

City of Miramar Firefighters' Retirement Plan

MINUTES OF MEETING

January 19, 2017

Secretary Manuel Esparza called the meeting to order at 9:22 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
Patricia Barry, Trustee

Jason Swaidan, Advisory Comm
Leo Nunez, Advisory Comm

TRUSTEES ABSENT

Susan Finn, Trustee
Ulises Carmona, Trustee

OTHERS PRESENT

Denise McNeill; Resource Center; Administrator
Bonni Jensen; Klausner, Kaufman, Jensen &
Levinson; Attorney (1:09 PM)
Heather Dailey, Ian Thomas and Genevieve;
City of Miramar
Chief Huff
Members of the Plan

PUBLIC COMMENTARY

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

MINUTES

The September minutes were presented for review.

- Manuel Esparza made a motion to approve the minutes as presented. The motion received a second by Patricia Barry and was approved by the Trustees 3-0.

DISBURSEMENTS

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

- Manuel Esparza made a motion to approve the disbursements as presented. The motion received a second by Patricia Barry and was approved by the Trustees 3-0.

ATTORNEY REPORT

FRS MORTALITY TABLE CHANGE: Bonni Jensen reported that FRS recently made changes to their mortality table effective July 1, 2016 and the Board has the opportunity to use the new table in their 2016 or 2017 valuation. Mr. Dulaney had brought anomalies to the State's attention which FRS has since adjusted. She then reported FRS has further reduced their assumed rate of return (ARR) to 7%.

ONLINE ANNUAL REPORTS: Mrs. Jensen then reported on the Division of Retirement's new requirement to submit all annual reports electronically effective with the 2016 reports. She explained the Plan is to monitor and ensure that the one in charge of filing the report has set up the online access accordingly. Mrs. McNeill explained she confirmed the auditor's office has set up the online access accordingly as they are the ones contracted to do the report.

IRS MILEAGE UPDATE: Mrs. Jensen reported the IRS has changed the mileage reimbursement rate for 2017 to \$0.535 per mile.

City of Miramar Firefighters' Retirement Plan

MINUTES OF MEETING

January 19, 2017

SB 158 - FIREFIGHTER CANCER PRESUMPTION: Mrs. Jensen reported on SB158 explaining it is a Bill related to firefighter cancer presumptions. She explained this is the second year it has been filed and it has been altered some from the original filing. Mrs. Jensen reviewed the details of the qualifications with the Trustees as outlined in the memo from her office. Lengthy discussion followed regarding the Bill. James Estep explained most States already have such a Bill and Florida is one of only a few remaining States that do not have such language. Mrs. Jensen addressed the pre-hire physical portion of the process explaining the Board should have their own set of pre-hire physical records. She further explained that she has another pension plan client that began paying for new hire MRI's and they were able to begin seeing how many of the new employees had pre-existing spine issues. Mrs. Jensen confirmed that the MRI was not considered in the job "offer" and was post hire and only for informational purposes. It was noted that particular pension board communicates any such findings with the member when items are identified and allows them time to rebut the report. Mrs. Jensen reported if the Bill is passed, it will be effective July 1, 2017.

NOTICE OF THEFT – MIAMI: Mrs. Jensen reported on a recent notice regarding funds stolen from a South Florida City checking account. The fraud occurred in a particular bank account that was not being timely reconciled. She explained it is a good time for the Board to shore up on their processes to ensure how funds are being monitored. Mrs. McNeill reviewed the detailed process followed at the Resource Center and the timeliness of their monthly account reconciliation. She will follow up with the custodian regarding their process.

SECURITIES LITIGATION POLICY: Mrs. Jensen recommended the Board have a litigation policy in place if an issue arises that needs to be addressed quickly. She reviewed the policy presented for consideration. She explained it is part of the Trustees responsibility to protect assets. She reported class action recoveries have increased; they have seen much more return to class action members since institutional plans have become involved in the process. Mrs. Jensen explained lead plaintiff tends to be the party with the most loss; however sometimes it is a shareholder derivative case that is not centered around losses and those such cases generally result in procedural changes. Mrs. Jensen reviewed the process with the Board.

ACTUARY REPORT

James Estep advised Don Dulaney was not able to attend the meeting. Ian Thomas inquired into the status update of the valuation report; however they will need to get that update from the actuary directly.

ADMINISTRATOR REPORT

BENEFIT APPROVALS: Mrs. McNeill noted there were no benefits to be approved at this time; however several are expected to be presented at the next meeting. Discussion followed regarding the permissive service purchase process. James Estep thanked Heather Dailey for all of her assistance related to the various pension issues lately, including the permissive service processes.

