

City of Miramar Firefighters' Retirement Plan

MINUTES OF MEETING

March 24, 2016

Secretary Manny Esparza called the meeting to order at 9:00 A.M. in the Meeting Room of Fire Station 100 located at 2800 SW 184th Avenue, Miramar, FL. Those persons present were:

TRUSTEES PRESENT

Manuel Esparza, Secretary
Patricia Barry, Trustee
Susan Finn, Trustee
James Estep, Chairman

Leo Nunez, Advisory Comm
Jason Swaidan, Advisory Comm
Ulises Carmona, Advisory Comm

OTHERS PRESENT

Denise McNeill; Resource Center; Administrator
Bonni Jensen; Klausner, Kaufman, Jensen &
Levinson; Attorney
Don Dulaney; Dulaney & Co; Actuary
Ian Thomas; City Finance (9:10)
Jeanne MacAdams; City HR (9:22)
Members of the Plan

TRUSTEES ABSENT

None

PUBLIC COMMENTARY

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

FIFTH TRUSTEE SEAT

The Board discussed the Fifth Trustee Applicant's resumes, received from Mr. Carmona and Mr. Ricketts. It was noted due to Mr. Carmona being on the Advisory Committee and his attending of FPPTA trustee education schools made him a good candidate for the position.

- Susan Finn made a motion to appoint Ulises Carmona to the Fifth Trustee seat and appoint Mr. Ricketts to the Advisory Board if he accepts. The motion received a second by Manny Esparza and was approved by the Trustees 4-0.

The Board directed Denise McNeill to notify the City of Mr. Carmona's appointment to the Board.

MINUTES

Minutes of the January 15, 2016 meeting were presented in the Trustee packets for review.

- James Estep made a motion to approve the January 15, 2016 minutes as presented. The motion received a second by Susan Finn and was approved by the Trustees 5-0.

DISBURSEMENTS

Denise McNeill presented the disbursement report and financial statements for review. An additional amount of \$9 was added related to meeting expenses for Mr. Estep.

- Susan Finn made a motion to approve the March 2015 disbursements as amended. The motion received a second by James Estep and was approved by the Trustees 5-0.

Ms. McNeill updated the Board on capital calls funded.

ACTUARY REPORT

Doug Beckendorf confirmed the Entry Age Normal (EAN) had been approved for several years, and then the State recently declined advising the process was later deemed unacceptable by the IRS; however the State had continued to approve annual reports using that method. Mr. Dulaney

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reported that the current process is more difficult to explain and less aggressive for funding. He presented a review of the Entry Age Normal and Projected Unit Credit reports. He reviewed each alternate funding method in detail with the Board. Mr. Beckendorf had advised when they change the funding method, they will need to take the unfunded liability from the 10/01/14 valuation report and pay it off over 15 years. He also compared the cost difference in relation to 10/01/14 valuation numbers with the old mortality table and state mandated changes.

Jeanne McAdams entered the meeting at 9:22 AM.

The Board discussed the state mandated changes. Lengthy discussion followed regarding each alternate funding option and the potential cost for the change.

The EAN is more common and easy to explain. Mr. Dulaney has only had one client do an EAN level dollar, which costs more in advance; and the client intentionally costed high initially due to where the initial funding was coming from. He explained level dollar assigns more liability to current costs while level percentage applies more cost to the future. He explained over time this would be the same and the state will require that whichever option is chosen, must be kept. Mr. Dulaney explained he used the October 1, 2014 valuation numbers for the cost comparison to clearly see what the changes would have cost. He explained that he had originally thought the amortization method the Plan used was tied to the funding method; however he more recently found out the two were not tied together. He explained the increased funding costs are much lower than the study he had done for the City last fall. Mr. Dulaney offered to have a special meeting in April to review the study with the Board for a method to be chosen and then the valuation can be completed and presented at the May meeting. Mr. Dulaney responded to several questions from Ian Thomas.

Mr. Esparza passed the Chairman control for the meeting back to Chairman Estep.

The Board discussed possible meeting dates for the April special meeting.

ATTORNEY REPORT

NORMAL RETIREMENT AGE: Bonni Jensen presented a memo regarding normal retirement age to be effective January 1, 2017. The IRS had previously issued regulations that ignored how normal retirement works for governmental plans; however the new rules are very favorable. Mrs. Jensen explained they will need to update the Plan language if adding the In Service Distributions. She explained the regulation isn't final; however they have been told it can be used as the rule.

ACCUMULATED LEAVE PAYOUT: Mrs. Jensen explained there has been no update from the City on this matter. Jeanne MacAdams explained the City is supposed to be changing the process and correcting the DROP members that have been processed since last fall. Ian Thomas reported the corrections were reprocessed on March 23rd and he can confirm the FICA and MICA issue has been fixed at the City. Ms. MacAdams will request the detail be sent to the Plan administrator. Discussion followed regarding DeShong's payroll issue. Rick Burke had responded to the inquiry from Mrs. Jensen confirming the entire point is to avoid cash out which is a clear violation of IRS rules. Lengthy discussion followed regarding the process.

