City of Clearwater

City Hall
112 S. Osceola Avenue
Clearwater, FL 33756

Meeting Minutes

Monday, February 13, 2017

1:00 PM

Council Chambers

Pension Trustees

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Roll Call

Present 4 - Chair George N. Cretekos, Trustee Doreen Caudell, Trustee Hoyt Hamilton, and Trustee Bill Jonson
Absent 1 - Trustee Bob Cundiff

Also Present – William B. Horne – City Manager, Jill Silverboard – Deputy City Manager, Pamela K. Akin – City Attorney, Rosemarie Call – City Clerk, Nicole Sprague – Official Records and Legislative Services Coordinator, and Joe Roseto – 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 Cretekos

The meeting was called to order at 1:05 p.m. at City Hall.

2. Approval of Minutes

2.1 Approve the minutes of the January 17, 2017 Pension Trustees Meeting as submitted in written summation by the City Clerk.

Trustee Jonson moved to approve the minutes of the January 17, 2017 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 Approve the new hires for acceptance into the Pension Plan as listed.

Name/Job Classification/Department	Pension Eligibility Date
Joshua Maxey, Parking Assistant, Engineering	11/28/2016
Rino Landa, Librarian II, Library	11/28/2016
Tammy Winkler, Librarian II, Library	12/12/2016
Logan Davis, Parks Service Technician I, Parks and Rec.	12/12/2016
Zaeinulabddin Adam, Senior Planner, Planning and Dev.	12/12/2016
Daniel Rowland, Electro-Mechanical Tech, Public Utilities	12/12/2016
Ila Petrov, Utilities Chemist, Public Utilities	12/12/2016

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Trustee Caudell moved to approve the new hires for acceptance into the Pension Plan as listed. The motion was duly seconded and carried unanimously.

4.2 Approve the following request of employees Michael Blake, Public Utilities Department, Donald Melone, Engineering Department, Kevin O'Connor, Fire Department and Mary Weaver, Planning and Development Department, for a regular pension as provided by Sections 2.416 and 2.424 of the Employees' Pension Plan.

Michael Blake, Public Utilities Technician II, Public Utilities Department, was employed by the City on January 19, 1987, and his pension service credit is effective on that date. His pension will be effective February 1, 2017. Based on an average salary of approximately $51,065.73 over the past five years, the formula for computing regular pensions and Mr. Blake's selection of the 50% Joint and Survivor Annuity, this pension benefit will be approximately $39,705.60 annually.

Donald Melone, Engineering Specialist I, Engineering Department, was employed by the City on February 17, 1981, and his pension service credit is effective on that date. His pension will be effective February 1, 2017. Based on an average salary of approximately $66,493.76 over the past five years, the formula for computing regular pensions and Mr. Malone's selection of the 75% Joint and Survivor Annuity, this pension benefit will be approximately $65,530.68 annually.

Kevin O'Connor, Firefighter/Driver Operator, Fire Department, was employed by the City on May 28, 1996, and his pension service credit is effective on that date. His pension will be effective February 1, 2017. Based on an average salary of approximately $68,940.67 over the past five years, the formula for computing regular pensions and Mr. O'Connor's selection of the 10 Year Certain and Life Annuity, this pension benefit will be approximately $39,197.04 annually.

Mary Weaver, Sign Inspector, Planning and Development Department, was employed by the City on June 27, 1994, and her pension service credit is effective December 9, 1996. Her pension will be effective February 1, 2017. Based on an average salary of approximately $47,467.32 over the past five years, the formula for computing regular pensions and Ms. Weaver's selection of the Life Annuity, this pension benefit will be approximately $26,259.36 annually.