OLD BUSINESS

PAYROLL DATA: Mrs. McNeill explained the fiscal year end data had been very close this past year and the only difference between the payroll files loaded and the fiscal year-end report from Finance related to the DROP members, all due to the taxes and payment reprocessing.

DISABILITY APPLICATION UPDATE: Lengthy discussion followed regarding the lack of response from the City. Mrs. McNeill reported recent communication with an attorney representing the City and Workers Compensation. Mrs. Jensen reviewed the standard process.

City of Miramar Firefighters' Retirement Plan

MINUTES OF MEETING

January 19, 2017

Mrs. Jensen explained the Board should not act on the case without all of the details. Lengthy discussion followed regarding the needed information and what should be the next step. Mrs. Dailey explained she will look into it as she believed the City had already responded to the request. It was noted the case would be prepped for the February meeting.

Don Dulaney joined the meeting via phone. He explained he is waiting for the trial balance from the auditor and the auditor had been waiting for the DROP and Share roll forward reports. Mrs. McNeill will follow up on those remaining fiscal year end reports. Don Dulaney explained he could have the valuation report for the City between February 16 (after the auditor presents the audit report) and the next Board meeting scheduled for April.

NEW BUSINESS

A request was presented from Chief Huff regarding his unused leave rollover at the beginning of his DROP entry. He was requesting the Board approve for him to change his DROP rollover from the beginning of his DROP until the end of his DROP. He expressed concern that the additional processing of his unused leave will not leave him with much time on the books in the event of an emergency. Lengthy discussion followed regarding the history regarding the rollover process. It was noted, since 2015, many hours of discussion have taken place at several meetings over the issues with how the City was applying the limits that should have ceased prior to Chief Huff's entry date. The Trustees confirmed the matter should have been resolved in May 2015 as it was agreed between the Board and the City to be made effective October 1, 2015. It was noted Chief Huff had been part of the negotiations and was aware of the floor being implemented. The Trustees confirmed that nothing had changed since the summer of 2015 except for trying to get the City to process the DROP rollovers in the correct and agreed upon way. James Estep noted Heather Dailey was extremely helpful in getting the process into place. Heather Dailey explained Andrea Pedlar had been very helpful in getting the matter resolved on the payroll end. She explained there were four people who had entered DROP since October 1, 2015 who needed to be corrected. James Estep reviewed the rules allowing for 72 hours of vacation time and 144 hours of sick time to remain in the member's time bank. Bonni Jensen explained she does not believe the Plan can allow the change and give back the money. She further reminded the Trustees that they need to follow the policy in place.

- Manuel Esparza made a motion, based upon the Policy effective date of October 1, 2015, to deny the request from Chief Huff. The motion received a second by Patricia Barry and was approved by the Trustees 3-0.

Mrs. Jensen explained the policy and all procedures, in the end, were followed and the Board had received help from the tax attorney regarding the matter. She will do a letter to the member in response to his request.

Jason Swaidan explained he is doing the shirt order for the Pension Board and Advisory Board members. Discussion followed of what was to be ordered and the quote received.

- Manuel Esparza made a motion to approve a cost of \$2070 to order shirts for the Board members. The motion received a second by Patricia Barry and was approved by the Trustees 3-0.

Ian Thomas inquired into the Post Retirement Subsidy. Discussion followed regarding the Summary Plan Description and the language regarding the Post Retirement Subsidy. Non-management people receive a stipend from the City of \$10 for every year of service. Ron DeShong has inquired into the Benefit with the City and the City was under the impression the PRS was a health insurance stipend. Bonni Jensen confirmed the PRS is just a supplemental benefit and is not for health insurance. She further explained this Plan is not set up for a medical benefit. Mrs. Jensen confirmed again the PRS is NOT a medical stipend. Mrs. Jensen will send

City of Miramar Firefighters' Retirement Plan

MINUTES OF MEETING

January 19, 2017

an email confirming such to the City. It was noted the City will need to address their language related to the Comprehensive Payment Plan (CPP). Lengthy discussion followed regarding the matter.

ADJOURNMENT

The Trustees acknowledged their next meeting date was set for February 16, 2017.

- *Manny Esparza made a motion to adjourn the meeting at 11:17 AM. The motion received a second by Patricia Barry and was approved by the Trustees 3-0.*

Respectfully submitted,

Manuel Esparza, Secretary