

City of Clearwater

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



Meeting Minutes

Monday, April 12, 2021

9:00 AM

Main Library - Council Chambers

Pension Trustees

Roll Call

Present 5 - Chair Frank Hibbard, Trustee David Allbritton, Trustee Hoyt Hamilton, Trustee Katleen Beckman, and Trustee Mark Bunker

Also Present – William B. Horne II – City Manager, Micah Maxwell – Assistant City Manager, Michael Delk – Assistant City Manager, Pamela K. Akin – City Attorney, Rosemarie Call – City Clerk, Nicole Sprague – Official Records and Legislative Services Coordinator and Jennifer Poirrier – 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 – Mayor Hibbard

The meeting was called to order at 9:01 a.m.

2. Approval of Minutes

- 2.1 Approve the February 16, 2021 Pension Trustees Meeting Minutes as submitted in written summation by the City Clerk.

Trustee Allbritton moved to approve the February 16, 2021 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 Approve the new hires for acceptance into the Pension Plan as listed.

Name/ Job Classification/Department	Pension Eligibility Date
Robert Mitchell, Recreation Leader, Parks and Recreation	01/19/2021
David McMullen, Parking Enforcement Specialist, Engineering	02/16/2021
Hunter Walke, Pool Lifeguard, Parks and Recreation	02/01/2021
Alexa Walling, Customer Service Rep, Customer Service	01/25/2021
Aaron Braley, Sr. Accountant, Marine and Aviation	01/04/2021

Michael MacDonald, Account Collector, Customer Service	01/04/2021
David Kadau, Fire Division Chief, Fire	01/04/2021
Fredy Torres-Carrillo, Parks Service Technician, Parks and Rec.	01/04/2021
Donna Cowley, Customer Service Rep, Customer Service	01/19/2021
Jessica Reyes, Customer Service Rep, Customer Service	01/19/2021
Leonard Sala, Stormwater Technician, Engineering /Stormwater	01/19/2021
Amanda Santiago, Personnel/Payroll Tech, Parks and Recreation	01/19/2021
May Bergeson, Police Telecommunicator, Police	02/01/2021
Avery Fennell, Police Telecommunicator, Police	02/01/2021
Ransome Walker, Solid Waste Worker, Solid Waste	02/01/2021
Caleb Bishoff, Stormwater Technician, Engineering /Stormwater	02/16/2021
Vincent Carlo, Parking Enforcement Specialist, Engineering	02/16/2021

Trustee Beckman 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 Patricia Kuligowski, City Council Department, Lesa Phillips, Police Department and Brian Swartz, Fire Department to vest their pensions as provided by Section 2.419 of the Employees' Pension Plan.

Patricia Kuligowski, Executive Assistant, City Council Department, was employed by the City on November 27, 2006, and began participating in the Pension Plan on that date. Ms. Kuligowski terminated from City employment on January 26, 2021.

Lesa Phillips, Police Officer, Police Department, was employed by the City on January 12, 2004, and began participating in the Pension Plan on that date. Ms. Phillips terminated from City employment on January 22, 2021.

Brian Swartz, Firefighter/Driver-Operator, Fire Department, was employed by the City on June 3, 2002, and began participating in the Pension Plan on that date. Mr. Swartz terminated from City employment on May 28, 2020.

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. Ms. Kuligowski will meet the non-hazardous duty criteria and begin collecting a pension in February 2026.

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. Phillips will meet the hazardous duty criteria and begin collecting pension in February 2024 and Mr. Swartz will meet the hazardous duty criteria and begin collecting pension in July 2022.

Trustee Bunker moved to approve the following request of employees Patricia Kuligowski, City Council Department, Lesa Phillips, Police Department and Brian Swartz, Fire Department to vest their pensions as provided by Section 2.419 of the Employees' Pension Plan. The motion was duly seconded and carried unanimously.

- 4.3** Approve the following request of employees Amelia Adams, Financial and Budget Operations Department, Richard Garbe, Gas Department, Ricky Hess, Engineering Department, Randy Higgins, Engineering Department, William Howard, Public Utilities Department, Andre Lambert, Engineering Department, Jean Louis, IT Department, Donald Magness, Fire Department, Trevor Murray, Fire Department, Kevin O'Neill, Fire Department and David Powers, Solid Waste and General Services Department, for a regular pension as provided by Sections 2.416 and 2.424 of the Employees' Pension Plan.

Amelia Adams, Senior Accounting Technician, Financial and Budget Operations Department, was employed by the City on January 31, 2011 and her pension service credit is effective on that date. Her pension will be effective March 1, 2021. Based on an average salary of approximately \$32,738.16 over the past five years, the formula for computing regular pensions and Ms. Adams' selection of the Life Annuity, this pension benefit will be approximately \$9,068.04 annually.

Richard Garbe, Gas System Specialist, Gas Department, was employed by the City on January 13, 1992 and his pension service credit is effective on that date. His pension will be effective February 1, 2021. Based on an average salary of approximately \$77,071.77 over the past five years, the formula for computing regular pensions and Mr. Garbe's selection of the 75% Joint and Survivor, this pension benefit will be approximately \$61,857.24 annually.

Ricky Hess, Environmental Code Enforcement Inspector, Engineering Department, was employed by the City on July 22, 1996 and his pension service credit is effective on that date. His pension will be effective February 1, 2021. Based on an average salary of approximately \$55,800.76 over the past five years, the formula for computing regular pensions and Mr. Hess' selection of the 100% Joint and Survivor Annuity, this pension benefit will be approximately \$33,795.12 annually.

