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

December 15, 2017	**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 Chairperson Kelly McGuire, Dave Ponitz, Denise Roeper, and Michael Furman.

Police Officers' Pension Board members present were Chairman Ken Artin, Secretary Shane Jarrell, and Amanda Hayes.

Firefighters' Pension Board members present were Secretary Dominic Morgese, Tommy Bozeman, James Shaw, David Randall, and Mike Scudiero.

Also present were Lee Dehner of Christiansen & Dehner (by phone), Patrick Donlan of Foster & Foster, and Scott Owens and Charles Mulfinger of Graystone Consulting.

2. APPROVAL OF MINUTES OF MAY 12, 2017 (POLICE)

Ms. Amanda Hayes moved, seconded by Mr. Shane Jarrell, to approve the minutes of the May 12, 2017. The motion passed unanimously.

3. APPROVAL OF MINUTES OF AUGUST 11, 2017 (FIRE AND GENERAL EMPLOYEES)

Mr. Tommy Bozeman moved, seconded by Mr. Dominic Morgese, to approve the minutes of the August 11, 2017, meeting. The motion passed unanimously.

Mr. Michael Furman moved, seconded by Ms. Kelly McGuire, to approve the minutes of the August 11, 2017, meeting. The motion passed unanimously.

4. CERTIFY ELECTIONS

Mr. Mike Scudiero moved, seconded by Mr. Morgese, to certify the election of Mr. David Randall to the Firefighters' Pension Board. The motion passed unanimously.

Mr. Furman moved, seconded by Ms. McGuire, to certify the elections of Mr. Dave Ponitz and Ms. Denise Roeper to the General Employees' Pension Board. The motion passed unanimously.

5. SELECTIONS OF CHAIRMAN (FF), SECRETARY (GE)

Mr. Bozeman moved, seconded by Mr. Scudiero, to nominate Mr. Randall as Chairman of the Firefighters' Pension Board. The motion passed unanimously.

Ms. McGuire moved, seconded by Mr. Furman, to nominate Mr. Ponitz as Secretary of the General Employees' Pension Board. The motion passed unanimously.

6. PUBLIC COMMENTS

There were no public comments.

7. APPROVAL OF THE 2018 MEETING DATES (FEBRUARY 8, MAY 11, AUGUST 10, AND DECEMBER 14, 2018)

Ms. McGuire stated that she believed that all of the meeting dates proposed were Fridays.

Ms. Colby Cilento, Assistant City Clerk, confirmed that they were and noted that she believed the dates had been selected with consideration given to avoid weeks where there would be major events in the local area, such as Bike Week or race events.

8. APPROVAL OF 2017-18 ANNUAL BUDGET (POLICE)

Mr. Ken Artin stated that when comparing the proposed budget to the annual accounting, which were the actual expenses for the previous fiscal year, there was a significant increase in the actuarial services line item. He noted that the budgeted amount was $28,500; but that the board had spent $15,835 on those services in the previous fiscal year.

Ms. Cilento noted that the previous recording secretary for the boards, Ms. Lois Towey, had used a similar figure in her budget preparations for the last few years. She explained that she was not certain why it was that number.

Ms. McGuire asked Mr. Patrick Donlan, Foster & Foster, if he knew what the annual fees charged were.

Mr. Donlan stated that he did not. He noted that this was just a proposed budget, and oftentimes boards would want to be conservative in their estimates.

Ms. McGuire noted that the budgeted amount could be modified, if there was a desire to do so. She stated that there was a set fee for the actuarial services and explained that $200 was paid for each benefit calculation; noting that the amount of benefit calculations requested varied.

Mr. Artin asked if the same amount was being budgeted for all three boards' budgets; whereby, Ms. Cilento indicated that she believed it to be the same for all three.

Ms. Hayes moved, seconded by Mr. Jarrell, for approval of the proposed FY 2017-18 budget for the Police Officers' Pension Board. The motion passed unanimously.

9. APPROVAL OF ANNUAL ACCOUNTING FOR FISCAL YEAR 2016-17 (FIRE AND POLICE)

Mr. Bozeman noted that when the budgets were approved in August, Mr. Scott Christiansen of Christiansen and Dehner, advised not to include the investment managers' fees on the budgets or annual accountings; whereby, Ms. Cilento confirmed that they were not included on the annual accounting reports. She explained that the annual accounting was only supposed to reflect administrative expenses, per Mr. Christiansen.

Mr. Lee Dehner, Christiansen and Dehner, stated that the actual expenses approved by the boards needed to be sent to the state and the city.

Mr. Donlan noted that he was able to locate information from 2015 and 2016 regarding Foster and Foster's fees. He stated that in 2015, the Police Officers' Pension Board spent $20,069 in 2015 and $27,386 in 2016, on actuarial expenses. He explained that he believed it may have been an issue of invoice timing which caused 2017 to reflect lower payment amounts. He noted that he believed $28,000 to be a fair budget amount.

Ms. Hayes moved, seconded by Mr. Jarrell, to approve the annual accounting for FY 2016-17 for the Police Officers' Pension Board. The motion passed unanimously.

Mr. Donlan clarified that he had provided the figures for the General Employees' Pension Board expenses. He noted that the Police Officers' Pension Board had spent closer to $23,000.

Mr. Bozeman moved, seconded by Mr. Randall, to approve the annual accounting for FY 2016-17 for the Firefighters' Pension Board. The motion passed unanimously.

10. PRESENTATION OF ACTUARIAL VALUATION AND REPORT BY FOSTER & FOSTER (Actuary)

Mr. Donlan stated that each year, Foster & Foster reviewed the assets in the pension plan and projected out all of the future retirement benefits to determine an appropriate funding requirement. He explained that the October 1, 2017 evaluation determined the funding requirements for the next year so that the city had time to include them in their budget.

Mr. Donlan noted that he would begin by reviewing the general employees' actuarial valuation; noting that all three valuation reports were similar. He stated that the total required contribution for the current year was 31.2 percent of payroll and would be 31.1 percent for the next year. He stated that the member contributions were projected to be four percent, which would leave the city with 27.1 percent of projected annual payroll as the balance from the city. He noted that as a dollar amount, it would actually be lower because the number of employees in the plan was diminishing each year.

Mr. Donlan stated that there were two asset figures presented; actuarial value of assets and market value. He explained that the only purpose of the actuarial value of assets was to perform the actuarial valuation to determine funding requirements. He noted that the market value was listed at $47,412,916, while the actuarial value was $47,747,067. He stated that there was very little difference. He explained that a rolling four-year average was utilized each year. He stated that in 2014, the rate of return was 11.92 percent. He stated that for the plan year ending September 30, 2017, the rate of return was 11.76 percent. He noted that the rolling four-year average was 7.6 percent. He explained that for the actuarial value of assets, he used the 7.6 percent return rate. He noted that the 11.76 percent rate of return this year would only help bolster future years' averages; noting that the 11.92 rate of return from 2014 would drop off of the four-year average in the next year.

