

City of Miramar Firefighters' Retirement Plan

MINUTES OF MEETING

November 17, 2016

Secretary Manuel Esparza called the meeting to order at 8:09 A.M. in the Meeting Room of Fire Station 100 located at 2800 SW 184th Avenue, Miramar, FL. Those persons present were:

TRUSTEES PRESENT

James Estep, Chairman (8:12)
Manuel Esparza, Secretary
Patricia Barry, Trustee
Susan Finn, Trustee
Ulises Carmona, Trustee

Jason Swaidan, Advisory Comm
Leo Nunez, Advisory Comm (9:00)

OTHERS PRESENT

Denise McNeill; Resource Center; Administrator
Bonni Jensen; Klausner, Kaufman, Jensen &
Levinson; Attorney (1:09 PM)
Don Dulaney; Dulaney & Co; Actuary
Greg McNeillie; Dahab & Associates
Heather Dailey, Ian Thomas, Claudia Dixon;
City of Miramar
Members of the Plan

TRUSTEES ABSENT

None

PUBLIC COMMENTARY

The Trustees thanked Orlando Segarra for his years of service to the Pension Plan. Mr. Segarra expressed his gratitude to the Board and all of the service providers for their support over the years.

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

MINUTES

The September minutes were not available for the meeting.

DISBURSEMENTS

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

- Susan Finn made a motion to approve the disbursements as presented. The motion received a second by Manuel Esparza and was approved by the Trustees 5-0.

INVESTMENT CONSULTANT REPORT

Greg McNeillie of Dahab & Associates appeared before the Board to present the quarterly report for the period ending September 30, 2016. Mr. McNeillie reported it was a great quarter and the Plan ended the quarter up 4.1% and up 9.1% (net of fees) for the fiscal year; ranking the Plan in the top 17 percentile for the quarter. He further reported quarterly returns of the following: large cap core was up 3.9%, large cap growth was up 4.8%, large cap value was up 5.3%, mid cap was up 5.1%; smid cap was up 7.2%, small cap core was up 7.0%, international was up 6.5%, emerging markets was up 5.7% and core fixed was up 0.5%. Mr. McNeillie then reviewed each manager in detail noting PNC did not perform well, while DFA, international, real estate and timber all did well. He further reported Herndon had improved prior to being replaced and Polen has improved. Lengthy discussion followed regarding the Northern Trust Smid cap, their comparison to the index and possible options. Mr. McNeillie will check with Northern Trust to see what other options may be available in that class. Discussion followed regarding the different styles of PNC and DFA and Mr. McNeillie reported overall both are doing well in tandem. He

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explained it has been a tough period the past several years for international so it is nice to see that asset class perform well in the recent period. He noted timber has not done as well; however it is still picking up more return than bonds; which was the plan.

Ian Thomas and Claudia Dixon entered the meeting at 8:22 AM.

Discussion followed regarding the performance summary report and the Trustees requested another column to be added for the 10 year performance. Mr. McNeillie will see if it can be added to the report. Mr. McNeillie reported no rebalancing is necessary at this time. Hancock is finished as two Plans did not agree to extend closing, so that Plan is closed. He noted Molpus III is also closed and did not call for all capital from the Plan's initial investment. Mr. McNeillie then reviewed the asset allocation in detail explaining he would like to see how the market responds to the Presidential election before deciding on the next rebalance. Discussion followed regarding the high cash held at the end of the prior quarter and Mr. McNeillie explained some was due to pending capital calls and some was due to Northern Trust. He confirmed he is okay with the slight overweight to domestic and underweight in international. He reported the funds have been moved from Herndon to Invesco.

ATTORNEY REPORT

PERMISSIVE SERVICE UPDATE: It was noted the purchases are in progress. Mrs. Jensen will update the form to request member contact information. It was noted the 457 forms will need to be signed by the City. Heather Dailey confirmed the 457 forms can be sent to her and she will make sure they are authorized and submitted to the vendors accordingly. Mrs. McNeill explained the administrator will address the dates of the Share account withdrawals as the forms are received.

REVISED SUMMARY PLAN DESCRIPTION: Mrs. Jensen reviewed the updates to the SPD reflecting the adjustment to the post retirement subsidy and the updates related to the permissive service purchase.

- Susan Finn made a motion to approve the revised Summary Plan Description as amended. The motion received a second by Manny Esparza and was approved by the Trustees 5-0.*

DROP WITHDRAWAL FORM UPDATE: Mr. Estep had noted a difference between the DROP withdrawal and Share withdrawal forms. Mrs. Jensen will have the DROP form updated accordingly.

