

Miramar Firefighters Pension Fund

MINUTES OF MEETING HELD

October 16, 2007

Alan Park called the meeting to order at 9:12 AM in the Conference Room of Fire Station 100 located at 2800 SW 184th Avenue, Miramar, FL. Those persons present were:

TRUSTEES PRESENT

Alan Park, Chairman
Jay Gillette, Secretary
S. Robert Rubin
Noel Marti
Frank Espinosa

James Estep; Advisory Board
Steven Wells; Advisory Board
Susan Finn; Advisory Board

OTHERS PRESENT

Bonni Jensen; Hanson, Perry & Jensen; Counsel
Denise McNeill; Resource Center; Administrator
Don Dulaney; Dulaney & Company; Actuary
Doug Vander Beek & Paul Stover; Principal
Leo Nunez
Sherri Juell & Michelle Bloom; Lockridge, Grindal

Other members of the Plan

TRUSTEES ABSENT

None

PORTFOLIO MONITORING PRESENTATION

Sherri Juell and Michelle Bloom of Lockridge Grindal Nauen presented portfolio monitoring services relating to class action law suits. Ms. Juell explained that the law has changed regarding class action suits and she went on to describe how such changes affect the Pension Fund. Ms. Juell provided a sample report and explained the process. Mrs. Jensen explained that for the Plan's assets currently with Northern Trust in indexed accounts, Northern Trust is responsible to monitor and file the claim. She further explained when a plan has actively managed investments (such as the new SMID investment with Independence), monitoring would be effective. Ms. Juell explained the monitoring service is free of charge with the hope that the Board would hire their firm to represent the Fund should such a class action suit arise. Their firm would then receive a portion of the recovered funds as their payment. In relation to the indexed funds, the firm would also monitor to confirm that the custodial bank has filed on the Fund's behalf. Quarterly updates will be provided for the Board's review. A sample contract along with draft policies and procedures were provided to the attorney for review.

- Robert Rubin made a motion to hire Lockridge Grindal Nauen for portfolio monitoring contingent upon the attorney's approval of the agreement. The motion received a second by Jay Gillette and was approved by the Trustees 5-0.

MINUTES

- Jay Gillette made a motion to approve the minutes of the meetings held June, July and August. The motion received a second by Bob Rubin and was approved by the Trustees 5-0.

Alan Park reported that he had been in communication with Dan Johnson of Merrill Lynch regarding the current status of the Plan's portfolio. At the time of their conversation, the portfolio was up approximately 3% from the prior quarter. Mr. Johnson will be in attendance at the December meeting as scheduled.

OLD BUSINESS

DROP APPLICATIONS: Mr. Park reported that all retro DROP statements have been completed and either hand-delivered or mailed to all participants. Mr. Dulaney reviewed the DROP statements noting that the rollover of unused leave had been correctly reported for Mr. Huber as his funds were properly paid into the pension plan on August 27, 2007. Mrs. McNeill confirmed that the rollover of unused leave time for both Alan Park and Peter Gurdak are awaiting processing from payroll, otherwise all other DROP items have been processed.

ADVISORY BOARD SEAT: Mrs. McNeill explained that the request from Leo Nunez for the open advisory board seat had been received in July. Another member had advised they had tried to send a request to the administrator prior to the deadline however the emails were being rejected. The Administrator explained that she would need proof of the communication issue in order to present a "late" request for consideration to the Board however no such confirmation had been received.

- Noel Marti made a motion to appoint Leo Nunez to the Advisory Board. The motion received a second by Bob Rubin and was approved by the Trustees 4-1.

DISABILITY OFFSET: Mrs. Jensen explained she had received notice of a settlement between Mr. Berwick and the City. Collection of contributions is provided for in the plan, however lengthy discussion followed regarding how such a process could be initiated and how such contributions would be credited to the Plan. Mrs. Jensen will research the provision and will advise accordingly. It was discussed that if there were no other reference in the Ordinance, then it may seem appropriate to have the option removed from the Ordinance entirely.

SUMMARY PLAN DESCRIPTION: The Summary Plan Descriptions (SPD) are available and will be distributed to all members along with Confidentiality Forms by the Firefighter Trustees.

COLA & 75% PURCHASE POWER BENEFIT: The 75% Purchase Power calculations will be calculated by the actuary and forwarded to the Administrator for processing effective with the January 1, 2008 pension payments.

ORDINANCE CHANGE: It was discussed that the City's actuary had approved the pending Ordinance change however the City Manager was expected to address the item upon his return from vacation. No further update was available.

NEW BUSINESS

The 2008 meeting schedule was presented and accepted.

BENEFIT APPROVALS: Denise McNeill presented retirement benefit approvals for Board endorsement for Huber, Cochran, Gurdak, Caliendo, Gillette and Park.

