

BOARD OF TRUSTEES OF THE CITY PENSION FUND FOR FIREFIGHTERS & POLICE OFFICERS

In the City of Pembroke Pines
Hampton Professional Center
1951 NW 150th Avenue – Suite #104
Pembroke Pines, FL 33028

REGULAR MONTHLY MEETING – MARCH 20, 2014

The four hundred and twenty fifth meeting of the Firefighters and Police Officers Pension Fund in the City of Pembroke Pines was called to order at 2:07 p.m. by Chairman Steve Dougherty.

1. <u>Roll Call –</u>	<u>Fire Members</u>	<u>Police Members</u>	<u>City Members</u>
	Steve Dougherty	Al Xiques	Gary Arenson Jack McCluskey Vicki Minnaugh

Others Present: Steve Cypen, Attorney for the Fund; Robert Friedman, Special Tax Counsel for the Fund; Stuart Kaufman, Attorney from Klausner, Kaufman, Jensen, & Levinson; Glenn Mealer, City Employee (Videographer); Michael Edinger, City Employee (Videographer); James Fisher, Plan Administrator and Rachel Maldonado, Assistant Plan Administrator.

Jacqueline Sanchez, Fort Lauderdale Police Officer, also attended the meeting as part of the audience.

Motion by Vicki Minnaugh, second by Jack McCluskey, to excuse trustees Cabeza, Musumeci, Heim, and Venema for the absences at this meeting. The motion carried unanimously.

Steve Cypen announced an alliance between Cypen & Cypen and Klausner Kaufman Jensen & Levinson with the advent of Ms. Bieler's sabbatical. Attorney Stuart Kaufman will support Mr. Cypen as he continues to be the primary legal counsel of this Board.

- Approval of Minutes for February 20, 2014** – Chairman Dougherty presented minutes from the February 20, 2014 meeting for approval. Motion by Vicki Minnaugh, second by Jack McCluskey, to approve the minutes. The motion carried unanimously.
- Approval of Warrant #592** - Chairman Dougherty presented Warrant #592 in the amount of \$7,758.89 for approval and payment. Motion by Vicki Minnaugh, second by Jack McCluskey, to approve Warrant #592 in the amount of \$7,758.99. The motion carried unanimously.

Cypen & Cypen – Monthly Retainer for March 2014	\$3,250.00
Hampton Professional Center Condo #2, Ste. 104 (Monthly Maintenance – April 2014)	\$407.72
Twilight Industries, LLC – (Maintenance – March 2014)	\$152.00
SunTrust (J. Fisher)	\$1,156.92
SunTrust (R. Maldonado)	\$490.43
Ultimate Security – 3 mos. From 3/21/14	\$75.00
FP&L *Already Paid via R&D Acct*	\$176.83
ProShred for Service 2/12/14	\$55.00
Computers R Us – Invoice #2541 *Already Paid via Checking Acct*	\$749.00
Computers R Us – Invoice #2542	\$345.00
Computers R Us – Invoice #2543	\$207.00
Computers R Us – Invoice #2552	\$267.00
Computers R Us – Invoice #2557	\$426.99
TOTAL	\$7,758.89

- Approval of DROP Benefit(s)** – The following DROP benefits were presented for approval.

- F/F Scott Rogers, Normal Form, effective 3/1/14
- F/F Robert Austin, Normal Form, effective 3/1/14

Motion by Gary Arenson, second by Vicki Minnaugh, to approve the DROP benefits as presented for Mr. Rogers and Mr. Austin respectively. The motion carried unanimously.