Mr. Donlan stated that he believed that in the next year, all three plans would be around their rate of assumption. He noted that the smoothing average was working nicely.

Ms. McGuire asked if the general employees' assumed rate of return was set at 6.75 percent; whereby, Mr. Donlan confirmed that both police officers' and general employees were set at 6.75 percent, while firefighters' was at seven percent.

Mr. Donlan explained that he reviewed the assets and projected future retirement benefits. He noted that turnover made a big difference with regards to liability. He noted that the general employees' plan had 135 non-DROP (deferred retirement option plan) employees at the beginning of the year. He stated that three people who were vested terminated employment, two of those were issued refunds, two individuals died, five individuals retired, and four persons entered the DROP; leaving the city with 118 active non-DROP plan employees. He explained that that would be a pattern with the general employees' plan, which would continue to decline as new hires were not a part of it.

Mr. Donlan noted that the persons who either passed away or terminated constituted over 20 percent turnover, which was more than was expected. He stated that those who terminated would receive a smaller benefit than if they would have worked until full retirement. He noted that some of them only received a refund of their own contributions, which was a gain for the pension plan. He stated that usually anything which was good for the plan members was bad for the actuary, and vice versa. He stated that more individuals in the general employees' plan died than was expected. He noted that that was an actuarial gain for the plan as those individuals did not receive benefits any longer.

Mr. Donlan stated that unfunded actuarial accrued liability was a measure of where the plan was as opposed to where they would like it to be, with regards to funding all of the retirement benefits. He noted that last year, the plan was behind by $9.7 million. He explained that payments were made each year to pay that amount down. He further explained that with those payments, he anticipated that amount to decrease to $9.4 million as of October 1, 2017. He noted that it had actually decreased to $8.6 million, which constituted an overall actuarial gain to the plan. He stated that some of those gains came from investment returns; noting that the gain would have been even larger if the smoothing technique was not being utilized.

Mr. Donlan noted that salary increases had constituted a bit of an actuarial loss to the plan; explaining that if salaries were increased, the projected benefits at retirement would increase. He reiterated that more individuals turned over than expected and that constituted a gain. He noted that it had been a good year for the unfunded actuarial accrued liability for the general employees' plan.

Mr. Morgese referenced participation reconciliation. He noted that individuals in the DROP were not considered active participants. He asked if members of the DROP made any contributions.

Mr. Donlan replied that they did not; explaining that that was why DROP participants were treated as retirees. He explained that DROP participants were essentially retirees who were still working and having their benefits stored up for that period that they still worked.

Mr. Morgese noted that in the Florida Retirement System (FRS), DROP participants still contributed while in the DROP program; whereby, Mr. Donlan noted that that operated differently from the City of Ormond Beach's plans.

Mr. Ponitz asked Mr. Donlan to explain the terms "active decrements" and "inactive mortality."

Mr. Donlan stated that if someone was decrement meant leaving active status; explaining that active decrements would be those plan members active at the beginning of the year that terminated employment, retired, or passed away. He noted that decrements left one status and went to another.

Mr. Ponitz confirmed that those members who have to do so during the one-year period of analysis in order to be counted in the active decrements category; giving examples of persons going from an active status to a retired or deceased status.

Mr. Donlan stated that because more individuals left active status than had been anticipated, active decrements were an actuarial gain to the plan in the past year. He noted that firefighters' plan had a bit of an actuarial loss on active decrements. He stated that there had been several retirees that year. He explained that their final value when retired had been a little more than the valuation was expecting the year before.

Mr. Donlan addressed actuarial assumptions and methods. He noted that they assumed 100 percent participation for those at normal retirement eligibility. He explained that it also assumed that if such an individual was still working on the valuation date, they would be assumed to work another year. He noted that what occurred was that those individuals did not work for another year and retired a little earlier than the valuation had expected; noting that it was mostly an issue with the timing of the retirements.

Mr. Bozeman asked Mr. Donlan to explain inactive mortality; whereby, Mr. Donlan replied that that would be if retirees passed away.

Mr. Ponitz asked if that was assessed on whether those individuals actually passed away of if they passed away before the statistical assumption; whereby, Mr. Donlan clarified that it just meant those who had actually died. He stated that the whole actuarial valuation report was based on assumptions and comparing those to what actually happened.

Mr. Donlan directed the boards' attention to the Governmental Accounting Standards Board (GASB) accounting for the plan, which was what the city used on its financial statements. He explained that that did not use a smoothing technique and used the market value of assets each year. He further explained that GASB had noted that different plans used different smoothing and wanted them all to be comparable. He stated that the net pension liability was what the city had to put on its balance sheet. He noted that last year that was $12.2 million, but that this year it would be $9.1 million. He stated that that was a big improvement.

Ms. Hayes asked how that compared to others.

Mr. Donlan noted that he did not have the statistics in front of him. He explained that the average plan's fiduciary net position as a percentage of the total pension liability was about 82 percent; noting that the general employees' plan was at 83 percent. He stated that that was about average for the state.

Ms. Roeper asked about the smoothing that Mr. Donlan had mentioned.

Mr. Donlan explained that if they used the market value of assets, like they did on the GASB accounting, there would be a lot of fluctuation. He further explained that without smoothing, there would be huge changes between the assets and liabilities each year. He noted that the smoothing allowed for the development of an actuarial valuation of assets. He stated that different techniques could be used to develop the actuarial value. He explained that long term it would average out to be the same as the market value; but the smoothing would make for a much more level ride there.

Mr. Morgese noted that one would often hear that a pension was a certain percent funded, such as 85 or 90 percent funded. He asked if the city would have to report a pension liability if their pension was 100 percent funded.

Mr. Donlan stated that they would actually get a credit. He explained that the Town of Lady Lake's police pension was 108 percent funded on the GASB basis. He noted that they actually reported a net pension asset.

Mr. Jarrell asked how their pension was 108 percent funded.

Mr. Donlan stated that the Town of Lady Lake was a woodsy country area that did not have a lot of assets until The Villages were built. He explained that The Villages was partially located in Lady Lake. He further explained that Lady Lake went from nothing to a boomtown overnight and received a lot of state funding. He noted that they did not have a lot of police officers. He stated that it was a lucky situation where they developed a lot of assets without many liabilities.

Mr. Jarrell noted that The Villages was enormous. He asked if Lady Lake had added any police or fire services because of that.

Mr. Donlan stated that The Villages had its own police and fire departments; noting that Lady Lake did not need to have a large department because of that. He stated that not many plans operated at 100 percent or above.

Mr. Donlan stated that there were different measurements for funding ratios. He explained that the one discussed took the market value of assets and compared that to an accrued liability. He noted that there were two other measurements included in his actuarial valuation report. He stated that one measurement was the accrued liability compared to the actuarial assets. He noted that the funded ratio by that measurement was 84 percent, which was a bit lower than the other one previously discussed.