Randy Higgins, Stormwater Heavy Equip Operator, Engineering Department, was employed by the City on May 24, 1999 and his pension service credit is effective on that date. His pension will be effective May 1, 2021. Based on an average salary of approximately \$41,469.16 over the past five years, the formula for computing regular pensions and Mr. Higgins' selection of the Life Annuity, this pension benefit will be approximately \$25,016.04 annually.

William Howard, Wastewater Treatment Plant Operator A, Public Utilities Department, was employed by the City on February 28, 2011 and his pension service credit is effective on that date. His pension will be effective March 1, 2021. Based on an average salary of approximately \$46,631.97 over the past five years, the formula for computing regular pensions and Mr. Howard's selection of the 100% Joint and Survivor Annuity, this pension benefit will be approximately \$10,867.32 annually.

Andre Lambert, Traffic Sign and Marking Tech, Engineering Department, was employed by the City on September 5, 1995 and his pension service credit is effective on that date. His pension will be effective March 1, 2021. Based on an average salary of approximately \$54,639.53 over the past five years, the formula for computing regular pensions and Mr. Lambert's selection of the 100% Joint and Survivor Annuity with a 30% partial lump sum, this pension benefit will be approximately \$23,399.40 annually.

Jean Louis, Sr Systems Programmer, IT Department, was employed by the City on February 14, 2011, and his pension service credit is effective on that date. His pension will be effective March 1, 2021. Based on an average salary of approximately \$67,454.02 over the past five years, the formula for computing regular pensions and Mr. Louis' selection of the 10 Year Certain and Life Annuity, this pension benefit will be approximately \$17,275.44 annually.

Donald Magness, Fire District Commander, Fire Department, was employed by the City on January 23, 2006 and his pension service credit is effective on that date. His pension will be effective March 1, 2021. Based on an average salary of approximately \$121,219.61 over the past five years, the formula for computing regular pensions and Mr. Magness' selection of the 100% Joint and

Survivor Annuity, this pension benefit will be approximately \$49,003.20 annually.

Trevor Murray, Fire Medic, Fire Department, was employed by the City on July 24, 1995 and his pension service credit is effective on that day. His pension will be effective February 1, 2021. Based on an average salary of approximately \$86,643.23 over the past five years, the formula for computing regular pensions and Mr. Murray's selection of the 100% Joint and Survivor Annuity with a 20% partial lump sum, this pension benefit will be approximately \$47,341.68 annually.

Kevin O'Neill, Fire District Commander, Fire Department, was employed by the City on January 23, 2006, and his pension service credit is effective on that date. His pension will be effective April 1, 2021. Based on an average salary of approximately \$115,744.26 over the past five years, the formula for computing regular pensions and Mr. O'Neill's selection of the 100% Joint and Survivor Annuity, this pension benefit will be approximately \$46,828.68 annually.

David Powers, Division Controller, Solid Waste and Recycling Department, was employed by the City on June 4, 1998 and his pension service credit is effective on October 11, 1999. His pension will be effective April 1, 2021. Based on an average salary of approximately \$74,177.50 over the past five years, the formula for computing regular pensions and Mr. Powers' selection of the 100% Joint and Survivor Annuity, this pension benefit will be approximately \$35,479.92 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. Adams, Mr. Garbe, Mr. Hess, Mr. Higgins, Mr. Howard, Mr. Lambert, Mr. Louis, and Mr. Powers 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. Magness, Mr. Murray and Mr. O'Neill have met the hazardous duty criteria.

Trustee Hamilton moved to approve the following request of employees Amelia Adams, Financial and Budget Operations Department, Richard Garbe, Gas Department, Ricky Hess, Engineering Department, Randy Higgins, Engineering Department, William Howard, Public Utilities Department, Andre Lambert, Engineering Department, Jean Louis, IT Department, Donald Magness, Fire Department, Trevor Murray, Fire Department, Kevin O'Neill, Fire Department and David Powers, Solid Waste and General Services 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.

4.4 Annual Determination of Expected Investment Rate of Return

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 6.55%, net of investment-related fees, as the expected annual rate of return for the current year; 6.50% for the next year; and 6.50% for all years thereafter.

Finance Director Jay Ravins provided a PowerPoint presentation.

Trustee Allbritton moved to approve the Annual Determination of Expected Investment Rate of Return. The motion was duly seconded and carried unanimously.

4.5 Annual review of the Employees' Pension Plan investment performance for the calendar and plan year ended December 31, 2020.

For calendar 2020, the Plan realized an investment return of 15.68%, versus a customized benchmark of 12.61%, placing the plan in the 11th percentile of public pension plans per the Wilshire Public Plan Sponsor Universe.

For the last three calendar years, the plan had an average annualized return of 10.62%, versus a benchmark of 8.16%, placing the plan in the 10th percentile of public plans.

The investment committee, with the assistance of the Plan's investment

consultant, CapTrust, 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.

Finance Director Jay Ravins provided a PowerPoint presentation.

In response to questions, Mr. Ravins said the large cap growth manager was added this year; their performance was not included because they were recently hired. The Plan has had a long-term relationship with Voya, who has typically out-performed the index. He said Voya has recently been underperforming and if the underperformance continues, a decision will be needed if the Plan should continue with another active manager. CapTrust, the investment consultant, screens their universe of managers and provides a short list of managers that meets the Plan's parameters. Mr. Ravins said staff looks at a rolling three-year period when assessing a manager's performance. The Plan's asset allocation is adjusted after an asset allocation study is completed.

Trustee Hamilton moved to approve the annual review of the Employees' Pension Plan investment performance for the calendar and plan year ended December 31, 2020. The motion was duly seconded and carried unanimously.

5. Director's Report - None

6. Adjourn

The meeting adjourned at 9:15 a.m.

Chair
Employees' Pension Plan Trustees

Attest

City Clerk