

ST. LUCIE COUNTY FIRE DISTRICT FIREFIGHTERS' RETIREMENT FUND



Minutes of Meeting July 21, 2016

Chairman Nate Spera called the meeting to order at 11:40 AM.

Those persons present included:

TRUSTEES PRESENT

Ignatius (Nate) Spera
George (Buddy) Emerson
Paul Raymond
Jeffery Lee
Anthony (Tony) Napolitano

TRUSTEES ABSENT

None

OTHERS PRESENT

Denise McNeill & Scott Baur; Resource Centers
Bonni Jensen; Law Office of Klausner, Jensen & Levinson
Several Fire District Employees

MINUTES

The Minutes from the May and June meetings were not available.

DISBURSEMENTS

The disbursement listing and financial statements were presented to the Board in their meeting packets. Denise McNeill reviewed the disbursement report in detail. Discussion followed regarding the invoice from Foster & Foster. Mrs. Jensen confirmed she had a conference call with the actuary regarding State money.

- Jeff Lee made a motion to approve the Disbursements for July 2016 as presented. The motion received a second from Buddy Emerson and was approved by the Trustees 5-0.
- Paul Raymond made a motion to accept the interim financial statements as presented. The motion received a second from Tony Napolitano and was approved by the Trustees 5-0.

ATTORNEY REPORT

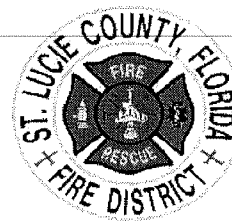
SECURITIES LITIGATION UPDATE: Mrs. Jensen reported they had received information from BLBG, a securities monitoring firm, of a claim they felt needed to be filed against Stericycle. She reviewed the dynamics of the filing noting the claim states they manipulated rates in conflict with contracts and used the rates to tout stock rates. BLBG felt the action was inappropriate and felt it required action. Mrs. Jensen had contacted Chairman Spera and had filed as lead. The Trustees are to consider if the Board should move forward with the complaint.

- Tony Napolitano made a motion to continue with the case. The motion received a second from Jeff Lee and was approved by the Trustees 5-0.

MUTUAL CONSENT MEMO: Mrs. Jensen reported on a memo sent to the Board regarding mutual consent. She explained the memo was sent to all clients; however it does not apply to this Plan. She explained this Plan is not subject to the default provision regarding the 175 funds; however they may elect to the consent process. Chief Emerson explained he had discussed the issue with Mrs. Jensen and it is a relatively new law that has not been challenged. He feels the Plan should keep the current process in place.

LEGAL UPDATES: Mrs. Jensen reported she had worked with the administrator to review a specific firefighter service time on a purchase request and she had responded to the auditor's legal inquiry for the audit.

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ADMINISTRATORS REPORT

2016 BUDGET DRAFT: The 2016 Budget draft was presented in the Trustee packets for review. Discussion followed regarding the increased margins. Mrs. Jensen explained the idea behind the miscellaneous category was to ensure the Plan has enough funds aside in a budget without having to refile an amended budget mid-year. She explained circumstances such as disability cases can be quite costly and she feels they should have some sort of built in buffer to account for the specialty budget items as they arise in the year. Mr. Baur explained the format of the categories used is consistent with the audit reporting. The Trustees requested a column be added to reflect the prior year "budgeted" amount.

- Paul Raymond made a motion to approve the 2016 Budget as amended. The motion received a second from Buddy Emerson and was approved by the Trustees 5-0.

BENEFIT APPROVALS: Benefit approvals had been presented in the Trustee packets for consideration. Discussion followed regarding the timing of the calculation process. Karen Russell addressed the Board explaining she has requested the actuary provide all of their requested information for the fiscal year end now and requested the administrator inform the Fire District where there may be deficiencies. Bonni Jensen confirmed final calculations often take 60-90 days for processing. Lengthy discussion followed regarding the process. Mrs. McNeill reminded the Board that payroll files ended in October 2015 with the transition to the new accounting platform. Karen Russell explained IT is working on the payroll reports needed for the pension records. She further explained she feels the calculation process should be completed sooner than the current time frame. Mrs. McNeill explained until the missing payroll data can be loaded, they are requesting copies of paystubs and are manually overriding the payroll information for benefit calculations.

