

City of Miramar Firefighters' Retirement Plan

MINUTES OF MEETING HELD

April 6, 2010

Alan Park called the meeting to order at 9:00 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
Manuel Esparza, Secretary
Andrew Soterakis; Trustee
James Estep, Trustee
Susan Finn, Trustee

Leo Nunez; Advisory Board

OTHERS PRESENT

Bonni Jensen; Perry & Jensen; Counsel
Denise McNeill; Resource Center; Administrator
Yiu Lai; Dulaney & Company; Actuary
Dawn George; City of Miramar
Orlando Segarra
James Gillette
Other Members of the Plan

TRUSTEES ABSENT

Steven Wells; Advisory Board

PRESENTATION OF AWARD

Alan Park presented James Gillette with a plaque thanking him for his many years of dedicated service to the Fire Pension Plan.

ACTUARY REPORT

Yiu Lai of Dulaney & Company appeared before the Board to provide an actuarial update of the Plan. He advised that the annual valuation will be presented at the next meeting.

SHARE ACCOUNTS: Mr. Lai presented sample share account statements. He noted that a disclaimer will be added regarding the one year waiting period as per the Trustees instruction from the prior meeting.

ASSUMPTION STUDY: Mr. Lai then presented a summary of studies of the effect of various assumption changes. He explained the State may no longer agree with the Plan's current assumptions and the State has requested that all public pension funds review their current assumption rates at least every five years. He explained the Plan currently has an assumed rate of return of 8.66% and he would need the investment consultant's feedback on whether or not the assumption is accurate for this Plan. Discussion followed regarding the current salary assumptions being used. The assumptions presented reflected a potential reduction of the assumed rate of return from 8.66% down to 8.50%, lowering the salary assumption by .5% for merit and lowering the CPI assumption by .50% or .25%. Lengthy discussion followed regarding the various changes presented. Mr. Lai explained the initiation of the DROP accounts created a savings for the City of approximately \$13,000. The study will be addressed at the next meeting in order to discuss the assumed rate of return with the investment consultant.

Alan Park noted a typo on the header for the recent annual member statements. Mr. Lai advised it will be noted for correction for future reference. Mr. Park also advised of recent email communication issues with Dulaney and Company. Yiu Lai will look into the matter.

OLD BUSINESS

SHARE ACCOUNT UPDATE: Alan Park advised of a recent request received from a retired member to immediately withdraw their full Share account balance. Discussion followed regarding the parameters for withdrawals.

- Sue Finn made a motion to allow a 60 day window of implementation opportunity for retired members to make withdrawals from the new share accounts, upon final completion of the accounts. The motion received a second by Manuel Esparza and was approved by the Trustees 5-0.

Once the accounts are complete, the administrator will send a notice to all retired members advising of the 60 day window of opportunity.

MINUTES: Denise McNeill presented minutes for approval from the February 19, 2010 meeting.

- Manuel Esparza made a motion to approve the minutes as presented. The motion received a second by James Estep and was approved by the Trustees 5-0.

DROP UPDATE: Denise McNeill reported Mr. Kunz's rollover of unused leave at the beginning of his DROP was pending. She had been informed the transfer was to have been completed, however she was awaiting confirmation that the funds had been received by the custodian and she was also awaiting the confirmation of the sick and vacation hours paid as that information will be needed as well. Mrs. McNeill then advised that Mr. Conlan's rollover of unused leave has been completed and the pension fund has received all necessary funds.

ADVISORY BOARD SEAT: Mr. Park advised that he had received a verbal resignation from Steven Wells from his seat on the Advisory Board. With the recent resignation, there are three vacant seats on the Advisory Board.

ORDINANCE AMENDMENT UPDATE: Denise McNeill reported the three members who had previously been processed under the 75% purchase power benefit have been issued a COLA retroactively to January 1, 2010. She explained a retro payment was issued for January through March and the member's normal monthly amount was increased effective April 1, 2010. She noted that Sarvich and Taylor retired effective 2010 therefore they will be eligible for their first COLA on January 1, 2011.

NEW BUSINESS

FPPTA: Alan Park advised he had received a brochure from the FPPTA regarding a new retiree membership affiliation. The administrator will send the notice out to all retired members with the next pension board notice.

DOMAIN RENEWAL: James Estep inquired into the mfpf.org domain. Mr. Park explained that it appeared only one Trustee had been using the link and since the administrator had a personal site set up for the Pension Fund, it may no longer be needed. Mr. Estep requested the Board keep the domain and have the link forward to the administrator's website. The administrator will research the matter as the domain renewal had been handled by a previous board member.

