

City of Clearwater

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



Meeting Minutes

Monday, January 14, 2019

9:00 AM

Council Chambers - Main Library

Pension Trustees

Roll Call

Present 5 - Chair George N. Cretekos, Trustee Bob Cundiff, Trustee Hoyt Hamilton, Trustee David Allbritton, and Trustee Jay Polglaze

Also Present – William B. Horne – 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 9:08 a.m. at the Main Library Council Chambers.

2. Approval of Minutes

- 2.1 Approve the November 13, 2018 Pension Trustees Meeting Minutes as submitted in written summation by the City Clerk.

Trustee Hamilton moved to approve the November 13, 2018 Pension Trustees Meeting Minutes 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 actuary's recommendations for changes to plan actuarial assumptions and methods, as amended for phase-in of change in net investment return assumption to 6.50%, per the Experience Investigation completed by Gabriel Roeder Smith and Company for the five-year period ending December 31, 2017.

The Plan's actuaries, Gabriel Roeder Smith & Company (GRS), have completed an Experience Investigation study for the pension plan and have provided recommendations of changes to the assumptions and methods used in the plan's annual actuarial valuation.

The pension plan ordinance requires a study of the actuarial assumptions every six years. The ordinance further states (Section 2.413 (i)), "Taking into account the result of such investigation, the trustees shall adopt for the retirement plan such mortality, service and other tables as are necessary and proper." It has been six years since completion of the last experience study for the Clearwater Employees' Pension Plan, with changes adopted by the Trustees in December 2012.

The impact of the proposed changes in assumptions is highly dependent on the funded ratio as of the valuation date of implementation, as there is no unfunded liability amortization payment if the funded ratio remains above 100% (the required contribution impact is equal to the change in the normal cost only). Once the funded ratio falls below 100%, the cost impact of the proposed changes is significantly higher because there is an unfunded liability amortization payment in addition to the change in the normal cost. Assuming no changes in the funded ratio as of January 1, 2018, which was 104.47%, the net effect of all staff-recommended changes would be an increase in the annual required contribution to the plan of \$1,138,770. Again, assuming no change in the baseline funded ratio (104.47%), the increase in the contribution requirement for the next three years thereafter would be approximately \$0.45 million, \$1.0 million, and then \$0.65 million, respectively. Any change in the baseline funded ratio from 104.47% would change these cost impact estimates significantly.

The recommended changes include changes to the salary increase assumption, assumed rates of future retirements, assumed rates of future separation from employment, assumed rates of future disability, assumed probability of married at retirement, and a change in the investment return assumption phase-in over a four-year period.

Staff recommends approval of all recommended changes to more accurately determine the pension plan liability and required funding levels, per the professional advice of the plan's actuaries.

Actuary Pete Strong reviewed the report and findings.

In response to questions, Mr. Strong said if employees work longer and retire later than expected, pensioners will receive fewer cost of living adjustments because the years they would expect to draw a pension would be shorter. Finance Director Jay Ravins said the City's pension plan includes a 5-year smoothing average. Mr. Strong said past market gains are being smoothed in and will offset 2018's negative gains. Mr. Ravins said the general fund will take a \$3 million hit which will be phased over four years.

The City's pension plan is fully funded. Any enhanced benefit changes would change plan assumptions and negatively impact the budget. Mr. Strong said the City has a large credit balance of approximately \$25 million that can be used to offset contribution increases. If the compensation study determines salaries must increase, it would cause an experience loss in one year but the impact would be smoothed out.

Trustee Cundiff moved to accept the actuary's recommendations for changes to plan actuarial assumptions and methods, as amended for phase-in of change in net investment return assumption to 6.50%, per the Experience Investigation completed by Gabriel Roeder Smith and Company for the five-year period ending December 31, 2017. The motion was duly seconded and carried unanimously.

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

Name/Job Classification/Department	Pension Eligibility Date
Aline Watson, Library Assistant, Library	09/29/2018
Michael Cammarata, Fire Medic, Fire	10/01/2018
Michael Shuster, Fire Medic, Fire	10/01/2018
Timothy Titus, Fire Medic, Fire	10/01/2018
Jacob Williams, Fire Medic, Fire	10/01/2018
Curtis Fivecoat, Fire Medic, Fire	10/01/2018
Shawn Markussen, Fire Medic, Fire	10/01/2018
Raymond Pang, Fire Medic, Fire	10/01/2018
Matthew Kristof, Field Service Representative I, Customer Service	10/01/2018
Gail Shalay, Senior Accountant, Finance	10/01/2018
Otoniel Ojeda, Engineering Technician, Gas	10/01/2018
Keon Burden, Aquatic Programmer, Parks and Recreation	10/01/2018
George Hages, Water Distribution Operator Trainee, Public Utilities	10/01/2018
Nathan Hamel, Wastewater Treatment Plant Operator Trainee, Public Utilities	10/01/2018
Jhon Morera Sarrazola, Solid Waste Worker, Solid Waste	10/01/2018
Amy Dodson, Aquatic Programmer, Parks and Recreation	10/01/2018
Kevin Moran, Heavy Equip. Operator, Parks and Recreation	10/01/2018
Hosezell Durant, Parks Service Technician I, Parks and Recreation	10/01/2018
Robert Jefferson, Parks Service Technician I, Parks and Recreation	10/01/2018
Marcia Terry, Recreation Leader, Parks and Recreation	10/01/2018
Orlando Rivas, Water Distribution Operator, Public Utilities	10/01/2018
Richard Foster, Stormwater Technician I, Engineering	10/15/2018
Justin Wilson, Stormwater Technician I, Engineering	10/15/2018
Diane Burge, Senior Accountant, Finance	10/15/2018
Valerie Gillespie, Customer Service Representative, Gas	10/15/2018

Holden Hamm, Recreation Supervisor I, Parks and Recreation 10/15/2018
Diego Guevara Casallas, Senior Planner, Planning and Development 10/15/2018
Michelle McCarthy, Accounting Technician, Public Utilities 10/15/2018
Ricky Palmer, Solid Waste Equipment Operator, Solid Waste 10/15/2018
Brian Tobin, Parks Service Technician III, Parks and Recreation 10/15/2018

Trustee Allbritton 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 employee Wendy Aspinwall, Fire Department, to vest their pension as provided by Section 2.419 of the Employees' Pension Plan.

