

# City of Clearwater

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



## Meeting Minutes

Monday, June 12, 2023

1:00 PM

Main Library - Council Chambers

## Pension Trustees

## Rollcall

**Present** 5 - Chair Brian Aungst Sr., Trustee Katleen Beckman, Trustee Mark Bunker, Trustee David Allbritton, and Trustee Lina Teixeira

**Also Present** – Jennifer Poirrier – City Manager, Michael Delk – Assistant City Manager, David Margolis - City Attorney, Rosemarie Call – City Clerk, Nicole Sprague – Deputy City Clerk, and Billie Kirkpatrick – Human Resources Director

## Unapproved

### 1. Call to Order – Chair Aungst, Sr.

*The meeting was called to order at 1:18 p.m.*

### 2. Approval of Minutes

- 2.1 Approve the minutes of the April 17, 2023 Pension Trustees Meeting as submitted in written summation by the City Clerk.

**Trustee Beckman moved to approve the minutes of the April 17, 2023 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 Accept the January 1, 2023 Annual Actuarial Valuation for the Employees' Pension Plan.

Per the actuarial valuation report dated January 1, 2023, a minimum City employer contribution of \$13.54 million, or 13.4% of covered payroll, is required for fiscal year 2023. This is an increase of approximately \$751 thousand over the final fiscal 2022 required contribution of \$12.79 million, which represented 13.59% of covered payroll.

The final fiscal 2022 required contribution of \$12.79 million, or 13.59% of payroll, was a \$1.09 million increase over the original fiscal 2022 required contribution of \$11.70 million (12.44% of payroll), due to benefit increases provided to Fire and non-public safety employees during fiscal 2022.

The breakout of the fiscal 2023 required contribution by group is as follows:

Police	\$ 5,128,167	22.03%
Fire	\$ 4,156,894	21.71%
Non-public safety	<u>\$ 4,253,423</u>	7.26%

Total      \$13,538,484    13.40%

The calendar year 2022 investment return was (-14.02%), versus an assumed rate of 6.50%. The five-year smoothed actuarial investment rate of return was 6.08% versus the 6.50% assumption. Calendar 2018 through 2022 investment returns were (-2.48%), 20.20%, 15.12%, 12.90%, and (-14.02%), respectively. As previously approved by the Trustees, the assumed rate of return was reduced to 6.50% effective January 1, 2022.

The plan experienced a net actuarial experience loss of \$21.9 million for the year. The loss was due to salary increases of 9.16% versus an assumption of 4.32%; as well as mortality experience loss and investment return loss. Salary increases were impacted by additional FTE's, promotions, and contractual salary increases.

The plan's funded ratio at January 1, 2023 was 111.98% (including the credit balance) versus 113.67% for the prior year. The actuarial value of assets exceeds the market value of assets by \$112.3 million as of January 1, 2023. This difference will be a gradual "hit" to the plan over subsequent years, in the absence of offsetting gains. The net effect would be an increase in the required employer contribution of approximately 0.9% of covered payroll.

The plan's credit balance, which reflects actual contributions in-excess of actuarially required contributions in prior years, increased from \$33.82 million to \$35.64 million during calendar 2022, primarily due to interest earned on the credit balance. This credit balance is available to subsidize volatile employer contribution requirements during future investment market downturns.

*Gabriel, Roeder, Smith, & Co. Actuary Pete Strong reviewed the report. He said the plan is still the best plan in the state and remains fully funded. The required contribution (cost of benefits being earned) has increased due to the increase in payroll. He said the plan has a healthy credit balance that could be used at any time. He said there was a net actuarial loss of \$21.8 million for the year, due to inflation driven salary increases, which affected all past benefits earned, and a lower expected mortality. Mr. Strong said there was a small loss on the asset side; the return on the market value was -14% and the return on the smooth actuarial value of assets was 6.08%. The expected value was 6.5%.*

*In response to questions, Mr. Strong said the plan would still be more than 100% funded if a more conservative mortality table is used. Historically, the City has put in more funds than required, more in line with a conservative mortality table. He said the credit balance resulted from*

*the additional contribution. He recommended the City continue contributing more than the required minimum amount to build up the credit balance. If the investment returns fall short of expectations, the credit balance can be used to keep the contribution at a reasonable level. Employees being hired in their 40s or 50s would retire with a smaller pension benefit. Those with smaller benefits will not add much liability to the plan.*

