

City of Miramar Firefighters' Retirement Plan

MINUTES OF MEETING

September 28, 2018

Chairman Leo Nunez called the meeting to order at 9:08 A.M. in the Meeting Room of Fire Station 100 located at 2800 SW 184th Avenue, Miramar, FL. Those persons present were:

TRUSTEES PRESENT

Leo Nunez, Chairman
Susan Finn, Trustee
Cliff Ricketts, Secretary
Patricia Barry, Trustee

Manuel Esparza, Advisory Comm
Noel Marti, Advisory Comm
Jason Swaidan, Advisory Comm

OTHERS PRESENT

Denise McNeill & Patricia DeRario; Resource Center; Admin
Bonni Jensen; Klausner, Kaufman, Jensen & Levinson; Attorney
Don Dulaney; Dulaney & Co; Actuary
Ian Thomas; City of Miramar
Heather Dailey, City of Miramar
Barbara Calderbank
Members of the Plan

TRUSTEES ABSENT

Ulises Carmona, Trustee
James Estep, Advisory Comm

PUBLIC COMMENTARY

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

MINUTES

The August 2018 minutes were presented for review.

- Susan Finn made a motion to approve the minutes for August 2018 as presented. The motion received a second by Cliff Ricketts and was approved by the Trustees 4-0.

DISBURSEMENTS

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

- Cliff Ricketts made a motion to approve the disbursements as presented. The motion received a second by Patricia Barry and was approved by the Trustees 4-0.
- Cliff Ricketts made a motion to receive and file the financial statements as presented. The motion received a second by Patricia Barry and was approved by the Trustees 4-0.

ACTUARY REPORT

Bonni Jensen had sent a request to the State actuary for approval for the Plan to use the exception to be limited to the 10 year payroll growth. The State actuary had responded with an explanation of why they would not allow the Plan to qualify under the exception. It was noted the Plan clearly meets the State's language allowing for an exception; however the State declined as they feel the Plan has other assumptions that are more aggressive than the average Plan. Mr. Dulaney reviewed the payroll assumption recalculation in detail with the Trustees. Lengthy discussion followed regarding the matter. Mr. Dulaney had recalculated the employer contribution rate with the State mandated changes to the payroll assumption and determined an

City of Miramar Firefighters' Retirement Plan

MINUTES OF MEETING

September 28, 2018

additional amount due of \$451,591 for 10/01/15 and 10/01/16. The State had advised they will not approve the annual report until the \$451,591 of additional contributions are received from the City. Mr. Dulaney explained the State advised the amount could be amortized over two years. Ian Thomas reported the funds had been wired to the Plan on September 27th (the day before the meeting). Leo Nunez expressed concern of the assumptions if the cost relates to the City's incentive offers. Mr. Dulaney reviewed the five and ten year averages explaining he monitors annually to make sure the assumptions are reasonable. Mr. Dulaney explained he is unhappy with the State's rule and feels long term is 30 years and not five to ten years. Mr. Nunez expressed his concern that he doesn't want the pension cost to cause issues in negotiations of other benefits when the pension costs are inflated due to the State's insistence on not allowing the current payroll assumption.

- Cliff Ricketts made a motion to instruct the actuary to do an experience study inclusive of the known upcoming changes in the Fire Department. The motion received a second by Susan Finn and was approved by the Trustees 4-0.

Mr. Dulaney will need to provide a final valuation for 9/30/18. Mr. Thomas confirmed the City already has the revised number for the budget and funding.

Mrs. McNeill will get confirmation from the custodian of the funds wired into the Pension Fund's account and she will provide that proof to the State accordingly.

Lengthy discussion followed regarding the other items referenced in the September 27, 2018 letter from the State. Mr. Dulaney informed the State that the Plan is working on lowering the assumed rate of return.

ATTORNEY REPORT

AMENDMENT 6 – FLORIDA CONSTITUTION: Bonni Jensen reviewed a memo from her firm regarding the impact to the pension plan if Amendment 6 passes. She explained the portion related to crime victims' rights is very compelling; however other, completely unrelated items were added into the amendment. She explained the main three items were 1) Victims' rights, 2) Judge ages extended to age 75 and 3) Change to the rules regarding court action which affects entities such as pension funds. She explained the third item in detail: Currently if a person takes the Pension Board's actions to court, the Court gives deference as long as the matter was handled fairly and within the rules of the Plan (due process, notice, treated fairly and rules correctly applied to the member's case). If the Amendment passes, the change would cause the Court to determine "de novo" and not give the Board the benefit of the doubt. Instead, the Court would review the case on their own from the beginning and could rule differently. She explained that she is not telling the Board how to vote and the crime victims' piece is very provoking.

