MINUTES
GENERAL EMPLOYEES' PENSION BOARD
FIREFIGHTERS' PENSION BOARD
HELD AT CITY HALL

January 8, 2015	**8:30 a.m.**	**Commission Conference Room**

1. CALL TO ORDER

Chairman Kelly McGuire called the meeting to order at 8:35 a.m.

General Employees' Pension Board members present were Chairman Kelly McGuire, Secretary Sam Butler, Michael Furman and Dave Ponitz.

Firefighters' Pension Board members present were Chairman Joe Dupree, Secretary Dominic Morgese, Brian Daly, and Tommy Bozeman.

Also present were Patrick Donlan of Foster & Foster and Lee Dehner of Christiansen & Dehner.

2. APPROVAL OF MINUTES OF DECEMBER 10, 2014

Mr. Sam Butler moved, seconded by Mr. Dave Ponitz, to approve the minutes of the December 10, 2014, meeting. The motion passed unanimously.

Mr. Brian Daly moved, seconded by Mr. Dominic Morgese, to approve the minutes of the December 10, 2014, meeting. The motion passed unanimously.

3. REVIEW OF ROBERTS RULES OF ORDER AND SUNSHINE LAW

Ms. Ann-Margret Emery, Deputy City Attorney, stated that the pension boards were public boards and subject to the requirements of the Sunshine Law. She stated that trustees should be very careful not to discuss any matters that might come before the boards outside one of their meetings. She stated usually it was not done intentionally, such as "replying to all" when sending emails. She stated that the trustees could contact staff on any matter at any time, as long as they were not members of the board. She stated sometimes members would discuss items before the meeting started, which was a violation of the Sunshine Law.

Ms. Emery stated that she and City Attorney Randy Hayes were always available to answer any of their questions about the Sunshine Law or voting conflicts of interest, etc. She suggested they should contact them before an item comes before the board, if they had questions.

Mr. Joe Dupree stated that he and Mr. Tommy Bozeman worked at the same fire station. He stated that he might be talking to another firefighter who was not on the board whereby Mr. Bozeman could overhear their conversation. He asked if this was a violation of the Sunshine Law; whereby, Ms. Emery stated that they should be careful here because it could be misconstrued as a Sunshine Law violation.

Mr. Bozeman stated that his understanding was that if they were only telling another firefighter the facts of the pension plan, then that was not a violation of the Sunshine Law.

Ms. Kelly McGuire stated that she thought that they were asking if both Mr. Dupree and Mr. Bozeman were relating the aspects of the plan to another firefighter if that would be a violation; whereby, Ms. Emery stated that would be okay, as long as it was not an item that might potentially come before the board.

Ms. Emery stated that if it was an item that could potentially come before the board, then one of the trustees should remove himself from the discussion. She stated that if it was just an inquiry as to a certain agenda item that would appear on the meeting agenda, then that would not be a violation, as it was public record.

Mr. Dupree stated that the firefighters would be holding a pension membership meeting and both he and Mr. Bozeman would be attending; whereby, Mr. Lee Dehner, Christiansen & Dehner, advised that the trustees should not discuss pension issues outside of a publicly noticed meeting. He also stated that a third party outside the meeting could not be a conduit to another trustee.

Ms. McGuire stated that Mr. Dupree was talking about a membership meeting, rather than a pension board meeting; therefore the other members of the board would not be in attendance, no notes/minutes would be taken, or should there be?

Mr. Dehner advised that the membership meeting would have to meet the same requirements as this pension board meeting. He noted that if one or more of the pension board trustees expressed their opinion, it would be considered communication between board members and be in violation of the Sunshine Law.

Ms. McGuire stated that in the past, she had sent a ballot to the general employees' members for their input on certain issues; whereby, Mr. Dehner stated that would be okay because the board members were not expressing their opinions.

Ms. McGuire noted that a drawback was that there was not the opportunity to answer member questions by doing it that way.

Mr. Bozeman noted that pension issues were also discussed at union meetings, whereby he and Mr. Dupree would most likely be in attendance.

Mr. Dehner stated that the board members could ask for the opinion of others, but they could not give their opinions.

Mr. Dupree suggested just telling the union rep everything and letting him present it; whereby, Mr. Dehner advised that would be a third party/conduit to another trustee, which was in violation of the Sunshine Law.