5. Approval of DROP Account Distributions – The following DROP distributions were presented for Board consideration:

▪ P/O Britney Combs	(Lump Sum)***	▪ F/F Stephen Sumbly	(Lump Sum)***
▪ P/O Dave Parsons	(Lump Sum)***	▪ F/F David Whitworth	(Lump Sum)***
▪ P/O Glen Parker	(Lump Sum)***	▪ F/F Doug Block	(Monthly)***
▪ P/O George Soubasis	(Monthly)***	▪ F/F David Raines	(Lump Sum)***
▪ P/O David Thompson	(Monthly)***	▪ P/O Joseph D'Onofrio	(Lump Sum)***
▪ P/O Clarence Wilson	(Lump Sum)***		

*** Schedule A is available upon request. Please contact the Pension Office if you wish to view it.

The IRC 415 screening tool results were provided to Actuary Larry Wilson. When appropriate, his office will provide the necessary letters to members indicating distributions will not pose a problem with the IRC 415 limitation at the present time. Motion by Vicki Minnaugh, second by Gary Arenson, to approve the DROP account distributions as presented. The motion carried unanimously.

NEW BUSINESS

- 6. Ratify Special Warrant #591** – Chairman Dougherty presented special warrant #591 for ratification of a DROP distribution to P/O Joseph Covino. It was signed prior to the meeting. Motion by Vicki Minnaugh, second by Jack McCluskey, to approve the Special Warrant #591. The motion carried unanimously.
- 7. F/F COLA Effective 4/1/2014** – Chairman Dougherty presented the 2014 Firefighter COLAs for approval. Motion by Gary Arenson, second by Jack McCluskey, to approve the 2014 Firefighter COLAs. The motion carried unanimously.
- 8. 10/1/2013 Actuarial Valuation Results** – Plan Actuary Larry Wilson presented the actuarial valuation as of 10/1/2013. Some highlights from the report are listed below. This Actuarial Valuation is used to determine the City Contribution for fiscal year ending 2015 and is the first report to implement the GASB 67 accounting rules of reporting. There were slight actuarial gains this cycle.
- For 2015, the Fund expects to receive \$2.9 million from its members and \$2.45 million from the State. The City is required to contribute \$23.6 million.
 - The total contributions including member, State and City contributions totaled \$28,984,649.
 - DROP accounts are now included in both assets and liabilities, which is a GASB accounting requirement.
 - The normal costs of benefits accruing increased as a dollar amount and percentage of payroll. The City minimum required contribution also decreased as a dollar amount and percentage of pay.
 - The number of active participants increased by 1% and total fund membership was up 1.5%.
 - The Funded Ratio increased to 68.9% from last year's 61.2%

Mr. Wilson noted new accounting terminology in the report as per GASB requirements: "Total Pension Liability" and "Plan Fiduciary Net Position." Mr. Wilson also noted the certification page of the report states all benefits under the current Ordinance are included in the valuation. Motion by Gary Arenson, second by Vicki Minnaugh, to approve and accept the findings of the 2013 Valuation. The motion carried unanimously.

- 9. Status of "Are You Alive?" Affidavits** – Assistant Administrator Maldonado informed the Board that there were still 26 affidavits outstanding. The affidavits were mailed the last week of January and were due on February 28th. The Board instructed the office staff to issue a second certified letter to the participants who had not responded, requesting a response in time for the bank cut-off by mid-April. At

which point if the affidavit is still not in hand, Mr. Fisher and Ms. Maldonado are to instruct the bank to hold the May 1st payments for those members.

UNFINISHED BUSINESS

None

10. Reports:

Actuary – No additional report given.

Attorney – Trustee Arenson asked Mr. Cypen about a Local 10 news report concerning In-Service Distributions. Mr. Cypen confirmed that certain conclusions made by the reporter were incorrect. Mr. Cypen told the Board that the second reading of the Ordinance discussed last month was scheduled for the April 2nd City Commission meeting. After that reading, the application will be sent to the IRS for the proposed corrections. As for the impact statement, the Administrator will ask the City attorney if it can be forwarded to the State. Administrator Fisher received correspondence from the City that is disputing the data provided in the impact statement written by Actuary Larry Wilson.

Chairman – No report.

Plan Administrator – Administrator Fisher asked the Board to add late DROP distributions for P/O Joseph Covino and F/F Robert Bauman to the agenda. Motion by Vicki Minnaugh, second by Jack McCluskey, to add the DROP distributions for Mr. Covino and Mr. Bauman. The motion carried unanimously.

