

**Minutes of JOINT QUARTERLY Meeting of the  
Firefighters', General Employees' and Police Officers'  
Retirement Systems, held Wednesday, August 15, 2012,  
At 3:00 PM, in the Council Chamber, 11 North 3<sup>rd</sup> Street,  
Jacksonville Beach, Florida.**



**Call to Order**

David Young, of the Police Officers' Board of Trustees, called the meeting to order at 3:00 PM.

**Roll Call** as follows:

**Firefighters' Board:**

Bruce Anderson *absent*  
Ed Dawson *absent*  
Dennis Povloski  
Steve Sciotto  
Deborah White

**General Employees' Board:**

Penny Christian *absent*  
Steve Hartkemeyer  
Nelson Luna  
Brandon Maresma *absent*  
Kelly Paul

**Police Officers' Board:**

Steve Corbitt  
Marvin DuPree  
Alan Grant  
C. David Young

**NEW BUSINESS**

**Consideration by Firefighters', General Employees' and Police Officers' Boards of Trustees**

1. Approval of Minutes: Joint Quarterly Meeting held May 8, 2012

Firefighters'

Motion: It was moved by Ms. White, seconded by Mr. Povloski, to approve the minutes of the Joint Quarterly meeting held May 8, 2012, as presented.

Roll call vote: Ayes - Povloski, Sciotto, White; motion carried unanimously.

General Employees'

Motion: It was moved by Mr. Hartkemeyer, seconded by Ms. Paul, to approve the minutes of the Joint Quarterly meeting held May 8, 2012, as presented.

Roll call vote: Ayes - Luna, Paul, Hartkemeyer; motion carried unanimously.

Police Officers'

Motion: It was moved by Mr. Corbitt, seconded by Mr. Grant, to approve the minutes of the Joint Quarterly meeting held May 8, 2012, as presented.

Roll call vote: Ayes - Corbitt, DuPree, Grant, Young; motion carried unanimously.

**Consideration by Firefighters', General Employees' and Police Officers' Boards of Trustees**

2. Quarterly Review of DROP Interest Rate (has remained at 6% since inception)

Motion: It was moved by Mr. Corbitt, seconded by Mr. Luna, to defer action on this agenda item to later in the meeting.

Voice vote resulted in all ayes by Board members present; motion carried unanimously.

**Consideration by General Employees' Board of Trustees**

3. Application to Participate in the DROP –

- (a) William Crutcher – Public Works Department, Effective August 1, 2012; Meets Age Requirement
- (b) Simon Flores – Beaches Energy Services, Effective August 1, 2012; Meets Service Requirement
- (c) Nancy A. Lindros – Finance Department, Effective September 1, 2012; Meets Age Requirement
- (d) Joe Stonecipher – Beaches Energy Services, Effective November 1, 2012; Meets Age Requirement
- (e) William Ulmer – Public Works Department, Effective August 1, 2012; Meets Age Requirement

Motion: It was moved by Mr. Luna, seconded by Mr. Hartkemeyer, to approve participation in the DROP for William Crutcher, Simon Flores, Joe Stonecipher, and William Ulmer, as submitted.

Voice vote resulted in all ayes by Board members present; motion carried unanimously

**Consideration by General Employees' Board of Trustees**

4. Application for Retirement–

- (a) Maurice Johnson – Parks and Recreation, Effective October 1, 2012; Meets Age Requirement

Motion: It was moved by Mr. Luna, seconded by Mr. Hartkemeyer, to approve the application for retirement, as submitted.

Voice vote resulted in all ayes by Board members present; motion carried unanimously

**Consideration by General Employees' Board of Trustees**

5. Application for Deferred Retirement

- (a) Alan Kelly – Public Works Department, Benefits Deferred to March 1, 2017

Motion: It was moved by Mr. Luna, seconded by Mr. Hartkemeyer, to approve the application for deferred retirement, as submitted.

Voice vote resulted in all ayes by Board members present; motion carried unanimously.