PERMISSIVE SERVICE POLICY: Mrs. Jensen explained they are attempting to clarify the benefit for purposes of the Plan to make it easier for members to interpret how to equate the time and percentage and to ensure that the maximum purchase allowances are not exceeded. Leo Nunez had assisted in helping to interpret the language. Mrs. Jensen reviewed the language in detail with the Trustees. Discussion followed regarding how the benefit applies.

- Cliff Ricketts made a motion to approve the permissive service purchase policy as amended. The motion received a second by Patricia Barry and was approved by the Trustees 4-0.

Mrs. Jensen will provide a final document for signature at the next meeting.

City of Miramar Firefighters' Retirement Plan

MINUTES OF MEETING

September 28, 2018

DROP AND SHARE DISTRIBUTION PROPOSED CHANGES: Mrs. Jensen reported she had sent the Ordinance request to the City regarding a Trust as a beneficiary. Mr. Dulaney confirmed he will provide a "no impact" letter. Heather Dailey explained the item may not be on the City Council's agenda until the first of the year.

ADMINISTRATOR REPORT

BENEFIT APPROVALS: Mrs. McNeill reviewed the Benefit Approval of one permissive service purchase for Steel.

- Sue Finn made a motion to approve the benefit as presented. The motion received a second by Cliff Ricketts and was approved by the Trustees 4-0.

OTHER REPORTS

Mrs. McNeill noted additional reports from Pomerantz and SFMS were included in the meeting packets for informational purposes. One had a notice that the Plan may end up receiving litigation proceeds from one of the class action suits.

OLD BUSINESS

There were no items for discussion.

NEW BUSINESS

Heather Dailey inquired into DROP transfers and the Plan's Administrative Policy regarding management members. Discussion followed regarding the matter. Mrs. Jensen explained the issue is with the Union and not the Pension Board. Mrs. Dailey explained there had been an interpretation issue; however the discussion has clarified the matter.

Leo Nunez explained one of the new DROP members (Roque) thought he had been short paid for his sick and vacation payout and the City explained they found an IT error in the program transition back in 2012 - 2013 which was not identified until the member's time bank was reviewed upon entering the DROP. He noted that the Payroll Department should check on all staff to verify their time bank amounts are accurate.

Mrs. Jensen reported Ulises Carmona had received a letter from the State about not filing a Form 1 and she has been informed that the member is taking care of the matter.

Discussion followed regarding the 2019 meeting schedule. Mr. Nunez has provided potential dates that will be verified with the service providers and then the Trustees. He explained beginning in January; all meetings will be held at Station 107, 11811 Miramar Parkway.

CALDERBANK DISABILITY

Leo Nunez had requested the administrator provide a summary timeline of the disability process on Ms. Calderbank. It was noted that the original application received May 12, 2015 was not complete; however Ms. Jensen explained it is fairly common that not all documents are included with the initial packet and accepting the application is in accordance with their fiduciary role whether complete or incomplete. It was verified the original application was received timely and there is no need for it to be treated differently. Ms. Calderbank presented an additional document for the Trustees. Mrs. Jensen instructed the administrator to include the additional document in

City of Miramar Firefighters' Retirement Plan

MINUTES OF MEETING

September 28, 2018

the electronic packet for the Trustees. The administrator had sent an inquiry to City in August asking: 1) Ms. Calderbank's formal termination date from the City, and 2) would the City have had a position to accommodate Ms. Calderbank for the shoulder injury had she not been terminated. The City had provided confirmation of her formal termination date (according to their records); however they still have not provided a response to the second question. Heather Dailey will follow up on the matter with the City.

ADJOURNMENT

The Trustees acknowledged their next meeting date was set for November 15, 2018.

- Cliff Ricketts made a motion to adjourn the meeting at 10:56 AM. The motion received a second by Susan Finn and was approved by the Trustees 4-0.

Respectfully submitted,

Cliff Ricketts, Secretary