LEGAL UPDATES: Mrs. Jensen reported the cancer Bill did not pass. She reported of a proposed change to public record law; however she is not aware of the details. She reviewed additional items that did not pass; then noted two Bills that apply to pension and FRS had passed.

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ADMINISTRATOR REPORT

BENEFIT APPROVAL: Benefit approvals were presented for Ronnie McKinney (DROP) and vested deferred retirement for Michael Molloy.

- Susan Finn made a motion to approve the benefits as presented for Ronnie McKinney (DROP) and vested deferred retirement for Michael Molloy. The motion received a second by James Estep and was approved by the Trustees 5-0.

RESOURCE CENTERS SSAE-16: Mrs. McNeill advised a copy of the Resource Centers' SSAE-16 audit was presented in the Trustee packets for review. She explained it is an internal controls and procedures audit that the administrator undergoes annually. Mrs. McNeill explained the Resource Centers is the only such third party pension administrator of their kind undergoing the annual internal review and while the process is costly and time consuming, it helps to ensure that the administrator takes their role seriously to properly follow the internal protocol they have established on behalf of their clients.

Mrs. McNeill explained the Resource Centers is in the process of training new administrative staff so she may be bringing others to future Miramar Board meetings for training.

OLD BUSINESS

DISABILITY APPLICATION UPDATE: Mrs. McNeill reported there has been no further response from the pending disability application. Lengthy discussion followed regarding the matter. Mrs. McNeill had sent a letter in March requiring a response; however no response has been received. Mrs. Jensen recommended adding the matter to the May agenda for an informal hearing and to send notice to the member of the pending hearing.

PAYROLL DATA: The City confirmed the file format will not be changed. Mrs. McNeill will look into the review process with her IT personnel and will address it with the board in May.

NEW BUSINESS

At the last meeting, the Board instructed Greg McNeillie to do a manager search in case they need to replace Herndon. Herndon saw the search and offered a lower fee to the Board. It was noted that the fee was not the issue; however since a lower fee was offered, it was a good idea to consider the savings while they still had the manager.

- Susan Finn made a motion to change to the new fee with Herndon provided it is a lower fee and the Board will not pay more than the current fee if the manager over performs; the manager must outperform the high watermark recovering the losses incurred; additionally, the Board will continue their current action of proceeding with a manager search. The motion received a second by James Estep and was approved by the Trustees 5-0.

Jason Swaidan reported the Union requested the Board address permissive service time; currently being presented on Police. Mrs. Jensen will review the proposed language. Lengthy discussion followed regarding the dynamics. Mrs. Jensen explained it is important members know there is an additional 10% tax penalty for any member who separates service prior to age 50 and the penalty applies to all DROP withdrawals until age 59 ½. Don Dulaney confirmed he could create a table to be used to help members with an estimated cost.

Discussion followed regarding the Advisory Board rules.

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- *Manny Esparza made a motion to amend the initial motion regarding the advisory board seat; to post the open seat and invite Mr. Ricketts to apply for the open seat. The motion received a second by Sue Finn and was approved by the Trustees 5-0.*

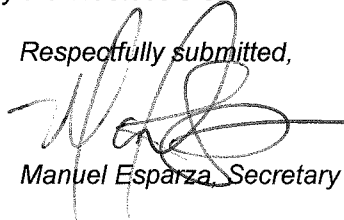
Mr. Estep reported a plaque had been ordered for Orlando Segarra. He will be invited to the next meeting for presentation.

ADJOURNMENT

The Trustees acknowledged their special meeting date was set for April 20, 2016. Ms. Finn informed the Board that she would be late to the May 20, 2016 meeting.

- *Manny Esparza made a motion to adjourn the meeting at 11:05 AM. The motion received a second by Patricia Barry and was approved by the Trustees 5-0.*

Respectfully submitted,



Manuel Esparza, Secretary

MIRAMAR FIREFIGHTERS PENSION FUND

MEETING OF MARCH 24, 2016

BENEFIT APPROVALS

APPLICATION FOR DROP

RONNIE MCKINNEY	DATE OF RETIREMENT/DROP	10/01/2015
	DATE OF BIRTH	08/03/1963
	DATE OF HIRE	09/20/1990
	SERVICE AT RETIREMENT	25.00 Years
	AGE AT RETIREMENT	52.167 years
	TOTAL MONTHLY BENEFIT	\$6,532.65
	FORM OF BENEFIT	100% J&S

ACTION: Approved

APPLICATION FOR RETIREMENT

MICHAEL MOLLOY (Vested Deferred)	DATE OF RETIREMENT	04/01/2016
	DATE OF BIRTH	03/08/1961
	DATE OF HIRE	08/24/1984
	SERVICE AT RETIREMENT	14.00 Years
	AGE AT RETIREMENT	55.083 Years
	TOTAL MONTHLY BENEFIT	\$1,573.41
	FORM OF BENEFIT	100% J&S

ACTION: Approved

CHAIRMAN: _____
SECRETARY: _____

