

City of Clearwater

*City Hall
112 S. Osceola Avenue
Clearwater, FL 33756*



Meeting Minutes

Thursday, July 21, 2016

6:00 PM

Council Chambers

Pension Trustees

Roll Call

Present 5 - Chair George N. Cretekos, Trustee Doreen Caudell, Trustee Bob Cundiff, Trustee Hoyt Hamilton, and Trustee Bill Jonson

Also Present – William B. Horne – City Manager, Jill Silverboard – Assistant 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.

Draft

1. Call To Order – Chair Cretekos

The meeting was called to order at 6:14 p.m. at City Hall.

2. Approval of Minutes

- 2.1 Approve the minutes of the June 13, 2016 Pension Trustees Meeting as submitted in written summation by the City Clerk.

Trustee Jonson moved to approve the minutes of the June 13, 2016 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 |
|--|---------------------------------|
| Theresa Hughes, Field Service Representative I, Customer Service | 05/02/2016 |
| Christopher Bennett, Solid Waste Equipment Operator, Solid Waste | 05/02/2016 |
| Michael Dominguez, Solid Waste Equipment Operator, Solid Waste | 05/02/2016 |
| Lloyd Briscoe, Solid Waste Equipment Operator, Solid Waste | 05/02/2016 |

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|--|------------|
| Andrea Moreira, Aquatic Programmer, Parks and Recreation | 05/02/2016 |
| Sharon Hollifield *, Code Enforcement Inspector, Planning and Dev. | 05/02/2016 |
| Michael Robinson **, Librarian I, Library | 05/15/2016 |
| Nathan Huffman, Public Utilities Technician I, Public Utilities | 05/16/2016 |
| Jasia Shaver, Accounting Clerk, Finance | 05/16/2016 |
| Anelise Wilhelm, Senior Systems Programmer, IT | 05/16/2016 |
| Zane Liebrum, Parks Service Technician I, Parks and Recreation | 05/16/2016 |
| Michael Bryant ***, Parking Technician, Engineering | 05/16/2016 |

* Sharon Hollifield was employed in a part time position from 02/08/2016 to 05/01/2016, and then hired into a full time position on 05/02/2016. She will be eligible for pension as of 05/02/2016.

** Michael Robinson was employed in a part time position from 11/18/2013 to 05/14/2016, and then hired into a full time position on 05/15/2016. He will be eligible for pension as of 05/15/2016.

** Michael Bryant was employed in a part time position from 02/08/2016 to 05/13/2016, and then hired into a full time position on 05/14/2016. He will be eligible for pension as of 05/14/2016.

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 Thomas Carrick, Planning and Development Department, John Fellenbaum, Police Department, Ann Galluccio, Library Department, Joanne Hilbert, Police Department, Dina Hyson, Human Resources Department, Danny Jones, Fire Department, and Mark Smyth, Fire Department for a regular pension as provided by Sections 2.416 and 2.424 of the Employees' Pension Plan.

Thomas Carrick, Assist Building Official, Planning and Development Department, was employed by the City on April 15, 1996, and his pension service credit is effective on that date. His pension will be effective June 1, 2016. Based on an average salary of approximately \$62,715.85 over the past five years, the formula for computing regular pensions and Mr. Carrick's selection of the Life Annuity with a 10% Partial Lump Sum, this pension benefit will be approximately \$31,229.64 annually.

John Fellenbaum, Police Officer, Police Department, was employed by the City on July 8, 1996, and his pension service credit is effective on that date. His pension will be effective August 1, 2016. Based on an average salary of approximately \$89,017.88 over the past five years, the formula for computing regular pensions and Mr. Fellenbaum's selection of the Joint and Survivor Annuity with a 10% Partial Lump Sum, this pension benefit will be approximately \$44,070.00 annually.

Ann Galluccio, Library Assistant, Library Department, was employed by the City on January 27, 2003, and her pension service credit is effective on that date. Her pension will be effective August 1, 2016. Based on an average salary of approximately \$26,159.29 over the past five years, the formula for computing regular pensions and Ms. Galluccio's selection of the Life Annuity, this pension benefit will be approximately \$9,673.56 annually.