Mr. Dehner noted that there had been cases involving commissioners or board members who were going to an educational conference riding together. He stated that there was a lawsuit going on in the City of Sarasota that had cost the city $125,000 to defend a commissioner who was having lunch and another commissioner was within earshot. He stated that there were criminal penalties attached to Sunshine Law violations, as well.

Ms. Lois Towey, recording secretary, asked about the recourse waiver coverage on the trustees; whereby, Mr. Dehner stated that it provided an exclusion either from indemnification to the city or an exclusion on the fiduciary liability policy for basically willful misconduct.

Mr. Dupree commented that it was a very confusing situation.

Ms. McGuire stated that even though the three pension boards met at the same time, the members of different boards were allowed to speak to each other about pension issues.

Mr. Dehner asked if the city followed Roberts Rules of Order; whereby, Ms. Emery stated that they did not. She stated that City Commission had their own rules of procedure, but if the rules were not specific, they would follow Roberts Rules.

Ms. McGuire clarified that one board member could be present at either a membership meeting or union meeting to answer questions, as long as the other board member was not in attendance; whereby, Ms. Emery stated that was correct. She stated that there was some confusion on confidentiality vs.

the Sunshine Law. She stated that the Sunshine Law was about two members of the same board discussing matters outside of a public meeting that may come before the board.

4. PUBLIC COMMENTS

There were no public comments.

5. PRESENTATION OF ACTUARIAL VALUATION AND REPORT BY FOSTER & FOSTER

Funding Requirements
Mr. Patrick Donlan of Foster & Foster stated that he would review both the General Employees' and Firefighters' reports today. He stated that on the general side, the funding requirements went down slightly, even with reducing the investment return assumption from 7.25% to 7.0%, which increased the cost. He stated if the board had not made that change, it would have gone down even more. He stated that the required contribution for the current year was 27.9% of payroll and for next year would be 27.5% of payroll.

Mr. Dupree asked if the reduction was the result of closing the general plan to new members; whereby, Mr. Donlan stated that as people left the plan, the dollar requirement went down. He noted that the membership went from 175 members as of October 1, 2013, to 159 members as of October 1, 2014. He stated that the pensionable payroll went from $7.7 million to $7.3 million, so the 27.9% contribution would be on a smaller payroll.

Mr. Dave Ponitz stated that the amount would continue to go down as people retired, as nothing was being added to it.

Mr. Dupree asked who paid once all the people were retired; whereby, Ms. McGuire stated that the city would.

Unfunded Accrued Liability
Mr. Donlan stated that the real issue was the unfunded accrued liability as of October 1, 2014, which was $11,861,928. He stated that the amount being paid this year on the unfunded liability was $1,207,953. He noted on page 13 was the list of unfunded liability which was being paid down over time.

Ms. McGuire noted that the individual years were largely attributed to gains and losses, benefit improvement changes, assumption changes and a method change in 2004.

Ms. McGuire asked about the number of years the changes were amortized over; whereby, Mr. Donlan stated that *Florida Statutes* said the amortization period could be up to 30 years, but the Division of Retirement felt like they were pushing off to future taxpayers what current taxpayers should be funding, so they requested that benefit changes be amortized over 30 years, assumption and method changes over 20 years, and gains/losses over ten years.

Mr. Ponitz asked when everything was reset; whereby, Mr. Donlan stated that it was around 2007 when everything was reset to 20.

Mr. Donlan noted that the fire plan amortized over 30 years for all changes. He stated that the fire plan was a permanent long-term plan, whereas the general plan was closed and had a much shorter time horizon.

Mr. Donlan stated that even without gains or losses, we were still progressively paying down the unfunded accrued liability. He stated that this year we had an assumption change and an actuarial gain which resulted in a greater payment this year.

<u>Payroll Growth Assumption</u>
Mr. Donlan stated that there was a payroll growth assumption they used, but in the general plan there would not be any more payroll growth, so they used a 0.0% payroll growth assumption with an annual payment of $183,000.

On the fire side, Mr. Donlan stated that last year they used a payroll growth assumption of 0.0% per year, with a mortgage payment of $63,579. He noted that if the payroll growth assumption had been 1.0%, then the annual payment would be $57,523 which would increase over 30 years to $76,737. He stated that they desired to keep the city's cost level as a percentage of payroll. He noted that the payroll growth assumption could not be any more than the actual 10-year average payroll growth. He stated that payroll on October 1, 2004, was $2,726,133 and on October 1, 2014, it was $2,592,731, and the ten-year average was less than 0.0%, so they could not use the payroll growth assumption anymore and had to change it from 1.0% to 0.0%. He stated that was why their costs went up a little as a percentage of payroll.

