

[DRAFT – NOT YET APPROVED BY THE BOARD OF TRUSTEES]

Regular meeting on May 23, 2017 of the Board of Trustees
Fire & Police Disability and Retirement Fund
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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.]

A regular meeting of the Board of Trustees of the Fire and Police Disability and Retirement Fund was called to order on the 23rd of May, 2017 at 1:04 p.m.

Board Members Present Included:

Jason Lehman, Fire Trustee, Chair Pro Tempore
Justin Delaney, Citizen Trustee
Catherine MacLeod, Citizen Trustee
Brian Hunzeker, Police Trustee

Board Members Absent Were:

Jennifer Cooperman, Mayoral Delegate

Also present were:

Samuel Hutchison, FPDR Director
Kimberly Mitchell, FPDR Claims Manager
Stacy Jones, FPDR Finance Manager
Franco Lucchin, Senior Deputy City Attorney
Lorne Dauenhauer, FPDR Outside Legal Counsel
Crystal Viuhkola, FPDR Police Liaison
Alan Fershweiler, President, PFFA
Del Stevens, President Fire Retirees Association
Dave Short, Vice President Fire Retirees Association

Trustee Lehman called the meeting to order. A roll call of those present was taken. Trustee Lehman then asked for approval of the minutes.

Trustee Delaney made a motion that was seconded by Trustee Hunzeker and passed by a unanimous vote of 4-0 to accept the March 21, 2017 minutes.

<i>Aye</i>	<i>Trustee Delaney, Trustee Hunzeker, Trustee Lehman, Trustee MacLeod</i>
<i>Nay</i>	<i>None</i>
<i>Abstain</i>	<i>None</i>
<i>Absent</i>	<i>Trustee Cooperman</i>

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There were no General Public Comments.

Action Item No. 1 – Resolution 516 – State of Oregon, Office of Administrative Hearings/Employment Department (OAH) Intergovernmental Agreement

Director Hutchison provided some background about Resolution 516 and explained that the Oregon Office of Administrative Hearings (OAH) hears disputed disability claims and disputed pension decisions and has been providing its services to FPDR since 2007. Director Hutchison explained that after some research, the Board in 2006 determined that there were no other organizations besides OAH to hear FPDR’s contested disability and pension claims with the qualifications required by the Charter. Director Hutchison also added that staff has intermittently done some research on this matter as well and no other organization has the experience and appellate process that compares to OAH. The last renewal of the Intergovernmental Agreement between FPDR and OAH was approved in 2013. FPDR is now at the end of that four-year agreement and staff requests the Board approve authorizing the FPDR Director to enter into another four-year agreement with OAH for a not to exceed amount of \$400,000, which is the same amount as the prior agreement.

Trustee Delaney made a motion that was seconded by Trustee Hunzeker and passed by a roll call vote of 4-0 to adopt to approve Resolution 516.

<i>Aye</i>	<i>Trustee MacLeod, Trustee Delaney, Trustee Hunzeker, Trustee Lehman</i>
<i>Nay</i>	<i>None</i>
<i>Abstain</i>	<i>None</i>
<i>Absent</i>	<i>Trustee Cooperman</i>

Action Item No. 2 – Resolution 517 – Tax Anticipation Notes (TANs)

FPDR Financial Manager Stacy Jones explained that every year FPDR issues tax anticipation notes. Stacy went on to explain that TANs are short term bonds used to fund FPDR from July 1st which is the start of the fiscal year until property tax revenue comes in around the middle of November. Resolution 517 authorizes FPDR to issue up to \$44.3 million in TANs. Stacy added that staff will continue to update and refine that number until the middle of June. Stacy also stated that in the past FPDR has benefited and earned more money from TANS, but this year FPDR may break even or have a loss as a result of City Council’s decision to discontinue investing in all corporate securities. Trustee Delaney asked what option FPDR has to invest elsewhere. Stacy replied that there were no other options because under the Charter FPDR has to deposit the funds with the City Treasurer. The Board expressed interest in conveying to City Council their concern as fiduciaries with the reduction in FPDR’s interest earnings as a result of City Council’s decision. The FPDR’s outside legal counsel, Lorne Dauenhauer, addressed the Board and stated

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that it would be an appropriate exercise of fiduciary responsibility to express to City Council how their decision is impacting the FPDR and that the funds are to be invested solely for the benefit of plan participants. Director Hutchison and Stacy will strategize on how best to address this issue and will get back to the Board.

Trustee Hunzeker made a motion that was seconded by Trustee MacLeod and passed by a roll call vote of 4-0 to approve Resolution 517.

<i>Aye</i>	<i>Trustee Lehman, Trustee MacLeod, Trustee Delaney, Trustee Hunzeker</i>
<i>Nay</i>	<i>None</i>
<i>Abstain</i>	<i>None</i>
<i>Absent</i>	<i>Trustee Cooperman</i>

Information Item No. 1 – Legislative Updates

Director Hutchison provided updates to some legislative bills that could impact FPDR. Director Hutchison stated: 1) There were no bills regarding workers’ compensation this legislative term that would affect the FPDR’s disability plan; 2) There were six tax remedy bills that may have affected FPDR 1 and 2 retirement benefits, but none of those bills made it out of committee; and 3) There are two major PERS reform bills that will affect FPDR 3 members. Senate Bill 559 and 560 are both designed to help manage the cost of PERS. Both bills went to the Ways and Means Committee but no action has gone forward at this time. The intent of these bills are to lower the employee cost of PERS, which could help with FPDR’s levy and expenses.

Director Hutchison also remarked that some of these proposed changes to PERS could make FPDR employees close to retirement consider retiring earlier than planned. Forty-five percent of FPDR’s staff are retirement ready and Director Hutchison expressed concern that not only could FPDR lose a large portion of its staff but that recruiting for new employees could be hindered by a loss in benefits.

Information Item No. 2 – FPDR Updates

Director Hutchison explained that the City by resolution in December 2015 instituted a policy for all-gender bathroom facilities and directed that all City bureaus examine their written policies and procedures to evaluate and, if possible, replace gender specific language. FPDR has reviewed all its forms and documents and all of its forms are gender neutral. FPDR also changed its Administrative Rules to be gender neutral. No substantive changes were made but per the FPDR Administrative Rules it is being reviewed by the FPDR liaisons and the City Attorney’s office before it is finalized and printed.

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Director Hutchison also mentioned that PFFA and PPCOA have filed a grievance against the City. In November, City Council passed an ordinance to change Chapter 5 of the City Charter to restore the 27 pay period calculations for union represented members. The non-union represented members left out of this decision have stated they should be included. FPDR will keep the Board updated on this matter.

Information Item No. 3 – Future Meeting Agenda Items

Director Hutchison stated staff has no topics to discuss in July and asked the Board whether a July board meeting should be held. The Board stated they would like to keep the July meeting date on the schedule and make a decision later if there continues to be no agenda topics. Director Hutchison added that staff will present the State of FPDR at the September meeting and in November tax remedy rules will be presented and the 27 pay period rules originally introduced in November 2016 will be reintroduced.

Information Item No. 4 – FPDR’s Summary of Expenditures

Trustee Lehman asked Stacy if there was anything she would like to point out about the Summary of Expenditures. Stacy explained that pension expenses were high in April because a couple of times a year two pension payments are made in one month if the 1st day of the month lands on a weekend.

There being no further business, the meeting was adjourned at 2:12 p.m.

Samuel Hutchison
FPDR Director

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