

# City of Miramar Firefighters' Retirement Plan

## MINUTES OF MEETING HELD

October 5, 2009

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  
James Gillette, Secretary  
Manuel Esparza, Trustee

### OTHERS PRESENT

Bonni Jensen; Hanson, Perry & Jensen; Counsel  
Denise McNeill; Resource Center; Administrator  
Don Dulaney; Dulaney & Company; Actuary

Noel Marti  
Michael Conlan  
Eric Dodge (9:55 A.M.)

### TRUSTEES ABSENT

Susan Finn, Trustee  
Andrew Soterakis; Trustee  
Leo Nunez; Advisory Board  
James Estep; Advisory Board  
Steven Wells; Advisory Board

### MINUTES

- James Gillette made a motion to approve the minutes of the meetings of May 21, 2009 and June 15, 2009. The motion received a second by Manuel Esparza and was approved by the Trustees 3-0.

### PRESENTATION OF PLAQUE

Alan Park presented Noel Marti with a plaque of appreciation for his dedication and effort as a Trustee on the Board.

### OLD BUSINESS

RETIREMENT APPLICATIONS: Mrs. McNeill reported on the retroactive payment for Glenn Macaulay and his pending Income Deduction Order. She advised that Mr. Matty and Mr. Taylor's retirement benefits were effective September 1, 2009 and Mr. Lassetter's benefit payment began October 1, 2009.

FUNDING NEW MANAGERS: Mrs. McNeill reviewed the progress of funding the new managers. Ms. Jensen advised that the fee to Northern Trust may be increased by 25%. It appears that Northern Trust should have required a new custodian contract when the Board hired the first separate manager, Independence. Ms. Jensen stated that she would bring new contracts for Northern Trust to the next meeting.

**175 FUNDS:** Discussion followed regarding the State contribution. Since all new money is being held in cash at the moment, Mrs. McNeill will address using the new cash to help fund the new investment managers.

**INVESTMENT POLICY STATEMENT:** Mr. Park noted that the Investment Policy Statement needed to be updated. He asked that Mr. McNeill present a draft at the next meeting. Ms. Jensen stated that she would follow up with Mr. McNeill on this matter.

**ANNUAL REPORT:** There was discussion on the Annual Report. Mr. Park responded to questions from the State. Mrs. McNeill stated that she would print Mr. Park's updates and attach them to the Report.

### **ACTUARY REPORT**

**FUNDED RATIO:** Don Dulaney reported on the presentation of the pension workshop held at the City. He stated that the Firefighters and Police Officers' Pension Plans have the same funded ratio while the Management and GE Plans are less funded.

**SUMMARY PLAN DESCRIPTION:** Mr. Dulaney supplied the actuary table for the revised Summary Plan Description.

Mr. Dulaney advised that each year the State sends a report of each municipality to reflect how the Chapter 175 and supplemental money is determined. That money is then paid to the State to fund the educational supplemental fund. For several years the educational fund was well funded and a majority of the money was returned to the plans. However, in recent years those monies have been slightly reduced. For 2008, out of the \$170,000 eligible for this Plan, \$133,000 was received. Mr. Dulaney reviewed the 2007 and 2008 supplemental payments. He stated that on a percentage basis there is a significant decrease. However, the actual dollars needed to fund the educational pool is similar. The percentage difference for the overall amount is less due to the foreclosed properties and lowering of property values.

**PENDING ORDINANCE:** Mr. Dulaney discussed the impact statement on the pending Ordinance for the recent pension changes. He stated that hopefully the contract would be considered this week and the first reading for the pension changes could be in two weeks. Ms. Jensen questioned the language on the beneficiary change. She stated that some actuaries have assumed there could be a cost to the plans in a sense that there will always be a beneficiary. Mr. Dulaney advised that when it could not be changed and the spouse pre-deceased, it would be a partial savings to the Plan. With this new change, there would almost always be a beneficiary. Ms. Jensen stated that she would adjust the language to clarify the matter. The Board asked that a notice be created that will inform members of how such a change will impact their benefit.

