

City of Miramar Firefighters' Retirement Plan

MINUTES OF SPECIAL MEETING

April 20, 2016

James Estep called the special meeting to order at 9:03 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
Manuel Esparza, Secretary
Ullises Carmona, Trustee (9:09 am)
Susan Finn, Trustee

Leo Nunez, Advisory Comm
Jason Swaidan, Advisory Comm (9:17 am)

OTHERS PRESENT

Brittany Park; Resource Center;
Administrator
Bonni Jensen; Klausner, Kaufman, Jensen &
Levinson; Attorney
Don Dulaney; Dulaney & Co; Actuary
Ian Thomas; City of Miramar

TRUSTEES ABSENT

Patricia Barry, Trustee

PUBLIC COMMENTARY

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

ACTUARY REPORT

Don Dulaney presented mortality tables for review. Bonni Jensen began by inquiring why it includes ages 15, 16, 17. Mr. Dulaney clarified that the mortality tables start at age zero, however this document is only an example of what a mortality table looks like. Mr. Dulaney reviewed the information in detail with the Trustees. He explained the history and objections of the 1983 mortality table (known as a group annuity mortality table). He explained it is always included in the valuation and it serves to treat everyone as if they are one year younger. For example; if somebody is 25 years old the plan values everybody as if they are really 1 year younger at 24. So it assumes that a person is less likely to die if they are one year younger. Mr. Dulaney compared the different columns noting that the FRS public safety at risk mortality tables differ from the general employees. He further explained the dynamics of the FRS mandated mortality table noting it is a blend inclusive of the RP2000 table. He reviewed what the FRS is requiring to be used for those public safety individuals who have that risk component and he noted about 90% of the blue collar component is included. Mr. Dulaney explained that at ages 30-43 the risk component is built in because the probability of death is higher and because of that reason, the costs would be lower. He explained the lower the probability of death is, the higher the cost. If you're expected to live longer pension plan liabilities will be higher because benefits will be paid for a longer period of time.

Mr. Dulaney reviewed the Funding Costs for the Fiscal Year ending 9/30/17. He noted that the City had a funding cost of \$5,099,227 which is little bit more than a 1% increase from last year's requirement. He reviewed each option in detail with the Trustees. Mr. Dulaney pointed out that alternate 3 and alternate 1 are the same in regards to their entry age being normal the only difference is the mortality table. Alternate 4 would compare to alternate 2

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where the only difference is the mortality tables. Alternates 5 and 6 are FRS mandated mortality tables which already contain projected improvements in mortality which are required.

Discussion followed regarding permissive service and the potential cost. Ms. Jensen explained that it would depend on how the benefit is coordinated. Will they limit people's ability who have already purchased time? Mr. Dulaney added that buying down time can be very expensive. Mrs. Jensen reminded the Trustees that currently military service purchasers don't pay interest on the time they are buying back and wanted to clarify that the Board is keeping this in place. There is a cap on permissive service of up to five years. Ms. Jensen explained both military service and other service require any member to be vested which is included in the language. Mr. Nunez mentioned that past members have purchased the service before being vested however the credit doesn't actually take place until the member is vested. Mrs. Jensen suggested that the state should review the language before it is implemented.

ORDINANCE CHANGES

Bonni Jensen reported the City and the Union negotiated a new contract resulting in several provisions to the plan. Beginning on Oct 1st 2015, the chapter 175 money received annually of up to \$1,124,000 will be used to fund the 175 accounts. Additionally any chapter 175 money that is received in excess of that amount will be divided equally with the City. Ms. Jensen explained 50% of that money will be used to continue to fund the share accounts and the other 50% will be used for the City to pay down the unfunded actuarial liability.

- Manny Esparza made a motion to accept the new Ordinance changes. The motion received a second by Susan Finn and was approved by the Trustees 4-0.
- Susan Finn made a motion to have Mr. Dulaney generate the impact statement for all of the newly adopted Ordinance changes. The motion received a second by Manny Esparza and was approved by the Trustees 4-0.

Mrs. Jensen brought the Board up to date on the pending disability application for Barbara Calderbank, explaining she had spoken with Ms. Calderbank's attorney who received the documentation that had been sent. Mrs. Jensen will reach out to Ms. Calderbank's attorney before the next meeting to provide the final details.

ADMINISTRATOR REPORT

The administrator didn't have any additional business to report.

OLD BUSINESS

Discussion followed regarding the fee proposal from Herndon discussed at the previous meeting. It was noted Herndon has limitations on what they can do with the fees due to "favored nations" rules; therefore they offered an adjustment based upon performance. The Board had previously approved the adjusted fee as long as the fee does not exceed the rate currently being paid; however the new structure, could at some point in the future, exceed their existing fee. Greg McNeillie explained he feels they will have a long period before they will exceed the water mark on the performance based fees so it will not be an issue for the Board in the immediate future. He further confirmed the manager search is still in progress.

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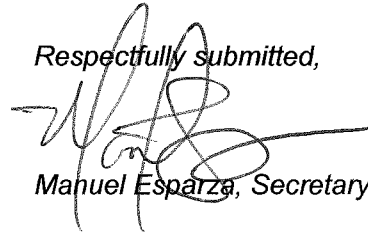
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- *Susan Finn made a motion to accept the Herndon fee structure (based upon their performance) retroactively back to January 1, 2016. The motion received a second by Manny Esparza and was approved by the Trustees 4-0.*

ADJOURNMENT

The Trustees acknowledged their next meeting date was set for May 20, 2016. The meeting was adjourned at 10:52 A.M.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'M. Esparza', written over a horizontal line.

Manuel Esparza, Secretary