

**City of Lauderdale Police Officers' Retirement Plan**  
**Minutes**  
**August 11, 2015**  
**12:00 PM**

**Call to Order / Roll Call:**

Mr. David Hennessy called the meeting of the City of Lauderdale Police Officers' Retirement Plan to order at 12:03 PM at the Lauderdale Police Department, 6279 West Oakland Park Blvd Lauderdale, Florida.

**Members Present:**

David Hennessy - Chairman, Floyd Harris - Secretary (left at 3:30 PM), Kennie Hobbs (left at 4:00 PM) and Sam Smith - Trustees, Mr. Jeff Swanson (via conference call).

**Absent:**

Gary Celetti - Trustee.

**Others Present:**

Mr. Amed Avila & Mr. George Catudella - Fiduciary Trust International; Mr. Jay Young & Ms. Kimberly Kutlenios - Fifth Third Bank; Mr. David Falconer & Mr. Chris Monte - Regions Trust; Mr. Adam Levinson - Board Attorney (left at 4:10 PM); Mr. Dave Williams - Plan Administrator & Mrs. Patty Ostrander - Administrative Assistant; Mr. Don Dulaney - Board Actuary (arrived at 1:30 PM).

**Public Discussion:**

No Comments Provided

**Approval of Minutes:**

The Board of Trustees reviewed the minutes for the June 03, 2015 meeting. Mr. Harris made a motion to approve the minutes, seconded by Mr. Hobbs. The motion passed 4-0.

The Board of Trustees reviewed the minutes for the July 01, 2015 meeting. Mr. Harris made a motion to approve the minutes, seconded by Mr. Hobbs. The motion passed 4-0.

**Consent Agenda: Warrant Ratification / Approval:**

**Warrant 466**

Payment of \$3,178.25 to Klausner, Kaufman Jensen & Levinson for Legal services through June 2015. Motion by Mr. Hobbs to approve as outlined, seconded by Mr. Harris. Motion passed 4-0.

**Warrant 467**

Payment of \$13,203.00 to Southeastern Advisory Services, Inc. for Performance Monitoring for the second quarter of 2015. Motion by Mr. Harris to approve as outlined, seconded by Mr. Hobbs. Motion passed 4-0.

**Warrant 468**

Payment of \$8,658.64 to New Amsterdam Partners, LLC for Quarterly Management fees for the third quarter 2015. Motion by Mr. Harris to approve as outlined, seconded by Mr. Smith. Motion passed 4-0.

**Warrant 469**

Payment of \$50.30 to Sun Credit Union for Office Supplies. Motion by Mr. Harris to approve as outlined, seconded by Mr. Smith. Motion passed 4-0.

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**Warrant 470**

Payment of \$8,530.11 to Highland Capital Management for Quarterly Management fees for the second quarter 2015. Motion by Mr. Smith to approve as outlined, seconded by Mr. Harris. Motion passed 4-0.

**Warrant 471**

Payment of \$4,350.00 to Dulaney & Company, Inc. for Actuarial services through June 2015. Motion by Mr. Harris to approve as outlined, seconded by Mr. Smith. Motion passed 4-0.

**Warrant 472**

Payment of \$5,701.59 monthly to Christopher Carroll as a Normal Retirement Benefit (100% Joint & Survivor option) effective August 01, 2015 and the first day of each month thereafter until further notice per the estimated calculation prepared by Board Actuary. Motion by Mr. Smith to approve as outlined, seconded by Mr. Hobbs. Motion passed 4-0. Final calculation to follow.

**Warrant 473**

Payment of \$3,585.26 to Salem Trust for Custodial services through June 2015. Motion by Mr. Harris to approve as outlined, seconded by Mr. Hobbs. Motion passed 4-0. *Original invoice was offset based on audit fees incurred. Mr. Williams to resolve with Salem Trust.*

**Warrant 474**

Payment of \$450.00 to FPPTA for Floyd Harris to attend the FPPTA Fall Trustee School in October 2015. Motion by Mr. Smith to approve as outlined, seconded by Mr. Hobbs. Motion passed 4-0.

**Warrant 475**

Payment of \$2,580.00 to Klausner, Kaufman Jensen & Levinson for Legal services through July 2015. Motion by Mr. Harris to approve as outlined, seconded by Mr. Smith. Motion passed 4-0

**Warrant 476**

Payment of \$23,304.31 to Lerue Sarvis Jr. for a DROP Distribution Request per the calculation prepared by Board Actuary. Motion by Mr. Harris to approve as outlined, seconded by Mr. Smith. Motion passed 4-0.