<u>Detailed Actuarial Gain/Loss Analysis</u>
Mr. Donlan stated that page 14 was a new page [Detailed Actuarial (Gain)/ Loss Analysis]. In the general plan, he stated that the actuarial gain was $1,382,579 and in the fire plan it was $704,382. He stated that on the general side it came from the investment returns this year and a great four-year average as there was an actuarial gain on investments of $1,321,829

and lower salary increases than expected of $66,280, which made the projected benefits of retirement smaller, which was an actuarial gain. He stated there was more turnover than expected, which was also an actuarial gain of $146,718. He stated that there was also a slight gain on mortality of $3,656.
On the fire side, Mr. Donlan stated that there was an investment gain of $683,226, and salaries increases and turnover were neutral. He stated there was one retiree death, which was fairly significant at $177,027, which was an actuarial gain on mortality, for a total of $704,382.

<u>Mortality Table</u>
Mr. Dominic Morgese asked about the mortality table; whereby, Mr. Donlan stated that each year after someone was 70 years of age, a value was put on future years, and when they passed away, the liability also went away.

Mr. Donlan stated that they expected 1.0% of the retirees to die, and when that did not happen, that was an actuarial loss.

<u>Funded Ratio</u>
Mr. Sam Butler noted that the actuarial report showed the funded ratio at 83.24% using the new GASB rule, but he had calculated it to be 77.99%; whereby, he noted that even with using the new calculation method, the general plan funded ratio increased. He noted that in 2012 the Leroy Collins Institute rated our plan with a “C” because they calculated the funded ratio to be 68%.

<u>GASB 67 and GASB 68</u>
Mr. Donlan stated that last year the funded ratio was 74.55%. He noted that the GASB 67 said we could not use smoothing for the assets anymore. For GASB purposes, he stated he used the market value of assets and for the general plan that was $41,519,167, but the actuarial value of assets was what was used for funding purposes and used the four-year smoothing, which was $38,809,000. He stated that the GASB gave us a little boost this year by using the market value because that actually increased the funded ratio. He stated that they did not like the new GASB 67 because there would be a lot more volatility, and they did not think it was a good long-term decision, but it did help us this year.

Ms. McGuire asked about the funded ratio; whereby, Mr. Donlan stated that the figure she should use for the Comprehensive Annual Financial Report (CAFR) was 83.24%. She clarified that the funded ratio as required by GASB 67 was the figure in this report, and there were no other alternative calculations in the report that would have been calculated in the same manner as it was calculated in prior years.

Ms. McGuire asked about the State requirement; whereby, Mr. Donlan stated that GASB 67 wanted to show some sensitivity and showed a 1% decrease above the current rate of return and 1% below the current rate of return, but the State (i.e., Senate Bill 534) only wanted to show the current assumption and minus 2%. He stated they skipped the plus 2% because they did not want to show what a good scenario would look like. He stated it made no sense whatsoever.

Ms. McGuire asked if the State requirement was necessary in this valuation report; whereby, Mr. Dehner stated that it was a separate report which he would discuss later on.

Mr. Dehner stated that Mr. Donlan would perform the SB534 calculation and file with the State within 60 days of the approval of the actuarial valuation report by the board. He stated that the Division of Retirement would only post the calculations that were required by the statute. He stated that our boards had also asked Mr. Donlan to perform a plus 2% calculation to present a more balanced picture. He stated that could be shown on the city website along with additional information. He stated that Mr. Donlan would prepare a letter to explain the calculations to the residents.

Mr. Donlan stated that the State wanted to review pretty much everything in the valuation report, but he noted that the State had not published the rules at this point on how to do the calculations discussed above. He stated that it would be at least 60 days before they could do a new report.

Mr. Dave Ponitz asked about the difference between GASB 67 and 68; whereby, Mr. Donlan stated that the biggest difference was that GASB 68 calculated a net pension cost (pension expense, page 47) of $1,211,886, which was the same concept as the city's funding requirement in the funding valuation. He stated they would have an accounting expense of $1,211,886. He stated that GASB 67 showed the net pension liability and the funded ratio, which was the old GASB 25. He stated the old GASB 27, which was the new GASB 68, actually calculated a cost/expense like a funding requirement.

