

**CITY OF PALMETTO
GENERAL EMPLOYEES'
PENSION BOARD OF TRUSTEES
February 25, 2019 - 8:30 A.M.**

Board Members Present:

Jim Freeman, Chair
Allen Tusing, Vice Chair—(entered the meeting at 8:48 a.m.)
Matt Bloome, Secretary—(entered the meeting at 8:45 a.m.)
Angela Bechtel
Dale Hoffner
Ellen Leonard
Matt Misco

Staff and Others Present:

Scott Christiansen, Board Attorney
Andy McIlvaine, Graystone Consulting
Charlie Mulfinger, Graystone Consulting
Scott Owens, Graystone Consulting
Amber LaRowe, Assistant City Clerk

Chair Freeman called the meeting to order at 8:41 p.m.

1. AGENDA APPROVAL

Motion: Mr. Hoffner moved, Mrs. Leonard seconded, and the motion carried 5-0 to approve the February 25, 2019 General Employees' Pension Board Agenda. Mr. Bloome and Mr. Tusing were absent for the vote.

2. PUBLIC COMMENT

No comment.

3. APPROVAL OF MINUTES

Motion: Mr. Hoffner moved, Mrs. Leonard seconded, and the motion carried 5-0 to approve the November 26, 2018 minutes. Mr. Bloome and Mr. Tusing were absent for the vote.

4. APPROVAL OF EXPENSES

- A) Christiansen and Dehner Invoices Dated October and November 2018
- B) Graystone Consulting: Quarter ending December 2018 (Investment Report)
- C) City of Palmetto Invoice for Trustee FPPTA Training J. Freeman
- D) Foster and Foster Invoice Dated January 11, 2019
- E) Florida Public Pension Trustee Association Annual Membership \$600.00

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

5. ELECTION OF OFFICERS

Motion: Mr. Hoffner moved, Mrs. Leonard seconded, and the motion carried 6-0 to nominate Mr. Freeman as Chair, Mr. Tusing as Vice Chair, and Mr. Bloome as Secretary for a term ending 2021. Mr. Tusing was absent for the vote.

6. INVESTMENT REVIEW

Andy McIlvaine, Graystone Consulting, gave a highlight of the Market Returns for the Quarter.

Scott Owens, Graystone Consulting, presented the Fourth Quarter Summary. The Portfolio was valued at \$13,468,730. A loss net-of-fees of \$29,190. The Portfolio is slightly over weighted in Equity; however, no rebalance was recommended at this time. Mr. Owens discussed each Manager and their performance for the quarter along with the compliance checklist. A copy of the Fourth Quarter Summary is attached to and made a part of these minutes.

7. BENEFITS DISBURSEMENT APPROVAL

A. DROP PARTICIPANT

- None

B. SEPARATED NON-VESTED EMPLOYEE

- Daniel Bull
- Nicholas Buto

C. SEPARATED VESTED EMPLOYEE

- Audrea Dixon

D. RETIRED EMPLOYEES

- None

E. DECEASED RETIREES

- None

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.

8. NEW MEMBER ACKNOWLEDGEMENT (*Informational Only*)

- Tarleena Robinson

9. 2019 SUMMARY PLAN DESCRIPTION

Attorney Christiansen discussed the changes made to the Summary Plan Description. The first change was the disability language was amended to more clearly identify those individuals who may be eligible to apply for a disability pension in the event that they have resigned or their employment is terminated. This clarification does not change the way in which this provision has been applied or interpreted in the past. This change is being made because the current language has been challenged in litigation as being unclear and has resulted in

unintended application of the language. The recommended change clarifies the language with no change in the intended application. This is a change in the next item, proposed ordinance as well.

Mr. Christiansen stated that the maximum benefit limitation as established by the IRS was increased to \$225,000 annually. Also, Attorney Christiansen will change Exhibit A, Board of Trustees, to remove David Sylvester and replace with "vacant".

Motion: Mr. Hoffner moved, Mrs. Bechtel seconded, and the motion carried 7-0 to approve the March 1, 2019 Summary Plan Description.

10. PROPOSED ORDINANCE INTERNAL REVENUE CODE CHANGES

Attorney Christiansen informed the Board of the following changes made to the attached proposed Ordinance:

- Section 22-88, Disability, amended to more clearly identify those individuals who may be eligible to apply for a disability pension in the event that they have resigned or their employment is terminated. This clarification does not change the way in which this provision has been applied or interpreted in the past. This change is being made because the current language has been challenged in litigation as being unclear and has resulted in unintended application of the language. The recommended change clarifies the language with no change in the intended application.
- Section 22-94, Maximum Pension, subsection (1)(2), is being amended to correct a reference number.
- Section 22-96, Miscellaneous Provisions, is being amended to add subsection (i), Missing Benefit Recipients. This provision is in accordance with a recent IRS Programs Compliance Memorandum that requires plans to have an approved method for locating terminated individuals who are due benefits from the plan.
- Section 22-108, Deferred Retirement Option Plan, is being amended to remove subsection (f)(8), Prevention of Escheat and re-number the remaining subsections. The information contained in this subsection is being expanded in accordance with IRS guidance and moved to the Miscellaneous Provisions Section of the Plan where it will apply to all benefit recipients rather than just DROP recipients.
- Section 22-109, Reemployment After Retirement, is being amended to make several changes as required by the Internal Revenue Code to satisfy the qualification requirements applicable to the reemployment of a disability retiree. Additional changes have been made to clarify reemployment after receipt of early retirement benefits.

Also attached with the proposed ordinance are the Board's Operating Rules and Procedures. Attorney Christiansen stated that the revision outlines the specifics of the procedure to find a missing benefit recipient. He noted that there are a few updates to some sections for the Board to consider.

The Board discussed the changes to the Operating Rules and Procedures and the consensus was to allow the Board more time to review the document and bring it forward to the May meeting for further discussion and potential adoption.

Motion: Mrs. Leonard moved, Mr. Tusing seconded, and the motion carried 7-0 to recommend adoption of the proposed Ordinance to the City Commission.

Motion: Mrs. Leonard moved, Mrs. Bechtel seconded, and the motion carried 7-0 to move the Operating Rules and Procedures to the next General Employees' Pension Board meeting.

10. ATTORNEY CHRISTIANSEN'S REPORT

Attorney Christiansen discussed a pending Legislative Bill in Tallahassee. Proposed Senate Bill 518 adds new requirements relating to how municipal meetings are conducted. This means that meeting materials must be available at least three days before the meeting occurs, at least two copies of the agenda and supporting materials be available for public inspection at the meeting location on the day of the meeting. Also, public comment must be offered as either the first or last item on the agenda and requires that each member of the public have the right to speak for at least three minutes. Attorney Christiansen will keep the Board updated on this Bill if necessary.

11. PLAN ADMINISTRATOR'S REPORT

No report.

Chair Freeman adjourned the meeting at 10:22 a.m.

MINUTES APPROVED: May 13, 2019

Matt Bloome

MATT BLOOME
SECRETARY