

**City of Lauderhill Police Officers' Retirement Plan
Minutes
October 01, 2014
9:00 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 9:15 A.M. at the Lauderhill Police Department, 6279 West Oakland Park Blvd in Lauderhill, Florida.

Members Present:

David Hennessy - Chairman, Floyd Harris – Secretary (arrived at 10:53 A.M.), Gary Celetti (left 11:12 a.m.), Kennie Hobbs & Sam Smith – Trustees.

Absent:

None.

Others Present:

Paul Daragjati – Board Attorney; Dave Williams – Plan Administrator & Patty Ostrander – Administrative Assistant, Don Dulaney – Board Actuary, William Berk – Active Member.

Public Discussion:

AFC - Mr. Berk had a discussion with Mr. John Puleo, the FOP Representative who spoke with the City Manager regarding AFC Calculations. Mr. Williams read an email from Mr. Puleo into the record as follows:

From: <JohnFOP@aol.com>

Date: October 1, 2014 at 8:11:32 AM EDT

To: <WBerk@lauderhill-fl.gov>

Subject: Re: FW: Opinion Letter

yes I did talk to him. he agreed with us that it is yearly. He said what ever that actuary has been doing on the past he would agree with. ca lender year,or fiscal year.

In a message dated 9/30/2014 9:16:00 A.M. Eastern Daylight Time, WBerk@lauderhill-fl.gov writes:

John – is there a labor attorney that can review this opinion by our pension attorney. This goes back to what you and I were discussing on the phone last week.

I am looking to have the actuary include a “calendar year”, in addition to a fiscal year, and the last 60 months, when he does his calculations regarding the best 5 year out of 10.

Also, can you let me know if you have spoken with Mr. Feranda about this situation again so that my circumstances were explained. Thanks

Mr. Hobbs has also had conversations with Mr. Puleo and the Mr. Feranda, City Manager regarding AFC Calculations. Mr. Celetti stated that Mr. Berk is the first known retiree where the calendar year AFC calculation exceeds the fiscal year AFC calculation.

Mr. Smith asked if this opens the door for past and future retirees. Mr. Daragjati stated that if a new calculation method is created, it doesn't mean that it would apply to past retirees.

City of Lauderdale Police Pension Plan - Minutes

October 01, 2014

Page 2

Mr. Hennessy asked Mr. Celetti how he would like to proceed. Mr. Celetti stated that he would like the Board to meet with Mr. Ferenda regarding a possible Ordinance change redefining the AFC. Mr. Hennessy does not have a problem with Mr. Celetti talking to Mr. Ferenda; however he feels it is a lot of weight for one person to handle and suggested a meeting with all trustees, our Attorney and Mr. Ferenda.

Mr. Hobbs indicated that Mr. Ferenda wants the status quo. Mr. Hobbs believes the past calculations are consistent with the Ordinance.

Mr. Berk asked if he will be grandfathered in if the Ordinance is changed. Mr. Berk commented that he is not looking to get more than he has paid in.

By consensus, the Board did not want to make the topic of the meeting strictly about one member, but about the Plan. Mr. Daragjati stated that it will be better to have the entire Board present at this meeting. Mr. Hobbs will confirm the meeting date and time with Mr. Ferenda's office. Mr. Daragjati felt it would be best to handle this matter in a public forum setting.

300 hour overtime cap - The Board began to discuss the 300 hour overtime cap. Mr. Hobbs advised that the City was calculating the cap based on the fiscal year. Mr. Hobbs further stated that the method would be corrected to the calendar year. Mr. Hobbs stated if anyone had an excess of the cap prior to the passage of the Collective Bargaining Agreement, the time would be pensionable. The cap of 300 hours would be instituted going forward from the date of passage (April 28, 2014) of the Collective Bargaining Agreement.

Approval of Minutes:

The Board of Trustees reviewed the minutes for the September 10, 2014 and September 22, 2014 meetings. Mr. Harris made a motion to approve the minutes, seconded by Mr. Hobbs. The motion passed 4-0. Mr. Celetti was off the dias.

Consent Agenda: Warrant Ratification / Approval:

Warrant 395

Payment of \$7,226.13 (Gross – as per Board Actuary), effective October 01, 2014 to Melissa Lucas for Normal Retirement. Motion by Mr. Hobbs to approve as outlined, seconded by Mr. Smith. Motion passed 4-0. Mr. Celetti was off the dias.

Warrant 396

Payment of \$51,861.34 (Gross – as per Board Actuary) to Merrill Lynch FBO Melissa Lucas for DROP Rollover. Motion by Mr. Hobbs to approve as outlined, seconded by Mr. Smith. Motion passed 4-0. Mr. Celetti was off the dias.

