

City of Lauderhill Police Officers' Retirement Plan
Minutes
October 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 10:05 A.M. at Lauderhill City Hall, 5581 West Oakland Park Blvd in Lauderhill, Florida.

Members Present:

David Hennessy - Chairman, Floyd Harris – Secretary, Gary Celetti (left at 11:16 A.M.), Sam Smith (left at 11:16 A.M.) and Kennie Hobbs (arrived at 10:09 A.M. and left at 11:00 A.M.), Trustees.

Absent:

None

Others Present:

Paul Daragjati – Board Attorney; Dave Williams – Plan Administrator & Patty Ostrander – Administrative Assistant, Don Dulaney – Board Actuary, John Puleo – FOP Representative and Charles Ferenda – City Manager (left at 10:41 A.M.).

Public Discussion:

Mr. Hobbs asked the Board if he could record the meeting and the Board agreed. The recorder was turned on at 10:10 A.M. and turned off at 10:48 A.M. The recorder was turned on.

Consent Agenda: Warrant Ratification / Approval:

Warrant 398

Payment of \$12,125.00 to Southeastern Advisory Services, Inc. for Performance Measurement & Related Investment Consulting Services for the Third Quarter of 2014. Motion by Mr. Harris to approve as outlined, seconded by Mr. Smith. Motion passed 4-0. Mr. Hobbs was not present.

Warrant 399

Payment of \$11,692.50 to Klausner, Kaufman, Jensen & Levinson for legal services through September 2014. Motion by Mr. Hobbs to approve as outlined, seconded by Mr. Harris. Motion passed 5-0.

Warrant 400

Payment of \$7,806.51 to ICC Capital Management for Quarterly Management Fees for the Third Quarter of 2014. Motion by Mr. Harris to approve as outlined, seconded by Mr. Smith. Motion passed 4-0. Mr. Hobbs was not present.

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Warrant 401

Increased payment of \$270.00 per month to Precision Pension Administration effective October 01, 2014. Motion by Mr. Smith to approve as outlined, seconded by Mr. Harris. Motion passed 5-0.

Warrant 402

Payment of \$384.47 to City of Lauderhill – City Clerk’s Office for copies of payroll documents. Motion by Mr. Celetti to approve as outlined, seconded by Mr. Hobbs. Motion passed 5-0. Mr. Hennessy asked if we received actual hard copies. Mr. Williams replied that we received electronic files. Mr. Hennessy asked Mr. Hobbs if he feels we will be charged for future service and his answer was no.

Warrant 403

Payment of \$606.12 to Floyd Harris for reimbursement for the October 2014 FPPTA Conference. Motion by Mr. Celetti to approve as outlined, seconded by Mr. Hobbs. Motion passed 5-0.

Warrant 404

Payment of \$5,446.40 (Gross – as per Board Actuary), effective November 01, 2014 to Kumpol Kornsuwan for Normal Retirement. Motion by Mr. Hobbs to approve as outlined, seconded by Mr. Celetti. Motion passed 5-0. Final calculation to follow.

AFC Review:

Mr. Hennessy explained the situation and the reason for this special meeting. Currently, the Actuary calculates the benefits based on the best five fiscal years and / or the last five consecutive five years. An issue was raised whether or not the Actuary can deviate from past practice and use calendar years. Mr. Celetti stated that we have an anomaly and can we use the calendar year calculation. Mr. Ferenda stated that he spoke to Mr. Puleo prior to the meeting and stated what his thought was on the Pension calculations and asked what we have done in the past. Mr. Ferenda stated that he only wanted to change if the past procedure is wrong. Mr. Hennessy stated that Mr. Dulaney indicated that he inherited the process and it was an industry standard. Mr. Celetti stated that Mr. Berk had a break in service regarding calendar / fiscal years. Mr. Ferenda reflected that if the City Ordinance is clear than that is what is used. If there are differences than the Board should act in the best interest of the Plan, not the member. He advised the Board that if real questions or guidance is needed or clarifications of the Ordinance, then the questions should be addressed to the City Attorney. Mr. Ferenda stated that as a manager he feels this is a slippery slope. He doesn’t feel that he has the authority to change the Ordinance.

Mr. Hobbs feels that we have been consistent with the Ordinance and this new way would require an Ordinance change. Mr. Ferenda does think the proposal requires an Ordinance change and would mean negotiations with the Union and City. His opinion as a manager would be to not deviate what has been done in the past. If it is a benefit to one person and harms the Plan then it should not be done. Mr. Celetti asked what if we can do that and doesn’t cost more and no one gets hurt? Mr. Ferenda replied, No we can’t do that.

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Mr. Hennessy felt that the Board as a whole has been properly acting as a Fiduciary. Mr. Hennessy reflected that the Board had no intention coming to this meeting to negotiate, but to ask for guidance.

Mr. Ferenda can't authorize any changes to what was done in the past and that any changes for good or bad has to be negotiated

Mr. Dulaney looked back at past calculations from date of inception in 2007. Mr. Dulaney stated that when he takes on a new Plan they look back at past procedures and get guidance from the Administration.

Mr. Ferenda confirmed that 60 consecutive and best 5 out of 10 years.

Mr. Darajgati stated that he does not think anyone is advocating for a change – just discussing. He also stated that the Board members paramount issue is to follow the Ordinance. If a gap in the law is noted – make a recommendation to the City / Union. Any time a change is suggested it must be negotiated. The Board does have authority to interrupt the code.

Mr. Harris was out of the room from 10:35 – 10:38 A.M.

Mr. Darajgati stated the he feels the Plan is following both methods since inception and legally defensible at this point.

Mr. Hennessy asked Mr. Hobbs if we will be ready for the Second Reading of the Ordinance after the Snap Shot and Impact Statement are done? Mr. Hobbs indicated yes.

Mr. Hennessy asked if there is any Memo of Understanding that would affect the Ordinance. Mr. Hobbs stated he thinks there is one and he will find out and report back.

Mr. Ferenda left 10:41 A.M.

Mr. Puleo was asked for his input and he stated that as long as we are following the Ordinance all is good.

The recorder was turned off.

Attorney's Report:

This matter was handled under Public Discussion.

Actuary's Report:

Mr. Harris explained the snapshot to the Board. Mr. Hennessy said that Mr. Dulaney should use the numbers in the last column. Mr. Williams confirmed that we will be seeking an updated and payout of banked time snapshot from this point going forward for members entering the DROP.

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Administrator's Report:

Mr. Williams distributed the 2015 meeting calendar and will be posted to the website as Public Notice.

Open Discussion:

Mr. Hennessy asked Mr. Williams to confirm that Mr. Swanson will attend the December meeting.

Mr. Hennessy asked Mr. Williams to get a snapshot for Forbes as of DROP entry date.

Adjournment:

Being there was no other business; Mr. Hennessy adjourned the meeting at 11:35 A.M.

Approved:  Date: 01-07-15
Chairman Hennessy