JENSEN KKJL FEE INCREASE: Mrs. Jensen explained the last attorney fee increase was in 2002. She reviewed a fee increase request presented to the Board for consideration changing the current \$1800 monthly retainer to \$2500.

- Manny Esparza made a motion to approve the attorney retainer fee increase to \$2500. Monthly effective January 1, 2017. The motion received a second by Patricia Barry and was approved by the Trustees 5-0.*

ACTUARY REPORT

Don Dulaney presented the 2017 Post Retirement Subsidy. He reviewed the calculation noting the amount will increase from the current \$241.32 to \$247.18 effective January 1, 2017.

- Susan Finn made a motion to approve the Post Retirement Subsidy change to \$247.18 effective January 1, 2017. The motion received a second by Manny Esparza and was approved by the Trustees 5-0.*

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Don Dulaney then presented a Section 112.664 report. He reviewed the report details explaining this is the report required to reflect as if no further funding will be received into the Plan and reflect as though the Plan earned 2% less than the funding assumption. He explained the report was completed using the RP2000 generational table; however the Plan will need to change to the new state required mortality table. Mr. Dulaney advised the State just changed the table again to lower longevity. It was noted the lower longevity should be a lower funding cost so even though the plan has two years before the change must be implemented, it may be in their best interest to implement the change as soon as possible. Ian Thomas advised the City would like to have the GASB 67 and audited financial reports in January. Lengthy discussion followed regarding the reporting process and the timing of the reports requested by the City. Mr. Dulaney reported he will try to meet the requested January deadline.

Ian Thomas introduced Claudia Dixon from the City. Mrs. Jensen addressed the City's database used by the State for the 175 allocation explaining the database needs to be updated as it still reflects Celeste Lucia as the contact. Mrs. Dixon will look into who is responsible to ensure it is updated timely. Mrs. Dixon departed the meeting at 9:22 AM.

Mr. Estep thanked Mr. Dulaney for the permissive service sample tables which are being used to help a person determine the estimated cost of the permissive service purchase prior to making a formal request.

ADMINISTRATOR REPORT

2017 MEETING SCHEDULE: The Trustees confirmed the 2017 Meeting Schedule.

BENEFIT APPROVALS: Mrs. McNeill noted there were no benefits to be approved at this time; however several will be expected over the next few months as members initiate permissive service purchases.

Discussion followed regarding two pending DROP entries for November that are expected to front load the DROP. Mr. Estep asked Mrs. Dailey to follow up internally with Payroll and Finance on the matter to ensure the November DROPS are processed correctly. Mrs. Dailey confirmed she will follow up on the time bank processing.

ADVISORY COMMITTEE APPOINTMENT:

The Board reviewed resumes from Elias Marrero, Noel Marti, Cliff Ricketts and Jose "Frank" Ruiz. Discussion followed regarding the open seats and the resumes received. It was noted Mr. Marti was the only one who resides in Miramar from the group.

- Susan Finn made a motion to appoint Noel Marti to the open City resident seat on the Advisory Committee. The motion received a second by Manny Esparza and was approved by the Trustees 5-0.

Discussion followed regarding the remaining three members and the potential amount of time they may be with the department. It was noted that Mr. Ruiz was currently on the VEBA board.

- Manny Esparza made a motion to appoint Cliff Ricketts to the remaining seat on the Advisory Committee. The motion received a second by Susan Finn and was approved by the Trustees 5-0.

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OLD BUSINESS

EATON VANCE FEE UPDATE: Mrs. Jensen reported the Eaton Vance fee change had been completed.

PAYROLL DATA: Mrs. McNeill explained there were no additional payroll items to note at this time.

DISABILITY APPLICATION UPDATE: Mrs. Dailey explained the City had reached out to Gallagher Basset for the work comp file copy on Ms. Calderbank and the matter was still pending.

Mrs. McNeill addressed the administrator's service over the past six months noting they have not been as timely in providing responses in the recent period. She apologized for the inconvenience and asked the Trustees to let her know of any pending matters that need to be addressed, either for the Board or for membership.

ADJOURNMENT

The Trustees acknowledged their next meeting date was set for January 19, 2017.

- Manny Esparza made a motion to adjourn the meeting at 9:48 AM. The motion received a second by Sue Finn and was approved by the Trustees 5-0.

Respectfully submitted,

Manuel Esparza, Secretary