

EXECUTIVE SUMMARY



TO: Greg Veliz, City Manager

FROM: Cheri Smith, Chairperson, Key West General Pension Board

DATE: 4/20/2020

SUBJECT: Amending Ordinance 46, Section 63 of the City of Key West General Employees Retirement Plan

ACTION STATEMENT:

City of Key West General Employee Retirement Board respectfully request to approve the amendment of chapter 46, section 63 of the code of ordinances, extending trustee terms to four years. The Board of Trustees education policy requires trustees to participate in continuing education classes at the beginning of their term. The board has adopted an education policy that encourages each trustee to obtain certification in a public pension program. The certification program is a three-year program. With the current terms of elected trustees of two to three years and appointed members three years it places a financial hardship on pension funds and educational requirements.

(a) Proposed – All members of the board of trustees shall serve a four-year term after their current term ends and they are re-elected, reappointed or replaced

BACKGROUND:

Continuing Education Fiduciary Education Policy City of Key West General Employees Retirement Plan

Introduction and Purpose

The City of Key West General Employees Retirement Plan Pension Board (the "Board") has the duty to oversee the City of Key West Employees Retirement Plan (the "Plan").

Under the terms of the Plan, it is always the duty of the Board to carry out the provisions of the Plan and to act in the best interest of the Plan, the Plan's participants and beneficiaries, and the Plan's trust fund.

Continuing Education Requirements

All Board members shall participate in continuing education, annually, beginning with the first year after the Board member is elected or appointed to the Board. Each Board member should complete a minimum of 16 hours of continuing education within a 16-month period, provided all travel is approved. The topics covered by the continuing education may include the following: pension plans; fiduciary duties and liability; investments, investment management; funding; conflicts of interest; ethics; the role and responsibilities of Board members; audit and actuarial reports; and any other related topic that the Board deems essential for overseeing of the Plan as a fiduciary.

Guidelines for Programs and Costs

Options to fulfill each Board member's continuing education requirement may include any of the following:

Florida Public Pension Trustee Association (FPPTA) (or a similar State organization) Annual Conference and/or Trustee School;

Seminars or conferences sponsored by professional organizations;

Online continuing education coursework;

Continuing education received at any Board meeting; or any other continuing education approved by the Board.

Reasonable costs and expenses for continuing education programs and activities shall be paid by the Plan upon prior approval of the Board.

Board members may seek reimbursement for reasonable continuing education costs and expenses from the Board; however, reimbursement will only be made upon proper documentation and prior authorization by the Board.

FINANCIAL IMPACT:

Bases on the actuarial assumptions and methods employed in the October 2018 Actuarial Valuation, the proposed Ordinance is a No cost Ordinance under State funding requirements.

RECOMENDATION:

Approve the amended changes to Ordinance 46, section 63 extending trustee terms to four years.