CITY OF ST. CLOUD
GENERAL EMPLOYEES' & POLICE/FIRE JOINT SPECIAL MEETING
MINUTES
Tuesday, May 14, 2019 - 3:00 p.m.

Members Present (General): Nadine Zilke, Scott Kaplan, Donna Cooley, Scott Stoll, Art Lee, James Reus and Brian Liotta

Members Absent: None

Members Present (Police/Fire): Vincent Shepard, Claude Campbell, Fran Rinehart, Don Miller, and John Jones

Members Absent: None

Plan Attorney: Scott Christiansen
Plan Consultant: Dave West, AndCo Consulting
Plan Actuary: Doug Lozen, Foster & Foster
Plan Administrator: Shelly Baumann
City Staff: City Manager, William Sturgeon

CALL TO ORDER/ROLL CALL

Chairman Zilke and Chairman Shepard called the meeting to order for both the General Employees’ and Police/Fire Boards at 3:00 p.m. Both Boards had a quorum.

Chairman Shepard stated that the purpose of this special meeting is for the Boards to interview firms for the plan administrator position.

City Manager William Sturgeon addressed the Board regarding his proposal to hire the plan administrator “in house”. Each Board member was given a memo from Mr. Sturgeon just prior to this meeting outlining the city’s proposal to fund the position at no cost to either Plan. The memo also contained a job description, salary range, and minimum qualifications. Member Rinehart asked who they would answer to and was told that in the beginning it would be to the city manager and it might change to the finance director or human resources director later on. Member Zilke asked if there would be a way for the Board to request work and not have the employee taken away to do other city work. Member Shepard stated that he did not see anything in the qualification regarding a background in finance and he believes that going this way would be a step back. The Board members asked if they would be “stuck” with whomever the city hired to which Attorney Christiansen said that the Pension Plan states that the Boards are solely responsible for the administration and hiring of personnel to run the pension plan. Member Lee noted that both of the firms selected to be interviewed today have a benefit calculator program. Mr. Sturgeon believes that if the Boards would allow the city to hire in house he could provide an “out” in the agreement. Member Cooley stated that she liked the idea of having an in house administrator. Mr. Sturgeon asked Attorney Christiansen if he has any plans using an in house administrator to which Mr. Christiansen said he does as he represents the City of Kissimmee. Attorney Christiansen noted that the person in Kissimmee has over 30 years of pension board experience. Attorney Christiansen’s concern is if the intended person has any pension background. Member Lee suggests that the Boards hire an outside firm and let the city employee shadow the plan administrator to learn the position with the idea that they could one day take over the position.
INTERVIEWS

Foster & Foster – Ferrell Jenne and Siera Feketa

Ferrell Jenne and Siera Feketa with Foster & Foster addressed the Boards and presented a handout outlining their firm’s Plan Administration Services. Foster & Foster currently provides plan administration for 36 pension plans and have 10 dedicated full-time employees. Each plan has two (2) plan administrators so that there is always someone to contact. All forms are sent to members in an encrypted email. If both Plans hired Foster & Foster they would receive a 10% reduction in the fees quoted. Member Cooley asked about travel expenses for the four (4) covered meetings and was told that they charge the standard IRS rate for mileage. Ms. Jenne informed the Boards that they would increase their covered meetings per year from four (4) to six (6) without an increase in the quoted fee. It was noted that the retirement benefit calculation portal would be a separate cost. Member Rinehart would like a larger discount if both Plans hired Foster & Foster as plan administrator and also purchased the retirement benefit calculation portal.

Pension Resource Center – Scott Baur and Phyllis Shuford

Scott Baur and Phyllis Shuford addressed the Boards and presented a handout outlining their proposal to provide Pension Administration Services. Pension Resource Center has been providing plan administration for over 25 years and currently services 70 public plans. Mr. Baur stated there are two (2) sides of administration those being plan administration and recordkeeping. Along with their regular staff Pension Resource Center has an administrative team with two (2) attorneys, a finance person and IT staff. Mr. Baur and Mr. Dale Everhart would be attending the meetings. Their fee covers six (6) meetings per year and is guaranteed for two (2) years although it does include a 3% annual increase. Additional meetings in excess of the six (6) covered would be $350.00 per meeting. They would have a “plan email address” specific to the St Cloud Plans. Pension Resource Center has an online benefit calculation program which is included in the base fee. Member Zilke asked how the records would be stored and was told that paper contracts would be housed at the Palm Beach location. Mr. Baur noted that everything is backed up in house and off-site. There would be no additional travel costs. Member Zilke asked if they have had any clients terminate their services to which Mr. Baur stated that they have and it was based on personnel changes. Mr. Baur also noted that Pension Resource Center terminated six (6) boards themselves do to an excessive work load.

Member Lee asked what benefit it would be to the employees between one firm on the other and everyone agreed that there would be no specific benefit to the employees on which firm was hired. Member Lee said that he prefers Foster & Foster and was not impressed with Pension Resource Center’s presentation. Member Shepard expressed concern that Pension Resource Center could decide to terminate their contract if they decided the Boards were too much work which is what they did with other plans.

Mr. Doug Lozen with Foster & Foster informed the Boards that he just received an email from Ms. Jenne that Foster & Foster would give a 10% reduction in their fee if both Boards hired them.

General Employees’ Board: Member Lee made a motion to hire Foster & Foster to be the plan administrator and authorize the Plan attorney to negotiate a 20% discount on the annual fee if both boards hire them and purchase the online retirement portal, with the discount to be no lower than 10%; Member Kaplan seconded the motion, which passed unanimously.
Police and Fire Board: Member Rinehart made a motion to hire Foster & Foster to be the plan administrator and authorize the Plan attorney to negotiate a 20% discount on the annual fee if both boards hire them and purchase the online retirement portal, with the discount to be no lower than 10%; Member Campbell seconded the motion, which passed unanimously.

Neither Board was interested in going with the city’s offer at this time as they prefer to have a say in the hiring of an administrator.

There being no further business the meeting of the Boards was adjourned at 4:40 p.m.

Respectfully Submitted:

Siera Feketa
Plan Administrator

Approved:

Scott Kaplan, CPPT, Vice Chairman
General Employees’ Pension Board

Claude Campbell, CPPT, Vice Chairman
Police/Fire Pension Board