The Pension Office is in receipt of additional bills for payment and other disbursements for approval. Administrator Fisher presented Warrant #593 for addition to the agenda and approval for payment. Motion by Jack McCluskey, second by Vicki Minnaugh, to add Warrant #593 to the agenda. The motion carried unanimously. Motion by Gary Arenson, second by Vicki Minnaugh, to approve the payment of Warrant #588 as presented in the amount of \$476,723.97. The motion carried unanimously. The authorized payment includes:

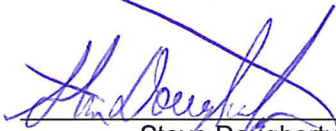
Plan Benefits:	
P/O Britney Combs - Normal Retirement Benefit Commencing 4/1/2014	***
P/O David Thompson - Normal Retirement Benefit Commencing 4/1/2014	***
P/O Clarence Wilson - Normal Retirement Benefit Commencing 4/1/2014	***
F/F Doug Block - Normal Retirement Benefit Commencing 4/1/14	***
F/F Joseph D'Onofrio - Normal Retirement Benefit Commencing 4/1/14	***
DROP Withdrawals:	
P/O Britney Combs - Lump Sum DROP Withdrawal less FIT	***
P/O Dave Parsons - Lump Sum DROP Withdrawal less FIT	***
P/O Glen Parker - Lump Sum DROP Withdrawal less FIT	***
P/O George Soubasis - Monthly DROP Withdrawal commencing 4/1/14	***
P/O Dave Thompson - Monthly DROP Withdrawal commencing 4/1/14	***
P/O Clarence Wilson - Lump Sum DROP Withdrawal less FIT	***
F/F Stephen Sumby - Lump Sum DROP Withdrawal less FIT	***
F/F D. Scott Whitworth - Lump Sum DROP Withdrawal less FIT	***
F/F Doug Block - Monthly DROP Withdrawal commencing 4/1/14	***
F/F David Raines - Lump Sum DROP Withdrawal less FIT	***
F/F Joseph D'Onofrio - Lump Sum DROP Withdrawal less FIT	***
F/F Robert Bauman - Lump Sum DROP Withdrawal less FIT	***
P/O Joseph Covino - Lump Sum DROP Withdrawal less FIT	***
U.S. Treasury - FIT - W/H (Combs, Parsons, Parker, Wilson, Sumby, Whitworth, Raines, D'Onofrio, Bauman, Covino)	***
Various:	
Accelerated Business Solution, Lease for March 2014	\$234.69
GRS, February 2014	\$13,992.00
TOTAL	\$476,723.97

*** Schedule A is available upon request. Please contact the Pension Office if you wish to view it.

The Assistant Administrator informed the Board that Fiduciary Trust will no longer be providing checking account services for its clients. This would mean that the account currently used to fund the office payroll will need to be housed with another banking institution. Fiduciary Trust will set up a monthly wire to the bank of choice to fund the new account through the current R&D account. The Administrators suggested opening a business account with the City County Credit Union. Motion by Gary Arenson, second by Jack McCluskey, to open a checking account with City County Credit Union. The motion carried unanimously.

Administrator Fisher informed the Board that the official contract with new manager Intercontinental arrived. The Chairman signed the required documents.

8. **Input from Retirees:** None.
9. **Input from Active Members:** None.
10. **Input from Trustees:** Vicki Minnaugh informed the Board that she would be unavailable for the April meeting and asked to be excused.
11. **Public Comment** – None.
12. **Adjournment** – Chairman Dougherty announced that the next regular meeting would be held on **Thursday, April 17, 2014 at 2:00 p.m.** There being no further business to come before the Board, motion by Vicki Minnaugh, second by Gary Arenson, to adjourn the meeting at 2:57 p.m. The motion carried unanimously.



Steve Dougherty – Chairman



Frank Musumeci – Secretary