Mr. Donlan stated that another measurement reviewed the market value of assets compared to the accrued benefits. He explained that accrued benefits considered the benefits owed if the plan was to terminate immediately and needed to pay out, and did not consider future service. He noted that with that methodology, the general employees' plan would be at a 93 percent funded ratio.

Mr. Ponitz noted that the general employees' pension plan was closed to new members. He stated that he felt that the actuarial liability would decrease because of that.

Mr. Donlan stated that some members were still accruing benefits.

Mr. Ponitz stated that it was significant for him to go from an 87 percent to a 93 percent funded ratio in one year.

Mr. Donlan noted that there had been an 11 percent return. He explained that presently the assets and liabilities were not very different. He noted that the liabilities were not growing too much, but a good return on $45 million in assets made a big difference. He noted that all of the plans now had large assets; explaining that he feared greater losses in down markets because of that.

Mr. Ponitz explained that he was interested to compare how the police officers' and firefighters' plans would fare from a funding ratio standpoint; noting that the general employees' plan had been closed to new members for five years.

Mr. Bozeman stated that the firefighters' plan's funded ratio went from 72.7 percent to 74.1 percent.

Mr. Donlan explained that according to the GASB accounting, the police officers' plan went from 69.0 to 73.4 percent. He noted that he thought that most places in the state saw their funded ratio go up by about four percent because of the market returns. He addressed the general employees' plan and stated that Ormond Beach was doing well relative to the other closed plans that he dealt with.

Mr. Donlan reviewed the Police Officers' Pension Trust Fund's actuarial valuation report. He explained that Chapter 99-1 used to govern how state monies were dealt with. He noted that there was a frozen amount of $544,533.32, and the city could use anything that came in up to that amount. He stated that anything that went above that would go into the Excess State Monies Reserve. He explained that two years prior, new legislation was introduced which said that if the city and the members could agree on how to use state monies, it would be fine, or if not, there would be a default arrangement for handling that. He noted that he knew that state monies were spoken about during union negotiations. He asked if there was a formal mutual consent agreement reached, or if the consensus was to let it go to default.

Ms. McGuire stated that in both the police and fire contracts it was stated that any excess state money would be split, with half of it going to the city and half of it going to the plan members to be put into a share plan. She noted that the city would just use their share to pay down any unfunded liabilities.

Mr. Donlan addressed Ms. MsGuire's use of the term "excess state money" and asked how much the funds would need to be in excess of. He noted that it historically had been $544,533.32.

Ms. McGuire stated that it was whatever it had been at the time that the contract was signed. She noted that for police that would mean the $544,533.32. She stated that with fire it was similar; noting that she believed the baseline value was in the contract itself. She suggested that it was around $364,000 for fire. She stated that there were not actual agreements outside of the contract, which she believed to be an issue. She explained that there should be separate agreements regarding those funds which would be sent to the state.

Mr. Dehner stated that that was correct. He noted that that what Ms. McGuire was referring to was a mutual consent agreement.

Ms. McGuire asked if the fire plan members would have to determine annually how their excess funds would be distributed to their members.

Mr. Donlan stated that it would be nice to do that ahead of time so that it was clear how to allocate those funds if they were made available.

Ms. McGuire noted that she did not know whether there was a default mechanism in place for how the share plan was distributed amongst the members. She stated that she believed that a determination was being made each time.

Mr. David Randall stated that the firefighters' members determined a way to allocate that money amongst themselves; whereby, Mr. Bozeman noted that he believed that was how they would want to keep it.

Ms. McGuire noted that the city did not contribute to the share plan.

Mr. Morgese asked if the members could draw from it; whereby, Ms. McGuire stated that they could not until they retired.

Mr. Donlan stated that there were no forfeitures in the previous year, but noted that in the current year some individuals terminated and forfeited their money. He stated that a Mr. Kyle Williams left, was not vested, and left $255.83 in the plan. He noted that that was supposed to be redistributed to the rest of the members. He explained that there was not a real defined way to do that. He further explained that he used the same method as the initial allocation.

Ms. McGuire noted that that methodology would not work going forward if there was new state money. She stated that some methodology needed to be developed to handle future forfeitures. She explained that Mr. Donlan could not keep track of all the different ways over the years that it had been decided to allocate those funds, noting that he would be doing so in order to allocate the forfeiture in the same manner.

Mr. Randall stated that the idea was originally to have more freedom with those funds. He noted that it should probably be changed.

Mr. Donlan noted that most groups handled it one of two ways. He stated that one way was to provide one share to anyone who was there for the entire calendar year. He stated that another way was to take everyone's credited service as of the last date of the year and base the shares on that.

Ms. McGuire asked if the second methodology was typically only done for those who were there at the end of the year; whereby, Mr. Donlan replied that it was. She confirmed with Mr. Donlan that someone who left during that year would not receive anything.

Mr. Randall stated that the way they did the first split was that if a member was there the whole year they received a share. He noted that the topic would need to be discussed with the members. He stated that the firefighters' contract currently stated that the share plan would be split up however the members decided.

Ms. McGuire noted that it deferred to the pension board to sort that out with the pension members. She stated that the contract did not specify how the funds were distributed. She explained that there would need to be a vote of the plan's members.

Mr. Ponitz moved, seconded by Mr. Furman, to approve the General Employees' Pension Fund actuarial valuation. The motion passed unanimously.

Ms. Hayes moved, seconded by Mr. Jarrell, to approve the Police Officers' Pension Fund actuarial valuation. The motion passed unanimously.

Mr. Morgese moved, seconded by Mr. Bozeman, to approve the Firefighters' Pension Fund actuarial valuation. The motion passed unanimously.

Mr. Bozeman addressed the firefighters' share statements. He noted that there had been some inaccuracies on the initial report.

Mr. Donlan stated that there had been an adjustment for the previous year on the valuation report.

Mr. Dehner stated that each board needed to set their expected rate of return for the current year or next several years, based on input from the boards' consultant and actuary.

Mr. Ponitz moved, seconded by Ms. Roeper, to have the assumed rate of return for the General Employees' Pension Plan remain at 6.75 percent for the upcoming fiscal year.

Mr. Furman noted that their rate of return had been lower than most.

Mr. Donlan stated that he did not think that he knew of any plan which had gone lower than that.

Mr. Ponitz noted that for the last four years that rate of return had been beat, even with one negative year. He explained that he expected that that assumed rate of return would be appropriate in the near term.

Mr. Charles Mulfinger, Graystone Consulting, stated that returns were expected to be lower in the next seven years than they had been in the previous seven. He noted that he was not anticipating a great market environment. He stated that they did expect it to normalize more over the next 20 years than it had historically. He stated that the valuations in the market were presently so high that they did not expect the next few years to be good. He noted that there would be a recession and market turndown eventually.

The motion passed unanimously.

Ms. Hayes asked if the police officers' plan had been dropping their assumed rate of return lower over the years to get to 6.75 percent.

