I. CALL TO ORDER

Chairman Rick ‘Bud’ Light called the meeting to order at 12:02 p.m. via Webex telephone conference. Chairman Light indicated that a quorum was present for the meeting and also noted that Mr. Myers had been sworn in as a Committee Member on March 16, 2022.

II. ADOPTION OF THE AGENDA

A motion was made by Mr. Allen to approve the Agenda as presented and the motion was seconded by Mr. Myers. The motion carried unanimously and the Agenda was approved.

III. MINUTES

The Committee Members reviewed the Minutes of the February 17, 2022 Police Officers’ Defined Benefit Administrative Committee Meeting, which were distributed in advance and reviewed by Counsel.

With there being no changes or modifications, a motion was made by Mr. Allen to adopt the Minutes of the February 17, 2022 meeting as presented and the motion was seconded by Mr. Myers. The motion carried unanimously and the February Meeting
Minutes were adopted.

IV. ADMINISTRATIVE MANAGERS’ REPORT

Service Pension Applications

Ms. Shah presented four (4) Service Pension Applications to the Committee for approval. Mr. Allen noted that several of the applicants had more than 600 hours of accrued vacation time at the time of retirement and Ms. Shah confirmed, in those cases, the contributions on hours in excess of 600 are being refunded. Ms. Shah also added that two additional retirements were received on yesterday’s payroll file and SBA will set those retirees up with a provisional payment for March. She confirmed that their full applications will be submitted for approval with the April 2022 pension applications.

A motion was made by Mr. Allen and seconded by Mr. Myers to approve the four (4) Service Pension Applications on the attached spreadsheet for the meeting date of March 17, 2022. The motion carried unanimously and the Service Pension Applications were approved.

Lump Sum Applications

Ms. Shah presented three (3) lump sum applications for informational purposes only.

Financial Statement

Ms. Shah presented the January 2022 unaudited financial statements prepared by SBA as informational. Ms. Carr noted that overall, there were no significant findings to report. For the Employer contributions, the January amount was increased slightly to ensure that the City would meet the Actuarial Determined Contribution (ADC) amount by the end of the fiscal year. She also pointed out the cost of living adjustment (COLA) amount for retirees was increased by 3% in January.

Invoices for Approval

Ms. Shah presented the invoices for approval and Ms. Goins noted that these were standard, recurring invoices.

Following a complete review of the disbursements, a motion was made by Mr. Allen and seconded by Mr. Myers to accept the financial statements and approve the invoices in the packet for the meeting date of March 17, 2022. The motion carried unanimously and the statements were accepted and the invoices were approved.

V. ATTORNEY’S REPORT

Neither Mr. Emerson nor Mr. Dec had anything to report.
VI. NEW BUSINESS

Roderick Turner Appeal
Ms. Shah informed the Committee that the overpayments presented to the Committee at the February 17, 2022 meeting had been communicated to the payees and that Mr. Turner will appeal the overpayment to the Investment Board. The overpayment was due to his benefit being based on a higher COLA than should have been used based on his actual date of retirement. SBA discovered the overpayment when doing reviews as part of the data clean-up project.

Earthstone Energy Memo
Chairman Light brought a call from Jeffrey Reeves to the Committee’s attention. Mr. Reeves is the head of the Reeves Law Firm and was calling about a securities case from Grant & Eisenhofer, one of the five security monitoring firms retained by the City. Mr. Emerson noted that smaller firms will frequently handle small derivative cases when not much money is invested with a fund. The fund mentioned by Mr. Reeves (Earthstone Energy) only has approximately $200,000 invested and the loss is in the area of $30,000. Due to the small amount, this type of case is not usually pursued by boards since the cost to recoup the loss would be greater than the loss itself. Mr. Emerson stated that he would draft a letter to Grant & Eisenhofer about the communication. Chairman Light asked Ms. Shah to add an agenda item to the next Investment Board meeting to discuss the topic of creating a litigation sub-committee. Mr. Emerson stated that he would send a copy of the security litigation policy to the Committee. He also noted that there has been a recent communication from Saxena White about Southeast Holdings, which is being reviewed.

Other Issues
Mr. Allen stated that he had been asked to bring a matter to the Committee’s attention. Personnel who serve in one of the U.S. military reserve branches are required to serve 38 days each year in order to remain active. The current City policy pays the officers for 18 of those 38 days and the officer must take 20 days of his/her own time, either through earned comp time or vacation days, in order to continue to accrue pension service. If the officer doesn’t have comp time or vacation time, then he/she would have to either work additional days at the end their career to make up the days or pay back the pension contributions that were missed. Mr. Allen noted that other police departments in the state cover the entire 38 days of service for military leave. He asked that research be done to see if there was a regulatory reason only 18 days were paid by the City and that a review be completed to determine what was stated in the ordinance. As an example, for someone making $40.62 per hour, the additional 20 hours per year would cost the City $6500 in pay for the officer. He also noted that having the City pay for all 38 days would be a good recruiting tool for the City.
VII.  OLD BUSINESS

Special Projects Update

Ms. Shah showed a presentation on the work done by SBA. The presentation included a chart with call volume per month and the top 20 reasons for those calls. It also showed the work included in SBA’s fixed fee expense, such as the standard processing of retirements, lump sum refunds, accounting reports, invoices, payment reconciliation, 3rd party death report monitoring and working through returned mail. SBA also works an uncashed check report since returned mail and uncashed checks can be a sign someone is deceased. The presentation had a section on special projects that showed projects already completed as well as projects that are currently in progress. Completed projects include the Iron Mountain scanning project, working uncashed Wells Fargo checks, corrections to vacation payouts and rollout of the employee self-service portal. Special projects currently in progress include recalculations for Hybrid plan retirees, COLA research, Zenith overpayment tracking and unresolved deaths, clean-up for participants in multiple plans, cleanup of beneficiary data and other audit data issues.

Hybrid Plan Retiree Correction

Ms. Shah stated that SBA has been working on corrections for those in the Hybrid plan. A smaller part of this benefit has had a 3% COLA applied, but it should have been 1% on this portion of the benefit. The bigger issue with the Hybrid plan is that retirees should have been offered the opportunity to have 75% Joint and Survivor coverage at the time they retired. The retiree could either elect to receive the full pension amount or a reduced amount which would provide survivor coverage. SBA is calculating amounts and drafting a communication, which will be presented to this Committee in April. There are approximately 40 people across the Police, Fire and General Plans in this group.

VIII.  QUESTIONS AND COMMENTS FROM AUDIENCE

There were no questions or comments from the audience.

IX.  DATE OF NEXT MEETING

The Committee agreed to hold the next meeting via teleconference on April 21, 2022 at 12:00 p.m. Ms. Shah noted SBA is working with the City to determine when in person meetings can begin and expects them to occur in May 2022.

X.  ADJOURNMENT

With there being no further business to be brought before the Committee at this time, a motion was made by Mr. Allen and seconded by Mr. Myers to call for adjournment at 1:05 p.m. This motion passed unanimously and the meeting was adjourned.
Respectfully Submitted,

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Richard ‘Bud’ Light, Chairman

These Minutes were adopted on ________________________, 2022.