Mr. Donlan stated the GASB 68 would start next year. He stated that this statement could be used in next year's report because per GASB 68 a measurement date of 12 months prior to the reporting date could be used. He stated that the September 30, 2015, CAFR could use the measurement date of September 30, 2014. He noted that in the general plan $8,361,592 would be shown on the balance sheet as unfunded liability.

Ms. McGuire stated that the unfunded liability was always disclosed in the CAFR in a schedule, but now it would be on the balance sheet.

Mr. Dupree asked about the return in the general plan; whereby, Ms. McGuire stated that it was 11.92%.

Mr. Donlan stated that both plans were in excellent shape using the smoothing technique, which smoothed out any gains/losses. He stated the plans had big gains the last three years. He noted that next year would drop off the -0.6%. He stated that there could be -14.0% return this year and still be a four-year average of 7.0%, and the city's cost would not go up because of it.

Mr. Donlan stated that if the plans received 7.0% this year then the four-year average would be 13.1% in general and 12.7% in fire. He stated that actuarial gains on both sides from investments would probably be even higher next year, because he guessed there would be a four-year average that was even higher than this year.

Mr. Dupree asked about a five-year (or longer) smoothing; whereby, Mr. Donlan stated that a longer term would affect the difference between the actuarial value and market value and drift farther away from reality so to speak.

Mr. Ponitz noted that contributions coming into the plan and benefits paid out of the plan were about the same at this time, and he asked what would happen in the future; whereby, Mr. Donlan stated that currently there were about 150 people drawing benefits with 159 active members that would draw benefits in the future. He stated we should expect benefit payments to double over the next several years and the contributions would not be going up. He stated that the city's contribution would gradually decline, as part of it was the normal cost and part was the mortgage payment. He stated that the mortgage payment would stay about the same for a while but the normal cost for the members would go down as the members passed away. He stated he would guess that the city's contribution would go down each year going forward.

Mr. Donlan noted that if the Market Value ($41,519,167) equaled the total liabilities for current and future retirees ($56,194,726, see page 8), there would be a zero funding requirement. He stated that once there was a zero funding requirement, then all the city would have was the defined contribution plan. He noted that in the defined benefit plan the city gained from good investment returns and in the defined contribution plan the members gained from good investment returns.

Mr. Dupree asked what happened to the funds that were left in the defined benefit plan once everyone had passed away; whereby, Mr. Donlan stated that the funds would go back to the city at that point.

Investment Return History

Mr. Donlan distributed a study of the investment return history from October 1, 1990, through September 30, 2014, whereby the 24-year average return was 7.77%. He suggested keeping the investment return assumption at 7.0% going forward, as it seemed like an appropriate assumption at this time. He suggested asking Mr. Mulfinger at the next meeting.

Mr. Donlan stated that he reviewed the state's data base of the 491 plans in Florida and only 32 or 6.5% of the plans in Florida had assumptions below 7.0%. He stated that 7.0% seemed to be good and reasonable, but he questioned whether we should continue to go down.

Mr. Butler asked how many of those plans were closed; whereby, Mr. Donlan did not know, but over time he stated that the general plan would want to be more conservative with their investments. He suggested it was more reasonable for the general plan to reduce the assumption, than the police and fire plans.

Ms. Towey asked if this should be put on the agenda for February; whereby, Mr. Donlan stated that the boards would be discussing reducing the assumption in August.

Ms. McGuire stated that the plans were earning more than 6.5%, so the city was putting in more than they needed to, which was not a bad thing because in future years if there should be losses, there would be a mechanism in place. She stated it was much easier to maintain the current level of funding and much easier for people to accept than require additional funding in down times.

Vesting for Death Benefit at Five Years

Mr. Dave Ponitz stated he favored having the actuary determine any additional cost to the plan for vesting the death benefit at five years instead of ten years.

Ms. McGuire asked Mr. Donlan if this could be available at the February 13 meeting; whereby, Mr. Donlan stated he could have it then.

Mr. Sam Butler moved, seconded by Mr. Dave Ponitz, to approve the Actuarial Valuation and Report as of October 1, 2014. The motion passed unanimously.

Mr. Dominic Morgese moved, seconded by Mr. Brian Daly, to approve the Actuarial Valuation and Report as of October 1, 2014. The motion passed unanimously.

Mr. Dehner advised that by *Florida Statute*, the boards now had to determine the expected annual rate of return for the current, intermediate and long-term. He stated that it should be based on Mr. Mulfinger's recommendation at the last meeting. He advised that a letter would need to be sent to the Division of Retirement, City Manager, Foster & Foster, and him.

