

**City of Lauderhill Police Officers' Retirement Plan
Minutes
July 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 10:10 AM at the Lauderhill Police Department, 6279 West Oakland Park Blvd Lauderhill, Florida.

Members Present:

Mr. David Hennessy – Chairman; Mr. Floyd Harris – Secretary, Mr. Kennie Hobbs (left at 12:55 PM), Mr. Brad Mitchell & Mr. Sam Smith - Trustees.

Absent:

None

Others Present:

Mr. Paul Daragjati – Board Attorney; Mr. Don Dulaney – Board Actuary; Mr. Dave Williams – Plan Administrator & Mrs. Patty Ostrander – Administrative Assistant. Ms. Katleen Daher, Ms. Cynthia Borders-Byrd & Mr. William Washington – C. Borders-Byrd; Mr. Vince Carrodegua & Mr. Clement Johns – Goldstein Schechter Koch and Ms. Jeanine Bittinger & Mr. Richard Cristini – Davidson Jamieson Cristini.

Public Discussion:

No Comments Provided

Approval of Minutes:

The Board of Trustees reviewed the minutes for the June 01, 2016 meeting. Mr. Harris made a motion to approve the minutes, seconded by Mr. Mitchell. The motion passed 5-0.

Consent Agenda: Warrant Ratification / Approval:

Warrant 557

Payment of \$1,353.50 to Klausner, Kaufman, Jensen & Levinson for Legal services through May 31, 2016. Motion by Mr. Harris to approve as outlined, seconded by Mr. Mitchell. Motion passed 5-0.

Warrant 558

Voided Warrant

Warrant 559

Payment of \$2,200.00 to Dulaney & Company for actuarial services through May 2016. Motion by Mr. Hobbs to approve as outlined, seconded by Mr. Mitchell. Motion passed 5-0.

Warrant 560

Payment of \$13,436.00 to Southeastern Advisory Services, Inc. for Performance monitoring during the second quarter of 2016. Motion by Mr. Harris to approve as outlined, seconded by Mr. Hobbs. Motion passed 5-0.

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Warrant 561

Payment of \$1,260.50 to Klausner, Kaufman, Jensen & Levinson for Legal services through June 31, 2016. Motion by Mr. Harris to approve as outlined, seconded by Mr. Mitchell. Motion passed 5-0.

Warrant 562

Payment of \$7,519.17 to Highland Capital Management for Quarterly Management fees for the second quarter of 2016. Motion by Mr. Smith to approve as outlined, seconded by Mr. Mitchell. Motion passed 5-0.

Warrant 563

Payment of \$1,003.50 to Sun Credit Union for travel & education. Motion by Mr. Harris to approve as outlined, seconded by Mr. Hobbs. Motion passed 5-0.

Warrant 564

Payment of \$33.82 to Sun Credit Union for late fees. Motion by Mr. Harris to approve as outlined, seconded by Mr. Hobbs. Motion passed 5-0.

Warrant 565

Payment of \$1,508.71 to Mr. Glenford Veitch for Non-Vested Return of Contributions, as calculated by our Actuary. Motion by Mr. Harris to approve as outlined, seconded by Mr. Hobbs. Motion passed 5-0.

Auditor Interviews:

The Board posted an Audit RFP for the upcoming audit. Three companies' submitted proposals and they were interviewed at today's meeting:

- C. Borders-Byrd - Cynthia Borders-Byrd, William Washington and Katleen Daher
- Goldstein Schechter & Koch - Clement Johns & Vince Carrodegua
- Davidson Jamieson Cristini - Jeanine Bittinger & Richard Cristini

All the presenters were provided ample time to provide their professional ability to complete the services required for the independent audit and annual state report.

Mr. Hennessy contacted Mr. Jeff Swanson via conference call so he can further voice his opinions on the firms presenting. Mr. Hobbs felt it was healthy to have fresh eyes takeover the audit.

Mr. Williams reflected that Cynthia Borders-Byrd, CPA lacks current public plan clients. The firm has one general employee plan, which is within this city. Further, the presenter acknowledged that she has never completed an annual state report or dealt with the State of Florida – Division of Retirement. He added that Cynthia Borders-Byrd, CPA also has other engagements with the City of Lauderhill and the Board should consider independence. Finally, Mr. Williams expressed the other firms were extremely well known and have a proven track record.

