GENERAL EMPLOYEES PENSION BOARD

Minutes of Special Meeting
October 18, 2012
Finance Director's Office

Meeting was called to order by Chairperson, Stephen Swank at 9:02 a.m.

Item 1. Roll Call

Members Present:	David Boyd, James Smith, Stephen Swank and Milena Walinski
Members Absent:	Vincent Doyle
Guests Present:	Brian Shutt and Karen Schell

Item 2. Approval of the General Employees Pension Board Agenda for October 18, 2012.

Ms. Walinski moved to approve the agenda October 18, 2012, seconded by Mr. Boyd. Said motion passed unanimously.

Item 3. Review of Ordinance of Early Retirement for Terminated/Vested Members.

Ms. Schell explained Mr. Thomas Akins was a terminated vested member who separated from the City in September 2006. He was told verbally and in writing on two different instances he would be able to collect early retirement at the age of 55 if he so chose. At that time Mr. Akins left his funds in the plan, and has decided to collect early retirement at age 58. All procedures were followed and information forwarded to the actuary. The actuary responded indicating Mr. Akins is not eligible for early retirement. If one did not elect to retire at the time of termination/separation, they had to wait for normal retirement age. Ms. Schell explained her action was consistent with previous actuarially approved early retirement for several other individuals. Following research, the actuary indicated the net reduction in the present value of projected benefits would be $48,172; a 0.04% total of projected plan benefits. The actuary indicated since this difference is so small on a relative basis, they suggested that the City allow the former Plan members their benefits to continue unchanged.

The actuary indicated one of the options would be to collect the retirement benefits that were paid earlier than allowed. As illustrated on the list, there are individuals receiving payments since 1994 2006. The question is: is it fair to collect previous payments made in error that have an insignificant financial impact?

Mr. Shutt indicated he had outside conversation with pension Attorney, Jim Linn. Basically the ordinance is okay, just the application of the ordinance. Going forward it is his understanding we have not sent any letters, said anything or provided any information to any other employees who have separated and may be under the impression that they could retire early at age 55. From here on there should be no similar circumstances. Mr. Shutt's advice is to allow these individuals to go forward with continued benefit payments who have requested it along with Mr. Akins. We shouldn't have to worry about the future as it is being addressed at this time and has not been promised to anyone else.

In response to Ms. Walinski's question if letters were sent to other terminated vested members with any type of early retirement date, Ms. Schell indicated previously there was another circumstance that was addressed. Normal retirement was age 60 and/or 30 years of credited service regardless of age. The 30 years of service was being taken into consideration as the earliest of retirement dates even though the Individuals were not physically working all those years. One must physically work the 30 years in order to be eligible for normal retirement. We corrected this and sent letters out stating normal retirement date is at age 60. There was no mention of early retirement to these individuals.

Further discussion pursued among board members.

Ms. Walinski moved to accept continuation of benefit payments to the five individuals based on the actuary's recommendation and approve the processing of Mr. Akins request to receive early retirement benefits, seconded by Mr. Boyd. Said motion passed unanimously.

Mr. Smith requested an agenda item be added for the next regular meeting of consideration of a presentation before the City Commission. Update the City Commission on the performance of the General Employees' pension plan; new regulations coming forth from Tallahassee.

Motion to Adjourn:

There being no further business, Mr. Boyd moved to make a motion for adjournment, seconded by Ms. Walinski. Said motion passed unanimously. The meeting adjourned at approximately 9:34 p.m.

The undersigned is the Finance Director of the City of Delray Beach and the Secretary for the General Employees' Pension Board. The information provided herein is the minutes of the City of Delray Beach General Employees' Pension Board of October 18, 2012, which minutes were formally approved and adopted by the General Employees' Pension Board on November 15, 2012.

David Boyd
Secretary, General Employees' Pension Board

cc: David Harden, City Manager
Brian Shutt, City Attorney
Department Heads