Mr. Sam Butler moved, seconded by Mr. Dave Ponitz, to approve an expected rate of return of 7.0% for the current year, the next several years, and long term based on the recommendation of its consultant. The motion passed unanimously.

Mr. Brian Daley moved, seconded by Mr. Tommy Bozeman, to approve an expected rate of return of 7.0% for the short term, the next several years, and long term based on the recommendation of its consultant. The motion passed unanimously.

Ms. McGuire stated that this 7.0% was not what was in the actuarial report, but the actual expect rate of return.

6. DISCUSSION OF ONE LUMP SUM PAYMENT TO MEMBERS (FF)

Mr. Joe Dupree asked about the PLOP option in their plan stating that the membership had requested a 50%, 75% or 100% option. He asked if there was a cost to the plan for a 100% lump sum option; whereby, Mr. Dehner stated that legally it could be done, but there were two primary considerations of 1) it reducing the opportunity for actuarial gain, and 2) the retiree losing all his money one way or another in a short time and then having no place to live, etc.

Mr. Donlan stated that it would not affect the assumptions in the plan and not increase the city's funding requirement.

Mr. Dupree stated that he favored the option if there was not a cost to the plan; whereby, Ms. McGuire stated that this would be a benefit change and would need to be negotiated.

Ms. McGuire noted that being actuarial cost neutral did not mean there was not a cost associated.

Ms. McGuire stated that by withdrawing a large amount of the assets from the plan could impact the earnings over a long time period

Mr. Donlan stated that the monthly benefit payments over the retiree's lifetime would be more than the lump sum whereby the interest would be discounted.

Mr. Donlan noted that those people taking a lump sum would need to earn more than 7.0% on their money going forward. He stated that those people that were 65 years old would be conservative with that investment and most likely not make a 7.0% return. He stated they would have been better off to take the monthly lifetime benefit because that benefit was based on 7.0% interest.

Mr. Donlan stated that if this item came before the Commission and it was the only thing in the ordinance, he would write a letter that it would be cost neutral to the plan based on all of their assumptions.

7. ATTORNEY COMMENTS

Legislative Update

Mr. Lee Dehner stated that legislation for police and fire was discussed last year which passed the Senate but not the House with respect to the use of state money. He stated the bill was essentially in final form and pre-filed by the Senate as SB172. He stated he would discuss this in more detail at upcoming meetings.

Confidentiality Form

Mr. Dehner stated that they were finding a lot of times that it had not been done with respect to confidentiality of certain information for firefighters, police officers and certain general employees. Under Chapter 119, with respect to the city, he stated the confidentiality provision was self-executing. He stated with respect to any other agency (which the pension board was for this purpose), we could only deny exposure if we had a written request for confidentiality, either signed by individual plan members or by the appropriate city official on behalf of all the members of the plan. He advised that we should have confidentiality forms on file and he could provide the forms for each of the plans.

Ms. McGuire asked about the information; whereby, Mr. Dehner stated that it applied to home addresses, schools, phone numbers, and birth dates.

The General Employees' Pension Board adjourned at 10:18 a.m.

8. OTHER BUSINESS

Firefighter Ordinance Amendment

Mr. Dupree noted that the ordinance had not been amended to reflect the changes in the union contract, such as the interest rate for DROP participants; whereby, Ms. McGuire stated that there were a number of provisions approved in the contract, i.e., changing the multiplier for new members to 2.75%, DROP changes, limit on overtime, freezing an amount of personal time, etc. She stated that the one provision that had held them from taking the ordinance amendment to the City Commission was concerning the excess state money, if the Division of Retirement allowed the city to use a portion of it. She stated that the Division said that they could not negotiate that but the plan could be opened and closed, and the union said that a stop/restart was not what was negotiated, so that piece would not be enacted because it was contingent upon getting approval from the Division of Retirement. She stated that they needed an ordinance for the rest of the provisions.

Excess State Money

Mr. Donlan commented that this year the state money went up above $364,000, and he had put $18,000 in the excess state money reserve in the valuation report. He stated that there was some question about the whole Naples letter interpretation whether it should go to the city or go into the excess reserve for the firefighters. He believed the union contract said that anything over $364,000 would go to pay down the UAL until it was at 80% funded and then go back into the excess state money reserve. He asked if that piece was off the table; whereby, Ms. McGuire stated that it was a package piece and they were looking to get some of the money they had now to put into a share plan.

