

City of Lauderhill Police Officers' Retirement Plan
Minutes
April 09, 2014
11:00 A.M.

Call to Order / Roll Call:

Mr. David Hennessy called the meeting of the City of Lauderhill Police Officers' Retirement Plan to order at 11:26 A.M. at the Lauderhill Police Department 6279 West Oakland Park Blvd in Lauderhill Florida.

Members Present:

David Hennessy - Chairman, Floyd Harris – Secretary and Gary Celetti – Trustee.

Absent & Excused:

Kennie Hobbs - Excused

Others Present:

Paul Daragjati – Board Attorney; Dave Williams – Plan Administrator and Patty Ostrander – Administrative Assistant.

Public Discussion:

None

Consent Agenda: Warrant Ratification / Approval:

Approval of Minutes:

The Board of Trustees reviewed the minutes for the February 12, 2014 meeting. Mr. Harris made a motion to approve the minutes, seconded by Mr. Celetti. The motion passed 3-0.

The Board of Trustees reviewed the minutes for the March 05, 2014 meeting. Mr. Harris made a motion to approve the minutes, seconded by Mr. Celetti. The motion passed 3-0.

Warrant 357

Payment of \$30.00 to FPPTA for 2013 CPPT Re-Certification fees for Floyd Harris. Motion by Mr. Celetti to approve as outlined, seconded by Mr. Hennessy. Motion passed 3-0.

Warrant 358-360

Voided Warrants

Warrant 361

Payment of \$28.00 to David Hennessy for reimbursement for parking at the Klausner Conference. Motion by Mr. Harris to approve as outlined, seconded by Mr. Celetti. Motion passed 3-0.

Warrant 362

Payment of \$3,874.58 monthly to Robert Epstein for Normal Retirement (effective date April 01, 2013, date paid for this warrant May 01, 2014). Life Only Annuity selected by member. Motion by Mr. Harris to approve as outlined, seconded by Mr. Celetti. Motion passed 3-0.

Warrant 363

Payment of \$50,369.54 to Robert Epstein for Normal Retirement (retroactive payment from April 01, 2013 to April 01, 2014). Motion by Mr. Harris to approve as outlined, seconded by Mr. Celetti. Motion passed 3-0.

Warrant 364

Payment of \$11,338.00 to Southeastern Advisory Services, Inc. for Performance Measurement & Related Investment Consulting Services for the first quarter in 2014. Motion by Mr. Harris to approve as outlined, seconded by Mr. Celetti. Motion 3-0.

Warrant 365

Payment of \$2,157.25 to Klausner, Kaufman, Jensen & Levinson for legal services through March 2014. Motion by Mr. Celetti to approve as outlined, seconded by Mr. Harris. Motion passed 3-0.

Warrant 366

Payment of \$1,730.39 to Gary Celetti for Reimbursement for BLB&G Conference. Motion by Mr. Harris to approve as outlined, seconded by Mr. Hennessy. Motion passed 3-0.

Warrant 367

Payment of \$7,574.35 to ICC Capital Management for Quarterly Management Fees from period January 01, 2014 through March 31, 2014. Motion by Mr. Harris to approve as outlined, seconded by Mr. Celetti. Motion passed 3-0.

Warrant 368

Payment of \$4,915.00 to Dulaney & Company, Inc. for Actuarial services through March 2014. Motion by Mr. Harris to approve as outlined, seconded by Mr. Celetti. Motion passed 3-0. While reviewing this invoice, it was noted that Mr. Dulaney billed \$275.00 for a calculation for Mr. Uri Tal. Mrs. Ostrander affirmed that Mr. Tal paid for this study and the original quote was \$350.00. As such, a refund warrant will be prepared.

ATTORNEY'S REPORT:

Mr. Daragjati had no formal report. Mr. Hennessy asked Mr. Daragjati to get a status update on the Maraga Matter.

Mr. Daragjati cited a recent opinion from Mr. Stuart Kaufman as follows: You have asked me to review the proposed pension article in the CBA and advise whether there are any concerns. This question is answered in the affirmative. It would be improper to reduce pension benefits of members who have reached normal retirement eligibility under the provisions of the police retirement plan. It seems as if the DROP interest rate provision is being applied to all plan members regardless of whether they are eligible for retirement. This cannot be applied to those eligible for normal retirement, unless they voluntarily choose to have it applied to them.