**COLA STUDY:** Mr. Dulaney discussed the language clarification on the 75% Purchase Power members. He stated that the cost is lower with the recent CPI rates. The language provides a COLA of 3% "minimum". It is paid with the CPI and therefore the COLA could be higher. There was discussion on the 2010 COLA. Mr. Dulaney advised that there will definitely be a 3% COLA effective January 1, 2010. He will also provide the calculation for the subsidy. It was noted that the subsidy calculation would either remain flat or increase.

## **ATTORNEY REPORT**

**SUMMARY PLAN DESCRIPTION:** Mrs. Jensen stated that she would provide a final clean copy of the Summary Plan Description. It was noted that Mr. Park would distribute the document electronically to the Participants and it would be posted on the administrator's website.

**SHARE ACCOUNTS:** There was discussion on the Share Accounts and the preliminary language. The Board discussed narrowing the distribution down to bi-weekly payroll periods going forward.

Eric Dodge entered the meeting.

Discussion continued regarding the clarification of the Share Account language for those members that terminated and were rehired and for those who bought back service time. It was noted that there are two issues. The first issue is creating or building the historical information. The second issue is the Ordinance and how to credit accounts going forward. For those members who left, were rehired and bought back time, it was determined that they would not have another one year waiting period. Mrs. Jensen advised that she would forward the revised Ordinance update to Mr. Dodge and he would assist in getting the item on the Commission Agenda.

**ROLLOVERS:** Mrs. Jensen stated that she received an email from Pedro Herrera, the Attorney for the VEBA Board, about front-loading the DROP. Mrs. Jensen responded advising that the Plan can only rollover at the beginning or end of the DROP. There was discussion on rollovers. Mrs. Jensen advised that many pension plans are currently applying for an IRS Determination Letter and the IRS is carefully reviewing DROP rollover allowances.

## **ADMINISTRATIVE REPORT**

**AUDIT:** Mrs. Jensen and Mrs. McNeill both advised that they have separately spoken with Elisabeth Capota of Goldstein Schechter Koch regarding the delay in the audit and the Annual Report. It was noted the Auditor was scheduled to begin on site at the City October 19<sup>th</sup>.

## **BENEFIT APPROVALS**

- James Gillette made a motion to approve the benefit for Glenn Macaulay. The motion received a second by Manuel Esparza and was approved by the Trustees 3-0.

**ORDINANCE AMENDMENT:** Mrs. McNeill noted that the HELPS legislation as proposed in the Ordinance. It is currently pending on the passage of the Ordinance, therefore changes will not be initiated with the custodian, relative to the health insurance premium deductions, until the Ordinance has been approved.

## **DISBURSEMENTS**

Denise McNeill presented a disbursement report for approval.

- James Gillette made a motion to approve the disbursements. The motion received a second by Manuel Esparza and was approved by the Trustees 3-0.

**OTHER BUSINESS CONTINUED**

**ACTUARY:** Mr. Park advised of recent communication with the Actuary and the City of a two-tier pension. Mr. Rosenberg requested information from the Pension Fund Actuary. The concern is that the study relates to a reduction of benefits. However, it seems most reasonable to have Mr. Dulaney do the calculation and he can share the information with the Board. Mr. Park explained that he was concerned with the cost since the Fire Pension Plan administrative costs appear inflated many times due to multiple impact statements for no cost changes and such. The alternative is to let the City hire their own actuary and the information would become public records. Mr. Park feels the Board should not increase their administrative costs. Mrs. Jensen advised that it is not the Board's job to reduce pension benefits.

- James Gillette made a motion to allow Mr. Dulaney to enter into a separate agreement with the City to do the actuarial work the City has requested. The motion received a second by Manuel Esparza and was approved by the Trustees 3-0.

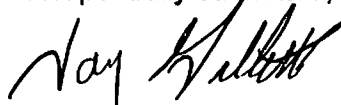
There was lengthy discussion on the matter. Mr. Park stated that he feels there might be a slight conflict of interest. Mr. Dulaney stated the response to the City would be the same no matter which entity he does the report for. After further discussion, it was noted that while the Board had some concern over the matter they did not feel there was a conflict. Mr. Dulaney advised that whoever hires him to do the projection would need to provide the projection details.

**ADJOURNMENT**

There being no further business,

- James Gillette made a motion to adjourn the meeting at 10:42 A.M. The motion received a second by Manuel Esparza and was approved by the Trustees 3-0.

Respectfully submitted,



Jay Gillette, Secretary