Mr. Donlan stated that he believed that they were going to ultimately go to 6.5 percent. He noted that they could keep doing so if they wanted.

Ms. Hayes moved, seconded by Mr. Jarrell, to maintain the Police Officers' Pension Fund's assumed rate of return at 6.75 percent for the upcoming fiscal year. The motion passed unanimously.

Mr. Morgese moved, seconded by Mr. Bozeman, to maintain the Firefighters' Pension Fund's assumed rate of return at seven percent for the upcoming fiscal year. The motion passed unanimously.

Mr. Bozeman noted that a non-vested participant had left, which would create a change in their numbers on the share plan. He asked when that would be seen, or if it would just be noted on the next annual report.

Mr. Donlan stated that if they were non-vested it would show as a forfeiture on next year's reconciliation.

Mr. Bozeman noted that there was another member who retired prior to the annual valuation. He asked if they would see the increase from the non-vested forfeiture or if they would be in arrears.

Mr. Randall asked if the share plan statement was adjusted at the end of the year.

Mr. Donlan replied that most everything would be done at the end of the year. He noted that they wanted to provide earnings to someone who left in the middle of the year, but stated that most everything happened at the end of the year. He explained that some plans sometimes allowed retirees who retired during the year to receive forfeiture allocations. He noted that usually it would be in the ordinance.

Mr. Bozeman stated that someone who retired would not receive the small forfeiture increase at all.

Mr. Donlan noted that that retiree would not be there on September 30, when the fiscal year ended.

Mr. Donlan asked what assumptions Mr. Donlan used for the Police Officers' Fund. She noted that there had been an issue with a provision that would have been problematic if implemented.

Mr. Donlan stated that he believed the ordinance adopted fixed that; whereby, Ms. Cilento noted that the ordinance in the packet was not yet adopted and was included for the Police Officers' Pension Board to review.

Ms. McGuire noted that there had been discussion about it at the August 11, 2017, Pension Boards meeting, but that the Police Officers' Pension Board did not have a quorum and was not present.

Mr. Donlan stated that no assumptions were changed in his report because no new language had been adopted.

11. INVESTMENT MONITOR REPORT (Graystone Consulting)

Mr. Mulfinger stated that the market that day opened at an all-time high. He noted that it had been very strong and the plans had benefitted from that. He stated that all three plans had been close to the benchmark; noting that they were because they were all overweight in equity relative to the policies' targets. He noted that he would review the last fiscal year.

Mr. Scott Owens, Graystone Consulting, stated that he would review the economy. He stated that when the market fell in 2008, everything was down and a lot of market participants were buying indiscriminately based on valuation because prices were low. He noted that valuation was the relationship between earnings and price, which was known as a PE ratio. He stated that PE ratios had reached well above historical norms and it was clear that earnings would have to go up or price would have to come now. He explained that the fourth quarter of the previous year marked the first time in many quarters where earnings actually increased year over year. He noted that since then, earnings had continued to go up. He stated that prices were also still going up, bringing things more in line with historical norms.

Mr. Owens stated that the market was starting to rotate out of a valuation driven market to an earnings driven market. He noted that that was good news. He explained that they could expect more volatility in the market; noting that they were at all times lows in volatility presently. He stated that the economy continued to be on solid footing. He noted that the unemployment rate was 4.1 percent and that wages were starting to increase slightly. He noted that inflation was at the two percent rage, which was the target. He explained that lower inflation created no urgency to spend.

Mr. Owens stated that the Russell 1000 Index, which contained larger companies, had a 4.48 percent return for the period ending September 30, 2017. He stated that the Russell 2000 Index, which contained smaller companies, was the best performer with a 5.67 percent return. He stated that growth outperformed value almost two-to-one. He stated that fixed income did fine for the quarter, with a .85 positive return. He noted that a lot of people thought you could not lose money in government bonds because they would not default, but explained that there were price fluctuations. He stated that those were down 1.5 percent over the past 12 months.

Mr. Mulfinger stated that bonds had hurt the plans' ability to reach their return assumptions. He explained that that was the reason that being overweight in equity helped and he would continue to recommend that. He noted that he still did not expect bond returns to help going forward. He explained that the plans did not have a choice, as they had to have a certain amount in bonds because there was no flexibility to move into real estate.

Mr. Owens stated that the Federal Reserve ("Fed") just raised rates a quarter of a percent and were expected to raise them two or three times in the upcoming year.

Mr. Mulfinger noted that if everything went poorly or there was a recession, bonds would be the plans' protection; explaining that he was not suggesting that the funds be taken out of bonds. He further explained that he was suggested that it would have been a benefit to diversify away from some of the bonds.

Mr. Mulfinger stated that the total portfolio for the General Employees' Pension Plan as of September 30, 2017, was $47,411,913. He noted that it would be higher presently. He stated that there was a net gain of $1,432,000 for that quarter. He noted that that was fantastic and that the Police Officers' Pension Fund and Firefighters' Pension Fund had similar results. He addressed the weightings and noted that the plan was overweight large value, large growth, and small/mid cap value, relative to policy target; noting that those funds were within the established ranges.

Mr. Mulfinger explained that the General Employees' Pension Plan did not need to rebalance until they reached 70 percent total equity; noting that they were at 65 percent. He noted that he was not recommending rebalancing. He explained that the plan was underweight in bonds; noting that the minimum they could have was 30 and that they were at that range. He noted that both the police and fire funds were below 30 percent, but were above 30 slightly when cash was added in.

Mr. Furman stated that since the plan had been underweight in international, he asked if some of the large cap growth funds should potentially be moved to international, or if Mr. Mulfinger was comfortable with where they were at.

Mr. Mulfinger stated that if they were further below, he would recommend adding to it. He noted that he actually thought international would do better going forward.

Mr. Furman noted that he was suggesting potentially moving some funds from large cap growth into international; explaining that the plan would not be receiving any more money so the only way to add more weight to one area would be to take from another.

Mr. Mulfinger stated that that would be a tactical move which could be done. He explained that he did not recommend it just because they were so close to the targets. He noted that he would not be against moving those funds, but explained that he did not think they would want to move much. He stated that large cap growth had done well, but noted that they expected international to do better in the future. He noted that large cap growth was the area where they were above the most and thus where they would need to take it from.

Mr. Furman suggested taking large cap growth back down to the policy statement and moving that equally between international value and growth. He noted that he thought that would be a good move to make going forward.

Mr. Mulfinger explained that they could rebalance the large cap growth back to the target, and move the funds from that rebalancing into international value and growth to equalize the amount they had. He noted that he would support that as a tactical move to try and take advantage of where the market was.

Ms. Roeper asked how much they were discussing moving; whereby, Mr. Mulfinger clarified that they would be specifying a percentage and not a dollar amount.

Mr. Furman moved, seconded by Mr. Ponitz, to rebalance large cap growth back to the target, and move the funds resulting from the rebalancing equally between international value and international growth.

