

# City of Miramar Firefighters' Retirement Plan

## MINUTES OF MEETING HELD

June 18, 2008

Alan Park called the meeting to order at 9:00 AM in the Conference Room of Fire Station 100 located at 2800 SW 184<sup>th</sup> Avenue, Miramar, FL. Those persons present were:

### TRUSTEES PRESENT

Alan Park, Chairman  
Jay Gillette, Secretary  
Noel Marti, Trustee  
Frank Espinosa, Trustee  
S. Robert Rubin (via phone)

### OTHERS PRESENT

Bonni Jensen; Hanson, Perry & Jensen; Counsel  
Denise McNeill; Resource Center; Administrator  
Don Dulaney; Dulaney & Company; Actuary  
  
Other members of the Plan

James Estep; Advisory Board  
Steven Wells; Advisory Board  
Leo Nunez; Advisory Board (9:35)

### TRUSTEES ABSENT

Susan Finn; Advisory Board

### MINUTES

Approval of the minutes for the April meeting were tabled. Mrs. Jensen recommended a change clarifying the reference to the monitor agreement.

### INVESTMENT MONITOR REPORT

The Trustees received the Merrill Lynch reports for the quarter ending March 31, 2008. It was noted that the information was consistent with the preliminary report provided by Mr. Johnson at the April meeting. Mrs. McNeill advised that a CD containing the Plan's historical data had been received from Merrill Lynch. The information will be provided to the new monitor when chosen.

### OLD BUSINESS

REFUNDS: It was noted that a refund had been processed for Edward Leyland and another is pending to be processed for Trevor Gayle.

FINANCIALS: No general ledger financial update has been received from the City.

DROP APPLICATIONS: Mrs. McNeill reported Mr. Rafuls' DROP election is pending and a new application is being processed for Mr. Von Stein. Mr. Cabrera's benefit election is ready for Board approval.

TRUSTEE ELECTION: Alan Park explained that Mrs. McNeill notified him of an issue related to the addresses used in the election mailer. The Administrator had used the address list from Payroll to process the election mailer, however a list was then provided

from the Fire Department with different addresses for a few members. Mr. Park sent a notice through the Fire Department email to the members in question asking them to confirm their correct address by sending a note directly to the Administrator for clarification. For those whose ballot had been mailed to the wrong address, a new ballot would be immediately mailed out to their correct address. It was noted that less than half of the members with conflicting addresses had responded to the inquiry. The election is scheduled to close on June 19, 2008.

CONFERENCES: Mr. Park reminded the Trustees of an upcoming FPPTA conference, recommending attendance for all who were able.

ANNUAL BENEFIT STATEMENTS: Mr. Park reported that all annual benefit statements had been distributed to the members. He explained that there was an issue for a few members relating to their dates of hire. The City is reflecting the member's date of hire as the original date, however a few members were hired into other departments and later transferred to the Fire Department. Lengthy discussion followed regarding the matter and how to properly track the dates. Mr. Dulaney advised that a note will be made in the actuary's records of the discrepancy for future calculations. Mrs. McNeill reported that she will also notate the administrators database with the proper pension entry date for future reference. Mr. Park and the administrator will research correct pension entry dates for the employees in question.

## **NEW BUSINESS**

The Trustees discussed a recent inquiry from a member whose first seven years with the City were in the GAME Plan. It was confirmed that the retirement for the first seven years of that member's employment are a responsibility of the other pension plan and all members with the same issue should contact the other pension fund in question to confirm how their benefit will be processed.

Discussion followed regarding the DROP eligibility and how it relates to members hired at older ages. Mrs. Jensen reminded the Board that a member cannot buy "airtime" as per State regulations, however the Plan could be changed to allow members to buy-up a multiplier. Mr. Park explained that the Union requested the Board authorize the actuary to prepare a cost summary reflecting the cost to buy up the multiplier at year one, age 25; year 10 age 35 and year 20 age 45. The summary would describe the cost of waiting to the membership.

## **ACTUARY REPORT**

Don Dulaney presented the Actuarial Valuation for the year ending September 30, 2007. He noted the Plan's 14.7% rate of return was the highest return of all his clients. It was noted that the City's contribution increased slightly from 29.0% to 29.2%. Mr. Dulaney reported the Chapter 175 revenue had increased to \$707,356 resulting in a cumulative excess of \$2,258,440 (inclusive of an 8.66% interest). Mr. Dulaney then reviewed the participant data and total Plan cost. Mr. Dulaney reported an increase to the Plan's funded ratio of 5% over the prior year resulting in a 57% funded ratio for the Plan at fiscal year end.

