

MINUTES OF THE DOUGLAS PENSION COMMITTEE
AUGUST MEETING
August 28, 2014

The following members were present:

Joe Lorenz	Lee Lazure	Kathy Allen	Brad Alexander
Tom Wheeler	PJ Morgan	Jennifer Beisheim	

Members Absent:

Ken Lant	Mark Foxall	Patrick Bloomingdale
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Glen Gahan with SilverStone Group, Bernie Monbouquette and Bill Ouren with the County Attorney, Dan Esch with the Clerk's Office, Kathy Adair, Asst. Secretary and Debbie Otwell, Human Resources, were also present.

At 9.00 a.m. Lee Lazure called the meeting to order. The minutes from the June 26, 2014 pension meetings were reviewed and a motion was made by Brad Alexander to approve minutes as presented. Motion was seconded by Tom Wheeler and carried.

Lee Lazure informed the committee that there was a request by Maureen Matt, a previous 911 Communication Operator and her attorney John Corrigan for a 2nd level appeal on a disability denial from Mutual of Omaha. The committee was asked for dates for a Special Pension Meeting to hear the appeal and a future date will be set.

The committee was informed by Lee Lazure, Pension Committee Chair and Bernie Monbouquette, Deputy County Attorney of an overpayment of Long-Term disability benefits to Mr. Odis Ross, a 24 year previous Correction employee. Mr. Ross received a lump-sum Social Security Disability Award of \$8400.00 on February 1, 2012. He also received a lump-sum Workers' Compensation disability benefit in the amount of \$18,469.22 on August 25, 2011. Both lump-sum benefit payments resulted in an overpayment of \$26,869.22 of which a balance of \$26,019.22 is still outstanding on the Long-Term Disability benefit Mr. Ross received over the same period. Mr. Ross signed a Social Security and Workers' Compensation Reimbursement Agreement on September 15, 2011 that acknowledged he would repay any overpayment back to the County Pension Fund upon request. Mutual of Omaha, our disability administrator, Bernie Monbouquette from the County Attorney's office along with Kathy Adair from the benefits office have made over nine attempts to communicate with Mr. Ross regarding the overpayment and set up repayment arrangements with no response. There has been no attempt, communication or arrangement to repay the pension fund on the disability overpayment from Mr. Ross. Mr. Ross is currently receiving a monthly pension benefit from the Douglas County Pension Fund as of January 1, 2014 in the monthly amount of \$2,525.99 along with Social Security Disability of \$1680/month and Workers' Compensation Disability benefits of \$1200/every two weeks for a monthly total of \$6605.99/month. On March 18, 2014 the County Board passed a Resolution that enables the pension committee to recoup any and all overpayments from the participant and/or their survivor(s) monthly pension benefit. (Section 10.1). After the committee was informed of the events regarding the overpayment since 2011, Mr. Ross was given the opportunity to respond to the overpayment. He explained his disability and injury from PCT training and pain medications he has been on. He also explained confusion due to his pain medication and the fact his wife had lost her job, college expenses for his children and his financial hardship. He offered to the committee that he could pay a monthly amount of \$180.00 toward the overpayment. The offer of \$180/month would take well over twelve years to repay and with no interest charged. After some discussion Mr. Ross stated that he could make payments of \$200/month which is 7.7% of his monthly pension benefit which would take over ten years to repay the overpayment. After some discussion a motion was made by Jennifer Beisheim at 9:20a.m. to go into Executive Session to discuss the offer in detail with the committee members, the motion was seconded by PJ Morgan and carried. Everyone other than the committee members and the County Attorney were excused. At 9:32a.m. the committee came out of Executive Session and resumed

the meeting by motion from PJ Morgan and seconded by Jennifer Beisheim, motion carried. The committee explained to Mr. Ross the obligation to repay and his signed agreement and that the committee had the authority to withhold up to 30% from his monthly pension benefit which would be \$758/month. After some discussion Jennifer Beisheim made a motion to withhold \$505/month from Mr. Ross monthly pension benefit or approximately 20% beginning with October 1, 2014 if Mr. Ross would sign a formal agreement no later than September 3, 2014 and agree to the terms to pay. If Mr. Ross did not sign the formal agreement to repay the overpayment by the September 3, 2014 deadline date then the committee would take further action to withhold the maximum authorized amount of 30% or \$758/month until the overpayment was satisfied. The motion was seconded by PJ Morgan and the motion was unanimous by a 7-0 vote. Mr. Ross asked for the decision to be tabled until he could consult with his attorney Tim Dowd. Bernie Monbouquette from the County Attorney's office explained to Mr. Ross that he had been in touch with Tim Dowd and was told by Mr. Dowd that he did not represent Mr. Ross on the overpayment issue therefore the committee's decision to withhold the \$505/month or 20% beginning October 1, 2014 was upheld.

Andrew Gillentine from Asset Consulting was present to review the 2nd quarter investment report. Andrew also reviewed the information from State Street Aggregate Bond Index fund (K Share Class) Reallocation and made recommendation to the committee to move the current funds to the new investment fund which would have some savings on the current fees. A motion was made by Joe Lorenz and second by PJ Morgan to move the current investment funds with State Street to the new Aggregate Bond Index. Motion carried. Andrew will prepare the documents for the reallocation and forward to Douglas County for signatures and processing for US Bank.

The committee approved the current procedure on pension committee member replacement for Lee Behrens' position on the committee due to his retirement. Kathy Adair will send notice of vacancy and the pension committee job description to all the departments. The deadline for letters of interest will need to be sent to Kathy Adair no later than September 22, 2014. The committee will review the letters of interest at the September 25, 2014 pension meeting and make a recommendation to the County Board for approval.

The committee was updated on the Disability Report and Summary of Activities report for the months of July and August as well as the first half retirement report for 2014.

In Other Business, PJ Morgan made a motion at 10:20a.m. to into Executive Session to discuss personal vendor relationship issues. Motion was seconded by Jennifer Beisheim. The committee came out of Executive Session at 10:30a.m. Motion made by PJ Morgan to resume the committee meeting and seconded by Jennifer Beisheim. Motion carried.

There being no further business Tom Wheeler made a motion to adjourn which was seconded by Kathy Allen. There will be a Special Pension Committee Meeting on September 19, 2014 and the next regular monthly meeting is scheduled for September 25, 2014 in Room 903 Civic Center at 9:00am.

Respectfully submitted,

Jennifer Beisheim

Jennifer Beisheim, Secretary