Wendy Aspinwall, Firefighter/Driver-Operator, Fire Department, was employed by the City on March 19, 2007, and began participating in the Pension Plan on that date. Ms. Aspinwall terminated from city employment on October 24, 2018. 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 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. Ms. Aspinwall will meet the hazardous duty criteria and begin collecting pension in April 2027.

Trustee Polglaze moved to approve the following request of employee Wendy Aspinwall, Fire 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 employee William New, Public Utilities Department, for a regular pension as provided by Sections 2.416 and 2.424 of the Employees' Pension Plan.

William New, Wastewater Treatment Plant Operator A, Public Utilities Department, was employed by the City on April 18, 1988, and his pension service credit is effective on that date. His pension will be effective January 1, 2019. Based on an average salary of approximately \$70,396.97 over the past five years, the formula for computing regular pensions and Mr. New's selection of the 100% Joint and Survivor Annuity, this pension benefit will be approximately \$58,518.24 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 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. New has met the non-hazardous duty criteria.

Trustee Cundiff moved to approve the following request of employee William New, Public Utilities 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 Approve the new hires for acceptance into the Pension Plan as listed.

Name/Job Classification/Department Pension Eligibility Date

Cory Ewing, Parking Assistant, Engineering	10/27/2018
Aleah Hoggatt, Personnel/Payroll Technician, Parks and Recreation	10/29/2018
Nikomi Thompson, Police Communications Operator Trainee, Police	10/29/2018
Ashley Webb, Police Communications Operator Trainee, Police	10/29/2018
Victoria Magee, Police Communications Operator Trainee, Police	10/29/2018
Jonathan Mullen, Recreation Leader, Parks and Recreation	11/10/2018
Kristina Simi, System Analyst, Customer Service	11/13/2018
Kaylynn Price, Engineering Specialist I, Engineering	11/13/2018
Hector Hernandez, Engineering Specialist I, Engineering	11/13/2018
Corissa Stevenson, Parking Enforcement Specialist, Engineering	11/13/2018
Brian Devlin, Parking Enforcement Specialist, Engineering	11/13/2018

Caley Conard, Accounting Technician, Public Utilities 11/13/2018
James Atkisson, Parking Enforcement Specialist, Engineering 11/26/2018
Alexandra Chandler, Public Information Specialist, Public Communications 11/26/2018
Kerri Ackerman, Accounting Technician, Finance 11/26/2018
Courtney Beasley, Police Office Specialist, Police 11/26/2018
Sheri Cullen, Police Information Technician I, Police 11/26/2018
Anthony Humphries, Service Dispatcher, Gas 11/26/2018
Miguel Valle Sanchez, Rec. Program Support Tech., Parks and Recreation 11/26/2018

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

4.6 Approve the following request of employees Brian Craig, Police Department and Diane Devol, Planning and Development Department, to vest their pensions as provided by Section 2.419 of the Employees' Pension Plan.

Brian Craig, Police Programming Specialist, Police Department, was employed by the City on May 17, 1999, and began participating in the Pension Plan on September 23, 2000. Mr. Craig terminated from city employment on October 11, 2018.

Diane Devol, Code Enforcement Inspector, Planning and Development Department, was employed by the City on October 1, 2007, and began participating in the Pension Plan on that date. Ms. Devol terminated from city employment on November 3, 2018.

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 fifty-five years and completed 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. Craig will meet the non-hazardous duty criteria and begin collecting a pension in October 2030. Ms. Devol will meet the non-hazardous duty criteria and begin collecting a pension in October 2027.

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.

Trustee Allbritton moved to approve the following request of employees Brian Craig, Police Department and Diane Devol, Planning and Development Department, to vest their pensions as provided by Section 2.419 of the Employees' Pension Plan. The motion was duly seconded and carried unanimously.

- 4.7** Approve the following request of employees Karen Cunkle, City Auditor Department, and Brett Faulk, Police Department, for a regular pension as provided by Sections 2.416 and 2.424 of the Employees' Pension Plan.

Karen Cunkle, Senior Auditor, City Auditor Department, was employed by the City on March 20, 1995, and her pension service credit is effective on that date. Her pension will be effective December 1, 2018. Based on an average salary of approximately \$65,471.14 over the past five years, the formula for computing regular pensions and Ms. Cunkle's selection of the Single Life Annuity, this pension benefit will be approximately \$42,645.84 annually.

Brett Faulk, Police Officer, Police Department, was employed by the City on May 27, 1997, and his pension service credit is effective on July 20, 1998. His pension will be effective December 1, 2018. Based on an average salary of approximately \$82,214.88 over the past five years, the formula for computing regular pensions and Mr. Faulk's selection of the 100% Joint and Survivor Annuity, this pension benefit will be approximately \$45,458.64 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 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. Ms. Cunkle has 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. Faulk has met the hazardous duty criteria.

Trustee Cundiff moved to approve the following request of employees Karen Cunkle, City Auditor Department, and Brett Faulk, Police 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.

5. Director's Report – None.

6. Adjourn

The meeting adjourned at 9:33 a.m.

Attest

Chair
Employees' Pension Plan Trustees

City Clerk