

City of Clearwater

*Main Library - Council Chambers
100 N. Osceola Avenue
Clearwater, FL 33755*



Meeting Minutes

Monday, April 14, 2025

1:00 PM

Main Library - Council Chambers

Pension Trustees

Roll Call

Present 5 - Chair Bruce Rector, Trustee Ryan Cotton, Trustee Michael Mannino, Trustee David Allbritton, and Trustee Lina Teixeira

Also Present: Jennifer Poirrier – City Manager, Daniel Slaughter – Assistant City Manager, David Margolis – City Attorney, Rosemarie Call – City Clerk, Nicole Sprague – Deputy City Clerk, and Tiffany Makras – Human Resources Director

To provide continuity for research, items are listed in agenda order although not necessarily discussed in that order.

Unapproved**1. Call to Order – Chair Rector**

The meeting was called to order at 1:36 p.m.

2. Approval of Minutes

- 2.1** Approve the minutes of the February 3, 2025 Pension Trustees meeting as submitted in written summation by the City Clerk.

Trustee Teixeira moved to approve the minutes of the February 3, 2025 Pension Trustees meeting as submitted in written summation by the City Clerk. The motion was duly seconded and carried unanimously.

3. Citizens to be Heard Regarding Items Not on the Agenda – None.**4. New Business Items**

- 4.1** Annual review of the Employees' Pension Plan investment performance for the calendar and plan year ended December 31, 2024.

Annually a presentation of the Plan's calendar year investment performance is made to the Trustees. For calendar 2024, the Plan realized an investment return of 10.27%, versus the plan's benchmark of 9.29% and actuarial assumption of 6.5%. It was a very good year of investment performance on both an absolute basis and a relative basis.

For the last three calendar years, the plan had an average annualized return of

2.21%, versus a benchmark of 2.94%; and for the last five calendar years, the plan had an annualized return of 6.99% versus a benchmark of 6.82%.

The investment committee, with the assistance of the Plan's investment consultant, CapTrust Advisors, meets on at least a quarterly basis to monitor asset allocation and money manager performance, and will continue to recommend money manager terminations, replacements, and/or additions when appropriate.

STRATEGIC PRIORITY:

Professional administration of the pension plan assists in attracting and retaining top-quality personnel via this attractive and competitive compensation benefit.

Finance Director Jay Ravins reviewed the Plan's investment performance for the calendar and plan year ending December 31, 2024.

4.2 Approve recommended change in actuarial valuation funding method from Entry Age Normal to Aggregate Method effective for the January 1, 2025 actuarial valuation.

The City's actuary, Pete Strong with Gabriel Roeder Smith, has suggested a change in actuarial funding method that will provide the Trustees additional flexibility in determining the level of annual employer contributions to the plan. Per State Statute the employer is required to fund at least the "normal cost" of the pension benefit annually as calculated by the actuary. The Aggregate funding method calculates the normal cost differently than the Entry Age Normal funding method and is a preferred funding method for the plan at this time, given that the Plan's funded ratio is greater than 100%. Should the Plan's funded ratio fall below 100% at a future date, consideration will be given to returning to the Entry Age Normal funding method.

STRATEGIC PRIORITY:

Professional administration of the pension plan assists in attracting and retaining top-quality personnel via this attractive and competitive compensation benefit.

Gabriel, Roeder, Smith & Co. Actuary Pete Strong provided a PowerPoint reviewing the proposed change to the Plan's funding method.

One individual expressed concerns with the organization's practice of rehiring retirees.

Trustee Mannino moved to approve recommended change in actuarial valuation funding method from Entry Age Normal to Aggregate Method effective for the January 1, 2025 actuarial valuation. The motion was duly seconded and carried unanimously.

4.3 Discuss new procedures in processing applications for disability pensions.

The City Attorney said historically the Pension Advisory Committee (PAC) in Clearwater has been the body responsible for processing disability applications and presiding over the question if the employee or former employee is eligible for disability benefits. He said the PAC conducts mini trials and determines if the medical standards have been met for a disability pension under the City's retirement system. In recent years, the process has become harder to manage due to the increasing number of disability pension requests and complicated cases. Since the PAC is comprised of councilmembers, citizens and union members, it is increasingly difficult to coordinate member schedules to hold meetings and disability hearings. As part of the latest round of collective bargaining with the police and fire unions, the Trustees will now have a decision to make regarding the new disability hearing process recently codified by Ordinance 9813-25: do the Trustees wish to determine, on a case-by-case basis, the physicians handling the disability application? He said historically the Pension Fund's attorney has handled the evaluation process by a physician.

Discussion ensued with consensus to keep the physician evaluation Process with the Pension Fund's attorney.

Trustee Teixeira moved to designate the Pension Fund's legal counsel to select and arrange the physicians on behalf of the Trustees. The motion was duly seconded and carried unanimously.

5. Adjourn

The meeting adjourned at 1:56 p.m.

Chair
Employees' Pension Plan Trustees

Attest

City Clerk