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MINUTES

GENERAL EMPLOYEES' RETIREMENT COMMITTEE MEETING

THURSDAY - AUGUST 16, 2012 - 3:30 PM

PRESENT	ALSO PRESENT
Vic Espinal	Charlie Mulfinger – Graystone Consulting
Councilwoman Barbara Kramer	Scott Owens – Graystone Consulting
Lori Helton – Chair	Ron Lanier – UBS Trumbull
Councilman Frantz Pierre	Larry Wilson – Gabriel Roeder Smith
	Bob Sugarman – Sugarman & Susskind
	Martin Lebowitz – Pension Administrator
	Darcee Siegel – City Attorney
ABSENT	**DEPARTMENT REPRESENTATIVES**
Larry Gordon	Joe Grella
	Marva Simmonds
	Shawn Raines
	Roz Weisblum – Asst. City Mgr.
	Janice Coakley
	Laura Wozniak
	Robert Grosswald
	Lyndon Bonner – City Manager
	Andrea Bernard
	Nick Douglas
	Hupert Rose

Lori Helton called the meeting to order at 3:38 P.M., followed by a roll call of Trustees.

1. <u>ROLL CALL</u>

As we did not have a quorum, Bob Sugarman pointed out that we are not allowed to make any motions, pay any bills or take any actions and this meeting converts to a workshop. Trustee Pierre will be attending the meeting but was running late.

Trustee Pierre arrived at 4:30 p.m. and the committee has a quorum.

Larry Gordon is absent.

2. <u>GRAYSTONE CONSULTING</u>

a. JUNE 30, 2012 INVESTMENT REPORT

Charlie Mulfinger and Scott Owens presented the performance report, indicating a total portfolio market value on 6/30/2012 of $62,185,747 (including accrued income). This represents a net decrease in value from the previous quarter of $1,636,190. The total fund earned -2.55% for the quarter. (See attached Summary of Relevant Facts as of June 30, 2012)

b. **UBS TRUMBULL**

Ron Lanier of UBS presented the new investment fund UBS Trumbull Property Fund (UBS-TPF) to the Committee. The Police & Fire Retirement Plan contributed $4,125,000.00 on July 2, 2012.

The Portfolio consists by property type as follows; 1) Apartments, 2) Hotels, 3) Industrial, 4) Office and 5) Retail.

3. PENSION ATTORNEY REPORT

Merrill Lynch Lawsuit – Judge approved the settlement and closed out the case. The money should be received by us within 90 days.

A. House Bill 401 – The new law invalidated pre-divorce designations of an ex-spouse and the pension cannot and will not pay any benefits to an ex-spouse.
Please see attached documents for plan action recommended by Sugarman & Susskind.

Also, Bob Sugarman suggested sending a letter to Legislative Delegation . The letter urges the Legislature to give local pension plans the same exemption that is afforded to the Florida Retirement System. The same administrative burdens and potential pitfalls they seemingly acknowledged for the FRS apply to for our local law plans.

4. GABRIEL ROEDER SMITH - ACTUARY

a. Mortality Table

Larry Wilson has recommended we use the updated RP 2000 Combined Healthy Mortality Table for calculating retirement benefits for participants who elect Life Annuity, Joint & Survivor or Joint & Contingent. There is no change for 10 year certain life retirement option.

Bob Sugarman will draft a proposed Ordinance and present it **to** the Board and City Attorney at the next scheduled meeting. Larry Wilson will supply a No Impact Statement.

Please see attached letter from Larry Wilson.

5. PENSION REFORM

Lori Helton discussed the proposed changes that the City has proposed to the Union to freeze the General Employees' Retirement Plan and create a new 401(k) Defined Contribution Plan. Lori Helton stated it is her understanding that if an employer wants to make changes to the pension benefits**,** it must go through collecting bargaining. Retirement benefits have never **in** the past been part of the collecting bargaining. What would be the financial impact of freezing the pension plan? What impact would it have on the City's contributions? Does the City have an answer to what impact these changes would make to the pension plan? The committee has not received any information from the City on what the financial impact would be to the pension plan. Are there changes that can be made to the plan that would preserve the plan?
Lori Helton set and attended a meeting on June 14, 2012 with the Plan Actuary Larry Wilson, Plan Attorney Bob Sugarman and Martin Lebowitz to brainstorm some possible changes to the pension plan.