Mr. Hennessy said he was apprehensive with Cynthia Borders-Byrd, CPA because she has not been engaged for any independent audits for a police plan.

Other city engagements were considered by the Trustees but they felt there was no conflict. Mr. Daragjati agreed.

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After Board discussion, Mr. Hobbs made a motion to engage Cynthia Borders-Byrd, CPA as the Board auditor for the 2015-16 fiscal year, seconded by Mr. Harris. Motion passed 5-0. Mr. Daragjati will work on the engagement letter once it is received. Mr. Williams will advise all parties.

Mr. Hobbs left at 12:55 PM.

Attorney's Report:

Mr. Daragjati distributed and discussed with the Board that they need to set up a Share Plan as per SB 172. Mr. Daragjati recommended that the Board review the packet and submit a request to the City to put this into an Ordinance. This will be discussed further at the next meeting.

Mr. Daragjati reviewed basic disability claim procedures.

Actuary's Report:

Mr. Dulaney distributed and reviewed the Actuarial Valuation Report. Motion to accept the report as presented by Mr. Harris, seconded by Mr. Smith. Motion passed 4-0. (Mr. Hobbs was not present for this vote).

The required funding amount for the plan/fiscal year ending September 30, 2016, to be met by the City and State contributions under Chapter 185 is 32.1% of the covered payroll. The anticipated State (Chapter 185) contribution is \$365,170. The City and State required contribution, computed based on the October 1, 2015 covered payroll of \$8,479,879, is \$2,723,906 or 32.1% of covered payroll, if the payment requirement is met by September 30, 2016. We have assumed that the State contribution available (limited by rules under Chapter 99-1) would be \$365,170 (same as the amount the City was credited with for contribution purposes for the prior plan/fiscal year, and assumed to be 4.3% of covered payroll), the required City contribution would be \$2,358,736 (27.8% of covered payroll). Under the rules of Chapter 99-1, any amount of the State contribution received above the assumed amount of \$365,170 up to the adjusted base amount of \$504,799 can be used to reduce the City's contribution requirement. If the actual State contribution is less than the assumed amount, the shortfall must be made up by the City.

A. Characteristic of Active Participants

| | | |
|-----|---|--------------|
| 1. | Active participants as of beginning of prior year | 107 |
| 2. | New entrants during prior year | 2 |
| 3. | Exits during prior year | (18) |
| 4. | Active participants as of beginning of year | 91 |
| 5. | Active participants fully vested | 67 |
| 6. | Active participants partially vested | 0 |
| 7. | Active participants non-vested | 24 |
| 8. | Annual payroll of active participants | \$ 8,479,879 |
| 9. | Average pay | \$ 93,185 |
| 10. | Average attained age | 38.6 years |
| 11. | Percent female | 6.6% |

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B. Characteristics of Inactive Participants

| | |
|--|--------------|
| 1. Inactives as of beginning of prior year | 38 |
| 2. Newly inactive during prior year | 15 |
| 3. Exits during prior year | <u>(0)</u> |
| 4. Inactives as of beginning of year | 53 |
| 5. Age retirees | 29 |
| 6. Projected annual benefit for age retirees | \$ 1,645,793 |
| 7. DROP participants | 10 |
| 8. Projected annual benefit for DROP participants | \$ 905,933 |
| 9. Beneficiaries receiving benefits | 1 |
| 10. Projected annual benefits for beneficiaries receiving benefits | \$ 21,110 |
| 11. Disabled participants receiving benefits | 3 |
| 12. Projected annual benefits for disabled participants | \$ 66,754 |
| 13. Terminated vested due deferred benefits | 10 |
| 14. Projected annual benefits for terminated vested participants | \$ 196,856 |

Plan Administrator's Report:

Mr. Ostrander distributed the new Fifth Third credit cards and all trustees signed for them.

Mr. Williams informed the Trustees that Ordinance 16O-06-161 that recently passed was sent to the State.

New Business:

None.

Old Business:

None.

Open Discussion:

None.

Adjournment:

Being there was no other business; Mr. Hennessy adjourned the meeting at 1:27 PM.

Approved: _____

Chairman Hennessy



Date: _____

08-10-16