**4.2 Approve the new hires for acceptance into the Pension Plan as listed.**

<b>Name/Job Classification/Department</b>	<b>Pension Eligibility Date</b>
Zouhier Taouil, Skilled Tradesworker, General Services	02/27/2023
Damien Durham, Fleet Mechanic, General Services	02/27/2023
Claudia Goettsche, Crime Analyst, Police	02/27/2023
Louis Alker, Senior Accountant, Solid Waste	02/21/2023
James Fields, Custodial Worker, Police	02/25/2023
Dillon Berry, Fire Medic, Fire	03/13/2023
William Ramsey, Fire Medic, Fire	03/13/2023
Owen Humphreys, Fire Medic, Fire	03/13/2023
Nicolas Mora, Fire Medic, Fire	03/13/2023
Amanda Benson, Fire Medic, Fire	03/13/2023
Jasmin Ray, Senior Staff Assistant, Public Utilities	03/13/2023
Christopher Winder, Utilities Mechanic, Public Utilities	03/13/2023
James Jackson III, Solid Waste Worker, Solid Waste	03/13/2023
Frank Chavez, Beach Guard, Fire	03/11/2023
Kaitlyn Jones, Library Assistant, Library	03/11/2023
Amanda Santiago, Accounting Technician, Parks & Recreation	03/13/2023
Diana Rivera, Customer Service Representative, Finance/CS	03/27/2023
James Gray, Fleet Mechanic, General Services	03/27/2023
David Stoner III, Senior Business Systems Analyst, IT	03/27/2023
Kenneth Craven, Network Analyst, Information Technology	03/27/2023
Timothy Dallaire, Parks Service Tech., Parks & Recreation	03/27/2023
Corey Hunter, Parks Service Technician, Parks & Recreation	03/27/2023
William Ambrose, Streets & Sidewalks Tech., Public Works	03/27/2023
Jovontee Frazier, Stormwater Technician, Public Works	03/27/2023
Zackery Skyrme, Recreation Leader, Parks & Recreation	03/11/2023
Brooke McLemore, Customer Service Rep., Finance/CS	04/10/2023
Larry Phillips, Customer Service Representative, Finance/CS	04/10/2023
Michael Slatkavitz, Warehouse Supervisor, General Services	04/10/2023
Destiny Jenkins, Network Analyst, Information Technology	04/10/2023
JoAnn Friedwald, Sr. Staff Assistant, Library Department	04/10/2023
Gunner Clark, Sampling Technician, Public Utilities	04/10/2023
Thomas Murray, Gas Technician Apprentice, Gas	04/10/2023
Amber Brice, Cultural Affairs Coordinator, Office of Innovation	03/11/2023
Jonathon Kline, Police Telecommunicator, Police	02/25/2023
James Gray, Fleet Mechanic, General Services	03/27/2023

**Trustee Bunker moved to approve the new hires for acceptance into the Pension Plan as listed. The motion was duly seconded**

**and carried unanimously.**

- 4.3** Approve the following request of employees James Halios, Parks and Recreation Department, Matthew Jackson, CRA Department, and Marianne Paz, Parks and Recreation Department to vest their pension as provided by Section 2.419 of the Employees' Pension Plan.

James Halios, Director, Parks & Recreation Department, was employed by the City on January 3, 2012, and his pension service credit is effective on that date. Mr. Halios terminated from City employment on February 3, 2023.

Matthew Jackson, CRA Assistant Director, CRA Department, was employed by the City on May 31, 2011 and his pension service credit is effective on that date. Mr. Jackson terminated from City employment on January 26, 2023.

Marianne Paz, Senior Recreation Leader, Parks & Recreation Department, was employed by the City on May 15, 2007 and her pension service credit is effective on October 15, 2007. Ms. Paz terminated from City employment on March 25, 2023.

The Employees' Pension Plan provides that should an employee cease to be an employee of the City of Clearwater or change status from full-time to part-time after completing ten or more years of creditable service (pension participation), such employee shall acquire a vested interest in the retirement benefits. Vested pension payments commence on the first of the month following the month in which the employee normally would have been eligible for retirement. 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 55 years and completed 20 years of credited service; the date on which a participant has reached age 65 years and completed ten years of credited service; or the date on which a member has completed 30 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 60 years and completed 25 years of credited service; or the date on which a participant has reached the age of 65 years and completed ten years of credited service. Mr. Halios will meet the non-hazardous duty criteria and begin collecting a pension in February of 2032. Mr. Jackson will meet the non-hazardous duty criteria and begin collecting a pension in June of 2031. Ms. Paz will meet the non-hazardous duty criteria and begin collecting a pension in December of 2035.

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 20 years of credited service regardless of age, or the date on which the participant has reached 55 years and completed ten years of credited service.

**Trustee Teixeira moved to approve the following request of employees James Halios, Parks and Recreation Department, Matthew Jackson, CRA Department, and Marianne Paz, Parks and Recreation Department to vest their pension as provided by Section 2.419 of the Employees' Pension Plan. The motion was duly seconded and carried unanimously.**

- 4.4** Approve the following request of Lyle Adams, Parks and Recreation Department, David Bruneau, Police Department, Jimmie Evans, Public Works Department, Bryan Karnes, Police Department, Jeffrey Mahar, Parks and Recreation Department, Estrella Murphy, Police Department, Kurt Rodriguez, Police Department, and Thomas Wilcox, Solid Waste Department, for a regular pension as provided by Sections 2.416 and 2.424 of the Employees' Pension Plan.