Ms. McGuire confirmed with Mr. Mulfinger that the city would not exceed the policy by doing so; whereby, Mr. Mulfinger explained that they would exceed the target but not the range.

Mr. Morgese noted that the range was what drove changes to happen automatically without the boards' consent.

The motion passed unanimously.

Ms. Hayes moved, seconded by Mr. Jarrell, to rebalance large cap growth back to the target, and move the funds resulting from the rebalancing equally between international value and international growth. The motion passed unanimously.

Mr. Morgese discussed the weighting on the fire plan with Mr. Mulfinger.

Mr. Bozeman asked how often the boards could make changes like the one being discussed; whereby, Mr. Mulfinger clarified that it could be made as often as they wanted.

Mr. James Shaw noted that from a layman standpoint the move seemed to make sense. He asked why doing something like that was not built into the plan.

Mr. Mulfinger explained that doing so would be making a tactical move which would be beneficial in the current environment. He further explained that the plans had a strategic policy target which they wanted to be at. He noted that allowing the equity to go higher was a tactical move which had already been undertaken, as equity was expected to do better than bonds. He stated that it appeared that the international economy was strengthening and catching up to the domestic economy; noting that it would not always be that way.

Mr. Bozeman asked if the plans were tied to the set policy percentages. He asked if they should be adjusting it anyway.

Mr. Mulfinger stated that the policy could always be changed, as long as it did not conflict with the ordinance for the plan. He explained that the ranges were set in the ordinance and could be changed, though he would suggest they not be changed often. He noted that those should be changed strategically and with long term goals in mind. He explained that presently they were discussing tactical moves within the range. He noted that they were discussing reducing the amount in large cap growth to the target, which was still in the range.

Mr. Morgese asked when a change like that would occur without the boards' intervention; whereby, Mr. Mulfinger replied that such rebalancing would occur if the range was exceeded.

Mr. Owens displayed the guidelines for the equity portfolio.

Mr. Morgese noted that the figures shown on these reports were the funds as of September 30, 2017.

Mr. Mulfinger explained that any changes made to the funds had to be made by the boards. He noted that he would recommend changes if they were needed.

Ms. McGuire stated that she believed that it was automatic within the range. She asked if the funds would be automatically adjusted if they got outside of the range.

Mr. Mulfinger replied that it would not be automatic. He explained that if they went outside of the range, he would inform them that they needed to make a change. He noted that if it was outside of the range, the plans had a choice of either going to the target or going to the high end of the range.

Mr. Morgese confirmed with Mr. Mulfinger that board approval was needed to make the change.

Mr. Mulfinger explained that the reason for that was that he did not have discretion regarding those funds. He noted that he provided advice. He stated that if, for example, total equity went outside the range, there would need to be a choice made regarding whether to bring it back to the top of the range or bring it to the target.

Ms. McGuire noted that a choice would also need to be made regarding where to put the additional percentage.

Mr. Morgese stated that he did not realize that it took an action of the board to correct the portfolio to the range. He noted that he had mistakenly believed that the policy in place gave the money managers the authority to make those decisions.

Mr. Mulfinger stated that the money managers had no say at all and only did what they were told to.

Mr. Bozeman stated that the funds still had cash. He asked if that could be allocated.

Mr. Mulfinger noted that the cash was there to pay retirees; whereby, Ms. McGuire explained that they would always need cash on the side for that.

Mr. Bozeman noted that he believed that recently the board had elected to convert something which was over the benchmark to cash. He stated that they had recently backed something down.

Mr. Mulfinger stated that if it had been anything it would have been equity. He stated that the range for large cap growth was actually 25 percent; noting that the funds were actually slightly out of that range and could benefit from being adjusted.

Mr. Bozeman noted that what he had been thinking of was when there was a manager change and those funds had to go somewhere in the short term.

Mr. Morgese moved, seconded by Mr. Bozeman, to reduce the large gap growth to the target, and move the funds created by that rebalancing equally to international value and growth. The motion passed unanimously.

Mr. Mulfinger reviewed the breakdown of returns; noting that all three plans had the same investment managers. He stated that HGK Asset Management ("HGK") was a money manager which had been struggling. He noted that HGK had a better quarter and actually beat the benchmark; noting that the one-year return was now also improved. He explained that the reason that their returns had been low was because they had been overweighed in energy and energy prices had fallen. He noted that energy prices had risen, but that HGK also had good stock selection and had underweighted real estate and consumer staples.

Mr. Mulfinger stated that Sawgrass Asset Management ("Sawgrass") and Polen Capital Management ("Polen") were the large cap growth managers. He noted that Sawgrass was a very conservative group. He stated that Sawgrass had stated that they would not go up as much in a strong market, but also would not go down as much in a weak one. He noted that if the market went down, they should expect Sawgrass to not go down as much.

Mr. Mulfinger stated that Polen was very concentrated and only owned what they deemed to be America's best companies. He noted that they only owned 17 stocks; noting that that could make them more volatile. He stated that Polen would say that they took less risk because they only bought the best companies. He noted that Polen had once been behind but no longer was. He recalled that two years prior they were the number one returning manager in large cap growth space in the country. He noted that for the quarter and for the year they were a tiny bit below the benchmark, but were above it by quite a bit in the three-year.

Mr. Mulfinger stated that Cambiar Investors ("Cambiar") had not been managing the plans' funds for very long. He noted that they were below for the quarter, but above for the year and above overall since they had been hired. He stated that Fiera Capital ("Fiera"), formerly known as Apex Capital, was a manager which he was watching closely. He noted that Apex had been purchased by Fiera; explaining that a change in ownership would cause them to be reviewed carefully for any impacts that that change may have.

Mr. Mulfinger stated that Macquarie Capital Management ("Macquarie"), formerly known as Delaware Capital Management, was one of the international managers. He noted that they purchased companies that paid dividends and focused on companies which did that. He stated that they were a more defensive manager and were below benchmark for both the quarter and the year. He noted that the three and five year returns were above. He stated that they have had higher long term returns with less risk, therefore adding value.

Mr. Mulfinger stated that Renaissance Investment Management ("Renaissance") was the other international manager. He noted that they were a bit above the benchmark for the quarter, a little bit below for the year, and a little bit above in the long term. He stated that there had been two percent greater return than the benchmark over the whole time period. He noted that Renaissance had added a lot of value by having higher returns with less risk. He stated that the funds which would be rebalanced out of large cap growth would be going to Macquarie and Renaissance.

Mr. Mulfinger noted that this was the first quarter where Garcia Hamilton Associates ("Garcia Hamilton") had underperformed the benchmark. He stated that they had been doing outstanding; noting that all-time they had outperformed by over a percentage, which was exceptional. He explained that they were a little bit below for the quarter because they had become more defensive. He noted that they had shortened their bonds a little bit, worried that their rates would go up. He explained that they had gone into higher quality bonds; purchasing more government bonds and less corporate bonds. He further explained that they were positioning themselves for when bonds would not do as well. He stated that Garcia Hamilton had also provided value by having higher returns with less risk.