**Consideration by Firefighters' Board of Trustees**

6. Approval of Payment to Gabriel, Roeder Smith & Company for Actuarial Services provided to the Firefighters' Retirement System, for the Period – July 1, 2011 through June 30, 2012 - \$7,650

Motion: It was moved by Mr. Sciotto, seconded by Mr. Povloski, to approve the payment of \$7,650 to Gabriel, Roeder Smith & Company, as presented.

Roll call vote: Ayes - Povloski, Sciotto, White; motion carried unanimously.

**Consideration by General Employees' Board of Trustees**

7. Approval of Payment to Gabriel, Roeder Smith & Company for Actuarial Services provided to the General Employees' Retirement System, for the Period – July 1, 2011 through June 30, 2012 - \$10,600

Motion: It was moved by Mr. Hartkeymer, seconded by Mr. Luna, to approve the payment of \$10,600 to Gabriel, Roeder Smith & Company, as presented.

Roll call vote: Ayes - Luna, Paul, Hartkemeyer; motion carried unanimously.

**Consideration by Police Officers' Board of Trustees**

8. Approval of Payment to Gabriel, Roeder Smith & Company for Actuarial Services provided to the Police Officers' Retirement System, for the Period – July 1, 2011 through June 30, 2012 - \$8,575

Motion: It was moved by Mr. DuPree, seconded by Mr. Corbitt, to approve the payment of \$8,575 to Gabriel, Roeder Smith & Company, as presented.

Roll call vote: Ayes - Corbitt, DuPree, Grant, Young; motion carried unanimously.

**Consideration by Firefighters', General Employees' and Police Officers' Boards of Trustees**

9. Quarterly Report – The Bogdahn Group

Mr. Troy Brown of The Bogdahn Group reviewed the 2<sup>nd</sup> Quarter 2012 Investment Manager report and the 2<sup>nd</sup> Quarter 2012 Investment Performance Review, including the Portfolio Performance update for the 2<sup>nd</sup> quarter ending July 31, 2012 (copies attached) for the three pension plans.

Motion: It was moved by Ms. White, seconded by Mr. Sciotto, to accept the 2<sup>nd</sup> Quarter 2012 report.

Voice vote resulted in all ayes by Board members present; motion carried unanimously.

**Consideration by Firefighters', General Employees' and Police Officers' Boards of Trustees**

10. Independent Auditors' Report – September 30, 2011

Members, Boards of Trustees  
Joint Quarterly Meeting Minutes –  
August 15, 2012

- (a) Firefighters' Retirement System
- (b) General Employees' Retirement System
- (c) Police Officers' Retirement System

Mr. Ryan Tucker, of Purvis Gray & Company, presented the reports for the three pension plans. Mr. Tucker reviewed the reports (copies attached) and stated that the City is doing an excellent job.

Firefighters'

Motion: It was moved by Ms. White, seconded by Mr. Sciotto, to approve the Independent Auditors' Report as of September 30, 2011, as submitted.

Voice vote resulted in all ayes from Board members present; motion carried unanimously.

General Employees'

Motion: It was moved by Mr. Hartkeymer, seconded by Mr. Luna, to approve the Independent Auditors' Report as of September 30, 2011, as submitted.

Voice vote resulted in all ayes from Board members present; motion carried unanimously.

Police Officers'

Motion: It was moved by Mr. DuPree, seconded by Mr. Corbitt, to approve the Independent Auditors' Report as of September 30, 2011, as submitted.

Voice vote resulted in all ayes from Board members present; motion carried unanimously.

The City Clerk accepted, on behalf of the City, the Independent Auditors' Report as of September 30, 2011.

**Consideration by Firefighters', General Employees' and Police Officers' Boards of Trustees**

11. Sixty-First Annual Actuarial Valuation Report – October 1, 2011

- (a) Firefighters' Retirement System
- (b) General Employees' Retirement System
- (c) Police Officers' Retirement System

This item will be deferred to later in the meeting.

Mr. Sugarman gave his presentation of the 'Bucket Report'. This equation consists of 'Plan Benefits' + 'Expenses/Charges' = 'Contributions & Investment Income'.

**BREAK:** At 4:55 p.m. the Boards recessed for five minutes.

Discussion ensued about the City's responsibility as the guarantor for the pension plans, the effects of investment earnings and/or losses, and the possibility of changing employee contributions and/or benefits.