Lyle Adams, Parks Manager, Parks and Recreation Department, was employed by the City on April 3, 1995, and his pension service credit is effective on that date. His pension will be effective May 1, 2023. Based on an average salary of approximately \$68,584.09 over the past five years, the formula for computing regular pensions and Mr. Adams' selection of the 50% Joint and Survivor Annuity, this pension benefit will be approximately \$50,031.96 annually.

David Bruneau, Police Officer, Police Department, was employed by the City on July 15, 2002, and his pension service credit is effective on that date. His pension will be effective April 1, 2023. Based on an average salary of approximately \$105,565.16 over the past five years, the formula for computing regular pensions and Mr. Bruneau's selection of the 50% Joint and Survivor Annuity, this pension benefit will be approximately \$62,688.84 annually.

Jimmie Evans, Parks Service Supervisor, Public Works Department, was employed by the City on February 7, 2005, and his pension service credit is effective on that date. His pension will be effective May 1, 2023. Based on an average salary of approximately \$46,254.64 over the past five years, the formula for computing regular pensions and Mr. Evans' selection of the 10 Year Certain and Life Annuity, this pension benefit will be approximately \$22,018.44 annually.

Bryan Karnes, Police Officer, Police Department, was employed by the City on May 19, 2003, and his pension service credit is effective on that date. His pension will be effective July 1, 2023. Based on an average salary of approximately \$96,035.27 over the past five years, the formula for computing

regular pensions and Mr. Karnes' selection of the 100% Joint and Survivor Annuity, this pension benefit will be approximately \$50,847.60 annually.

Jeffrey Mahar, Lead Parks Service Technician, Parks and Recreation Department, was employed by the City on October 20, 2003, and his pension service credit is effective on that date. His pension will be effective June 1, 2023. Based on an average salary of approximately \$45,154.20 over the past five years, the formula for computing regular pensions and Mr. Mahar's selection of the 100% Joint and Survivor Annuity, this pension benefit will be approximately \$18,463.68 annually.

Estrella Murphy, Police Service Technician, Police Department, was employed by the City on August 19, 1996, and her pension service credit is effective on November 22, 1996. Her pension will be effective May 1, 2023. Based on an average salary of approximately \$55,686.43 over the past five years, the formula for computing regular pensions and Ms. Murphy's selection of the 50% Joint and Survivor Annuity, this pension benefit will be approximately \$37,614.96 annually.

Kurt Rodriguez, Police Officer, Police Department, was employed by the City on April 29, 1996, and his pension service credit is effective on that date. His pension will be effective April 1, 2023. Based on an average salary of approximately \$94,308.60 over the past five years, the formula for computing regular pensions and Mr. Rodriguez's selection of the 100% Joint and Survivor Annuity, this pension benefit will be approximately \$67,625.88 annually.

Thomas Wilcox, Solid Waste Service Foreman, Solid Waste Department, was employed by the City on August 31, 1998, and his pension service credit is effective on that date. His pension will be effective September 1, 2023. Based on an average salary of approximately \$55,036.55 over the past five years, the formula for computing regular pensions and Mr. Wilcox selection of the 100% Joint and Survivor Annuity, this pension benefit will be approximately \$32,159.16 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 55 years and completed 20 years of credited service; the date on which a participant has reached age 65 years and completed ten years of credited service; or the date on which a member has completed 30 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 60 years and completed 25 years of credited service; or the date on which a participant has reached the age of 65 years and completed ten years of credited service. Mr. Adams, Mr. Evans, Mr. Mahar, Ms.

Murphy, and Mr. Wilcox 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 20 years of credited service regardless of age, or the date on which the participant has reached 55 years and completed ten years of credited service. Mr. Bruneau, Mr. Karnes, and Mr. Rodriguez has met the hazardous duty criteria.

**Trustee Allbritton moved to approve the following request of Lyle Adams, Parks and Recreation Department, David Bruneau, Police Department, Jimmie Evans, Public Works Department, Bryan Karnes, Police Department, Jeffrey Mahar, Parks and Recreation Department, Estrella Murphy, Police Department, Kurt Rodriguez, Police Department, and Thomas Wilcox, Solid Waste 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.**

**4.5 Determine Trustees' expected rate of return for pension plan investments for current year, each of the next several years, and for the long term thereafter, in accordance with Florida Statutes 112.661(9).**

Florida Statutes 112.661(9) requires an annual determination of expected rates of return by filed with the Florida Department of Management Services, with the plan's sponsor, and with the consulting actuary.

Staff is recommending the current plan investment rate of return assumptions of 6.5%, net of investment-related fees, as the expected annual rate of return for the current year; 6.5% for the next year; and 6.5% for all years thereafter.

**Trustee Beckman moved to Determine Trustees' expected rate of Return (6.5%) for pension plan investments for current year, each of the next several years, and for the long term thereafter, in accordance with Florida Statutes 112.661(9). The motion was duly seconded and carried unanimously.**



**5. Adjourn**

*The meeting adjourned at 1:39 p.m.*

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Chair  
Employees' Pension Plan Trustees

Attest

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City Clerk