephens as the Vice-Chairperson for the Retirement Board.

Comm. Perona asked if there were any other nominations. Seeing there being none, Comm. Perona asked for a motion to close the nomination for officers.

A motion was made by Ms. Penick and seconded by Ms. Scott to close the nomination for the Chairperson and Vice-Chairperson of the Retirement Board.

All those in favor of the motion signified by saying aye. A roll call was done; there were no oppositions and the motion carried unanimously.

Comm. Perona asked Mr. Walker what was the next step to be done.

Mr. Walker said it's recommended that Comm. Perona call for a motion collecting the individuals that have been so nominated to the offices for which they were nominated.

Comm. Perona asked that the motion be so moved.

A motion was made by Ms. Scott and seconded by Ms. Morris of the collection of individuals that have been nominated to the offices.

All those in favor of the motion signified by saying aye. A roll call was done; there were no oppositions and the motion carried unanimously.

**B. ELECTION RESULTS OF THE POLICE REPRESENTATIVE FOR THE
RETIREMENT BOARD**

Comm. Perona asked if there was a result of the election for the police representative for the Retirement Board.

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Ms. Morris said the Board does have the result of the election for police representative for the Retirement Board. Proper procedures were followed and Rodney Nieves has been selected again to represent the Police Department on the Retirement Board.

Comm. Perona said now that the Board is having advance commitment to the certification, that we make sure the employees knows that has been done, rather than someone gets changed out quite frequently . He said Mr. Nieves started out not knowing anything and now he's certified and has a good handle on what's going on.

C. APPROVAL OF THE FY 2017 BUDGET

Ms. Morris said she has included in the document the proposed budget for FY 2016-2017. She said, as you can see, we approved the budget in 2016 and we had to do transfers from investments. We are increasing our proposed by \$457,000 as to the transfers in order to make the benefit payments. Ms. Morris said the budget is going to be about \$15,335,300 and that includes the transfers in from our investments.

Comm. Perona asked if there were any questions.

Ms. Penick asked whether or not we did or didn't need the transfers from the investments. She said it says on the report \$0 proposed for 2017.

Ms. Morris said she haven't total reconcile and she haven't realized our gains; unrealized gains and losses; the portion that we did get, we did about \$6,000,000. We didn't do the complete \$8,000,000. We did do a transfer of about \$6,000,000.

Ms. Penick asked if the Board put \$14,000,000 for 2016.

Ms. Morris said we were estimating \$14,000,000. Our approved budget was for \$14,000,000. Aside from expenses, our benefits were \$12,884,323. This is what we paid in benefits. Our refunds were \$485,550. The rest were administrative fees, which were \$250,753 and the investment costs were \$561,207; benefits were \$12,884,323. Total expenses were about \$14,000,000. Of that we did utilize about \$6,000,000.

Ms. Penick asked if there will be an excess for the year.

Ms. Morris said yes, there will be an excess for the year. She said the investments did well this year.

Ms. Penick asked why investment earnings are not being estimated for 2017.

Ms. Morris said it's hard to put them into projection because we don't know where it's going to be, so we have not and do not use the investment earnings in the proposal.

Ms. Penick said she thought it would offset some of the transfers from the investments.

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Ms. Morris said it does; that's why we utilize it in the year. That's why we make a projection based on saying this is what we are projecting we are going to need aside from that. We adjust it by what actually goes on in a year; which is why we said we needed \$8.6 million and we only utilized \$6 million.

Ms. Penick thanked Ms. Morris for the explanation.

Comm. Perona asked if there were any other questions.

A motion was made by Ms. Morris and seconded by Ms. Penick to approve the FY 2017 Budget.

All those in favor of the motion signified by saying aye. A roll call was done; there were no oppositions and the motion carried unanimously.

D. DISCUSSION OF BENEFIT ADMINISTRATION SOFTWARE

Ms. Morris said she included a memo giving foresight as to what she is requesting. Currently our admin software is a little outdated. In researching and trying to get us up to speed or more into this Century as to what we are actually utilizing, and to allow for our employees and retirees more easier access to information, we are requesting benefit software update. Currently our system is working for us, but most of our employees or retirees have to physically walk into the office to get what they need. The new software will allow us on the administrative side to put most of our information into one platform. Right now we have it on one side and other information on the other side. This will allow us to merge all of that administratively on one side, but as to the employees and retirees, it gives them web-base access to all of their information. They will be able to go in and view or edit all of their data. They will be able to run benefits projections; including in that is their income, spouse's income, social security income, or any other retirement income they have. They will be able to download the forms and documents and be able to send those back to us without having to physically walk into the office. Right now Christine would get employees that will come in and ask her if she can do a work-up for them. This is time consuming to do. Getting them access to this, they will be able to do whatever work-up they may want. It will alleviate them having to come into the office. They can go in and be able to see benefit statements, what their interest is, and what balance they have. It will help us serve our employees better in doing what we need to do.

Mr. Stephens asked Ms. Penick if this is similar to what UA already have.

Ms. Penick said she wasn't sure. She said it would be hard to say without seeing it.

Comm. Perona asked who their provider was.

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Ms. Penick said they are “home-grown.”

Comm. Perona asked if they built it themselves.

Ms. Penick said yes but it doesn’t run the benefit projections for the retirement system. She said the hardest part in doing the retirement work-up is figuring out their final hourly salary. She asked how the new software will do this.

