

# City of Miramar Firefighters' Retirement Plan

## MINUTES OF MEETING

October 8, 2015

James Estep called the meeting to order at 9:07 A.M. in the Meeting Room of Fire Station 100 located at 2800 SW 184<sup>th</sup> Avenue, Miramar, FL. Those persons present were:

### TRUSTEES PRESENT

James Estep, Chairman  
Manuel Esparza, Secretary (9:09)  
Orlando Segarra, Trustee  
Susan Finn, Trustee  
Patricia Barry, Trustee (9:12)

Leo Nunez, Advisory Comm  
Ulises Carmona, Advisory Comm  
Jason Swaidan, Advisory Comm (10:15)

### TRUSTEES ABSENT

There were no trustees absent.

### PUBLIC COMMENTARY

James Estep invited those present to address the Board with public comments. There were no comments at this time.

### MINUTES

There were no minutes available for consideration at this time.

### DISBURSEMENTS

Denise McNeill presented the disbursement report and financial statements for review.

- Susan Finn made a motion to approve the October 2015 disbursements as presented. The motion received a second by Orlando Segarra and was approved by the Trustees 3-0.

Discussion followed regarding the balance sheet and the current income and expense report.

### ACTUARY REPORT

CITY REQUEST FOR COST STUDY Mr. Dulaney presented a cost study report dated September 4, 2015 which had been completed in response to the request received from the City and discussed at the prior meeting. The request was to perform cost studies at interest rates 8.00%, 7.75% and 7.50%, all using the mandatory mortality table RP2000 special risk, which will become effective with the October 1, 2016 actuarial valuation report. He reviewed the results in detail with the Trustees. He explained Entry Age Normal (EAN) was used in the first table (which is the funding method he would like the Plan to change to) while the current funding method was used in the second table. Leo Nunez confirmed the current funding method does not preclude the City from funding additional funds into the Plan. Mr. Dulaney explained the reporting always presents the minimum funding requirement, stated as such, and the municipality may pay more than the minimum amounts. He noted the mortality table change is mandatory for the October 1, 2016 valuation report funding plan year ending September 30, 2018. Mr. Thomas explained the City is expected to manage their bond credit rating; therefore it is important for the City to have

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*valid explanations which is why they are planning ahead. Lengthy discussion followed regarding the funding method and the impact on the cost. Mr. Dulaney explained while the current method increases the cost, the gains from the past few years have helped to offset some of the cost. Mr. Dulaney explained at the recommendation of Leo Nunez, he had inquired with the State's actuary to see if they would allow the Plan to set up a process similar to a 15 year amortization and Mr. Beckendorf advised the State "may" allow the change. Mr. Dulaney explained the Plan is currently at a point where it may be more advantageous to change. Everyone was in agreement the Plan needs some way to change the funding method. Mr. Thomas agreed to provide the Board with information on how the Plan is affecting the City's bond rating.*

*Don Dulaney explained the CPI-U will be published at the end of the month and he will have the information for the 2016 Post Retirement Subsidy for the November meeting.*

*Mr. Dulaney reported the Chapter 112.664 Report has been completed and is pending his review. It will be copied to the administrator and City for posting once review has been completed.*

### **ATTORNEY REPORT**

*FICA UPDATE: Mrs. Jensen reported she had spent time with Rick Burke of Gray Robinson developing the policy. The policy was presented to the Trustees for consideration. She reviewed the policy in detail explaining it now clarifies all money will be transferred into the DROP. If they are rolling their time at the beginning of the DROP, the remaining time will transfer to the VEBA at the end of the DROP. For non-bargaining unit members with no VEBA; the money will front load into the DROP and the remaining will transfer into the Plan at the end of the DROP. Mrs. Jensen explained the policy is in line with what the City is doing and all has been coordinated with Rick Burke.*

- Manny Esparza made a motion to approve the accumulated leave policy as presented. The motion received a second by Susan Finn and was approved by the Trustees 5-0.*

*IRS DETERMINATION UPDATE: Mrs. Jensen explained the IRS Determination status is complete at this time and she is not recommending the Plan file for a final one in the 2016 cycle.*

*LEGAL UPDATES: Mrs. Jensen explained there has been no further update with the In Service Distribution request sent to the City. Discussion followed regarding SB172 and the interpretation of how the rule applies to the Plan. Mrs. Jensen explained she has attempted to communicate with the State on the matter a few times and at this point, she feels the Plan's default applies. She will continue to attempt to get confirmation from the State.*

### **OLD BUSINESS**

*PAYROLL DATA UPDATE: Discussion followed regarding the payroll data matter and the electronic files provided to the auditor for review. The detailed file had been provided; however the City had not provided the template with the social security numbers which would only be needed a couple times per year.*

### **ADMINISTRATOR REPORT**

*TRUSTEE SEATS: Denise McNeill reported Manny Esparza and James Estep's nomination requests were the only ones received for their renewing seats therefore they were re-elected by default with terms scheduled through September 30, 2019.*

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10/01/14 SHARE ALLOCATION REVIEW: Denise McNeill inquired if there were any changes to the allocation review presented at the prior meeting. The Trustees confirmed there were no additional changes and the file could be posted accordingly.