Mr. Mulfinger stated that for the quarter, all of the managers combined were a little below the benchmark. He noted that the last year of returns was outstanding. He stated that the three-year returns were a little below, the five-year returns were above, and the returns since inception were above going back to 2001.

Mr. Mulfinger displayed a risk / return graph. He explained that the funds would want to be captured in the northwest quadrant of the graph. He noted that the diamond marked in the northwest quadrant was the benchmark; noting that the fund’s circle marker was aside it, but a bit higher. He explained that returns were measured on the vertical axis. He noted that the funds had a little higher return and a little less risk, which was ideal.

Mr. Mulfinger review the statistics for the return and risk analysis, including the alpha, sharpe ratio, and r-squared. He noted that 97.4 percent of the fund’s return was explained by the benchmark. He explained that they wanted it to be greater than 80 percent for it to be a good benchmark. He stated that the numbers were statistically valid and had meaning.

Mr. Ponitz asked if this information was updated on a rolling 16-year basis; noting that the information provided was from April 2001 to September 2017.

Mr. Mulfinger stated that it was since inception; noting that Graystone Consulting started working with the city’s funds in 2001.

Mr. Mulfinger displayed an investment policy checklist. He explained that that the page displayed demonstrated whether the fund was in compliance. He noted that the equity and fixed income portfolios were in compliance. He pointed out the list of individual managers; noting whether they were meeting their objectives. He explained that it was fine for Sawgrass to be listed as “no” because they were a more conservative manager that was not taking much risk. He noted that Fiera was another to watch; explaining that they should be watched not because of the “no” criteria, but because they were under new ownership.

Mr. Mulfinger reviewed the outlook. He noted that the funds were overweight in stocks in both the U.S. market and the international emerging and developed markets. He stated that bonds were underweight in both corporate, U.S., and international bonds. He explained that they believed that rates would eventually rise and they would see some inflation. He noted that that would be bad for bonds.

Mr. Mulfinger stated that, in summary, the quarter was a bit below the policy but at a great absolute number, as far as real dollars earned. He stated that the year had been outstanding. He noted that the longer term returns had been high with less risk, which is what they would hope to see.

Mr. Morgese noted that the Firefighters' Pension Fund was underweighted in fixed income and had a "no" marked regarding compliance there.

Mr. Mulfinger explained that that was a "no" not including cash. He further explained that adding the cash would get them above 30 percent.

12. DISCUSSION OF REVISED PROPOSED ORDINANCE AMENDMENTS

Mr. Artin asked if it would be all right to move up the recommendation of the proposed ordinance amendments for police, and then discuss the legal representation issue, which involved all three boards. He suggested that the Firefighters' Pension Board could discuss the independent medical evaluation (IME) after those issues were handled.

Mr. Bozeman stated that that was fine with him.

Mr. Artin noted that this was a catch-up item for the Police Officers' Pension Board, as they did not have a quorum for the last meeting in order to recommend adopting the proposed ordinance.

Ms. Hayes moved, seconded by Mr. Jarrell, to recommend the adoption of the proposed ordinance for the Police Officers' Pension Board. The motion passed unanimously.

13. DISCUSSION OF LEGAL REPRESENTATION (FIRE, GENERAL, POLICE)

Mr. Dehner stated that he and his partner, Mr. Christiansen, sent a letter regarding their legal representation of the boards. He explained that he and Mr. Christiansen desired to reduce their travel. He stated that they had made arrangements with two law firms that had the best capacity to take on additional clients and were among the most eligible firms. He noted that that was the basis of their recommendation, which was included in the letters they sent the boards. He explained that the other factor was that the firm they were recommending was one of two firms that fit into the boards' schedule. He noted that they wanted to make the transition as seamless as possible. He stated that he believed that there was a representative from Sugarman & Susskind, P.A., present at the meeting.

Mr. Pedro Herrera, Sugarman & Susskind, P.A. ("Sugarman"), announced himself.

Mr. Dehner stated that he was recommending that Sugarman take an assignment of Christiansen & Dehner's contract. He explained that that would mean that Sugarman would perform under the contract that he and Mr. Christiansen had been performing under for their years with the city. He noted that the assignment would be put in place rather than a new contract being drafted.

Ms. McGuire asked when Christiansen & Dehner's contract would end; whereby, Mr. Dehner replied that it was open-ended and subject to termination on notice.

Mr. Dehner noted that he was sorry to be ending his representation of the boards; whereby, Mr. Morgese and Mr. Artin expressed their regrets.

Mr. Artin stated that the two options that Mr. Dehner had presented with his resignation was to keep his representation until December 31, 2017, or April 1, 2018, if the boards wanted to search out legal counsel.

Mr. Dehner noted that the boards could take whatever action they liked. He stated that there were roughly 50 plans which he and Mr. Christiansen represented which were outside of the range they would like to travel.

Mr. Artin stated that the boards had to decide whether they would seek proposals from other law firms to provide representation to the three pension funds, or if they wanted to do the assignment presented to them. He noted that he would like to discuss that. He stated that whenever legal counsel was changed, there should be an opportunity to see what else was out there. He noted that he believed that this was an opportunity for the boards to see who was rendering these types of services and what the market looked like. He stated that it would be beneficial to take a look at those things, given that the boards had been represented by one firm for many years. He noted that he did not have anything against Sugarman. He asked if anyone else was interested in seeing what other firms may be interested in providing services.
Mr. Dehner stated that the boards certainly could decide to issue a Request for Proposals (RFP) and ultimately make a selection. He noted that

Christiansen & Dehner would be willing to stay on board until the end of the year, or until the end of the first quarter in 2018.

Mr. Furman asked if Christiansen & Dehner would help write the RFP if the boards decided to pursue one; whereby, Mr. Dehner stated that he could do that if they would like.

Mr. Furman noted that when someone sought services, they often liked to get multiple estimates. He stated that they would definitely want an estimate from Sugarman, but explained that he believed that it was prudent to seek other options. He asked whether April would be enough time to receive proposals from law firms.

Mr. Dehner stated that he thought that that would be adequate time. He noted that there were not that many attorneys in the state that provided the types of services needed.

Ms. McGuire noted that she believed it was unrealistic to get it done by April 1. She explained that the reality was that an RFP would need to be created, the board would have to approve the RFP, the RFP would have to be issued, the proposals would have to be received, the board would want to review and discuss the proposals, and then they would select certain firms to come in and present to the board. She stated that she did not see that occurring within a three-month period.

Ms. McGuire stated that she agreed with Mr. Artin that it was the right time to seek proposals. She noted that she was concerned about the timing. She stated that the boards would meet again in February and she doubted that there would be an RFP issued and proposals returned prior to that date. She noted that even if the proposals were returned, they would then have to select who they would want to come in for interviews.

Mr. Dehner stated that he could be flexible with regards to the timing.

