

City of Lauderhill Police Officers' Retirement Plan
Minutes
July 11, 2012
2:00 PM

Roll Call:

Mr. David Hennessy called the meeting of the City of Lauderhill Police Officers' Retirement Plan to order at 2:08 p.m. at the City of Lauderhill Police Department.

Members Present:

David Hennessy - Chairman, Michael Lucas – Secretary, Floyd Harris – Trustee, Kennie Hobbs – Trustee and Gary Celetti – Trustee

Absent & Excused:

None

Others Present:

Stu Kaufman – Board Attorney; Patty Ostrander – Administrative Assistant; Don Dulaney – Board Actuary.

Consent Agenda: Warrant Ratification / Approval:

Approval of Minutes:

The Board of Trustees reviewed the minutes for the May 02, 2012 meeting. Mr. Hennessy asked if there were any changes required to the minutes. Mr. Harris made a motion to approve the minutes. Mr. Hobbs seconded the motion. The motion passed 5-0.

The Board of Trustees reviewed the minutes for the June 06, 2012 meeting. Mr. Hennessy asked if there were any changes required to the minutes. Mr. Lucas made a motion to approve the minutes. Mr. Harris seconded the motion. The motion passed 5-0.

Warrant 238

Payment of \$2,130.00 to Klausner, Kaufman, Jensen & Levinson for legal services rendered through April 30, 2012. Motion made by Mr. Harris to approve as outlined, seconded by Mr. Hobbs. Motion passed 5-0.

Warrant 239

Payment of \$1,655.01 to Gary Celetti. Reimbursement for travel expenses for NCPERS in May 2012. Motion made by Mr. Lucas to approve as outlined, seconded by Mr. Hobbs. Motion passed 5-0

Warrant 240

Payment of \$4,770.00 to Dulaney & Company for actuarial services rendered through May 31, 2012. Motion made by Mr. Harris to approve as outlined, seconded by Mr. Celetti. Motion passed 5-0

Warrant 241

Payment of \$3,330.00 to Klausner, Kaufman, Jensen & Levinson for legal services rendered through May 31, 2012. Motion made by Mr. Lucas to approve as outlined, seconded by Mr. Celetti. Motion passed 5-0.

Warrant 242

Payment of \$8,164.00 to Southeastern Advisory Services, Inc. for consulting services. Motion made by Mr. Hobbs to approve as outlined, seconded by Mr. Celetti. Motion passed 5-0.

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Warrant 243

Payment of \$2,956.18 to Klausner, Kaufman, Jensen & Levinson for legal services rendered through June 28, 2012. Motion made by Mr. Hobbs to approve as outlined, seconded by Mr. Celetti. Motion passed 5-0.

Warrant 244

Payment of \$639.62 to Michael Lucas for Reimbursement for the FPPTA Conference. Motion made by Mr. Hobbs to approve as outlined, seconded by Mr. Harris. Motion passed 5-0.

Warrant 245

Payment of \$700.00 to Dulaney & Company, Inc. for actuarial services rendered through June 30, 2012. Motion made by Mr. Harris to approve as outlined, seconded by Mr. Lucas. Motion passed 5-0.

Warrant 246

Payment of \$16,304.87 to ICC Capital Management for investment services rendered from April 01, 2012 through June 30, 2012. Motion made by Mr. Celetti to approve as outlined, seconded by Mr. Lucas. Motion passed 5-0.

Warrant 247

Payment of \$416.05 to Kennie Hobbs for Reimbursement for the FPPTA Conference. Motion made by Mr. Harris to approve as outlined, seconded by Mr. Lucas. Motion passed 4-0. (Mr. Celetti off the dias).

Mr. Hennessy and Mr. Celetti executed all of the aforementioned warrants.

Attorney Report:

Mr. Hennessy asked Mr. Kaufman to explain the HB 401 since all members are present at this meeting. Mr. Kaufman explained that the law affects members who name their spouses as beneficiaries and then are subsequently divorced. Mr. Kaufman indicated that the Florida State Retirement System is exempt from the law. Further Mr. Kaufman stated that his firm is in the process of seeking an Attorney General opinion on the application of this law for local retirement plans.

Mr. Hennessy stated that we need to make sure we stay on top of members who are eligible for the 13th Check. Mr. Dulaney stated that he has in his records age 65 and he will check into this.

Mr. Hobbs asked about members going out on disability and then converting to normal retirement. Mr. Kaufman explained that there is no provision stating same.