- Jay Gillette made a motion to approve the actuarial valuation as presented. The motion received a second by Noel Marti and was approved by the Trustees 5-0.

Mr. Dulaney presented the cost study on the proposed change of the entry time into the DROP. The DROP currently requires a member complete 25 years of service however

the proposed change would also allow a member to enter the DROP at age 55 and the completion of 10 years. Lengthy discussion followed regarding the 60 month DROP time frame and a member's initial eligibility to enter. It was noted that the study reflected a typographical error related to years of service.

- Bob Rubin made a motion for the attorney to draft an Ordinance proposal allowing for DROP entry at age 55 with 10 years of service; the attorney will coordinate with the actuary to provide an appropriate impact study and notice will be sent to the Union. The motion received a second by Noel Marti and was approved by the Trustees 5-0.

Mr. Dulaney will update the cost study to clarify the typographical errors.

Mr. Dulaney reported that he had researched the matter related to Brett Berwick's disability retirement benefit. He confirmed that Mr. Berwick's initial benefit calculation had been processed accurately, noting Mr. Berwick had been one month away from his 25 year normal eligibility. Mr. Berwick's disability calculation requires that his income not exceed 100% of his pre-disability salary. Mr. Berwick did not elect to convert to a normal benefit when it was offered to him by the Pension Fund. Mr. Dulaney illustrated the disability offset and advised Mr. Berwick is now earning over 100% of his pre-disability earnings. Mrs. Jensen advised that while the ordinance does not require the offset, the Pension Plan allows for it. She further advised that the Board may choose whether or not to offset the benefit. Lengthy discussion followed regarding the matter and the Trustees advised that they do not feel the COLA should be included in the calculation. Mrs. Jensen recommended providing the information to the member's attorney advising that the Board may offset the disability pension amount currently being paid. The Trustees further discussed the purpose of the offset.

- Frank Espinosa made a motion for the attorney to send a letter to the Mr. Berwick's attorney advising that the Board has chosen not to offset the benefit. The motion received a second by Noel Marti and was approved by the Trustees 4-1 with Bob Rubin voting against.

## **ATTORNEY REPORT**

Bonni Jensen informed the Trustees that the Form 1 filing is due July 1, 2008 for all Trustees. Trustees can research the Florida Commission on Ethics webpage to confirm the State received their report. She reminded the Trustees that there is a daily penalty of \$25 per day after September 1st.

Mr. Espinosa reported that he is moving out of the City of Miramar in July. He explained that while his business will remain in the City, his residence will not and therefore he believes he will no longer be eligible to serve as a City appointed Trustee on the Board. Mrs. Jensen requested he notify the City Clerk of his move as soon as possible. She then advised Mr. Espinosa will need to file a Form 1F with the State to reflect his termination. The Trustees thanked Mr. Espinosa for his time and effort on the Board.

It was noted that the June monitoring report had been received from Mager and Goldstein provided to the Trustees. Mrs. McNeill confirmed a copy had been forwarded to Northern Trust.

Mrs. Jensen reported the pending House Bill 171 increasing the allowance for international investments for public safety pension plans did not pass.

## **DISBURSEMENTS**

Denise McNeill presented a disbursement report for approval.

- Jay Gillette 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.

## **ADMINISTRATIVE REPORT**

Denise McNeill presented the benefit approval for Jose Cabrera related to his DROP entry.

- Noel Marti made a motion to approve the benefit. The motion received a second by Frank Espinosa and was approved by the Trustees 5-0.

Mrs. McNeill advised that the Annual Report had been signed and submitted to the State.

Frank Espinosa and Don Dulaney departed the meeting at 11:55 A.M.

## **INVESTMENT MONITOR REVIEW**

Mrs. Jensen had provided the RFP summary along with copies of each proposal to the Trustees at the last meeting. She explained that an investment monitor is required by state law in order for a Plan to receive state funds. The regular monitor review also provides a report card to the Board of their investment managers in comparison to their peers.

The Trustees discussed the process of reviewing and interviewing providers. The Trustees discussed the services provided by each monitor, then reviewed the pricing in relation to the services. Lengthy discussion followed.

- Noel Marti made a motion to invite Thistle Asset Consulting, Southeastern Advisory Services, Bogdahn Consulting and Dahab Associates for an interview. The motion received a second by Noel Marti and was approved by the Trustees 4-0.

The Trustees scheduled the monitor interviews to be held at a special meeting on August 29, 2008 at 9 A.M.

## **ADJOURNMENT**

There being no further business,

- Bob Rubin made a motion to adjourn the meeting at 12:25 P.M. The motion received a second by Jay Gillette and was approved by the Trustees 4-0.

Respectfully submitted,

Jay Gillette, Secretary