Joanne Hilbert, Police Communication Operator, Police Department, was employed by the City on December 12, 1988, and her pension service credit is effective on that date. Her pension will be effective July 1, 2016. Based on an average salary of approximately \$54,360.85 over the past five years, the formula for computing regular pensions and Ms. Hilbert's selection of the 100% Joint and Survivor Annuity, this pension benefit will be approximately \$37,843.80 annually.

Dina Hyson, Human Resources Manager, Human Resources Department, was employed by the City on October 9, 1992, and her pension service credit is effective on that date. Her pension will be effective August 1, 2016. Based on an average salary of approximately \$78,290.95 over the past five years, the formula for computing regular pensions and Ms. Hyson's selection of the 10 Year Certain and Life Annuity, this pension benefit will be approximately \$50,631.60 annually.

Danny Jones, Fire Assistant Chief, Fire Department, was employed by the City on May 4, 1987, and his pension service credit is effective on that date. His pension will be effective June 1, 2016. Based on an average salary of approximately \$113,486.65 over the past five years, the formula for computing regular pensions and Mr. Jones' selection of the 100% Joint and Survivor Annuity, this pension benefit will be approximately \$88,185.24 annually.

Mark Smyth, Fire Lieutenant, Fire Department, was employed by the City on April 1, 1981, and his pension service credit is effective on that date. His pension will be effective June 1, 2016. Based on an average salary of approximately \$82,257.01 over the past five years, the formula for computing regular pensions and Mr. Smyth's selection of the 100% Joint and Survivor Annuity, this pension benefit will be approximately \$77,508.96 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. Carrick, Ms. Galluccio, Ms. Hilbert and Ms. Hyson 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. Fellenbaum, Mr. Jones and Mr. Smyth have met the hazardous duty criteria.

Trustee Cundiff moved to Approve the following request of employees Thomas Carrick, Planning and Development Department; John Fellenbaum, Police Department; Ann Galluccio, Library Department; Joanne Hilbert, Police Department; Dina Hyson, Human Resources Department; Danny Jones, Fire Department; and Mark Smyth, Fire 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 CBL and Associates Properties, Inc. regarding investment losses to the Plan; retain Kessler Topaz Meltzer and Check, LLP as legal counsel in this regard and authorize staff to negotiate a retainer agreement with Kessler Topaz Meltzer and Check, LLP.

In December 2011, the Pension Trustees approved a contract retaining Kessler Topaz Meltzer & Check, LLP (Kessler) 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.

Kessler has recommended that the Pension Plan apply for lead plaintiff status in a litigation action against CBL & Associates Properties, Inc (CBL), a Delaware corporation headquartered in Chattanooga, Tennessee. CBL operates as a real estate investment trust (REIT) and owns 147 properties, including 91 regional malls/open-air centers, in 31 states.

A May 24, 2016 report in the Wall Street Journal (WSJ) disclosed that CBL is under investigation by the Federal Bureau of Investigation (FBI) and the U.S. Securities and Exchange Commission (SEC) in connection with providing false information to lenders. The WSJ also reported that FBI and SEC officials are questioning CBL's relationship with Senator Robert Corker, who has made millions of dollars in profits trading in CBL's stock. On this news, the price of CBL's stock experience a single day price decline of 8.3%. The City of Clearwater Employees' Pension Plan sustained estimated losses of \$616,000. 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 Hamilton moved to Approve the City of Clearwater Employees' Pension Plan as lead plaintiff in litigation against CBL and Associates Properties, Inc. regarding investment losses to the Plan; retain Kessler Topaz Meltzer and Check, LLP as legal counsel in this regard and authorize staff to negotiate a retainer agreement with Kessler Topaz Meltzer and Check, LLP. The motion was duly seconded and carried unanimously.

5. Adjourn

The meeting adjourned at 6:18 p.m.

Attest

Chair
Employees' Pension Plan Trustees

City Clerk