- Frank Espinosa made a motion to approve benefits as presented for Huber, Cochran, Gurdak and Caliendo. The motion received a second by Bob Rubin and was approved by the Trustees 5-0.

- Bob Rubin made a motion to approve benefits as presented for James Gillette. The motion received a second by Frank Espinosa and was approved by the Trustees 4-0. (Jay Gillette abstained from the vote.)
- Bob Rubin made a motion to approve benefits as presented for Alan Park. The motion received a second by Frank Espinosa and was approved by the Trustees 4-0. (Alan Park abstained from the vote.)

RETIREE PAY DATES: Denise McNeill explained that a member had inquired about changing the pay dates to the last business day of the prior month when the first of the month falls on a weekend. Mrs. McNeill explained that there are some other plans processing payment in that manner, however those plans also have issues that arise from reflecting two payments in one month and none in another. Such changes cause problems with the State for child support deductions as well as credit checks for home purchases. The Fund currently makes payment the first business day of the month which is in line with the Ordinance therefore the Board felt it prudent to keep the payment process as it is.

TERMINATION OF A PENSION PLAN: Discussion followed regarding changes in income to local municipalities and the action some are taking to reduce their costs. Bonni Jensen reported on an issue related to the Town of Lake Park. She explained that the Town had chosen to be out of the Public Safety service and changed predominantly to contract services. At that time the pension plans were also terminated however the Fire pension plan did not have enough assets to pay all members resulting in only two members being paid a benefit. The Town had taken the position to first pay existing retirees, then pay to members eligible for retirement and last, any remaining funds to be paid to other members of the Plan. The issue has been in litigation for the past five years and the District Court of Appeal recently advised that the Town must pay the members. The case was transferred back to trial court advising that all statutes relating to the pension should be reviewed since the process used was not in correlation with the statutes. Mrs. Jensen explained that due to the contract in Palm Beach County, when the County service takes over, the existing pension plan needs to be terminated. State law provides that if the City contracts with a provider, then all employees have an option to stay in the existing 175 plan and the County could take over as employer of the plan, making contributions to the plan. The Plan could continue however no additional 175 funds would be received from the State.

BUYBACK REQUEST FROM A MEMBER: Alan Park had received an inquiry from a member who had a twelve month break in service from being terminated and then reinstated. The member was reinstated with seniority, however no back-pay was given. The member is requesting to purchase back the twelve month period, however he was not employed by another Fire Department nor was he on active military duty at the time. Mrs. Jensen explained that, had the City given the member back-pay, the service time could have been bought back however currently, there is no provision in the Plan to allow the purchase of "air-time".

ACTUARY REPORT

Don Dulaney advised that the updated CPI tables are expected to be released on October 17th. He will provide the 75% Purchase Power information to the administrator shortly after that date.

Mr. Dulaney presented the Trustees with a historical tracking of the Chapter 175 contributions to the plan. He explained that the excess Funds can be converted to approximately \$19,000 per year for additional benefits.

It was discussed that the Union has been made aware of the excess funds and has listed the pension as the next item to open negotiations. The Union has also requested updated costs for benefit improvements. Don Dulaney presented a revised Benefit Improvement Cost Study reviewing the report in detail with the Trustees. The same information was presented in two groups; one for all active members (excluding DROP participants) and the other for all active members (including DROP participants). Alan Park noted a benefit from the original study appeared to have been left off of the revision. Mr. Dulaney will have the cost for that item processed and will provide a revised chart to the Board.

ATTORNEY REPORT

Bonni Jensen reported that a response was sent to Alice Murray advising no further benefit is payable from the plan relating to the death of her ex-spouse, Edward Murray.

Mrs. Jensen advised that the IRS has issued a private letter ruling regarding the features of DROP plans, which are in line with the current actions of the Plan. The DROP is considered part of a defined contribution plan, assets held in the DROP are not considered distributions and the funds are allowable for rollover into other qualified plans.

ADMINISTRATIVE REPORT

Denise McNeill explained that Northern Trust had advised that a signed addendum would not suffice as the instruction to rebalance the portfolio inclusive of the new SMID cap manager; instead a letter was required instructing Northern to make the change. Mrs. Jensen had reviewed and approved the letter. The letter was signed by the Chairman accordingly.

Mrs. McNeill advised that the fiduciary liability coverage had been renewed. A copy of the policy will be forwarded to the attorney upon receipt.

Mrs. McNeill referred the Trustees to additional information available in their meeting packets for review.

DISBURSEMENTS

Denise McNeill presented a disbursement report for review.

- Bob Rubin made a motion to approve the disbursements as presented. The motion received a second by Noel Marti and was approved by the Trustees 5-0.

ADJOURNMENT

There being no further business,

- Bob Rubin made a motion to adjourn the meeting at 11:07 A.M. The motion received a second by Frank Espinosa and was approved by the Trustees 5-0.

Respectfully submitted,

Jay Gillette, Secretary