Mr. Hennessy stated that Mr. Kaufman has requested read only access to the Salem Trust on-line accounts. Motion to allow this read only access by Mr. Hobbs, seconded by Mr. Lucas. Motion passed 5-0. Salem Trust will be formally notified by the Administrator.

Mr. Kaufman provided an update on the Moraga matter. Mr. Kaufman stated that the Process Server appeared in court 3 weeks ago, but learned that Mr. Moraga's appearance was not required in court. Mr. Kaufman stated that they have conducted an asset search on Mr. Moraga but they found nothing to report. Mr. Kaufman is monitoring the situation.

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Mr. Kaufman stated that the final settlement for the Merrill Lynch case will be on July 31st in Jacksonville. The Lauderhill Police Officers' Retirement Plan will be receiving approximately \$20,000.00 expected in September 2012.

Mr. Kaufman reiterated to the trustees to send in their annual financial forms as required by law. Mr. Hennessy stated that he filed his with the City Clerk and will follow up accordingly.

Actuary Report:

Mr. Hobbs asked if a vested member leaves and does not remove his pension contributions from the plan who monitors that. Mr. Dulaney stated that his firm does and the member would be entitled to a benefit payment in the future.

Mr. Dulaney provided Mr. Hennessy & Mrs. Ostrander copies of the June 30th DROP Statements. Mrs. Ostrander will distribute them to the members along with the letter from the Actuary regarding the change in the interest rate of return applied to their respective accounts. It was also noted that the notice to the DROP members was also posted to the Plan website.

Mr. Dulaney indicated that Mr. Doug Beckendorf, State of Florida, Division of Retirement, Bureau of Local Retirement Systems wrote a letter on May 29, 2012. In short Mr. Doug Beckendorf indicated that the Board of Trustees could determine if the city contribution would be based on a percentage of payroll or fixed dollar contribution. Mr. Dulaney endorsed the fixed dollar contribution. Mr. Hobbs asked if the decision should be between the City and the Actuary. Mr. Dulaney stated that it should be between the Board and the Actuary. Motion to use the fixed dollar methodology by Mr. Celetti, seconded by Mr. Hobbs. Motion passed 5-0.

Mr. Hennessy asked what the dollar amount was for Mr. Greg Solowsky if he does not take action on the recent calculation. Mr. Dulaney said it will be between \$250.00 - \$300.00.

New Members:

Mrs. Ostrander presented the member packets for approval from the Board. After considering same, a motion was made to accept the new members (Terrence McGriff & Edward McCormick) into the Plan by Mr. Hobbs, seconded by Mr. Lucas. Motion passed 5-0.

Plan Administrator Report:

Mr. Hennessy advised that in light of recent events, he would like the day to day administrative operations to be handled by Mr. Williams & Mrs. Ostrander. Mr. Hennessy expressed his level of satisfaction with them handling the day to day duties of the Plan. All Trustees concurred with this action effective immediately. Mrs. Ostrander thanked the Board for their continued support and confidence.

Open Discussion:

Mr. Hennessy asked Mr. Hobbs about the direction for pre-employment physicals. Mr. Hobbs recalls the Plan paying for it so the prior Administrator can get the results. This is a budget item and is being charged to the Police Department. Mr. Rhames approached Mr. Hennessy and is requesting we split the fee. Hobbs feels it is cleaner (for audit purposes) if the City pays for it. Mr. Hobbs will talk to Mr. Rhames regarding this matter. Mr. Hobbs will report back as warranted.

Mr. Hennessy raised an issue with regard to the Administrative Rules of the Plan. Mr. Hennessy felt that trustees should attend a minimum amount of meetings to be eligible to attend any and all educational seminars / conferences. After a brief discussion a consensus was reached that

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trustees must attend at least 8 meetings in the last 12 months to attend the functions cited. Mr. Kaufman will update the Administrative / Travel Policy to reflect same.

Mr. Hobbs asked about minimum benefits and 185 compliance. Mr. Dulaney explained that some clients stop / start to give out accumulative one time revenue, which in the case this Plan does not have.

Mr. Hobbs mentioned that at FPPTA they were talking about a trigger mechanism. If a plan met or did not meet certain investment returns that it would "trigger" additional contributions or no COLA. Mr. Hobbs asked if contributions can be capped and feels that there should be a safe guard in place for the City. It was conveyed that the minimum contribution level is determined by the Plan Actuary and the City is required to maintain that funding in order to ensure soundness to the Plan.

Adjournment:

Being there was no other business; the meeting was adjourned at 3:27 PM.

Approved: 
Chairman Hennessy

Date: 07-05-12