CALL TO ORDER

Chairman Rick ‘Bud’ Light called the meeting to order at 12:07 p.m.  Chairman Light indicated that a quorum was present for the meeting.  It was noted the meeting was being held both in-person and by Webex Teleconference.

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.

MINUTES

The Committee Members reviewed the Minutes of the April 15, 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 April 15, 2022 meeting as presented and the motion was seconded by Mr. Myers. The motion carried unanimously and the April Meeting Minutes were adopted.
IV. ADMINISTRATIVE MANAGERS’ REPORT

Service Pension Applications

Ms. Shah presented four (4) Service Pension Applications to the Committee for approval. She noted that two of them have already been put into pay and need formal approval.

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 May 19, 2022. The motion carried unanimously and the Service Pension Applications were approved.

Disability Pension Application

Ms. Shah presented one (1) Disability Pension Application to the Committee for approval. Chairman Light asked for confirmation that both the City doctor and the officer’s doctor agreed that Mr. Smith was fully disable and Ms. Shah confirmed. Chairman Light also asked if Mr. Smith’s benefit would be greater if he took a regular pension instead of a disability pension, and Ms. Shah noted that, by going first on disability, Mr. Smith would get an unreduced benefit for 6 months and then would have his benefit recalculated in February 2023, which would include his vacation payout.

A motion was made by Mr. Allen and seconded by Mr. Myers to approve the one (1) Disability Pension Application on the attached spreadsheet for the meeting date of May 19, 2022. The motion carried unanimously and the Disability Pension Application was approved.

Beneficiary Pension Applications

Ms. Shah presented two (2) Beneficiary Pension Applications to the Committee for approval.

A motion was made by Mr. Allen and seconded by Mr. Myers to approve the two (2) Beneficiary Pension Applications on the attached spreadsheet for the meeting date of May 19, 2022. The motion carried unanimously and the Beneficiary Pension Applications were approved.

Lump Sum Applications

Ms. Shah presented four (4) lump sum applications for informational purposes only.

Financial Statement

Ms. Shah presented the March 2022 unaudited financial statements prepared by SBA as
informational. Ms. Carr stated that the contributions in March were higher than in February due to three payrolls processing that month instead of the usual two payrolls. She also noted on the Comparison of Market Value page that the plan assets were down slightly due to market fluctuations.

**Invoices for Approval**

Ms. Shah presented the invoices for approval and Ms. Carr noted that most invoices this month were for recurring expenses.

**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 May 19, 2022. The motion carried unanimously and the statements were accepted and the invoices were approved.**

**V. ATTORNEY’S REPORT**

Ms. Deppert reported that the demand letter had been sent to Zenith. Zenith subsequently followed-up with a request for additional information substantiating the amounts demanded in the letter, and Morris, Manning and Martin is working with SBA to compile the information and prepare a response to Zenith.

Mr. Dec had nothing additional to report.

**VI. NEW BUSINESS**

**Cliff Johnson Complaint**

Ms. Shah presented information about the retirement calculations for Cliff Johnson, a recent retiree. Mr. Johnson sent correspondence to Mr. Myers stating that he never signed for his retirement and that he was disputing the amount of pay used. Ms. Shah showed retirement estimates sent to Mr. Johnson, as well as estimates that he ran through the on-line modeler, all of which were within approximately $6 per month of each other. Ms. Shah added that when estimates are sent out, new retirees have 14 days to respond if they dispute any of the data used, but SBA did not receive any comments from Mr. Johnson about his official estimate. The dispute is over unpaid compensatory time. Mr. Johnson expected to be paid accrued hazard pay by the City following his last day worked. Mr. Norman stated that since Mr. Johnson was an exempt employee, he is eligible for a 25% payout out for the accrued time, but that pay is not considered pensionable pay.

**Uncashed Check & Overpayment Process**
Ms. Shah presented a written process that SBA has developed in coordination with the City Legal Department and Finance Department to handle uncashed checks and overpayments. She reported that many uncashed checks dated from the time period during which the Plan’s process was to cease benefit payments to retirees on their date of death. Accordingly, during this time, a retiree would only receive a partial payment in the month of death and a partial payment was made out to the estate. This process was changed in November 2021 to provide that retirees receive a full month’s payment for the month of death. Since the new process was put in place, the number of uncashed checks has dropped. Old uncashed checks from Zenith were researched and where appropriate, an attempt was made to contact the family to reissue a check for any payment due. If the money was no longer due, the liability was taken off the books. If a payment was due, but no response was received from the estate, the participant’s record was noted in case a future claim for the benefit is made.

For overpayments, the written process formalized the criteria previously adopted by the Investment Board to deal with overpayments.

VII. OLD BUSINESS

Unpaid Military Reserve Time

Ms. Shah gave an update on the reserve military time issue reported by Mr. Allen and noted that the City is following the current City Ordinance with regards to military leave pay. Mr. Allen responded that he would like the City to review if it would be appropriate to pay reservists for all required days since the military has increased the number of days per year it requires people to work in the reserves. He added that it could be a good recruitment tool. Mr. Norman stated that this is something that should be brought up with the Investment Board, which includes City Council members. Ms. Shah will add the topic to the June Investment Board agenda.

Hybrid Plan Retiree Correction

Ms. Shah presented an update on the corrections currently in process with SBA. There is a group who in 2011 elected to be a part of the new hybrid plan. They have since retired in the 2014 – 2017 timeframe, and only a small part of their benefit is the post-2011 piece. There are two main issues being reviewed. The first issue is that the COLA on the post-2011 piece was not limited to 1% in some years, and so this is being recalculated to a correct cumulative COLA amount. The second issue is that a flat 8% employee contribution amount was collected and, when the employee retired, the individual should have been offered the option to receive an actuarially reduced benefit if they wanted to provide beneficiary coverage to their spouse with regard to the post-2011 piece. SBA has completed all calculations for the corrections, which will be effective July 31, 2022, and is working with the attorneys on communications to the impacted retirees. Ms. Shah showed the calculations for the Police Plan retirees. The impact of the COLA adjustment on retirees’ benefits is approximately $1 per month and the impact of retroactively electing a 75% J&S benefit is a
maximum of $7 per month for retirees who were married at the time of retirement.

VIII. QUESTIONS AND COMMENTS FROM AUDIENCE

There were no questions or comments from the audience.

Mr. Allen noted that many people are retiring when they hit 30 years of service and asked the City to review pay raises for the department. Mr. Norman noted that the City is addressing this issue in two ways. The first is a proposed 2% COLA that would be applied to all employees in the new budget. The second is a City-wide compensation study which the City should have the results for at the beginning of the second quarter of FY 2023. Mr. Norman added that retention and recruitment are two areas of focus with the new administration.

IX. DATE OF NEXT MEETING

The Committee agreed to hold the next meeting in person in Committee Room 2 at City Hall on June 16, 2022 at 12:00 p.m.

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 12:59 p.m. This motion passed unanimously and the meeting was adjourned.

Respectfully Submitted,

_____________________________
Richard ‘Bud’ Light, Chairman

These Minutes were adopted on ________________________, 2022.