Ms. McGuire stated that the Division of Retirement said the city could not take any existing money, but they could take any new money, but negotiations were that it was a package deal.

Ms. McGuire asked Mr. Dehner when he could prepare the ordinance; whereby, he stated he needed the collective bargaining contract and Mr. Donlan's impact statement.

Mr. Dupree asked if the ordinance amendment would be retroactive back to May 2014 when it was ratified in May 2014.

DROP Interest

Mr. Dupree noted that the union contract said that the DROP interest would not be less than zero; whereby, Mr. Donlan stated that the interest rate would not be less than zero for the year. He stated that New Smyrna Beach

Fire DROP participants now get the actual return but no less than 0.0% and no more than 6.5%; and when someone enters the DROP, Foster & Foster prepared a statement of the DROP account and the participant only received annual DROP updates.

Ms. McGuire suggested that receiving the DROP interest statement on an annual basis would be a drawback for some of the participants. She stated that when this was negotiated, the intent was that the interest would be what it was each quarter.

Mr. Dupree asked Mr. Dehner if he could have the ordinance amendment ready by the February meeting; whereby, Mr. Dehner stated that he did not believe it would be ready then.
Ms. McGuire stated that once the ordinance amendment was passed, a new summary plan description could be prepared, as well.

<u>Personal Leave Time</u>
Ms. McGuire stated that when someone went into the DROP, the calculation included the personal leave that it was assumed would be paid out when they left. She stated that the personal leave was not actually paid out to the employee at that time until they physically left. She stated that Tyler Koftan of Foster & Foster said they deducted the member contribution on the personal leave time.

Mr. Donlan stated that if the personal leave time was included for benefit calculation purposes, the member should essentially have to pay the member contribution on it, so Foster & Foster did it in the DROP whereby the DROP balance was reduced by the member contribution (usually the first line on the DROP statement). He stated that when the member actually left, there should not be any contributions deducted.

Mr. Dupree asked about the $18,000 excess state money; whereby Ms. McGuire stated that she would be bringing this up at the union contract negotiations.

Mr. Donlan stated that the excess state money had to be used for a benefit improvement for the firefighters. He stated that it was against the law according to the state to try and split the money with the city. He stated that to get around that there would have to be an ordinance amendment for a benefit reduction and then another ordinance amendment for a benefit improvement using the state money, which would allow the city to get access to some of it. He stated that the easiest way was to increase the member contribution rate and then reduce it back down to 8.4%

Mr. Dehner stated that there would be two ordinances done together and the effective date of the first one increasing the benefit or member contributions was contingent on passing the second ordinance which put everything back together.

Mr. Bozeman stated he felt the union's concern was that the first ordinance was not contingent upon the second ordinance.

Ms. McGuire stated she felt the union was afraid that the frozen amount would change during the stop/restart process; whereby, Mr. Donlan stated that the frozen amount could change but it would be negotiated, so they could keep it at $364,000 or change it to $383,000.
Mr. Donlan noted that a prior ordinance when the benefit multiplier changed to 3.37%, the ordinance said the frozen amount was $364,000. He stated that Mr. Dehner could write into the restart ordinance the frozen amount.

Mr. Bozeman asked if there was anything else that they might not be aware of; whereby, Mr. Donlan stated that there was not anything else. He stated that the stop/restart had no effect on the benefits, and only affected the frozen state money or excess state money reserve, both of which could be spelled out in the ordinance. He stated that there would not be any possible changes or drawbacks, if it was spelled out in the ordinance.

Ms. McGuire stated that the members wanted to make sure that any changes would not affect their current benefit level in the future; whereby Mr. Donlan stated that the strongest thing they could do was to put it in the ordinance. He stated there was a chance the state could pass a law that trumped our local ordinance.

Mr. Dehner requested Mr. Donlan to prepare a preliminary draft of the impact statement for the ordinance.

Mr. Dupree stated that he had in the past an issue with Foster & Foster for not getting the DROP statements to the participants in a timely manner, but he found out that the interest rate came from Mr. Mulfinger's people, so he would contact them about the issue.

Mr. Dehner commented that in some cases a member might come out better by taking the life annuity option because they would receive more each month, and then using some of that money to buy a life insurance policy.

9. ADJOURNMENT

The meeting was adjourned at 11:10 a.m.

Respectfully submitted,

Lois Towey, Recording Secretary

Attest:

Kelly A. McGuire, Chairman
General Employees' Pension Plan

Joseph F. Dupree, Chairman
Firefighters' Pension Trust Fund