

**CITY OF PUNTA GORDA POLICE OFFICERS'  
RETIREMENT SYSTEM PENSION BOARD OF TRUSTEES  
SPECIAL MEETING MINUTES**  
City Council Chambers, 326 West Marion Avenue, Punta Gorda, FL 33950

Friday, October 18, 2019 at 3:00PM

**TRUSTEES PRESENT:** Dylan Renz  
Sam Kiburz  
Chris Salsman  
Gerald O'Halloran

**TRUSTEES ABSENT:** None

**OTHERS PRESENT:** Scott Christiansen, Christiansen & Dehner  
Siera Feketa, Foster & Foster  
Candice Bonilla, Foster & Foster  
Patrick Donlan, Foster & Foster  
Kerry Richardville, AndCo Consulting  
Members of the public

1. **Call to Order** – Dylan Renz called the meeting to order at 3:00PM.
2. **Roll Call** – As reflected above.
3. **Next Scheduled Meeting**
  - i. Dylan Renz commented the quarterly meeting would be on December 19, 2019 at 1:30PM.
4. **Citizen Comments on Agenda Items Only** – None.
5. **Public Comments** – None.
6. **Quasi-Judicial Public Hearings** – None.
7. **New Business** – None.
8. **Unfinished Business**
  - a. Discussion of Experience Study
    - i. Dylan Renz commented the purpose of the meeting was to discuss the experience study.
    - ii. Patrick Donlan gave a brief overview of the purpose of the experience study.
    - iii. Patrick Donlan gave a brief overview of the investment return history.
    - iv. Patrick Donlan gave a brief overview of the target asset allocation versus the capital market assumptions commenting the City's funding requirement increases were due to lowering the expected level of future investment earnings. Patrick commented all other assumptions were going in the other direction, which helped.
    - v. Patrick Donlan reviewed the salary increase assumptions. Sam Kiburz asked if the exposed total figure of 285 meant there were 285 members in the plan. Patrick commented no, it had been 285 members over a 10-year period. Patrick reviewed the actual salary increase and proposed increases. Patrick commented salary increases have been less than the assumed 6.0% rate. However, it appears that during the first 5 years of service the actual salary increase exceeded the 6.0% assumption. Patrick commented the effect of adopting the proposed salary increase table would reduce the City's contribution by \$51,174 dollars.
    - vi. Patrick Donlan reviewed the retirement rate assumptions. Patrick commented prior to 25 years of service, for the first year eligible for

Normal Retirement they would assume 50% of eligible members retire, 20% retire each of the next four years and that 100% retire five years after first eligibility.

- vii. Patrick Donlan reviewed the turnover within the plan and the withdrawal experience. Patrick commented this had been higher than the current assumption, which is why the proposal was to increase the rates in the current table by 25%.
- viii. Patrick Donlan reviewed the summary of results commenting they could go with a lower assumed rate of return than 7.40%, but it would increase the City's contribution.
- ix. Dylan Renz asked if there was a rate that would not cost more or less for the City but would be more of a breakeven point to where they were now. Patrick Donlan commented they would need the experience study approved for the October 1, 2019 valuation. Patrick commented effective with the October 1, 2019 valuation report they could determine the rate so that it would not cost more or less for the City.
- x. Kerry Richardville reviewed the National Association of State Retirement Administrators (NASRA) assumptions.
- xi. Kerry Richardville commented any cut to the assumed rate of return would be beneficial for the fund. Kerry reviewed other plans that had been incrementally decreasing their assumed rate of return. Scott Christiansen commented the problem with an incremental decrease was that it would cause a savings to the plan. Scott Christiansen commented Patrick could change the assumed rate of return so there would be no change to the City's contributions.
- xii. Dylan Renz asked Patrick Donlan and Kerry Richardville if there was a downside to using this method. Both Patrick and Kerry commented no.
- xiii. Sam Kiburz commented based on his calculation the assumed rate of return to cause a breakeven point for the City would be 7.18%. Scott Christiansen commented the figures used by Sam were based off the October 1, 2018 assumption and Patrick would base the assumed rate of return on the October 1, 2019 assumptions. Patrick Donlan commented it would be around 7.18%.
- xiv. Sam Kiburz reviewed the handout he provided to determine the 7.18% assumed rate of return.
- xv. Sam Kiburz commented if the plan used a 7.00% assumed rate of return it would be on the conservative side. Kerry Richardville, Patrick Donlan, and the board discussed the trend of decreasing the assumed rate of returns.
- xvi. Sam Kiburz recommended dropping the assumed rate of return to 7.00%.
- xvii. Gerald O'Halloran asked how the plan compares to other plans. Kerry Richardville reviewed the assumed rate of returns for other City plans.

**The board agreed to reduce the assumed rate of return from 7.75% to 7.00% along with all assumption changes in the experience study effective with the October 1, 2019 valuation report, upon motion by Sam Kiburz and second by Gerald O'Halloran; motion carried 4-0.**

- xviii. Patrick Donlan commented based on quick math, this would be a potential impact of \$42,000.
- xix. Scott Christiansen asked about the share plan information from the Union. Dylan Renz commented he spoke to the Union rep the day before the meeting who had presented the information to the Police Benevolent Association (PBA) multiple times and they had not responded.
- xx. The board briefly discussed a disability applicant. Scott Christiansen commented the applicant was set to go to trial on October 22, 2019 but changed his plea and made a deal. Scott commented he was waiting on the court documents. Scott commented the judge withheld adjudication. Scott added the applicant still committed a crime while becoming disabled and therefore, may be ineligible for the pension benefit. Scott



commented he would speak with the applicant's attorney and discuss the potential ineligibility with him.

- xxi. Scott Christiansen gave a brief overview of the disability provisions for the plan.
- xxii. Scott Christiansen commented a judge agreed the applicant was still able to apply for the disability, but the judge could not agree to award the member a disability benefit. Scott commented the member was claiming Post-Traumatic Stress Disorder (PTSD) from the shooting.

- 9. **Staff Comments** – None.
- 10. **Committee/Board Comments** – None.
- 11. **Citizens' Comments** – None.
- 12. **Adjournment** – The meeting adjourned at 3:28PM.

Respectfully submitted by:

Siera Feketa  
Siera Feketa, Plan Administrator

Approved by:

Dylan Renz  
Dylan Renz, Chairman

Date Approved by the Pension Board:

DECEMBER 19, 2019