

City of Lauderhill Police Officers' Retirement Plan
Minutes
May 14, 2014
10:00 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 10:07 A.M. at the Lauderhill Police Department 6279 West Oakland Park Blvd in Lauderhill Florida.

Members Present:

David Hennessy - Chairman, Floyd Harris – Secretary, Gary Celetti (left at 11:45 A.M.) & Kennie Hobbs – Trustee (left at 12:15 P.M.).

Others Present:

Paul Daragjati – Board Attorney; Steve Stack – ICC Investment Manager (left at 11:05 A.M.); Don Dulaney – Dulaney & Company (arrived at 11:00 A.M.); Dave Williams – Plan Administrator & Patty Ostrander – Administrative Assistant (left at 12:15 P.M.).

Public Discussion:

No Comments Provided

Consent Agenda: Warrant Ratification / Approval:

Approval of Minutes:

The Board of Trustees reviewed the minutes for the April 09, 2014 meeting. Mr. Celetti made a motion to approve the minutes, seconded by Mr. Hobbs. The motion passed 4-0.

Warrant 369

Payment of \$7,340.23 to New Amsterdam for quarterly management fees for period 04-01-14 to 06-30-14. Motion by Mr. Hobbs to approve as outlined, seconded by Mr. Harris. Motion passed 4-0.

Warrant 370

Payment of \$5,221.71 to Salem Trust for custodial fees for 01-01-14 to 03-31-14. Motion by Mr. Hobbs to approve as outlined, seconded by Mr. Celetti. Motion passed 4-0.

Warrant 371

Payment of \$75.00 to Uri Tal for reimbursement for actuarial consulting fees overpayment. Motion by Mr. Harris to approve as outlined, seconded by Mr. Celetti. Motion passed 4-0.

Warrant 372

Payment of \$1,710.00 to Klausner, Kaufman, Jensen & Levinson for legal services through April 2014. Motion by Mr. Harris to approve as outlined, seconded by Mr. Hobbs. Motion passed 4-0.

Warrant 373

Payment of \$4,980.00 to Dulaney & Company, Inc. for Actuarial services through April 2014. Motion by Mr. Harris to approve as outlined, seconded by Mr. Hobbs. Motion passed 4-0.

Warrant 374

Payment of \$376.86 to Melissa Lucas for reimbursement for contributions withdrawn after February 28th. Motion by Mr. Hobbs to approve as outlined, seconded by Mr. Celetti. Motion passed 4-0.

ATTORNEY'S REPORT:

Mr. Daragjati reflected that no ordinance change will be required due to a recent court ruling on same sex marriage.

Mr. Daragjati is reviewing the pension ordinance regarding the question posed from Mr. Williams on pre-retirement deaths. What form of benefit would the beneficiary receive if no selection was made? Mr. Daragjati said he was having conversations with Mr. Dulaney as well. Mr. Hennessy cited a member who was in this situation to all. Mr. Williams will follow up and advise Mr. Daragjati.

ACTUARY'S REPORT:

Actuarial Valuation Presentation

Mr. Dulaney appeared before the Board to present the Actuarial Valuation of the Lauderhill Police Officers' Retirement System as of October 1, 2013. The report determines the contribution for the plan year ending September 30, 2014.

Mr. Dulaney reported that he anticipates the member's contribution to be valued at \$967,132 (10% of covered payroll). The required funding amount for the plan/fiscal year ending September 30, 2014 is valued at \$2,872,191 (29.7% of covered payroll). The State contribution is valued at \$310,332 (3.2% of covered payroll). This leaves a City contribution of \$2,561,859 (26.5% of covered payroll).

Mr. Dulaney advised the active participant data as of 10/1/2013 is as follows: There are 89 active Tier One employees and 22 Tier Two employees. The covered payroll is \$9,671,315. The average pay for an active member in the plan is \$87,129 with the average age being 38.9 years.

Mr. Dulaney advised that the market value of assets is \$42,296,060 and the actuarial value of assets is \$40,552,741. The present value of vested benefits is \$46,439,480. The funded ratio increased again this year and was valued at 73.7%.

Mr. Dulaney advised the Board that there will be no 13th check to retirees since there is a cumulative loss of \$(9,651,660) to the plan since October 1, 2004.