Mr. Furman asked Mr. Dehner whether he was willing to stay on until the boards picked new representation, even if it was after April 1, 2018; whereby, Mr. Dehner stated that he was.

Ms. McGuire noted that she was more comfortable with that.

Mr. Artin stated that he did not want the boards to all have to get together multiple times before making key decisions. He suggested that each board delegate authority to its respective chairman to review and issue the RFPs. He noted that he did not think more than three individuals needed to be involved in drafting the RFPs. He suggested having the RFPs open for 30 days for submissions. He stated that if they sent out the RFP by mid-

January, they could perhaps discuss the responses at the February meeting.

Ms. McGuire asked Mr. Dehner if he had a template RFP for legal services that he could provide; whereby, Mr. Dehner stated that he rarely performed RFPs for attorneys because in most cases his firm would be part of the group being considered. He noted that the city often issued RFPs for various providers.

Mr. Artin stated that he thought that the three chairpersons could figure out what they expected and build an RFP around that.

Ms. McGuire stated that she would have the city's Purchasing Coordinator locate some sample RFPs so that they had a starting point.

Mr. Dehner noted that he would happy to review the RFP that they produced.

Ms. McGuire asked if the boards should issue one joint RFP. She explained that that would be her preference because the boards were better off having one attorney represent them all.

Mr. Bozeman asked what would happen if the Firefighters' Pension Board decided to take the assignment with Sugarman and did not want to pursue an RFP.

Ms. McGuire noted that they did not have to.

Mr. Artin stated that the Firefighters' Pension Board would have their own representation and likely hold separate meetings.

Mr. Furman suggested that all three boards participate in seeking RFPs. He noted that he was concerned that perhaps the boards would then disagree as far as to selecting the representative. He stated that he would assume all of the boards' fees would increase significantly if they could not agree on a representative.

Mr. Artin stated that the boards had had a good track record with regards to agreeing on investment managers. He noted that he believed they would have equal luck with attorney representation.

Mr. Bozeman stated that Christiansen & Dehner was confident that Sugarman could serve the plans well. He noted that that carried a lot of weight with him. He explained that he did not know that it was necessary to spend a lot of time on an RFP process. He noted that they would always have the right in the future to issue an RFP for another attorney.

Mr. Randall noted that he shared Ms. McGuire's concerns about the time that an RFP process would take. He stated that he was sure this would considerably lengthen at least the next meeting.

Mr. Artin stated that there was a similar process that was undertaken with investment advisors. He noted that it was unfortunate that Mr. Dehner was retiring. He stated that he agreed with Mr. Furman that it was prudent for the boards to see what representation was available.

Mr. Bozeman suggested accepting the transfer to Sugarman and having Sugarman represent the boards while the RFP process was underway.

Ms. McGuire noted that that would be a conflict of interest for Sugarman.

Mr. Furman stated that as a trust fiduciary it was prudent to get estimates and research what options were available to them for representation. He stated that once someone trustworthy was engaged, RFPs would not need to be issued unless there was a concern. He noted that the boards would not be looking into doing this if Mr. Dehner was not retiring.

Mr. Bozeman noted that the idea of doing an RFP had come up before.

Mr. Furman stated that Sugarman would have an inside advantage as they would know more about the plans than anyone else; noting that he assumed that Mr. Dehner shared information with them. He stated that in an ideal situation, Sugarman would be the best for the job, but noted that he believed that the right thing to do would be to let that play out through an RFP process.

Mr. Morgese explained that a few years prior, the Firefighters' Pension Board was actually considering issuing RFPs and the other two boards were not in favor of doing so. He noted the irony.

Ms. McGuire noted that she did not want to speak derogatorily about the boards' current attorney, but explained that the reality was that there had been some issues in receiving timely responses because of the number of clients that were being represented. She stated that she did not know that that would not also be the case with the new firm. She explained that she felt that the boards had a responsibility to interview firms to ask those questions. She stated that the administration of the pension system was very time consuming and difficult with multiple steps in the processes. She noted that every time that the plans could not get something they needed from one of their consultants; it created issues, ultimately for the retirees.
Mr. Furman moved, seconded by Ms. Roeper, for the General Employees' Pension Plan to issue an RFP for legal counsel due to Mr.

Dehner's departure; and to delegate authority to the three board Chairmen to develop and issue the RFP.

The motion passed unanimously.

Ms. Hayes moved, seconded by Mr. Jarrell, for the Police Officers' Pension Fund to issue an RFP for legal counsel and keep Mr. Dehner engaged until such time as a decision could be made regarding counsel; and to delegate authority to the three board Chairmen to develop and issue the RFP.

The motion passed unanimously.

Mr. Scudiero stated that he would like for the Firefighters' Pension Board to follow suit. He echoed Mr. Bozeman's comments about Sugarman; noting that he had heard nothing but good things about them. He further noted that there were very few firms that specialized in the types of services needed. He noted that Sugarman may very well be the best firm and he would like them to have the validation of that which would come from their being selected in an RFP process.

Mr. Scudiero moved, seconded by Mr. Morgese, for the Firefighters' Pension Fund to issue an RFP for legal counsel and keep Mr. Dehner engaged until such time as a decision could be made regarding counsel; and to delegate authority to the three board Chairmen to develop and issue the RFP.

Mr. Scudiero and Mr. Morgese voted in favor of the motion; Mr. Randall, Mr. Bozeman, and Mr. Shaw voted in opposition.

The motion failed.

Mr. Bozeman moved, seconded by Mr. Randall, to follow Mr. Dehner's recommendation and transfer assignment of legal representation services to Sugarman & Susskind.

Mr. Artin explained that under procurement law, if Sugarman & Susskind participated in the procurement of services, they would have to be disqualified.

Mr. Bozeman asked if they would have to be excluded from the RFPs for the other plans; whereby, Mr. Artin clarified that they would only if they participated in the preparation.
Mr. Pedro Herrera, Sugarman & Susskind, stated that he appreciated the support and believed that his firm would do a fantastic job for the plans. He

explained that he did not want to make the situation awkward going forward; noting that as much as he wanted the business of the boards, he did not want to create any issues. He stated that if it would be better for the Firefighters' Pension Board to follow suit and issue an RFP, he would be comfortable with that taking place.

Mr. Bozeman asked if Sugarman would be submitting a proposal; whereby, Mr. Herrera replied that he would be.

Mr. Herrera noted that he understood that the three boards had always operated together. He addressed an earlier comment about fees and noted that he did not think that that would have been an issue. He noted that it may be challenging for the boards to meet jointly with different providers.

Ms. McGuire presented a hypothetical of the Firefighters' Pension Board deciding to go with Sugarman while the other two boards selected different representation through the RFP process. She asked if the Firefighters' Pension Fund would have different fees.

Mr. Herrera stated that the fee structure and contract with that individual board would not change.

Mr. Morgese noted that out-of-pocket expenses may be different.

Mr. Herrera confirmed that that was correct, but he believed it would be a fractional difference. He stated that Sugarman had a number of clients in the area.