- Paul Raymond made a motion to approve the Benefit for Blizzard's DROP and Kyzer's buyback. The motion received a second from Buddy Emerson and was approved by the Trustees 5-0.
- Paul Raymond made a motion to approve the Benefit for Spera's DROP. The motion received a second from Tony Napolitano and was approved by the Trustees 4-0. Nate Spera abstained from the vote as the motion related to his DROP entry.

ATLANTA CAPITAL NOTICE: A notice from Atlanta Capital was included in the Trustee packets. The Trustees will wait to hear from the investment monitor on the matter.

FOSTER & FOSTER CONTRIBUTION INFORMATION: Notices from the actuary to the Fire District regarding member contributions were included in the Trustee packets for review. Chief Emerson explained the Board had previously approved for the Fire District to work with the actuary regarding contributions and the attached letters reflected some of the options requested. He explained the Union may request more scenarios.

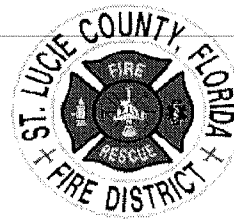
PUBLIC COMMENTS

Chairman Nate Spera invited those present to address the Board. There were no public comments made.

OLD BUSINESS

2015 ACTUARIAL VALUATION REPORT: Discussion followed regarding the valuation report presented at the May meeting. Chief Emerson explained due to the required contributions reflected in the valuation report, the Fire District had entered into negotiations with the Union. He referred to specific statements in the valuation report regarding employee and employer contributions and he noted the percentage of payroll did not come from the actuary as the report only reflected total dollars and not a percentage.

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- Buddy Emerson made a motion to approve the 2015 Actuarial Valuation Report in consideration of the comments discussed. The motion received a second from Paul Raymond and was approved by the Trustees 5-0.

NEW BUSINESS

Scott Baur addressed the payroll and explained he understands and shares in the frustration of the data reports and he too hopes the reporting issues will be resolved with the new payroll reporting once the reports are resolved by IT.

Mr. Baur then addressed a matter related to a member's DROP account that had occurred in 2014. He explained a member had gone into the DROP for a few months, then separated service and took an immediate distribution of their account. The administrator had processed an initial distribution of 90% of the member's account balance; however that amount ended up being an over-distribution as there were two months that had duplicate deposit posting to the account. Mr. Baur explained when the duplicate deposits were identified and adjusted; the end result was the member's account being overpaid and a balance due back to the Pension Plan. Mrs. McNeill explained she had recently reached out to the member with re-payment options; however the member responded advising that it was not his error and instead was a mistake made by the administrator so their company should repay the funds back to the Plan. Tony Napolitano explained that is not the way it works; when a member is overpaid for any reason, the member must repay the pension plan. Mr. Baur reviewed the Board rules noting it is listed in the Resolution that any such overpayments must be re-paid back to the Plan by the member. He further explained the rules have an interest provision so the Board will need to address how they wish for the matter to be handled. All agreed; considering the circumstances, the interest did not seem appropriate. The Trustees discussed the situation and waived the right to charge interest to the member for the overpayment.

- Jeff Lee made a motion to waive the interest contingent upon the member accepting terms to repay the Pension Plan for the funds overpaid from his DROP account. The motion received a second from Buddy Emerson and was approved by the Trustees 5-0.

There being no further business to discuss and with the date for the next regular meeting having been scheduled for September 15, 2016;

- Tony Napolitano made a motion to adjourn the meeting at 12:25 PM. The Motion received a second from Paul Raymond and was approved by the Trustees 5-0.

Respectfully submitted,

Nate Spera