Motion to accept the Actuarial Valuation Report of October 1, 2013, which determines the contribution for the plan year ending September 30, 2014 as stated by Mr. Hobbs, seconded by Mr. Harris. Motion passed 3-0.

Mr. Dulaney gave two copies of the Actuarial Valuation Report to Mrs. Ostrander to send to the State of Florida.

Mr. Hennessy asked Mr. Dulaney if an actuarial report can be developed based on current data for the fiscal year ending September 30, 2015. This would give the city the ability to prepare and budget for the costs. The current method means the city is in flux in terms of costs for the current fiscal year. Mr. Dulaney said that he could do so, but would have to rely upon the city for certain data projections. Furthermore, the collective bargaining agreement would have to be reviewed. Mr. Hobbs indicated he would oversee those requests. Mr. Williams asked Mr. Dulaney to include the cost to the city if paid on October 1, 2014. The current payments come throughout the year and interest is paid by the city. The city would actually save in interest costs if paid at the beginning of the fiscal year. Mr. Hobbs said that would be helpful as well. Mr. Dulaney indicated that he would include that as well.

Motion was made by Mr. Hobbs directing Mr. Dulaney to prepare an Actuarial Valuation Report which determines the contribution for the plan year ending September 30, 2015, which was seconded by Mr. Harris. Motion passed 3-0.

ICC - Investment Manager Report:

Mr. Stack distributed the quarterly reports.

Mr. Stack indicated that as of 03-31-14, the portfolio had a market value of \$6,059,799. The allocation at the end of the quarter based on each asset class is as follows: 4.3% in cash, 30.4% in growth equity, 65.3% in value equity.

Investment performance for the quarter (03-31-14) by asset category is as follows: Value 2.04% vs. the benchmark of 2.05%, growth 0.18% vs. 2.05% for the benchmark. This equates to a quarterly return of 1.45% vs. 2.05%. These numbers are gross basis.

The investment performance on a five year basis by asset category is as follows: Value 11.89% vs. the benchmark of 12.48%, growth 10.35% vs. 12.48% for the benchmark. This equates to a total return of 11.40% vs. 12.48%. These numbers are gross basis.

PLAN ADMINSTRATOR'S REPORT:

Mr. Williams reminded members of the e-mail transmitted by Mrs. Ostrander with regard to their annual financial filing requirements. As in years past, Mr. Williams offered to transmit the forms to the Supervisor of Elections if the Trustees would like him to do so.

Mr. Williams reflected that a capital call has been made by JPMorgan for the JPMCB Strategic Property Fund. The amount called is \$3M, which is 100% of the amount allocated. Mr. Williams worked with JPMorgan representatives, Salem representatives and Mr. Swanson in this matter. Mr. Williams had the necessary documents ready for execution. Mr. Hobbs made the motion to accept the letters for execution, and direct the Chairman to execute accordingly. This motion was seconded by Mr. Hennessy. Motion passed 3-0.

Mr. Williams also presented the investment policy previously approved for execution by Mr. Hennessy.

NEW BUSINESS:

No Report Provided

OLD BUSINESS:

Housing Authority - Mr. Swanson attended via conference call and stated that he is okay with 5 ³/₄% and stated that anything above 5% is a good deal for the Board. Mr. Swanson reflected the proposed rate is more than what the Plan would receive from a competing asset. Mr. Swanson suggested changing the note to read quarterly (360 days so the amount is divided equally). Mr. Swanson is okay with this starting July 01, 2014.

Motion by Mr. Celetti to accept the Housing Authority proposal at 5³/₄% and quarterly draws totaling \$1M, further to request the Attorney to write a Note, this motion was seconded by Mr. Harris. Motion carried 3-0. Mr. Hobbs was not present for this vote (off the dais).

Fifth Member Appointment - Mr. Hobbs made a motion to appoint Mr. Sam Smith as the Fifth Member, seconded by Mr. Celetti. Motion passed 4-0. Mr. Williams will contact him.

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OPEN DISCUSSION:

Board members wanted the June 4th meeting rescheduled to June 11th, 2014.

ADJOURNMENT:

Being there was no other business; Mr. Hennessy adjourned the meeting at 12:40 p.m.

Approved:


Chairman Hennessy

Date: 06-25-14