AUDIT AND ANNUAL STATE REPORT: Denise McNeill presented the audited financial statement booklets received from the auditor. The report was a final document of which had been presented to the Board at the February meeting. Mrs. McNeill then advised that the auditor had received a letter with several questions regarding the annual state report. She explained that the auditor, administrator and actuary will work in conjunction to respond accordingly.

TRUSTEE EDUCATION: Alan Park reviewed the list of upcoming conferences listed in the Trustee packet. Mr. Park advised that he would like to attend the Trustees School in May and Mr. Estep will attend the FPPTA conference in June. It was noted that the February minutes needed to be amended to correct the conference attendance for Leo Nunez. The minutes list Mr. Nunez will be attending NCPERS however it should read that he will be attending the FPPTA. Mr. Park advised that both he and Mr. Esparza will be attending the NCPERS conference in May.

ATTORNEY REPORT

DROP/SHARE DISTRIBUTION POLICY: Mrs. Jensen had sent a revised DROP and Share Account policy out to the Trustees for review prior to the meeting. The revision included all changes discussed at the prior meeting.

- Manuel Esparza made a motion to approve the revised DROP/Share Distribution Policy as presented. The motion received a second by Anthony Soterakis and was approved by the Trustees 5-0.

LEGAL UPDATES: Bonni Jensen then reviewed the notice previously sent to all Trustees regarding House Bill 1902. She advised the entirely new amendment included substantial changes over previous submissions. She reviewed the changes in detail noting that some of the potential changes could have a significant impact on the Plan. Mrs. Jensen will keep the Board up to date on the Bill. She explained that HB 1543 has not been withdrawn and is still out there. She also noted HB 1319 would reduce benefits to 70% however that particular Bill is not being pushed at the moment. Lengthy discussion followed regarding the potential changes. Mrs. Jensen advised that she is not certain of the total impetus, however everyone is aware there has been significant back-lash from the public on governmental pension plans.

SUMMARY PLAN DESCRIPTION: Mrs. Jensen presented the revised SPD advising all recent Ordinance changes have been included. She noted that the name change from Atlanta Life to Herndon Capital will need to be noted.

- Manuel Esparza made a motion to approve the revised Summary Plan Description as amended and for the final document to be distributed electronically throughout the department. The motion received a second by James Estep and was approved by the Trustees 5-0.

CLASS ACTION UPDATE: Alan Park advised that he had received a notice from the portfolio monitor advising of an upcoming hearing to appoint lead plaintiff in the pending litigation.

ADMINISTRATIVE REPORT

Denise McNeill informed the Trustees of recent communication received from Atlanta Life regarding a name change to Herndon Capital. She had immediately notified the investment consultant, Greg McNeillie of Dahab, and Mr. McNeillie had responded advising that the change was strictly a name change for the company and the change has no impact on the operations of the firm. Mr. McNeillie's response had been

forwarded out to all Board members along with a copy of the initial notice. Mr. McNeillie further noted that he will be happy to discuss it with the Board at their next meeting if they feel further clarification is necessary.

Denise McNeill inquired with James Estep of his recent visit with Paul Stover of Principal. Mr. Estep reported that Principal was expecting to eliminate the exit queue soon. Mr. Stover had explained Principal is in the process of selling Class A office buildings, they have been able to maintain their occupancy rate, rent has been steady and their leverage is lower than most therefore Principal feels the worst of the real estate issue is behind them.

Mrs. McNeill reported that she had received a request from Ian Thomas asking to have all members entering retirement go through the City first instead of the pension fund's administrator. Dawn George explained the City has experienced a few issues with the police pension plan and while there have not been similar issues with the fire plan, the City would like for the process to be consistent among all plans. Mr. Park expressed concern of why the Fire Pension Board should be expected to change a process that is currently working well. Ms. George will work with the administrator to acquire any additional information that may be needed. The Board did not feel it was necessary to instruct the administrator to change their current process at this time.

DISBURSEMENTS

Denise McNeill presented a disbursement report for approval with the addition of expense reimbursements.

- Sue Finn made a motion to approve the disbursements inclusive of the additional reimbursements. The motion received a second by James Estep and was approved by the Trustees 5-0.

ADJOURNMENT

There being no further business,

- Sue Finn made a motion to adjourn the meeting at 10:15 A.M. The motion received a second by James Estep and was approved by the Trustees 5-0.

Respectfully submitted,

Manuel Esparza, Secretary