BENEFIT APPROVAL: A Benefit Approval was presented for beneficiary Donna Schendel, spouse of deceased member James Schendel who had passed away at the end of August. Mrs. McNeill explained Mr. Schendel had elected 100% joint and survivor with his spouse as his beneficiary.

- Orlando Segarra made a motion to approve the Benefit Approval for beneficiary Donna Schendel as presented. The motion received a second by Manny Esparza and was approved by the Trustees 5-0.

### NEW BUSINESS

James Estep explained he had attended a disability presentation at the FPPTA Trustee School. Lengthy discussion followed regarding the process. Mrs. Jensen explained the process can be accomplished in a variety of ways. She reported some pension plans contract with a medical director who can spearhead the process and either review the information on behalf of the Board or monitor the process overall. Mrs. Jensen reviewed the Ordinance language in detail with the Trustees. She explained that she had personally preferred the tertiary service (I.E. Cleveland Clinic) where all necessary specialists were available; however she explained most of those facilities will no longer do such evaluations. Lengthy discussion followed regarding the process. Mr. Nunez inquired if a member has a right to decline the alternate position offered by the City (if one were to be offered), if the member feels it is not a firefighter related position and Mrs. Jensen explained at that point, it would be up to the Board to determine that outcome. Mrs. Jensen explained after the Board receives their own independent medical exam, the next process is to ask the City if they have any permanent light duty positions available for the members. She explained it is very difficult to determine in advance and the situation is entirely fact based. She will provide a policy for review.

James Estep reported he had received a request from the Union to look into the benefit for Davie Police Pension as they have the option to buy down years and buy up the multiplier. Discussion followed regarding the cost. Mrs. Jensen explained if the funds are rolled over from a 457 plan or the Share account, the funds would be non-taxable. Lengthy discussion followed regarding the process. Discussion then followed regarding lump sum payment options. Mrs. Jensen reviewed the current language and advised a lump sum (total cash out) is not allowed in this Plan. Mrs. Jensen and Mrs. McNeill cautioned against having such an alternative explaining situations that had been financially challenging to other Plans which had allowed lump sum pay out options.

Manny Esparza inquired into the voting proxy process. Mrs. Jensen explained most of the individual managers do the voting and provide the detail in the back of the reports provided to the Board. The item will be added to the next agenda for further discussion. Mrs. Jensen reported NCPERS had put out a Code of Conduct" and the firm will be providing information to the Board for discussion at the next meeting. She explained in the individual manager contracts, the manager has the right to vote as they deem necessary. She advised in 25 years of being a pension attorney, she has had only one board give specific instruction on a particular vote. Mrs. Jensen explained there used to be an entire process on social investing and there appears to be an resurgence of the process back into the market (I.E. CALPERS is trying to make sure their investment companies are aligned according to the Board's intentions). She explained if a Plan has an allocation to indexed funds; indexed fund companies tend to have significant business in DC plans. Mr. Nunez addressed a presentation given at the FPPTA conference reporting NCPERS plans to create and monitor a watch list of such companies.

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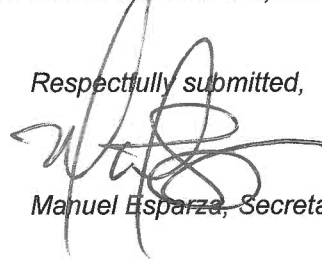
*James Estep reported on the break out session he presented at the FPPTA. He had presented the Board's State of the Pension Plan brochure to discuss community communication and had received positive feedback about the brochure. It was noted the challenge was how to get the information out to constituents. Mr. Nunez recommended making a video to run on the City's channel and he suggested sending to the City's marketing office. Mr. Estep will provide the final version to the administrator for posting onto the Plan's main page on the website as well.*

*Discussion then followed regarding validating delivery of information such as SPD's and allowing a document signature program. Mrs. McNeill will inquire to see if any such capability is currently available through the administrator's main site.*

### **ADJOURNMENT**

*The Trustees acknowledged their next meeting date was set for November 9, 2015. The meeting was adjourned at 11:20 A.M.*

*Respectfully submitted,*



*Manuel Esparza, Secretary*