A. Plan Design Alternatives

Larry Wilson discussed possible plan changes as follows. (See Plan Redesign Services Letter Attached)

1. Normal retirement eligibility: earlier of (1) age 62 with 10 years of service or (2) age 60 with 25 years of service. (future accruals)
2. Early retirement eligibility: earlier of (1) age 55 with 20 years of service or (2) completion of 25 years of service, regardless of age. (future accruals)
3. Early retirement reduction factor: 1/15 for the first 5 years, 1/30 thereafter.
4. Future service multiplier: 2.8%(future accruals).
5. Vesting: 100% after 10 years of service (for currently non-vested members).
6. DROP period: 36 months (future DROPs).
7. COLA rate: 2:00% per annum (future retirees).
8. COLA deferral period: 3 years (future DROPs).

After discussion, motion by Trustee Vic Espinal, seconded by Trustee Kramer to authorize Larry Wilson of GRS to do a Plan Redesign Services Study with a cost of not-to-exceed $12,220.

Roll Call:

Trustee Kramer	No
Trustee Pierre	No
Trustee Helton	Yes
Trustee Espinal	Yes

Motion deadlocked

The chairperson Lori Helton has instructed Martin Lebowitz to schedule a special meeting with all members of the Committee to discuss Plan Design Alternatives. The meeting will be held prior to our regular scheduled meeting in October 2012.

6. OPEN DISCUSSION

7. APPROVAL OF MINUTES – 05/3/12 MEETING

Motion by Trustee Pierre, seconded by Trustee Kramer, to accept the May 3, 2012 minutes for the General Employees' Retirement Plan Meeting.

Motion carried unanimously.

8. APPROVAL OF INVOICES

Motion by Trustee Pierre, seconded by Trustee Kramer, to approve payment of the following invoices:

Garcia Hamilton – Equity Quarterly Mgt. Fees	$16,199.31
Garcia Hamilton – Fixed Quarterly Mgt. Fees	14,962.82
Buckhead Capital - Quarterly Management Fees	16,682.56
Morgan Stanley Smith Barney – Qtly. Consulting Fees	6,875.00
GW Capital - Quarterly Management Fees	5,980.51
Harding Loevner – Quarterly Management Fees	5,928.00
Thornburg Management – Quarterly Management Fees	4,323.43
MDT - Quarterly Management Fees	6,675.03
GRS – Actuaries Fees	10,493.00
Sugarman & Susskind – Legal Fees	6,600.00
Salem Trust – Custodial Fees	7,744.24
FPPTA – Registration for Lebowitz, Helton, Gordon and Pierre	1,750.00
City of NMB – Health/Dental/Group Life Premiums (M.Lebowitz,5/12)	519.65
City of NMB – Health/Dental/Group Life Premiums (M.Lebowitz,6/12)	519.65
City of NMB – Health/Dental/Group Life Premiums (M.Lebowitz,7/12)	519.65
Martin Lebowitz – FPPTA Hotel one night deposit	66.94
Larry Gordon - FPPTA Hotel one night deposit	133.88
Frantz Pierre - FPPTA Hotel one night deposit	119.00
Hilton Hotel – FPPTA – Full payment for Lebowitz,Helton,Gordon ,Pierre	795.80
Lori Helton – FPPTA –Per diem	200.00
Larry Gordon – FPPTA –Per diem	200.00
Martin Lebowitz – FPPTA Per diem	200.00
Florida U.C. Fund – Unemployment Compensation(Martin Lebowitz)	171.10
Office Depot – Office supplies	52.59
Laser Light Litho – Business cards (Martin Lebowitz)	19.50
Martin Lebowitz – FPPTA – Rental card, gas and tolls	168.94
Larry Gordon – FPPTA – Mileage and tolls	255.65
Lori Helton – FPPTA – Mileage and tolls	216.06
Frantz Pierre – FPPTA – Rental car, gas, tolls and per diem	813.19
	$109,218.38

Motion carried unanimously.

The next scheduled meeting is October, 2012 at 3:30 p.m.
Meeting was adjourned at 6:39 p.m.

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Martin Lebowitz, Pension Administrator