

City of Lauderhill Police Officers' Retirement Plan
Minutes
January 13, 2016
10:00 AM

Call to Order / Roll Call:

Mr. David Hennessy called the meeting of the City of Lauderhill Police Officers' Retirement Plan to order at 10:13 PM at the Lauderhill Police Department, 6279 West Oakland Park Blvd Lauderhill, Florida.

Members Present:

Mr. David Hennessy – Chairman; Mr. Floyd Harris – Secretary (left at 10:37 AM) and Mr. Kennie Hobbs – Trustee.

Absent:

Mr. Gary Celetti and Mr. Sam Smith – Trustees.

Others Present:

Mr. Paul Daragjati – Board Attorney; Mr. Dave Williams – Plan Administrator; Mrs. Patty Ostrander – Administrative Assistant and Mr. Don Dulaney – Board Actuary.

Public Discussion:

No Comments Provided

Approval of Minutes:

The Board of Trustees reviewed the minutes for the December 02, 2015 meeting. Mr. Floyd made a motion to approve the minutes, seconded by Mr. Hobbs. The motion passed 3-0.

Consent Agenda: Warrant Ratification / Approval:

Warrant 508

Payment of \$3,750.00 to Klausner Kaufman, Jensen & Levinson for legal services through November 2015. Motion by Mr. Hobbs to approve as outlined, seconded by Mr. Harris. Motion passed 3-0.

Warrant 509

Payment of \$369.51 to Sun Credit Union (\$369.51 travel & education). Motion by Mr. Hobbs to approve as outlined, seconded by Mr. Harris. Motion carried 3-0.

Warrant 510

Payment of \$1,500.00 to Goldstein Schechter Koch for audit services for the year ended 09-30-15. Motion by Mr. Hobbs to approve as outlined, seconded by Mr. Harris. Motion passed 3-0.

Warrant 511

Payment of \$3,200.00 to Goldstein Schechter Koch for audit services for the year ended 09-30-15. Motion by Mr. Hobbs to approve as outlined, seconded by Mr. Harris. Motion passed 3-0.

Warrant 512

Payment of \$9,000.00 to Goldstein Schechter Koch for audit services for the year ended 09-30-15. Motion by Mr. Harris to approve as outlined, seconded by Mr. Hobbs. Motion passed 3-0.

Warrant 513

Payment of \$3.34 to Sun Credit Union (\$3.34 Office Supplies). Motion by Mr. Hobbs to approve as outlined, seconded by Mr. Harris. Motion carried 3-0.

City of Lauderdale Police Pension Plan - Minutes

January 13, 2016

Page 2

Warrant 514

Payment of \$3.27 to Sun Credit Union (\$3.27 Office Supplies). Motion by Mr. Hobbs to approve as outlined, seconded by Mr. Harris. Motion carried 3-0.

Warrant 515

Payment of \$12,802.00 to Southeastern Advisory Services, Inc. for Investment consulting services for the fourth quarter of 2015. Motion by Mr. Harris to approve as outlined, seconded by Mr. Hobbs. Motion passed 3-0.

Warrant 516

Payment of \$3,910.00 to Dulaney & Company for actuarial services through November 2015. Motion by Mr. Hobbs to approve as outlined, seconded by Mr. Harris. Motion passed 3-0.

Warrant 517

One time payment of \$20,332.17 to Ms. Gina Goulette as a Return of Contributions per the estimated calculation prepared by Board Actuary. Motion by Mr. Harris to approve as outlined, seconded by Mr. Hobbs. Motion passed 3-0.

Warrant 518

One time payment of \$14,230.64 to Ms. Princess Saunders as a Return of Contributions per the estimated calculation prepared by Board Actuary. Motion by Mr. Harris to approve as outlined, seconded by Mr. Hobbs. Motion passed 3-0.

Warrant 519

Payment of \$3,330.00 to Klausner, Kaufman, Jensen & Levinson for legal services through December 2015. Motion by Mr. Hobbs to approve as outlined, seconded by Mr. Harris. Motion passed 3-0.

Warrant 520

Direct Rollover Payment of \$83,101.98 to Pershing IRA FBO Mr. Eugene Lewis. This represents principal and interest accrued by this member in his DROP Account from November 01, 2014 through November 30, 2015 as per the Board Actuary. Motion by Mr. Hobbs to approve as outlined, seconded by Mr. Harris. Motion passed 3-0.

Warrant 521

One time payment of \$412.30 to Mr. Christopher DeSanto as a Return of Contributions per the estimated calculation prepared by Board Actuary. Motion by Mr. Harris to approve as outlined, seconded by Mr. Hobbs. Motion passed 3-0.

Warrant 522

Payment of \$7,680.41 to Highland Capital Management for quarterly management fees. Motion by Mr. Hobbs to approve as outlined, seconded by Mr. Harris. Motion passed 3-0.

Mr. Harris left the meeting at 10:37 AM due to official business. Therefore the balance of this meeting will be considered a workshop.

Attorney's Report:

City Ordinance: Mr. Daragjati stated that the Auditor inquired about the Board's Authority in providing a fixed rate of return to certain DROP Members.

