

City of Miramar Firefighters' Retirement Plan

MINUTES OF MEETING HELD

July 5, 2011

James Estep called the meeting to order at 9:03 AM in the Conference Room of Fire Station 100 located at 2800 SW 184th Avenue, Miramar, FL. Those persons present were:

TRUSTEES PRESENT

James Estep, Chairman
Manuel Esparza, Secretary
Orlando Segarra; Trustee
Andrew Tomchik; Trustee

Leo Nunez; Advisory Comm (10:10)

OTHERS PRESENT

Bonni Jensen; Perry & Jensen; Counsel
Denise McNeill; Resource Center; Administrator
JC Louissaint; Resource Center; Administrator
Yiu Lai; Dulaney & Company; Actuary
Susan Finn

TRUSTEES ABSENT

Andrew Soterakis; Trustee

Chris Armstrong; Advisory Comm
Jason Swaiden; Advisory Comm

MINUTES

The May 19, 2011 Minutes were not available for the July 5, 2011 Board meeting.

ACTUARY REPORT

Mr. Yiu Lai explained the State had sent a letter dated June 1, 2011 to Mr. Clement Johns, Plan Auditor, inquiring about the City's contribution which the State believed fell short for the fiscal year ending September 30, 2010. Mr. Lai reviewed the letter of response prepared by Dulaney & Company. He noted the contribution did not have a shortfall and the State's calculation was overstated as they had included DROP members.

Mr. Lai explained that the total Employee Contributions of \$848,112 for the period mentioned above included \$38,405 in DROP Employee Contributions transferred to the DROP accounts during the plan year. These DROP contributions are not pensionable and were not part of covered payroll for that period. There was also an erroneous DROP Employee Contribution of \$252 for Frederick Kunz, an active DROP member. This \$252 should not be included in the Pension Earnings and was later refunded to him through payroll because he had exceeded the \$49,000 maximum amount allowed under the IRS regulation for 2010 contributions.

Mr. Lai also stated that Ordinance 10-05 was passed on February 27, 2010 and an Actuarial impact statement was prepared as of October 1, 2008 for the Ordinance and provided to the Division of Retirement on February 24, 2010. After the adjustments and the payroll refund to the DROP plan were made, the City contribution became accurate and there were also some cost savings to the Municipality as the contribution percentage decreased from 32.24 % to 32.10 %.

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Mr. Yiu Lai sent revised pages of the Annual Report to the Division of Retirement Services and concluded that based on the above analysis, he believes that the City has met its funding obligation for the October 1, 2009 through September 30, 2010 plan/fiscal year.

ATTORNEY REPORT

PUBLIC RECORDS, CLASS ACTIONS AND QDROs POLICY: Mrs. Bonni Jensen followed up from the meeting of February 17, 2011 and reviewed the new Policy regarding expenses associated with Public Records, Class Actions and Domestic Relations Orders.

- **Manuel Esparza made a motion to endorse and approve the new Policy. The motion received a second by Orlando Segarra and was approved by the Trustees 4-0.**

The new Policy was signed by the Board of Trustees.

HANCOCK TIMBERLAND XI LP: Mrs. Jensen addressed the Hancock Notice of Extension of the Timber investments from June 30, 2011 to a closing date not later than December 22, 2011 as determined by the Advisor. Ms. Jensen stated that the original agreement remains in effect and wants the Board to acknowledge that they received the Supplement.

- **Orlando Segarra made a motion to acknowledge receipt of the Hancock letter and accept the agreement as presented. The motion received a second by Manuel Esparza and was approved by the Trustees 4-0.**

Mr. Orlando Segarra departed the meeting at 9:30 AM.

NORTHERN TRUST ADDENDUM: Mrs. Jensen presented a Northern Trust addendum that Northern should have had the Board address when the custody transition took place in February. Mrs. Jensen noted the addendum does not change the existing arrangement, it only clarifies the circumstances with the change of custody services.

- **Manuel Esparza made a motion to execute the Northern Trust addendum. The motion received a second by Andrew Tomchik and was approved by the Trustees 3-0.**

SENATE BILL 1128: Mrs. Jensen reviewed the Senate Bill 1128 which was signed into law by Governor Scott on June 23, 2011, involving overtime, accrued vacation and sick leave payments for pension purposes. She noted that relative to the accrued sick and vacation time, the change becomes effective for collectively bargained plans whose CBA renews on or after July 1, 2011. Mrs. Jensen stated that this change does not impact the Miramar Firefighters' Plan. She also stated that the employee contribution can now be increased without a corresponding benefit increase. Mrs. Jensen noted the Bill also arranged for two Task Forces to be created relating to the case of health exposure that occurs during the performance of job duties that places a covered employee at risk of

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infection; 1) To review Health issues and; 2) Presumptions of Disabilities related to Heart and Lung.