**Attorney's Report:**

**Summary Plan Description & DROP FAQ (Tabled)** - Mr. Levinson reflected that he will speak to Mr. Daragjati regarding adding a line to the SPD about the Administrative Budget being available on the website.

**Actuary's Report:**

**DROP Statements** - Mr. Hennessey explained that he recently spoke with Mr. Dulaney about creating a 60 month DROP Projection statement based on members who are eligible for the fixed rate of return (FRR). This request was made as there is a lag in this information getting to the member, due to the variable rate of return (VRR) members. Currently, all the statements are released at the same time for the FRR and the VRR members. Mr. Dulaney distributed a sample of a DROP Projection statement reflecting the FRR. Mr. Dulaney will work with Mr. Levinson on disclaimer language.

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**DROP Statements- Con't**

After review and consideration, a motion was made to permit Mr. Dulaney to move forward once the language is secured from the Board Attorney by Mr. Hobbs, seconded by Mr. Smith. Motion carried 4-0. Administratively, FRR Members will be provided projection statements by September 1<sup>st</sup>. (Mr. Dulaney agreed to target date). Furthermore, going forward FRR DROP Statements will only be issued on a fiscal year basis unless there is an assumed rate of return change. VRR statements will still be issued quarterly. All members agreed by consensus.

Mr. Dulaney distributed and reviewed a copy of the 112.664 annual report and advised the Board that this was submitted to the State within their timeframe. Mr. Levinson commented the Board for having all the required disclosures already on-line. Mr. Levinson also received a confirmation that a link to the page was provided to the plan sponsor.

Mr. Dulaney will submit a letter to Mr. Brett Schneider, City Attorney providing him with an estimated cost relating to the impact of the age 55 and 7 years issue.

**Investment Report – Steve Stack – Highland Capital Management**

Hard copies provided to members to review and Mr. Williams suggested members contact Mr. Stack directly should there be any questions about the report.

**Plan Administrator's Report:**

Handled under new business

**Custodial Presentations:**

Mr. Amed Avila & Mr. George Catudella from Fiduciary Trust International; Mr. Jay Young & Ms. Kimberly Kutlenios from Fifth Third Bank and Mr. David Falconer & Mr. Chris Monte from Regions Trust were present. The representatives provided details about their respective firms, philosophy, history, internal controls and the professional services that they could provide the Plan. Ms. Mary Ann Coblenz from Key Bank had travel issues and could not make the meeting. All candidates provided thought provoking presentations to the Board of Trustees. By consensus Key Trust and Fiduciary Trust was eliminated. Fifth Third and Regions were essentially neck and neck in the discussions. Mr. Hobbs offered a motion to retain the services of Regions Bank and if negotiations fail to retain Fifth Third, seconded by Mr. Harris. Further to terminate Salem Trust when administratively practical. Motion carried 4-0.

*Notes: The Board was adamant about the custodian issuing monthly retiree confirmations. Mr. Levinson will ensure inclusion in the contract. Mr. Jay Young & Ms. Kimberly Kutlenios will be seeking a fee reduction from a higher authority and will advise Mr. Williams.*

**New Business:**

**Set new meeting date and time.** Tabled for September meeting.

**Adm. Budget:** Mr. Williams indicated the 2015/2016 administrative expense budget prepared is based on the actual administrative expenses for the fiscal year that ended September 30, 2014. The percentage of Plan Net Position is based on the ending balance of September 30, 2014. Mr. Williams advised that unlike other governmental entities that develop budgets, our goal is not to meet the budgeted amount. It is not a situation where we use or lose it, simply an exercise on paper required by legislation. Mr. Williams described the report as an artificial process, but must be undertaken to comply with what is now state law.

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The Board acknowledged the additional administrative effort and responsibility. By consensus the Board moved to increase the Actuary line to \$40,000.00 due to all the additional reporting requirements. A motion was made by Mr. Hobbs to approve as amended, which was seconded by Mr. Smith. Motion passed 4-0.

**Audit Review:** Mr. Williams provided a proposal submitted by Davidson Jamieson and Company to the Board. Mr. Williams also had the engagement letters for GSK for consideration. Mr. Levinson suggested not changing the Auditor and Custodian in the same year. No action taken.

**Old Business:**

No old business

**Open Discussion:**

No open discussion

**Adjournment:**

Being there was no other business; Mr. Hennessy adjourned the meeting at 4:30 PM.

Approved: \_\_\_\_\_

  
Chairman Hennessy

Date: 09-02-15