

# City of Miramar Firefighters' Retirement Plan

## MINUTES OF WORKSHOP

April 17, 2015

James Estep called the workshop to order at 9:08 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

Jason Swaidan, Advisory Comm  
Ulises Carmona, Advisory Comm (9:30)

### OTHERS PRESENT

Denise McNeill; Resource Center; Administrator  
Bonni Jensen; Perry & Jensen; Attorney  
Don Dulaney; Dulaney & Co; Actuary  
Members of the Plan

### TRUSTEES ABSENT

Orlando Segarra, Trustee  
Susan Finn, Trustee  
Andrew Tomchik, Trustee  
Leo Nunez, Advisory Comm

### PUBLIC COMMENTARY

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

### MINUTES

Minutes were tabled until the next meeting.

### DISBURSEMENTS

Disbursement approval was tabled until the next meeting.

### ACTUARY REPORT

Don Dulaney presented information on funding assumptions and salary assumptions for the fiscal year ending 2014 valuation. Discussion followed regarding the salary assumptions and Mr. Dulaney explained the actual salary increase was 2.7% versus the assumption of 6.75% and he would like to change the rate incrementally. Mr. Dulaney reviewed the assumption comparisons in detail with the Board recommending alternate funding assumptions effective with the 2014 valuation report. Mr. Dulaney explained the Plan last updated the salary assumption October 1, 2009 and there is no specific rule on how often a Plan may change their salary assumptions; however he believes every three to four years would be reasonable. Mrs. Jensen noted changes to the assumed rate of return along with the pending legislative change mandating a change in the mortality table will increase cost which Mr. Dulaney confirmed should increase cost by 2-3%. Discussion followed regarding the changes the Board should make versus the unfunded mandated changes being imposed upon the Plan by the State. Lengthy discussion followed regarding new employees, merit increases and the step plan. Mr. Dulaney suggested reducing the assumed rate of return to 8.35%, reducing the salary assumption to 6% to the first six years with a 3% COLA. Mr. Dulaney will bring additional assumptions to the May meeting for review. Mr. Dulaney presented a salary report for review. It was noted there were two member's in question; however those increases appeared to be in line with promotions.

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### OLD BUSINESS

PAYROLL DATA UPDATE: Lengthy discussion followed regarding the payroll data matter and the electronic files to be reviewed by SI Gordon & Company with each bi-weekly payroll process. James Estep reviewed the current status in detail explaining the files are still pending. Mrs. McNeill reported a conference call had been scheduled with the City for the following week.

### ATTORNEY REPORT

FICA UPDATE: Mrs. Jensen updated the Board on the status explaining that it appears they will not receive both a review of the situation and a recommendation of what to do going forward. She recommended the Board approve that she request the recommendation from Mr. Burke at Gray Robinson directly once the review has been done for the City. Mrs. Jensen explained she had communicated with Gray Robinson directly to ensure they were aware that the member participation was mandatory (either at the beginning or the end of DROP) and if the front loading, once withdrawn, would be a violation of IRS rules. Mr. Burke explained he sees the issue as two separate pieces and he was only instructed to review the current situation. Mrs. Jensen recommended the Board retain Gray Robinson to determine what the Pension Board needs to do at this point.

IRS DETERMINATION UPDATE: Mrs. Jensen explained the IRS has determined DROP plans with a variable rate are definitely determinable and all appears to be working in the Plan's favor.

LEGAL UPDATES: Mrs. Jensen reported there are two Bills pending legislature and it appears the mortality table change will pass. She explained the Ring Bill has been modified requiring Plans create and file a budget with the municipality and any modifications would need to be reported as well. Mrs. Jensen explained they could use the prior year audit as their basis for expenses, then increase by a certain percentage. She reported the Bill also sets an expiration date for the Naples Letter.

STATE OF THE PENSION PLAN INFORMATIONAL BROCHURE: Bonni Jensen presented the revised brochure, inclusive of the changes discussed at the prior meeting. She reviewed the document in detail with the Trustees. She reported a study released in the past couple of months reported that the average population age 55 to 64 has only saved \$76,000 toward their retirement which means we are looking at a larger population of people dependent upon the government for their retirement. Mrs. Jensen reported of reading that two state defined benefit programs were opening an offer to other employers to purchase into their DB plan. Discussion followed regarding the purpose of the brochure. Mrs. Jensen explained it will not change someone's mind if there is another reason for their ideology; however it should help explain the Pension Plan overall. James Estep recommended scheduling one on one visits with Council Members to explain the Plan. Don Dulaney reported the Plan's funded ratio was 89.1% in the GASB 67 reporting. A few additional changes were discussed. It was noted that, even in the worst market environment since the Great Depression, the Plan still earned 6.65%.

### ADMINISTRATOR REPORT

BENEFIT APPROVAL: The Benefit Approvals were tabled until the next meeting.

### NEW BUSINESS

It was noted that the City has a policy of getting rid of old equipment so that will be considered in the iPad replacement process.

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### ADJOURNMENT

*The Trustees acknowledged their next meeting date was set for May 13, 2015. The workshop was adjourned at 11:10 A.M.*

*Respectfully submitted,*

*Manuel Esparza, Secretary*