

CITY OF MARIETTA/BLW PENSION BOARD MEETING

**Wednesday, August 8, 2018
9:00 AM – Fourth Floor City Hall Conference Room**

MEETING MINUTES (UNOFFICIAL UNTIL APPROVED)

Members Present: Rich Buss Cheryl Richardson
Yvonne Williams Rick Steffes
Bill Bruton Joseph Goldstein
Steve Kish Patina Brown

Absent: Bobby Moss

Ex Officio Members: Davy Godfrey – Pension Board Secretary and Director, Human Resources & Risk Management
Sam Lady – Pension Board Treasurer and Finance Director
Tim Milligan – Fire Chief (in place of Bobby Moss)

Visitors / Guests Scott Arnwine – Gavion
Tony Kay – AndCo Consulting
Read Gignilliat and Patrick Lail – Elarbee Thompson
Doug Haynie – City Attorney
Fion Lau – Benefits Manager
Beth Keller – Deputy Director of Finance
Ines Emblar – Planning and Zoning Coordinator
Ed Koebel – Cavanaugh Macdonald Consulting
Andrew Beal – Buckley Beal LLP

CALL TO ORDER:

Vice Chairman Rick Steffes declared a quorum and called the meeting to order at 9:01am. He immediately moved items 10 and 11 related to the disability retirement application appeal hearing for David Jenkins up to number 2, Legal Matters, without objection.

BUSINESS:

LEGAL MATTERS:

Vice Chairman Steffes recognized attorney Read Gignilliat, who then advised the board that Andrew Beal is representing David Jenkins and, because he hasn't been counsel for very long, has requested a continuance. Gignilliat directed the Board's attention to his advice memo. Secretary Godfrey stated that conditions could be applied to the continuance, meaning that there would not be any benefits granted to Mr. Jenkins during the period of time after the Board was ready, willing, and able to hold the hearing. Beal told the Board he needed two months to prepare.

A motion was made by Member Bruton to grant the continuance subject to the condition that no benefits would be awarded from the time in February until the rescheduled hearing date set for the next meeting in November and seconded by Member Buss.

*The motion carried by the following vote: **8-1-0 (Member Kish voting against).***

Gignilliat asked for some time to confer with Beal. Treasurer Lady, with the permission of Vice Chairman Steffes, addressed the Board regarding the audit letters recently sent out by Nichols Cauley. He advised that no response is required unless one was aware of any fraud.

Discussion was held related to Secretary Godfrey and Mr. Gignilliat reviewing the second opinion to determine the next steps based on the Board's intent.

Gignilliat advised the Board that there has been a slight wrinkle in the pension forfeiture hearings for two former employees, Shantel Bowens and Debbie Bailey, because of their convictions of a public employment-related crime. The AG's office, which serves as the counsel of record for the Pension Board, has taken the position that the Georgia statute doesn't apply to federal convictions and that the petitions should be withdrawn. Gignilliat explained to the Board how he sees that as incorrect and that everything must go in front of the judge for a decision. Discussion was held regarding the way ahead, Mr. Gignilliat's thoughts on how the case could go, and the appeals process itself.

A motion was made by Member Brown to give Mr. Gignilliat the ability to put together an appeal on behalf of the Pension Board regarding the Bowens and Bailey matter and later on decide whether or not to pursue additional action. Additionally, if the appeal is due before the next meeting in November, notification would go out to the Pension Board members to determine the way ahead and seconded by Member Richardson.

The motion carried by the following vote: 9-0-0.

Vice Chairman Steffes recognized attorney Patrick Lail to discuss the participant definition item. He gave the board members time to retrieve the advice memorandum. Mr. Lail provided the members an overview of how we got to this point. He explained to the board members that it appears there was an oversight when the plan was amended that kept a one-year waiting period for participation requirements for elected officials. Mr. Lail stated that, while there was some concern regarding the amendment being construed as an increase in benefits to elected officials, this would not count as one of those cases because of existing case law as a pension is considered deferred compensation and not current compensation. Member Milligan inquired about changing plans, especially for those who are in the 4022 plan. Discussion was held regarding how the recommended changes affect those cases. Further discussion was held regarding the options involving commencement of service toward participation in the plan. Consensus was to keep it the way it is with the first of the month coinciding with or following the month of employment. Discussion was held regarding what happens if a motion recommending an ordinance is passed, and it was answered that it goes to two readings in front of the council before final passage.