Article I, Section 10 of the Florida Constitution provides as follows:

“Prohibited laws.--No bill of attainder, ex post facto law or law impairing the obligation of contracts shall be passed.”

This Constitutional provision has been applied to contractually protect pension benefits. As a general proposition, Florida has long subscribed to the view that once a participant has achieved retirement eligibility under the terms of the plan, the member's rights become contractual in nature and may not be reduced or impaired. See, State ex. Rel. Stringer v. Lee, 2 So.2d 127 (Fla. 1941); Florida Sheriffs' Ass'n. V. State Department of Administration, 408 So.2d 1033 (Fla. 1981); O'Connell v. Department of Administration, Division of Retirement, 557 So.2d 609 (Fla. 3rd DCA 1990).

Employers may alter plans, including reducing future accruals of benefits, as long as those changes are not applied to persons who have reached retirement eligibility. *Nation v. City of Ft. Lauderdale*, 419 So.2d 630 (Fla. 1982); *Grady v. Division of Retirement*, 387 So.2d 419 (Fla. 1st DCA 1980).

An employee need not actually retire, or enter into the DROP, in order to be entitled to the contractual protection afforded by the Florida Constitution. As long as they are eligible for normal retirement under the terms of the Plan by the ratification date of the contract, their benefits cannot be diminished. I would suggest that with regard to those eligible for normal retirement that they be given the option of whether they want the fixed rate of return, or the actual Plan investment return, applied to their DROP account.

ACTUARY'S REPORT:

Not present. No formal report. Mr. Hennessy requested that Mr. Williams confirm Mr. Dulaney's Actuarial Valuation presentation at the May 14, 2014 meeting.

PLAN ADMINSTRATOR'S REPORT:

Mr. Williams presented the buyback report previously requested by the Board for informational purposes only. Mr. Daragjati reiterated that absent of an ordinance change allowing the purchase of ghost / air time in the form of an increased multiplier that only prior sworn police officer time should count.

Mr. Williams provided information to the Trustees regarding the 35th Annual Police Officers' & Firefighters' Pension Trustee Program; sponsored by the Division of Retirement – May 12-14, 2014.

General discussion ensued relative to potential legislation changes to Chapter 175 / 185. Legislation is being monitored by Mr. Daragjati.

NEW BUSINESS:

Nothing to report.

OLD BUSINESS:

Fifth Member Appointment – Mr. Hobbs was contacted via speaker telephone at 12:20 P.M. to participate in this discussion. Mr. Celetti stated that he spoke with Mr. William Berk who elected not to pursue the 5th Member position. Mr. Hennessy reiterated Mr. Sam Smith's interest in this position; however he is concerned about his time constraints which may prove problematic. Mr. Daragjati indicated that he had two outside parties possibly interested in the open seat. Mr. Daragjati was unsure if these parties knew the potential liability and the reporting responsibilities as a public Trustee. He will follow up and report at the next meeting. By consensus the Trustees elected to table this matter pending the outcome of Mr. Daragjati's findings.

Investment Policy Update – Mr. Hennessy indicated that Mr. Jeff Swanson transmitted the Investment Policy update pursuant to proposed action taken by the Board on March 05, 2014. This document was also provided to the Board Attorney for review and consideration. Motion to approve the Investment Policy as amended by Mr. Harris, seconded by Mr. Celetti. Motion 3-0. Mr. Williams will file with the proper reporting agencies, will update the website and present the formal signature page for execution at the May meeting.

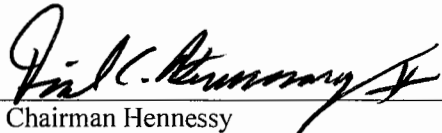
Housing Authority Presentation –Awaiting communication from the Housing Authority.
Matter tabled.

OPEN DISCUSSION:

None

ADJOURNMENT:

Being there was no other business; Mr. Hennessy adjourned the meeting at 12:35 p.m.

Approved:  Date: 05-14-14
Chairman Hennessy