

**MINUTES OF THE MEETING OF THE STEERING COMMITTEE
OF THE BOARD OF TRUSTEES OF THE TAMPA FIRE & POLICE PENSION FUND
3001 North Boulevard
Tampa, FL 33603 (813) 274-8550
Wednesday January 15, 2020 10:00 a.m.**

The Steering Committee of the Board of Trustees of the City Pension Fund for Firefighters and Police Officers in the City of Tampa met in the Executive Offices Conference Room on the 8th floor of the Tampa Municipal Office Building on Wednesday, January 15 2020 at 10:00 a.m. regarding business requirements for the new pension administration system with the following members present:

Patrick Messmer, Committee Chair
Gregory Reed
Dennis Rogero

Mr. Robert Klausner, General Counsel, participated telephonically.

The committee met to discuss procedural and policy changes related to the pension administration system (PAS).

The line-of-duty death benefit calculation was reviewed. It was noted that the contract states that the calculation is based on “100% of the member’s final year’s earnings.” Ms. Ernst expressed concern that this may result in a lesser benefit than that of a line-of-duty disability benefit, which is calculated using base salary plus any additional pensionable earnings. She noted that while the calculations are similar, the current line-of-duty death benefit calculation would be impacted by gaps in service and opined that the spirit of the contract is that the benefits be calculated in the same manner. Mr. Klausner opined that the differing language is a result of the contract being amended in pieces over several decades, adding it is reasonable to handle the issue by defining “earnings” for the purpose of this calculation in the Fund’s operating rules. *It was agreed upon by general consensus to recommend using the same earnings calculation methodology for line-of-duty death and disability benefits effective upon go-live with the new pension administration system.* Ms. Ernst noted that a rule will be drafted by Committee 3 for approval by the Board prior to the go-live date for the PAS.

The calculation of average final compensation (AFC) was also discussed. Ms. Ernst explained that the base system can only accommodate one calculation methodology, not the recently adopted methodology contained in Policy 901 - Calculation of Average Final Compensation. She noted that since this policy was adopted as a result of a member request, approximately 50 people have retired and the only person who has benefited from the alternate methodology was the member who approached the Board the prior year. She noted that the Fund could pay to customize this piece of the system, but strongly advised against it because diverging from the base product comes with additional risks. Ms. Ernst recommended that the policy be revised so that AFC is calculated using the current year in which a member retires and the last part of the third highest year, reiterating that benefits have been calculated in this manner for years with only one exception. She also requested that the definition of “year,” as it relates to earnings in Policy 901, be amended such that earnings are captured on a fiscal year basis. Ms. Ernst explained that the PAS records and reports earnings on a fiscal year basis and the City is providing the information on a pay period basis, which eliminates previous limitations and allows the Fund to adopt practices to fit the system. It was noted that the requested amendments would be effective upon go-live with the new PAS.

[Mr. Rogero entered at 10:17 a.m.]

Mr. Klausner advised that there are no legal objections to the requested changes and recommended that the Board elect a single calculation methodology, adding that it would be appropriate for the policy to provide for members to seek relief if they see a financial loss as a result from the elected calculation methodology. Discussion ensued and concerns were expressed about ensuring members receive the benefit of the best methodology. It was reiterated that an appeal process could ensure that anomalies will be captured and benefits calculated accordingly.

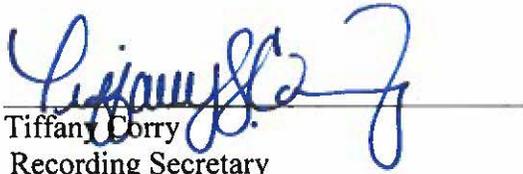
Discussion also ensued regarding the definition of year, as it relates to earnings. It was noted that the requested change would align regular and overtime earnings, eliminating the possibility of receiving pension credit for more than 300 hours of overtime in a calendar year. *It was agreed upon by general consensus to recommend the elimination of the calculation methodology described in section 4(a) and amend the definition of "year" as described in Section 3(a) of Policy 901 – Calculation of Average Final Compensation effective upon go-live with the new pension administration system.*

The rules and procedures contained in Policy 439 – Buy-backs of Past Credited Service were reviewed. Ms. Ernst advised that she is recommending that the policy be amended and service be awarded incrementally with the new PAS. She also noted that because service credit in the PAS is being tracked on a decimal basis, buy-back service credit also needs to be decimal based. Current practices were discussed and it was noted that if a member separates from service prior to paying off a service purchase, the member has the opportunity to have the actuary calculate incremental service anyway. It was noted that members will not be adversely affected by this policy change. *It was agreed upon by general consensus to recommend the award of incremental service credit on a decimal basis effective upon go-live with the new pension administration system.*

The motion to adjourn was made at 10:35 a.m.



Patrick Messmer
Committee Chair



Tiffany Corry
Recording Secretary

Notice

Any person who desires to appeal any decision of the Board of Trustees with respect to any matter considered at this Board meeting will need a record of the proceedings and for this purpose, may need to ensure that a verbatim record of the proceedings is made which includes testimony and evidence upon which the appeal is based.