Mr. Sugarman stated that our City is tasked with what every pension plan in the country is dealing with – pension reform.

The consensus of the three Boards was to have the attorney and the actuary conduct a 1 day workshop with the Trustees to discuss the various options. The City Clerk will set a date and it would need to be posted as a public meeting.

**Consideration by Firefighters', General Employees' and Police Officers' Boards of Trustees**

2. Quarterly Review of DROP Interest Rate (has remained at 6% since inception)

Firefighters'

Motion: It was moved by Mr. Sciotto, seconded by Ms. White, for the DROP Interest Rate to be set at 3.5% for the ensuing quarter.

Roll call vote: Ayes - Povloski, Sciotto, White; motion carried unanimously.

General Employees'

Motion: It was moved by Mr. Hartkeymer for the DROP Interest Rate to be set at 3.5% for the ensuing quarter. Motion died for lack of a second.

Motion: It was moved by Mr. Hartkeymer for the DROP Interest Rate to be set at 4.5% for the ensuing quarter. Motion died for lack of a second.

No other motions were made by the General Employees' Trustees. The City Clerk stated that no interest will accrue for the ensuing quarter pending a motion and vote from this Board.

Police Officers'

Motion: It was moved by Mr. DuPree, seconded by Mr. Grant, for the DROP Interest Rate to be set at 3.5% for the ensuing quarter.

Roll call vote: Ayes - Corbitt, DuPree, Grant, Young; motion carried unanimously.

Kelly Paul and Nelson Luna left the meeting at 5:45 p.m.

**Consideration by Firefighters', General Employees' and Police Officers' Boards of Trustees**

12. Annual Report from Pension Attorney, Robert Sugarman

- (a) Status Report from Pension Attorney – Merrill Lynch Class Action Lawsuit

- Joint Resolution

Mr. Sugarman stated that the estimated amount that the three pension plans will receive is \$81,000.00, to be allocated among the three pension plans. The Joint Resolution form needs signatures by each Chairperson that must be submitted with the Claim Form by September 10, 2012.

Members, Boards of Trustees  
Joint Quarterly Meeting Minutes –  
August 15, 2012

Motion: It was moved by Mr. Corbitt, seconded by Mr. Povloski, to approve submitting the Claim Form on behalf of the Retirement Systems.

Voice vote resulted in all ayes by Board members present; motion carried unanimously.

(b) House Bill 401 – Plan of Action

- Letter Requesting Exemption from House Bill 401

Mr. Sugarman reviewed the new law that took effect July 1, 2012. This law creates administrative burdens on the pension plans. It states that any beneficiary designation providing a death benefit to a decedent's former spouse is deemed void at the time the marriage is terminated by a court. This law applies to deaths occurring on or after July 1, 2012, regardless of when the beneficiary designation was made by the member.

Attached for reference is an Action Plan prepared by Sugarman & Susskind including sample letters and affidavits to send to retirees and employees. This also includes a sample letter that the Pension Trustees or City Officials could consider sending to the local legislative delegation to request the same exemption that was afforded to the Florida Retirement System.

Mr. Sugarman reviewed three separate copies of emails (distributed to all members present) covering questions about retirees returning to work part-time, returning employees buying back into the pension plan (after having taken refund), changes in J&S joint annuitants, and multiple survivor beneficiaries.

**Adjournment**

The meeting was approaching 3 and ½ hours in length and there was discussion to postpone Mr. Armstrongs' item 11, Sixty-First Annual Actuarial Valuation Report – October 1, 2011, and the Pension Administrator's Report, item 13.

Motion: It was moved by Mr. Young, seconded by Ms. White, to adjourn this meeting and carry over items 11 and 13 to the next meeting.

Voice vote resulted in all ayes by Board members present; motion carried unanimously.

The meeting adjourned at 6:30 PM.

Submitted by: Nancy J. Pyatte  
Assistant City Clerk

Approval:

/s/ C. David Young

Chairperson, Police Officers' Pension Board

Date: December 5, 2012