Section 2.416 provides for normal retirement eligibility for non-hazardous duty employees hired prior to the effective date of this reinstatement (January 1, 2013), a member shall be eligible for retirement following the earlier of the date on which a participant has reached the age of fifty-five years and completed

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twenty years of credited service; the date on which a participant has reached age sixty-five years and completed ten years of credited service; or the date on which a member has completed thirty years of service regardless of age. For non-hazardous duty employees hired on or after the effective date of this restatement, a member shall be eligible for retirement following the earlier of the date on which a participant has reached the age of sixty years and completed twenty-five years of credited service; or the date on which a participant has reached the age of sixty-five years and completed ten years of credited service. Mr. Blake, Mr. Melone and Ms. Weaver have met the non-hazardous duty criteria.

Section 2.416 provides for normal retirement eligibility for hazardous duty employees, a member shall be eligible for retirement following the earlier of the date on which the participant has completed twenty years of credited service regardless of age, or the date on which the participant has reached fifty-five years and completed ten years of credited service. Mr. O'Connor has met the hazardous duty criteria.

Trustee Hamilton moved to approve the following request of employees Michael Blake, Public Utilities Department, Donald Melone, Engineering Department, Kevin O'Connor, Fire Department and Mary Weaver, Planning and Development Department, for a regular pension as provided by Sections 2.416 and 2.424 of the Employees' Pension Plan. The motion was duly seconded and carried unanimously.

4.3 Approve the City of Clearwater Employees' Pension Plan as lead plaintiff in litigation against Novo Nordisk A/S regarding investment losses to the Plan; retain Saxena White, P.A. as legal counsel in this regard and authorize staff to negotiate a retainer agreement with Saxena White, P.A.

In December 2011, the Pension Trustees approved a contract retaining Saxena White, P.A. to provide monitoring of securities in the Plan's investment portfolio in connection with potential claims for damages suffered by the Pension Plan. There is no cost to the plan for the ongoing monitoring services. Saxena White has recommended that the Pension Plan apply for lead plaintiff status in a litigation action against Novo Norkisk A/S, based in Denmark. Novo Nordisk is a global healthcare company focused on diabetes care and is one of the world's largest producers of insulin medications.

On January 11, 2017, a securities class action complaint was filed against Novo Nordisk in the U.S. District Court for the District of New Jersey asserting

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claims under the Securities Exchange Act of 1934 (Exchange Act) on behalf of shareholders who purchased Novo Nordisk stock between April 30, 2015 and October 27, 2016. The Complaint contends that, during the Class Period, Defendants violated provisions of the Exchange Act by issuing false and misleading press releases, financial statements, filings with the U.S. Securities and Exchange Commission (SEC), and statements during investor conference calls. Specifically, the Complaint alleges that, throughout the Class Period, Novo Nordisk reported materially false and misleading earnings and forecasts that were inflated through the collusive price fixing of the Company's insulin drugs. The Complaint also alleges that Novo Nordisk misrepresented and concealed the true extent of the pricing pressures it was experiencing from pharmacy benefit managers.

The pension plan purchased 53,046 shares of Novo Nordisk at a cost of nearly $3 million during the Class Period. Saxena White estimates that the plan sustained an estimated loss of approximately $1.15 million, and believes that a securities case against Novo Nordisk is strong and has meaningful prospects for recovery.

Pursuing lead plaintiff status will serve to ensure the Trustees and Plan administrators are fulfilling their fiduciary responsibilities, while conveying a clear message to the public and corporate world that the City is doing its due diligence in protecting Plan assets.

The retainer agreement will stipulate that the cost of litigation will result in no out-of-pocket costs to the Plan, with legal fees paid on a contingency basis only.

The pension plan's attorneys, Klausner, Kaufman, Jensen, & Levinson, as well as the plan's investment consultant, CapTrust, concur with pursuing lead plaintiff status.

Trustee Jonson moved to approve the City of Clearwater Employees' Pension Plan as lead plaintiff in litigation against Novo Nordisk A/S regarding investment losses to the Plan; retain Saxena White, P.A. as legal counsel in this regard and authorize staff to negotiate a retainer agreement with Saxena White, P.A. The motion was duly seconded and carried unanimously.

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5. Adjourn

The meeting adjourned at 1:09 p.m.

Chair
Employees' Pension Plan Trustees

Attest

City Clerk

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