DROP & SHARE DISTRIBUTIONS POLICY: Mrs. Jensen then addressed the sections revisions to the DROP and Share Distribution Policy and the methods applicable to Distributions from both the DROP and the Share accounts. The Trustees reviewed the Policy and agreed with the contents.

- **Manuel Esparza made a motion to approve the Statement of Policy regarding the DROP and Share Distributions. The motion received a second by Andrew Tomchik and was approved by the Trustees 3-0.**

The Statement of Policy was signed by the Board of Trustees.

OLD BUSINESS

PAYROLL DATA: Mrs Denise McNeill addressed the ongoing payroll data issue noting the status has not changed. Mr. James Estep stated that the DROP statements for the members are now being delayed due to the fact that the City is not providing revised payroll reports. Discussion followed regarding the process and Mrs. McNeill explained that ADP will not communicate with the Resource Centers directly.

Mr. James Estep has asked Denise McNeill to provide him with email threads from January, 2010 to present regarding the payroll data so he can follow up with the City. He explained that he has contacted the City's Assistant Finance Director, and has requested a meeting to discuss the matter. Mr. Estep with try to meet with the City this week. Ms. Jensen noted she has sent two letters directly to the City and Denise McNeill also sent numerous emails, but to no avail.

ADVISORY COMMITTEE: Ms. Denise McNeill informed the Trustees that there is one seat open on the Advisory Committee and Sue Finn who had been on the Trustee Board before is interested and would like to sit on the Advisory Committee. It was also noted that the title of the Advisory Board will be clarified to read Advisory Committee.

- **Mr. Manuel Esparza made a motion to appoint Sue Finn to the Advisory Committee. The motion received a second by Mr. Andrew Tomchik and was approved by the Trustees 3-0.**

COMERICA & NORTHERN TRUST: Mrs. Denise McNeill reviewed the financial statements for the period ending May 31, 2011. Mrs. Bonni Jensen has asked Denise McNeill to have Comerica and Northern Trust send letters informing the Board and Resource Centers that all assets have been transferred and that the accounts have also been reconciled accordingly.

NEW BUSINESS

AUDITOR ENGAGEMENT: Mr. James Estep explained that he had received the audit engagement from the Plan's Auditor, Goldstein Schechter Koch. He noted the prior year's engagement had been received late in the audit season and it had reflected a rate increase. At the time the Board was not able to process an RFP, however Mr. Estep

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would like the Board to consider doing an RFP for auditing services just to ensure that the fees and services are within reason of other public pension plans.

- **Mr. Manuel Esparza made a motion to process an Auditor RFP to review Costs and Services. The motion received a second by Mr. Andrew Tomchik and was approved by the Trustees 3-0.**

HERNDON CAPITAL MANAGEMENT: Mr. James Estep said that he received a phone call from Herndon Capital regarding recent staff changes. Ms. Bonni Jensen informed the Board that she too had received public release about the multiple staffing changes from Herndon. They now have three managers who will be focusing solely on investments and will not be involved with the company's daily business.

DROP / SHARE NOTICE: Mr. Yiu Lai inquires about the incoming DROP/Share open enrollment in August and Denise McNeill explained that the tracking process will be handled in the same manner as the prior year.

ADMINISTRATIVE REPORT

DROP REQUEST- KEYS: Denise McNeill informed the Board that Mr. Keys has not forwarded the completed forms for the DROP enrollment despite reminders to forward the completed packet to the Resource Center. She explained the deadline to forward the missing paperwork has passed, therefore Mr. Keys' request has been voided. He will need to resubmit new forms should he choose to enroll in the DROP at some point in the future.

NCPERS: Mr. James Estep has asked Trustee Andrew Tomchik if there is anything to share with the Board of what he learned from the NCPERS Educational conference he attended last May 21st and 22nd. Mr. Tomchik explained there was no specific information to report.

DISBURSEMENTS

Denise McNeill presented a disbursement report for approval with the addition of an expense reimbursement in the amount of \$30.86 for Mr. Esparza.

ADJOURNMENT

The Trustees acknowledged their next meeting date, previously set for August 18, 2011. There being no further business,

- Manuel Esparza made a motion to adjourn the meeting at 10:17 AM. The motion received a second by Andrew Tomchik and was approved by the Trustees 3-0.

Respectfully submitted,

Manuel Esparza, Secretary