A motion was made by Member Brown to pass the recommended ordinance with the change to keep participation calculated on the first of the month coinciding with or following the month of employment and seconded by Member Williams.

The motion carried by the following vote: 9-0-0.

Vice Chairman Steffes recognized Secretary Godfrey, who advised the members that the investment manager agreements were those that were already approved by the attorneys, and that he was only waiting on one more from Westfield. Mr. Lail advised that we were almost ready with that one. Mr. Haynie advised that some of the companies had wanted to keep certain language in there even though state law prohibits it, but they were able to convince the companies to remove it because of that. No motion was required and, as per a previous motion, no members objected to the approved changes. Vice Chairman Steffes recognized Mr. Gignilliat who provided an update regarding the case of Michael Rigo. Discussion was held. No motion required.

MINUTES:

May 9, 2018, Regular Meeting

A motion was made by Member Bruton to approve the May 9, 2018, Regular Meeting minutes and seconded by Member Brown.

*The motion carried by the following vote: **8-0-1 (Member Milligan abstained).***

June 22, 2018, Special Called Meeting

Vice Chairman Steffes made a motion that the minutes be amended to replace the line regarding disability with the wording regarding what the individual can do and seconded by Member Williams.

*The motion carried by the following vote: **6-0-3 (Members Goldstein, Richardson, and Milligan abstained).***

Member Buss made a motion to approve the June 22, 2018, meeting minutes with the amendment and seconded by Member Brown.

*The motion carried by the following vote: **6-0-3 (Members Goldstein, Richardson, and Milligan abstained).***

GENERAL PENSION REPORT – Gavion, LLC:

Vice Chairman Steffes recognized Scott Arnwine from Gavion, who presented the General Pension Report for the 2nd quarter of calendar year 2018.

SUPPLEMENTAL PENSION REPORT – AndCo Consulting:

Vice Chairman Steffes recognized Tony Kay from AndCo Consulting, who presented the Supplemental Pension Report for the 2nd quarter of calendar year 2018. He stated that, as per last meeting, a participant survey has been developed, but he and Secretary Godfrey thought it best to wait until after the full transition of the fixed income funds from Principal to ICMA-RC in November to administer it. Vice Chairman Steffes inquired regarding how the survey would be administered, and Tony responded that an email could go out directly from ICMA-RC or the city.

Vice Chairman recognized Secretary Godfrey, who then directed the Board's attention to the KTMC Securities Monitoring Report for the 2nd Quarter 2018. He advised that KTMC is reviewing a report provided by SunTrust to determine if all claims are being filed appropriately.

RETIREMENT APPLICATIONS – Secretary Godfrey:

1. Effective 2/1/2018
Christine Burdek
4022, Automatic Survivor Benefit (24 months)
Employed: N/A
Monthly Benefit: \$1,159.36
Survivor of Ronald Street

2. Effective 5/1/2018
Marlon Johnson
Consolidated Plan, Terminated Vested Early Retirement
Single Life Option
Employed: 9/10/1990 to 5/8/1998
Total Credited Service: 7 Years 7 Months
Monthly Benefit: \$175.99
Equipment Operator II
3. Effective 5/1/2018
Lennie Wheeler
Consolidated Plan, Unreduced Early Retirement
Single Life Option
Employed: 3/30/1989 to 4/30/2018
Total Credited Service: 29 Years 1 Month
Monthly Benefit: \$3,268.47
Fire Engineer
4. Effective 5/1/2018
Rick Redd
Consolidated Plan, Unreduced Early Retirement
Joint and Survivor Option—75% Pop-up
Employed: 6/2/1988 to 4/30/2018
Total Credited Service: 29 Years 10 Months (1 Month Sick Leave)
Monthly Benefit: \$2,794.37
Police Sergeant
5. Effective 5/1/2018
Cindy Stevens
Consolidated Plan, Early Retirement
Single Life Option
Employed: 4/28/2008 to 4/30/2018
Total Credited Service: 10 Years
Monthly Benefit: \$625.55
Tax Coordinator
6. Effective 5/1/2018
Donald Bertolo
4022, Alternate Retirement Benefit
Single Life Option
Employed: 12/3/1985 to 4/30/2018
Total Credited Service: 33 Years 4 Months (12 Months Military Service)
Monthly Benefit: \$4487.76
Police Lieutenant
7. Effective 5/1/2018
Ronald Waites
Consolidated Plan, Early Retirement
Single Life Option
Employed: 6/21/1982 to 6/5/1985, 8/11/1997 to 9/26/2001, 1/23/2002 to 2/14/2008,
2/1/2016 to 4/30/2018
Total Credited Service: 15 Years 2 Months
Monthly Benefit: \$548.72
City Service Worker I-Parks and Grounds