City of Lauderdale Police Pension Plan - Minutes

January 13, 2016

Page 3

Mr. Daragjati reflected that he drafted the ordinance based on the collective bargaining agreement (CBA) that outlined the members affected. During the approval process, the draft was alerted and the language was removed.

As such that is an apparent disconnect between the CBA and the ordinance. Mr. Hobbs interjected that the ordinance should mirror the CBA. All present agreed to that position. Mr. Daragjati is pursuing the matter with the city attorney to resolve. Mr. Daragjati will forward Mr. Hobbs an email citing the required change(s) and Mr. Hobbs stated that he will get it done. As it stands, the Auditor has been apprised of the situation.

While on this topic, Mr. Hennessy indicated he was contacted by member, Rick Rocco with regard to his ability to elect the fixed rate of return (FRR) vs. the variable rate of return (VRR) when he eventually enters the DROP. Mr. Hennessy understands that Mr. Rocco was eligible for a provision that allowed members to exercise their respective DROP rate of return option in 2014. It appears he was not noticed by the city as he was not in the collective bargaining unit. Mr. Rocco has recently exercised what option he would like to preserve when he enters the DROP by notifying the city and copying the pension administrator. Mr. Hennessy felt that this is a similar case with Mr. Forbes and as such should be treated alike. The only question was the completion of Mr. Rocco's buyback, which made him eligible for normal retirement. After discussing the matter, the consensus of the Trustees present was to accept Mr. Rocco's option, if in fact he was eligible based on the completion of the buy back. Mr. Dulaney will review and report back. *NOTE: Subsequent to this meeting, Mr. Dulaney reported the Mr. Rocco did complete his buyback and thus was eligible for normal retirement in 2014 and finally would have been permitted to elect his rate of return pursuant to the CBA and city ordinance.*

Increased Multiplier: Mr. Daragjati advised a member is interested in a multiplier buy up. The member indicated he wanted to buy up 10 years of service, but has not completed that service. Mr. Daragjati stated that 185 prohibits the purchase of air time. Mr. Daragjati feels that you are purchasing a benefit that you haven't accrued and therefore doesn't exist. Mr. Daragjati stated that he does not see an issue purchasing time already accrued. Mr. Hennessy inquired about possibly creating a form for said request. Mr. Williams agreed with a new policy and form. Mr. Daragjati felt that this is the first time the matter has been considered by the Board, and a policy should be considered.

Mr. Williams read the section of the ordinance that is relative to this request:

In part – Sec 2-79(b) "Tier Two members shall be allowed to purchase an increase in their multiplier up to three and one-half (3½) percent. The full actuarial cost of purchasing an increase in the multiplier shall be borne solely by the participants as determined by the plan actuary. Any enhanced multiplier benefit purchased shall not be subject to the seventy-five (75) percent of final monthly compensation maximum benefit limitation however, a member's total benefit shall not exceed one hundred (100) percent of final monthly compensation."

For informational purposes, Mr. Williams also advised the member in question is also currently in the buy-back process.

Due to the fact that there was no quorum, no further action could be taken. Mr. Daragjati will outline his position and review his findings with Mr. Dulaney. Mr. Williams will email the member with an update and explained that it will be discussed at the next meeting.

IPT Database: To benefit the entire Board, Mr. Daragjati will review at a future meeting.

City of Lauderdale Police Pension Plan - Minutes

January 13, 2016

Page 4

Actuary's Report:

Mr. Dulaney advised he is still awaiting data from the city to finalize Mr. Abrahams' refund of his contributions. Mr. Hobbs said that he will have finance prepare the total contributions from 2001-2015 in a spreadsheet.

Mr. Dulaney prepared and reviewed the GASB67 report and distributed it to the Board. Mr. Dulaney has also sent a copy to the Auditors.

Mr. Dulaney was reminded to complete the Post Retirement Supplement Study.

Plan Administrator's Report:

Mr. Williams advised the Board that prior to today's meeting; Mr. Celetti contacted him stating that he would be resigning from the Board effective January 31, 2016. Mr. Williams will review the election policy and prepare a notice of nomination and election. Mr. Hennessy reflected that he will post internally and wanted it notice posted on the web site as well.

Mr. Williams asked Mr. Daragjati if the new trustee will assume the remainder of Mr. Celetti's term, or begin a new term. Mr. Daragjati will check the ordinance and report back. *NOTE: Subsequent to this meeting, Mr. Daragjati reported that all trustees shall serve a term of four (4) years. A replacement trustee shall serve a full term measured from the date of replacement.*

New Business:

Meeting Date Change – Mr. Hennessy asked to remove this topic from future agendas.

Old Business:

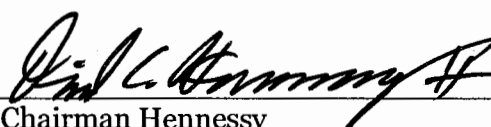
DROP FAQ & Summary Plan Description – Tabled for February meeting.

Open Discussion:

None

Adjournment:

Being there was no other business; Mr. Hennessy adjourned the meeting at 12:53 PM.

Approved:  _____
Chairman Hennessy

Date: 02-03-16