

[[THE FOLLOWING SUMMARIZED MINUTES WERE CONDUCTED IN PUBLIC SESSION. THERE WAS NO PORTION OF THE MINUTES THAT WERE IN EXECUTIVE SESSION.]]

The Board of Trustees of the Fire and Police Disability and Retirement Fund (FPDR) met in Executive Session pursuant to ORS 192.660(2)(h) to consult with legal counsel on the 24th day of March, 2015 at 12:45 p.m.

At 1:05 p.m. the Board came out of Executive Session and took a 10-minute break. The regular meeting of the Board of Trustees of the FPDR was called to order at 1:15 p.m.

Board Members Present Included:

Mayor Charlie Hales, Chair
Mr. Jason Lehman, Fire Trustee
Mr. Robert Foesch, Police Trustee

Trustees Absent Were:

Mr. Justin Delaney, Citizen Trustee
Mr. David Dougherty, Citizen Trustee

Also Present Were:

Mr. Samuel Hutchison, FPDR Director
Ms. Kimberly Mitchell, FPDR Claims Manager
Ms. Nancy Hartline, FPDR Finance Manager
Ms. Derily Bechthold, Deputy City Attorney
Mr. Kenneth A. McGair, Deputy City Attorney
Ms. Christine Fleming, Milliman
Mr. Gabe Sansone, Fire Liaison
Ms. Crystal Viuhkola, Police Liaison
Mr. Alan Ferschweiler, President PFFA
Mr. Dave Short, Retired Fire Member
Mr. Joe Gymkowski, Fire Member
Mr. Del Stevens, Retired Fire Member
Mr. Henry Groepper, Retired Police Member
Mr. Nelson Hall, Attorney
Ms. Maxine Bernstein, Oregonian
Mr. Josh Alpert, Office of Mayor Hale - Director of Strategic Initiatives
(Other unknown audience members)

Mayor Hales called the meeting to order and a roll call was taken. Mayor Hales then asked for approval of the minutes.

[[THE FOLLOWING SUMMARIZED MINUTES WERE CONDUCTED IN PUBLIC SESSION. THERE WAS NO PORTION OF THE MINUTES THAT WERE IN EXECUTIVE SESSION.]]

Mr. Foesch made a motion that was seconded by Mr. Lehman and passed by a roll call vote of 3-0 to approve the January 27, 2015 minutes.

<i>Aye</i>	<i>Mayor Hales, Mr. Foesch, Mr. Lehman</i>
<i>Nay</i>	<i>None</i>
<i>Abstain</i>	<i>None</i>
<i>Absent</i>	<i>Mr. Delaney, Mr. Dougherty</i>

General Public Comments were then taken.

Mr. Stevens raised the following issues: 1) regarding PERS forgiving the overpayment issue with their retired members and 2) regarding the board's decision to have meetings every other month. Mayor Hales informed Mr. Stevens that staff for the FPDR have prepared a memorandum that responds to his two issues. Mr. Stevens also raised an issue about the overpayment recovery and whether Risk Management could "make it right" for the retirees that repaid the overpaid benefit. Mayor Hales advised that they would get an answer to that issue. Lastly, Mr. Stevens stated that in the current climate in government people want to see things transparent and want to know what is going on. He stated that Tualatin Valley Fire and Rescue have a monthly meeting, which is announced in the Oregonian and the agenda is published two weeks prior to the meeting. He stated that FPDR is going in the other direction. He stated that the FPDR meetings are going to bi-monthly meetings with no meetings in the summer and the only way one can find out about the agenda is that you have to wait two weeks prior to the meeting and look it up on the internet. He stated that many people do not even have computers and it is the wrong way for the FPDR to go. He stated that he would like to see the board publish the agenda and announce the meeting in the paper as a public announcement just like other organizations.

Mr. Joe Gymkowski then addressed the Board. He stated that he came to the Board because he cannot get resolution anywhere else. Mr. Gymkowski stated that he was medically separated from the City in 2005, is no longer a firefighter and is a civilian. However, he recently got a letter that stated that he was going to be retired. He questioned how you retire a civilian. He stated that he came to the board because the next step for him is legal recourse.

Mr. Dave Short addressed the Board and read his prepared statement. [Mr. Short's statement is being filed along with these minutes]. Mr. Short raised concerns about the lack of retiree representation on the board. He also stated that he believed there were at least five grievances Local 43 filed related to retirees which are working their way through the system with two others recently ruled on by the State court that directly affected pensioners and went over some of them. He also went over decisions of the board, costs to the budget and impacts to retirees.

[[THE FOLLOWING SUMMARIZED MINUTES WERE CONDUCTED IN PUBLIC SESSION. THERE WAS NO PORTION OF THE MINUTES THAT WERE IN EXECUTIVE SESSION.]

Action Item No. 1 – Resolution No. 499 – Pension Program Performance Evaluation Contract Authorization

Ms. Hartline explained that the resolution authorizes contracting with the consulting group at Moss Adams to perform the pension program audit that the board directed staff to have done. She stated that the not-to-exceed price is a little under \$76,000 and expects to have most of the work completed by June 30th with a presentation to the Board in July.

By a roll call of 3-0 Resolution No. 499 was approved.

<i>Aye</i>	<i>Mayor Hales, Mr. Foesch, Mr. Lehman</i>
<i>Nay</i>	<i>None</i>
<i>Abstain</i>	<i>None</i>
<i>Absent</i>	<i>Mr. Delaney, Mr. Dougherty</i>

Action Item No. 2 – Disability Audit Report

Ms. Christine Fleming of Milliman presented the disability audit report. She stated that Milliman was hired to review the claims operations of FPDR and went over the process. She stated that there were five specific areas that were encompassed in the operation and went on to say that the operational review took place last August/September/October and consisted of lengthy and extensive interviews of all major claims personnel and people who had influence in the claims operation, as well as looking at claim files and reviewing documentation and data. Ms. Fleming stated that the key findings were very favorable and Milliman was very impressed with the operation, particularly compared with other similar operations that perform comparable services around the country. She stated that in every category the management of the disability claims of the FPDR was either meeting or exceeding industry standard practices. She added that 93 percent of the files that we reviewed met or exceeded industry standards in one or more categories and none of them failed industry standards in all categories.

Nonetheless, she stated that there were some opportunities for improvement, but they were not major problems by any stretch. She explained that there were some inconsistencies noted in some of the interview questions but having a training program or claims manual could help aid in making sure that consistent results are being effectuated throughout the operation. Ms. Fleming stated that the FPDR was a unique and interesting program because it is providing disability benefits for both service and nonservice and that is virtually unheard of. She stated that workflow is working well, vendor management is good and FPDR does not seem to be inefficient in terms of hiring outside resources and wasting a lot of time and money on outside resources. She also explained that they were favorably impressed with the return to work program. She concluded by saying that there has been progress made since the earlier audits.

Regular Meeting on March 24, 2015 of the Board of Trustees
Fire & Police Disability & Retirement Fund
Page 4 of 4
Minutes - Summary

PUBLIC SESSION

[[THE FOLLOWING SUMMARIZED MINUTES WERE CONDUCTED IN PUBLIC SESSION. THERE WAS NO PORTION OF THE MINUTES THAT WERE IN EXECUTIVE SESSION.]

Mr. Hutchison stated that as Mayor Hales had to leave the meeting, the other items on the agenda would be continued to the April meeting.

There being no further business, the meeting was adjourned at 1:48 p.m.

Samuel Hutchison
Director

/kk