Mr. Bozeman withdrew his motion. He requested that the initial motion made be restated.

Mr. Morgese moved, seconded by Mr. Scudiero, for the Firefighters' Pension Fund to issue an RFP for legal counsel and keep Mr. Dehner engaged until such time as a decision could be made regarding counsel; and to delegate authority to the three board Chairmen to develop and issue the RFP.

Mr. Morgese, Mr. Scudiero, Mr. Bozeman, and Mr. Randall voted in favor of the motion; Mr. Shaw voted in opposition.

The motion passed.

Mr. Furman stated that he respected Mr. Herrera's position. He noted that it was likely Sugarman would end up with the boards' business. He stated that it sounded like Sugarman was one of the bigger and better firms available.

Mr. Herrera stated that he had no issue with the boards deciding to fulfill their fiduciary responsibility and issue an RFP.

Mr. Dehner confirmed that the RFP would be originated with the board chairmen and that he would be sent a final draft for review before it was issued.

14. ATTORNEY COMMENTS

Mr. Dehner stated that a change was made in the legislature with respect to confidential information for firefighters. He explained that it had long been the case that the statue had covered former and active police officers; noting that it now also included former firefighters and not just active firefighters.

Mr. Scudiero stated that he had an item he wanted to bring up under other business, but thought that perhaps Mr. Dehner or Mr. Mulfinger could weigh in. He stated that in October he had attended the Florida Public Pension Trustees' Association (FPPTA) conference. He stated that he met an attorney who did securities litigation. He asked whether the plans had any agreements with those types of firms.

Mr. Dehner noted that there was a firm in Philadelphia, Pennsylvania which performed a lot of class action shareholder litigation. He stated that basically they would determine whenever class action suits were filed which covered one of the city's investments. He explained that the firm hoped to have clients retain them to do the monitoring services as they were hoping to have represent the whole class in litigation. He noted that he could provide more information if desired.

Mr. Scudiero stated that he had some information specific to the Firefighters' Pension Board which he had left with Ms. Cilento. He noted that it would not cost the board anything to sign on with them. He explained that if and when wrongdoing was found that affected one of the funds' investments, the board would get compensation for that.

Mr. Dehner stated that a proof of claim would be filed with the court when someone was a member of the class. He noted that the firm Mr. Scudiero was referencing would seek to represent the lead plaintiff in a class. He explained that there was only one lead plaintiff now and every person in the class would not have an attorney. He noted that the proof of claim was important to file; explaining that the firm Mr. Scudiero spoke of would take care of that.

Mr. Scudiero suggested that the proposals he brought be put on the next agenda for discussion. He noted that it would not cost the boards to engage those services; whereby, Mr. Dehner stated that there was no downside.

Mr. Artin stated that the firm would receive legal fees from a class action suit. He asked if Mr. Scudiero was suggesting an RFP for securities law counsel.

Mr. Scudiero noted that he did not believe that the board was limited to who they could sign on with; whereby, Mr. Dehner confirmed that it was non-exclusive.

Mr. Bozeman asked if Mr. Dehner was working on updating the plan summaries.

Mr. Dehner stated that he had drafted an updated summary but was awaiting approval of the previously proposed ordinances.

Ms. McGuire noted that the ordinances proposed for the Firefighters' and General Employees' plans had passed; explaining that the Police Officers' had just approved their ordinance because they had not met in August. She noted that the General Employees' plan had not changed in a few years and asked why they were still waiting on a summary plan description.

Mr. Bozeman asked why the Firefighters' were also waiting on theirs; whereby, Mr. Dehner explained that he was going to have them all prepared at once. He noted that he had drafts presently.

The General Employees' Pension Board meeting adjourned at 10:56 a.m.

The Police Officers' Pension Board meeting adjourned at 10:57 a.m.

15. DISCUSSION OF IME FOR AMANDA KING (FIRE)

Mr. Bozeman asked if everyone had reviewed the IME for Ms. Amanda King. He explained that Ms. Amanda King was fired and left with a disability. He noted that Ms. King obtained her pension under disability. He explained that recently there had been some concern about Ms. King engaging in activity which would be contradictory to her disability. He noted that he believed that Ms. King should be getting an IME annually. He stated that the IME indicated that Ms. King was still disabled and not capable of performing the job functions of a firefighter.
Mr. Randall noted that the doctor who had performed the IME was indicating that nothing had changed; explaining that the initial concern was based on a photograph of Ms. King which appeared on social media.

Mr. Bozeman moved, seconded by Mr. Scudiero, to accept the independent medical evaluation of Ms. Amanda King, which stated that Ms. King was unable to return to work at this time.

The motion passed unanimously.

16. OTHER BUSINESS

Mr. Bozeman discussed discrepancies in the report Mr. Donlan had provided with him.

Mr. Bozeman asked about the Family Medical Leave Act (FMLA) and its impact on pension contributions. He noted that some employees submitted pay leave time in conjunction with FMLA.

Ms. McGuire stated that any employee earning wages would be earning credited service.

Mr. Randall confirmed that if an employee was not receiving a check that they would not be contributing to the pension. He asked if those rules applied for military leave. He asked if they would still be arguing time in the pension system even if they were not drawing a paycheck.

Ms. McGuire noted that that time would have to be purchased back.

Mr. Dehner stated that it depended on the situation. He explained that if it was a separation of service to go into active duty, that time would count as credited service. He explained that if it was a military buyback prior to initial employment with the city or another department, it would be governed by the terms of the buyback provision of the ordinance.

Mr. Randall asked how share funds were distributed and asked whether those funds could be rolled into another account.

Mr. Donlan stated that an attorney had advised him that those funds could be rolled over into an IRA.

Mr. Randall asked if they could receive some information about how that process worked.

Ms. McGuire noted that it would be the same as the DROP; explaining that someone would leave and have a lump sum which the pensioner would need to provide instruction on distributing.

Mr. Dehner stated that that would be a lump sum subject to tax and explained that that pensioner should receive a special tax notice. He noted that there was a receipt to sign in the package and a form for elections to be made.

Ms. McGuire noted that those same forms were used for the DROP. She asked how the city's human resources department was supposed to know who was in the share plan and had funds available, so that they could initiate the appropriate paperwork. She stated that she could provide the current list, but noted that it would change. She noted that they also needed to know the balance.

Mr. Donlan stated that the statements were generated annually.

Mr. Bozeman suggested that it be added to the checklist that human resources used when they dealt with retiring employees.

Mr. Herrera suggested that the DROP and share plans have different forms.

17. ADJOURNMENT

The Firefighters' Pension Board adjourned at 11:27 a.m.

Respectfully submitted,

Scott McKee on behalf of
Colby Cilento, Recording Secretary

Attest:

Kelly A. McGuire, Chairman
General Employees' Pension Plan

Ken Artin, Chairman
Police Officers' Pension Trust Fund

David Randall, Chairman
Firefighters' Pension Trust Fund