

**City of Lauderhill Police Officers' Retirement Plan**  
**Minutes**  
**September 22, 2014**  
**10:00 A.M.**

**Call to Order / Roll Call:**

Mr. David Hennessy called the special meeting of the City of Lauderhill Police Officers' Retirement Plan to order at 10:15 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 – Trustee & Sam Smith – Trustee (left at 11:57 A.M.).

**Absent & Excused:**

Mr. Kennie Hobbs.

**Others Present:**

Paul Daragjati – Board Attorney; Dave Williams – Plan Administrator & Patty Ostrander – Administrative Assistant, Don Dulaney, William Berk – Active Member & Lt. Greg Solowsky – Active Member (left at 12:05 P.M.).

**Public Discussion:**

Mr. Berk would like clarification on the 300 hour cap – fiscal year vs. calendar year. Mr. Berk stated that he was advised that the City was counting the 300 hour cap based on fiscal year. All parties present concurred that the cap should be based on a calendar year. Furthermore, if Mr. Berk exceeded the 300 hour cap before the Collective Bargaining Agreement was in place that it should count.

Mr. Hennessy asked Mr. Williams to contact the City regarding Mr. Berk's overtime reportedly not being credited and to request the City's overtime methodology. Mr. Williams asked Mr. Daragjati to provide his interpretation of how overtime should be handled. Mr. Williams will then correspond to confirm with Mr. Hobbs the City's practice.

While discussing Mr. Berk's issues, Mr. Dulaney reviewed the methodology of his calculation. Mr. Dulaney compared Mr. Berk's paystubs to the payroll report provided by the City and they all matched, with the exception of one longevity payment of approximately \$1,900.00. As such, Mr. Dulaney stands behind his calculations. Mr. Hennessy asked Mr. Williams to explain the payroll validation process. Mr. Williams indicated that his office receives three separate reports. The first report is the amount of the employee contribution being transmitted to our custodian, the second report is an electronic upload for the payroll period and the third report is a physical hard copy. The balances of all the reports are reviewed. If they do not match, a physical review is conducted by Mrs. Ostrander. Any differences are noted and a conference call is made to Cheryl in the Finance Department to reconcile the matter. Mr. Williams said without question where issues continued to arise, is when manual transactions are conducted and are not reported to our office by the City. Mr. Williams' position remains, steadfast that all payments should go through a normal payroll process, that there should be no manual adjustments / payments and that those payments should be deferred until the next payroll period. Mr. Williams also indicated his position remains unchanged that further checks and balances could be established by having the City complete a Statistical Exhibit which could be compared to the one that is created internally. Mr. Williams also advised that the spreadsheet created by Mrs. Ostrander is also provided for independent review to the Plan Auditor. The foregoing action provides multiple layers of checks and balances and insurances of accuracy.

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Mr. Hennessy asked Mr. Williams how far back the electronic payroll exists. Mr. Williams reflected October 01, 2010. Mr. Hennessy asked Mr. Williams to contact Mr. Doug Downs, IT Director for the City to request payroll data back eight years so we can import it into the system.

Mr. Hennessy asked that the payroll spreadsheet be included in the monthly trustee's packets. Mrs. Ostrander acknowledged and affirmed.

Discussion ensued regarding the AFC. Mr. Celetti felt the best five of the last ten years could be interpreted to be any time frame. Mr. Daragjati reminded the Board that the Plan year is defined as the fiscal year in the Ordinance. Mr. Berk felt that the Board should be able to depart from the fiscal year interpretation. Mr. Dulaney interpolated that there could be no cherry picking as inferred. Mr. Daragjati reminded the Board of its Fiduciary Duty to the Fund and not the membership. Mr. Hennessy stressed the need for a written legal opinion in this matter. Mr. Celetti made a motion requesting Mr. Daragjati to research and provide a formal legal written opinion on the determination of calculating AFC, seconded by Mr. Smith. Motion carried 4-0.

Mr. Hennessy asked Mr. Daragjati what the Board can do to get the City to get numbers regarding Mr. Errol Forbes who entered the DROP on August 31, 2014. Mr. Daragjati will call the City and report back to the Board.

It was conveyed that the draft Ordinance passed on First Reading with incorrect language. Prior to Second Reading of the Ordinance, an Impact Statement must be filed with the State of Florida Division of Retirement. The Plan Administrator attempted to accomplish this task however the City's snapshot of the time on the books is not available; therefore Mr. Dulaney cannot begin to prepare his Impact Statement. Further, at this juncture, the Division of Retirement has not ruled on the establishment of the Trust. Mr. Daragjati did not have the written communication available between Mr. Klausner and representatives from the State. The Trustees felt that this matter was urgent in nature and asked Mr. Daragjati to formally contact the City and or their legal representative about the foregoing concerns. Mr. Williams was asked to follow up with the City on the snapshot as well.

**Attorney's Report:**

Mr. Daragjati spoke with Ms. Russo from Salem Trust regarding the difference between the invoiced fee and the value of the Plan Assets. Mr. Daragjati learned that the Principal Real Estate Account is not updated on a day by day basis. Salem Trust manually tracks this account. The invoice in this situation was prepared prior to the manual insertion of the account balance. As such, there was a difference in the Plan's favor. By consensus, the Board agreed that Salem Trust should not bill the Plan until the account is completely updated and reconciled. By that consensus, Mr. Daragjati will notify Ms. Russo of the Board's position.

**Actuary's Report:**

This matter was handled under Public Discussion.

**Open Discussion:**

Mr. Hennessy gave Mr. Williams permission to put any member in contact with Mr. Dulaney if they had questions or concerns about their respective calculations. Mr. Williams acknowledged and affirmed that this was the case with Mr. Berk. Mr. Williams felt that the calculation of the benefit was paramount to all parties and should be a transparent process.

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**Adjournment:**

Being there was no other business; Mr. Hennessy adjourned the meeting at 12:08 P.M.

Approved:   
Chairman Hennessy

Date: 10-01-14