8. Effective 6/1/2018
Ronald Brasher
Consolidated Plan, Terminated Vested Early Retirement
Single Life Option
Employed: 12/27/1989 to 6/28/1998
Total Credited Service: 8 Years 5 Months
Monthly Benefit: \$285.64
Police Officer

9. Effective 6/1/2018
Herman Trautwein
Consolidated Plan, Unreduced Early Retirement
Single Life Option
Employed: 11/4/1990 to 4/10/1999, 4/24/1999 to 5/31/2018
Total Credited Service: 28 Years 5 Months (12 Months Military Service)
Monthly Benefit: \$4,057.64
Fire Lieutenant-Medic

10. Effective 7/1/2018
Melvin Earlywine
Consolidated Plan, Terminated Vested Normal Retirement
Joint and Survivor Option—100% Pop-up
Employed: 10/27/1977 to 4/8/1992
Total Credited Service: 14 Years 5 Months
Monthly Benefit: \$525.23
Auto Mechanic

11. Effective 7/1/2018
Carolyn Devore
Consolidated Plan, Early Retirement
Single Life Option
Employed: 4/21/2003 to 6/30/2018
Total Credited Service: 15 Years 2 Months
Monthly Benefit: \$433.29
Cashier

A motion was made by Member Bruton to approve the retirement applications and seconded by Member Williams.

The motion carried by the following vote: 9-0-0.

OLD BUSINESS:

MONTHLY MEETINGS AND TELECONFERENCING:

Vice Chairman Steffes had requested that the Board consider monthly meetings and teleconferencing. He stated that he thought that the video conferencing was voted down previously. He mentioned that he had lobbied for bi-monthly meetings instead of quarterly.

A motion was made by Vice Chairman Steffes to move to bi-monthly meetings.

Motion fails for lack of a second.

Vice Chairman Steffes mentioned that he would prefer having legal matters conducted as a special called meeting. Member Goldstein stated that he did not want to tie our hands. Discussion was held regarding the option to call a meeting being a chairman's prerogative. Further discussion was held

regarding timing of hearings, legal costs involved with multiple meetings, and the procedure of moving legal to the start of a meeting vice at the end of a meeting, as well as the reasons thereon.

NEW BUSINESS:

EXPERIENCE STUDY OVERVIEW – Ed Koebel, Actuary:

Vice Chairman Steffes recognized Ed Koebel, who then provided an overview of the Experience Study. Ed indicated that they review everything in the document provided, which is listed as Appendix E of the previous valuation. He stated that he needed the data through June 30, 2018, and the study had to be done by June 2019. The intent is to have the study ready to prepare by the February 2019 meeting. Secretary Godfrey mentioned that Chairman Moss had four separate items he would also like reviewed: reviewing altering disability retirement, unreduced early retirement at 35 years of service, treating active military service during city service the same as we treat accrued sick leave, and a form of a pre-retirement death benefit. Ed mentioned that each item could run anywhere from \$500 to \$2500 additional to the Experience Study, which costs \$20,000.

A motion was made by Member Buss to conduct the experience study and seconded by Member Brown.

The motion carried by the following vote: 8-0-0 (Member Richardson was not present).

FUTURE ESTABLISHED MEETINGS:

November 14, 2018, 9:00am: Regular Meeting

ADJOURNMENT:

A motion was made by Member Brown to adjourn the meeting and seconded by Member Williams.

The motion carried by the following vote: 8-0-0 (Member Richardson was not present). Meeting was adjourned at 11:21am.

CITY OF MARIETTA/BLW PENSION BOARD MEETING

Wednesday, August 8, 2018

9:00 AM – Fourth Floor Conference Room

APPROVED THIS 14th DAY OF November, 2018



Bobby Moss, Pension Board Chairman

ATTEST:


Davy Godfrey, Pension Board Secretary