Ms. Morris said she saw a demo and it takes the information that is in and will use the information that is in there as of that date. There is a disclaimer that these are only projections or what ifs scenarios. If you want something concrete, you will have to come into the office and sit with the actual clerk. All of the information is pulled over from payroll, so we do downloads into it.

Ms. Penick asked if they need to provide the information to her electronically every month.

Ms. Morris said it can be sent every pay period or every month.

Mr. Stephens asked, since they have something they do already, does she get a limited number of licenses.

Ms. Morris said it is available to everybody because it is web-based.

Mr. Stephens asked if they could replace or upgrade the system they already have in place.

Ms. Morris said all they have to do is link it to the system.

Comm. Perona said you don’t need two of these programs. You would defer to the one that covers most of the issues.

Ms. Penick said she won’t be as accurate as what they have now because you would have to give them day by day data. She said they do it day by day because some retirees are particular about getting accurate information.

Comm. Perona asked Ms. Morris if she got a proposal from three different companies.

Ms. Morris said yes.

Comm. Perona said he noticed Milliman is the one that was chosen. He said he also noticed that Gabriel Roeder Smith annual license/support fee was cheaper and when you add that into a long term perspective, isn’t that a better deal?

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Ms. Morris said they were cheaper but they did not provide much information as Milliman. She said the Milliman program's license fee was about \$2,000 more but what they were providing was much more than Gabriel Roeder Smith presented. Ms. Morris said the gentleman she spoke with said they could include more but it would be much more expensive.

Comm. Perona asked if this wasn't generic programs that offered specific criteria. He said Ms. Morris chose a system that would fit what our retirement system needed.

Ms. Morris said that was true. She said that she laid out basically what our retirement system wanted. Ms. Morris said she informed each of them that is what we wanted and all of them had to be able to provide it. In Milliman's cost, they provided a full spectrum and it was so much more than what we would have gotten with Gabriel Roeder Smith.

Ms. Penick said our core business system annual support fee is 25% of the cost; not a higher percent of the cost. She said she guess this is very expensive to maintain.

Ms. Morris said they are. She said these were the cheaper spectrum of them. Ms. Morris said the reason we see it like this is because we are our own administrators. Other plans have planned administrators that charge them about \$150,000 to \$250,000 to maintain their system. Milliman includes all of this in their offer. We are our own planned administrators, for us it's just cost. Milliman builds it in and charges it out to us. It's the cost of the software to run the actual system.

Comm. Perona said it does two things. It provides more time for staff to do the things that staff is supposed to do and not have to hire someone to handle all the issues. He said from what Ms. Morris is saying it's an enhance benefit to our retirees. Comm. Perona asked if the contract have a term on it.

Ms. Morris said yes it does. It's an annual contract and within that annual is a thirty day term on either side. We have the option to renew it every year.

Comm. Perona asked if they have the option to up the price every year.

Ms. Morris said there is a price upgrade but the first three years, it is to remain the same.

Mr. Nieves asked if we buy the software, are we committed to it.

Ms. Morris said we can terminate it at any time but she doesn't see spending that kind of money and then getting rid of it.

Mr. Stephens asked Ms. Penick if their ITS Dept. could integrate the same thing into their website that we have in ours.

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Ms. Penick said the UA's system doesn't do as much as what is being offered. She said she don't know if UA would take down what they've got because it's closer to what the employee are actually going to see when they go to retire.

Comm. Perona said it may come up to Commission level to see how much staff time this will display in having this available. He said that Ms. Morris needs to be ready to show what our average load is on these inquiries and how it's constantly growing. Comm. Perona said regardless of what happens, tax dollars are involved and when tax dollars are involved, you have got to be able to show that this is an absolute need and that if you don't do this, it could cost you more money. That's the point that will make it easy to sell.

A motion was made by Mr. Nieves and seconded by Mr. Stephens to approve the purchase of the Benefit Administration Software.

All those in favor of the motion signified by saying aye. A roll call was done; there were no oppositions and the motion carried unanimously.

ITEM NO. 9 ~ CONSENT OF AGENDA

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

Ms. Penick asked wasn't Ms. Bernice Pressley retirement approved last month? Did she decide to take the money out instead?

Ms. Morris said yes she did.

A motion was made by Ms. Scott and seconded by Ms. Scott to approve the refund of member contributions.

All those in favor of the motion signified by saying aye. A roll call was done; there were no oppositions and the motion carried unanimously.

ITEM NO. 9 ~ CONSIDERATION OF ABSENCES

Comm. Perona acknowledged the excused absence of Comm. Reginald Sessions. **A motion was made by Ms. Morris and seconded by Mr. Stephens to approve the excused absence of Comm. Sessions.**

All those in favor of the motion signified by saying aye. A roll call was done; there were no oppositions and the motion carried unanimously.

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ITEM NO. 10 ~ BOARD MEMBER COMMENTS

Comm. Perona said he thinks the Board should come up with a policy, at least 90 days out from any school, to make sure that we have someone in administration checking with each one of us to make sure we are either in or out. He said there's networking and study halls in these schools and sometimes it's easier when your room is upstairs because you can go downstairs to meet people.

ITEM NO. 12 ~ NEXT MEETING

The next item was next month's meeting. The next meeting was scheduled for November 17, 2016 at 2:00 p.m.

ITEM NO. 13 ~ ADJOURNMENT

Seeing that there were no further questions or comments, Comm. Perona made 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 2:48 p.m.

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.