

**CITY OF PALMETTO
GENERAL EMPLOYEES'
PENSION BOARD OF TRUSTEES
February 29, 2016 - 8:30 A.M.**

Board Members Present:

Jim Freeman, Vice Chair
Matt Bloome, Secretary
Dale Hoffner
Ellen Leonard—(arrived at 8:35 a.m.)
Matt Misco
Patty Persson
Allen Tusing—(arrived at 8:35 a.m.)

Staff and Others Present:

Scott Christiansen, Board Attorney
Charlie Mulfinger, Graystone Consulting
Scott Owens, Graystone Consulting
Amber Foley, Assistant City Clerk

Vice Chair Jim Freeman called the meeting to order at 8:33 a.m.

Mr. Freeman introduced new trustee Dale Hoffner.

1. AGENDA APPROVAL

Motion: Mrs. Persson moved, Mr. Bloome seconded, and the motion carried 5-0 to approve the February 29, 2016 General Employees' Pension Board agenda. Mrs. Leonard and Mr. Tusing were absent for the vote.

2. PUBLIC COMMENT

None.

3. APPROVAL OF MINUTES

Motion: Mrs. Persson moved, Mr. Misco seconded, and the motion carried 5-0 to approve the November 30, 2015 minutes. Mrs. Leonard and Mr. Tusing were absent for the vote.

4. APPROVAL OF EXPENSES

- A) Christiansen and Dehner: Invoices Dated 11/30/2015, 12/31/2015, 1/31/2016
- B) Graystone Consulting: Quarter ending 12/31/2015 (Investment Report)
- C) Foster & Foster Invoice #8422

Motion: Mrs. Persson moved, Mr. Bloome seconded, and the motion carried 5-0 to ratify the paid expenses as presented. Mrs. Leonard and Mr. Tusing were absent for the vote.

5. ELECTION OF CHAIR

Motion: Mrs. Leonard moved, Mrs. Persson seconded, and the motion carried 7-0 to elect Mr. Freeman as Chair for the Board with a term ending 2017.

Motion: Mr. Bloome moved, Mr. Freeman seconded, and the motion carried 7-0 to elect Mr. Tusing as Vice Chair for the Board with a term ending 2017.

6. INVESTMENT REVIEW

Mr. Owens gave a presentation on the current economic growth and the growth during the last quarter.

Mr. Mulfinger discussed the fourth quarter review. The portfolio was valued at \$11,697,158 with a gain net-of-fees \$388,059. He reviewed each manager's performance, noting that no rebalance is necessary at this time. Most managers outperformed this quarter with the exception of Private Advisors.

7. 2015 ACTUARIAL VALUATION REPORT

Doug Lozen, Foster & Foster, reviewed the October 1, 2015 Actuarial Valuation Report. He explained that there has been very little change since the last report. The Board approved the early implementation of the new mortality assumption under Chapter 2015-15, Florida Statutes, at the last meeting; this assumption is incorporated in the Report. Mr. Lozen stated that the City's contribution of payroll decreased from 28.85 percent to 28.77 percent.

Mr. Lozen informed the Board that a method change was approved at the last meeting and has been implemented as well. The method change is a Fresh Start for the Unfunded Actuarial Accrued Liability (UAAL). Previously, a 25 year amortization period was used for all changes to the UAAL; however, the future UAAL bases will be as follows:

- Experience Gains and Losses—10 Years
- Method and Assumption Changes—20 Years
- Benefit Changes—30 Years.

Mr. Lozen discussed page 10 that outlined all the changes.

Mr. Freeman informed Mr. Lozen that the City is currently in the process of performing a Compensation Study which may impact the actuarial for the following year.

Motion: Mrs. Persson moved, Mr. Tusing seconded, and the motion carried 7-0 to accept the October 1, 2015 Actuarial Valuation Report.

Motion: Mr. Tusing moved, Mr. Freeman seconded, and the motion carried 7-0 to declare that based on the advice of our investment professionals and/or actuary, the Board of Trustees declare that the total expected annual rate of return for the next year, next several years, and the long term thereafter shall be 7.5%, net of investment related expenses.

Mr. Lozen informed the Board that it would be in the best interest of the Plan to have Foster & Foster perform an experience study. The investment and salary increases of the Plan need to be reviewed. He opined the long term salary assumption could be lowered from the current 7 percent. Mr. Lozen also would like to look at lowering the investment assumption. If the Board agrees, he will work on an updated experience study and bring forward to the meeting.

Mr. Freeman inquired about the cost to perform this study and Mr. Lozen stated it should be about \$7,500.

Mr. Lozen opined that the salary assumption could probably be lowered to about 5.5 percent with the actuarial assumption being lowered to 7.25 percent.

Motion: Mrs. Persson moved, Mr. Hoffner seconded, and the motion carried 7-0 to have Foster & Foster perform an experience study not to exceed \$7,500 and present results at the August Pension Meeting.

8. BENEFITS DISBURSEMENT APPROVAL

A. DROP PARTICIPANT

- Reynaldo Moreno

B. TERMINATED NON-VESTED EMPLOYEES

- Jose Jimenez

C. TERMINATED VESTED EMPLOYEE LUMP SUM DISTRIBUTION

- Wayne Washington

D. RETIRED EMPLOYEES

- None

E. DECEASED RETIREES

- James E. Anderson

F. DECEASED ACTIVE EMPLOYEE PAYOUT

- None

Motion: **Mr. Tusing moved, Mr. Bloome seconded, and the motion carried 7-0 to approve the benefits disbursements as presented.**

9. NEW MEMBER ACKNOWLEDGEMENT

- Paula Hall
- Robert Opdyke II

10. ATTORNEY CHRISTIANSEN'S REPORT

Attorney Christiansen is still working on drafting the ordinance for the internal revenue code changes. The priority for his firm was to get the Police Pension Plan ordinances done first because of significant changes with the law, now they are working on the General Employees'.

He discussed statewide legislation, noting that nothing is pending that will impact this Plan.

10. PLAN ADMINISTRATOR'S REPORT

Ms. Foley updated the Board on the overpayment from the fund to beneficiary Tracy Williamson. This issue has been addressed with her and a payment plan has been established.

At the last meeting, it was discussed about the inability to locate retiree Barbara Dishon. Ms. Foley researched City records and was able to find Ms. Dishon's next of kin. After speaking with Ms. Dishon's daughter, a new, local address was provided. Payments have been resent to the new address.

At the end of January, Ms. Foley sent out Pension Form 11, Confirmation of Benefits, to all the retirees. Ms. Foley is still waiting on the form from about seven more retirees.

Mr. Freeman adjourned the meeting at 10:23 a.m.

Minutes approved: May 23, 2016

Matt Bloome

Matt Bloome
Secretary