Warrant 397

Payment of \$7,390.82 (Gross – as per Board Actuary), effective November 01, 2014 to Lisa O'Brien for Normal Retirement. Motion by Mr. Hobbs to approve as outlined, seconded by Mr. Smith. Motion passed 4-0. Mr. Celetti was off the dias.

Attorney's Report:

Mr. Daragjati indicated that he has had conversations with the City Attorney concerning the revised Pension Ordinance. Further, that he is pursuing the matter with the Division of Retirement. To date, Mr. Daragjati has not had a response from Mr. Brinkman's office. It was discussed that an Impact Statement would have to be completed prior to the second reading.

City of Lauderdale Police Pension Plan - Minutes

October 01, 2014

Page 3

That statement was on hold until the snapshot data was received from the City by the Board Actuary. Mr. Hennessy asked Mr. Hobbs when the snapshot will be available. Mr. Hobbs responded "this week or next week".

Actuary's Report:

No report.

Plan Administrator's Report:

Mr. Williams

New Business:

AFC – Administrative Rule - Tabled

Loan Policy – Mr. Daragjati spoke regarding the proposed City loan policy. Mr. Hobbs said this was being proposed in emergency situations with a maximum of \$5,000.00 (based on years of service). Mr. Daragjati asked Mr. Hobbs if the City can send the Plan Administrator something when a member starts and satisfies a loan. Mr. Hobbs concurred.

Old Business:

Staff Review – Mr. Williams reflected that he is in the fourth year of providing Administrative Services to the Plan and that it is an honor for him and Mrs. Ostrander to work for the Board. Mr. Williams indicated that he highly valued the relationship with the Board, the City and most importantly the members of the Plan. Mr. Williams expressed that he would respectfully request the Board consider providing a Cost of Living Increase for his Administrative Services, that the fee being paid has been locked since inception. The Board discussed the matter and by consensus felt an increase of \$270.00/month would be reasonable, which equates to a Cost of Living average of 2.25% per year. Mr. Celetti placed the foregoing in the form of a motion with an effective date of October 01, 2014. Mr. Hobbs seconded the motion. Motion passed 5-0.

Open Discussion:

Mr. Hennessy asked Mr. Daragjati about the status of the HIPPA form. Mr. Daragjati is not ready to provide an opinion on this matter as of yet.

Mr. Hennessy advised he had the pleasure of meeting with Ms. Andrea Anderson, City Clerk this week. Ms. Anderson was kind enough to provide copies of Florida's Government in the Sunshine Law Guide. Mr. Hennessy distributed copies of that document to all Trustees.

A motion was made by Mr. Hobbs and seconded by Mr. Celetti to Amend the Agenda and add PIMCO Funds. Motion passed 5-0. Mr. Jeff Swanson joined the meeting via conference call. Mr. Swanson advised that the portfolio manager of the PIMCO Total Return Fund resigned. As a result, Mr. Swanson recommended two other funds for the Board to reinvest. The Funds under consideration: Dodge & Cox Income, Fidelity Advisor Total Bond I Fund and DoubleLine Corp Fixed Income I Fund. Mr. Swanson outlined the funds to the Board. The Trustees discussed the proposal in detail. Mr. Celetti made a motion that his first choice would be Dodge & Cox and if Salem Trust was unable to purchase then he would choose DoubleLine Corp as his second choice and to terminate PIMCO as soon as administratively practical. Motion was seconded by Mr. Harris. Motion passed 5-0.

Mr. Swanson recommended the cash flow instructions to Salem Trust be amended. Mr. Swanson proposed 50% to the R & D Account and 50% to the Incoming Bond Account. Mr. Harris placed the foregoing in the form of a motion which was seconded by Mr. Smith. Motion passed 5-0.

City of Lauderhill Police Pension Plan - Minutes

October 01, 2014

Page 4

Mr. Swanson talked about a recent news release involving Salem Trust relating to Governmental Regulatory Issues. Mr. Swanson said no Florida or Public Funds were affected, but felt this was yet another strike against Salem Trust. Mr. Hennessy expressed his loss of confidence with the Custodian that he understands a change is very disruptive, but the Board should consider a change in the near future.

Mr. Hobbs felt the Board should consider an RFP for Auditing Services in April of 2015.

Adjournment:

Being there was no other business; Mr. Hennessy adjourned the meeting at 11:30 A.M.

Approved: 
Chairman Hennessy

Date: 12-09-14