September, 2012

POLICE AND FIREFIGHTERS' PENSION BOARD
REGULAR BOARD MEETING
FRIDAY, SEPTEMBER 21, 2012, 12:00 P.M.

-

-

Present
Michael Dew, Chair
Ken Rudominer, Vice Chair
J. Scott Bayne, Trustee
Dennis Hole, Trustee
Jim Naugle, Trustee
Steve Cypen, Cypen & Cypen, Board Attorney
Lynn Wenguer, Administrator

Absent
Richard Fortunato, Secretary
Jeff Cameron, Trustee

Also Present
Amanda Cintron, Assistant Administrator
Laurie DeZayas, Pension Secretary
Douglas R. Wood, Finance Director
Kevin Schmid, CapTrust
Stephen Schott, CapTrust
Lisa Edmondson, Recording Secretary, Prototype, Inc.

Walt Courtney, President, Retirees' Association
Fred Nesbitt, Director of Media Relations, Retirees' Association
Randy Trout, Retirees' Association
Rayann Trout, Retirees' Association
Alan Eichenbaum, Attorney
Jack Chew, Retirees' Association
Jack Cann, Retirees' Association
Bill Paton, Retirees' Association
Harry Wood, Retirees' Association
Paul DeBold, Retirees' Association
Gregg Gurdak, Retirees' Association
Fuzzy Larkin, Retirees' Association

Pursuant to authority of Ordinance C-00-34, Article II, this regular meeting of the Police & Firefighters' Pension Board convened at 12:00 P.M., Friday, September 21, 2012, in the Pension Board Conference Room, 888 S. Andrews Avenue, Suite 202, Ft. Lauderdale, Florida 33316.

Communications to City Commission

The Board has prepared an RFP for a new actuary, which will be released on October 1, 2012.

Pension obligation bond funds will be invested according to existing asset allocation policy.

A Retirement Seminar will be held on Thursday and Friday, September 27-28, at 9:00 a.m.

Pledge of Allegiance / Moment of Silence

Chair Dew called the meeting to order at 12:01 p.m. and roll was called. All present recited the Pledge of Allegiance and observed a moment of silence.

MINUTES: Regular Meeting: August 8, 2012

Motion made by Vice Chair Rudominer, seconded by Mr. Bayne, for the waiving of the reading of the minutes as documented. In a voice vote, the motion passed unanimously.

BENEFITS:
Police Department:

BAC-DROP Retiree:	Lawrence Abrams
Retiree Death:	Terence Haskins

Fire Department:

Vesting:	Brett Greene

Motion made by Vice Chair Rudominer, seconded by Mr. Bayne, for the benefits for the Police and Fire Departments. In a voice vote, the motion passed unanimously.

Service-Incurred Informal Disability Hearing: PJ Wilcoxson

Chair Dew noted that this hearing was cancelled and will be rescheduled on a later date.

Mr. Cypen stated that after examining the information packet, he recommended that it be supplemented with additional information, including all records and doctors' depositions. Ms. Wenguer explained that the applicant's attorney just supplied her with two documents, one of which is a deposition taken of a doctor in the workers' compensation hearing; however, her understanding was that more than one deposition was taken. The Board is requesting to see the entire file associated with the workers' compensation proceeding.

Chair Dew observed that all discovery evidence must be presented within a reasonable time, and asked Mr. Cypen if he felt it necessary for the Board to set a policy determining what is a reasonable time for the receipt of evidence. Mr. Cypen said according to policy, the evidence included in the information package is considered to be complete; any other materials submitted may be accepted as a matter of grace.

Chair Dew pointed out that it is not reasonable for an applicant to provide additional material "at the eleventh hour," as the Board is tasked with studying these materials prior to the informal hearing. He continued that were the applicant present, it would not be possible to hold the hearing as scheduled, as the Board has not had sufficient time to properly review the material. Mr. Cypen said the Board may refuse to accept the documentation in this case; however, they may not establish a general policy that states no material would be accepted past the deadline under any circumstances. He agreed that there should be a policy limiting the number of continuances that may be requested in relation to insufficient documentation; it is possible, however, that in some instances a hearing is scheduled too soon.

Vice Chair Rudominer asked if the Board has the option of refusing the request for a continuance and holding the hearing in the absence of the applicant or his attorney. Mr. Cypen said while this is technically allowed in the case of an informal hearing, he would not recommend this action.

Chair Dew asked if the Board may establish a standard in which additional evidence presented prior to a meeting at which an informal hearing is scheduled will automatically result in the deferral of the hearing to a later date. Mr. Cypen recommended that if an applicant and/or his attorney arrive at a meeting with additional evidence or documentation, the Board's attorney should review this new information and advise the Board on whether or not it should be allowed. The Board would then make a decision on this information. It was noted that the Board could also opt for a continuance at this time.

Vice Chair Rudominer asked if a burden of proof is placed on the applicant before his claim is processed. Mr. Cypen replied that the burden of proof to process a claim in this case would be very slight, such as the opinion of a single doctor that the applicant meets the criteria for disability. He clarified that the Board should not see any information on a case until they receive the complete information packet.

BILLS:

Agincourt	$47,687.19
Prudential	$40,168.06
Eagle	$36,650.68
Cornel J. Lupu	$1800.00
Klausner, Kaufman	$1500.00
Minuteman Press	$1100.00
United Reporting	$252.00
Holland & Knight	$100.00

Motion made by Vice Chair Rudominer, seconded by Mr. Hole, for the payment of bills as documented. In a voice vote, the motion passed unanimously.

INPUT FROM ACTIVE & RETIRED POLICE OFFICERS & FIREFIGHTERS:

Chair Dew stated he had spoken with the City Auditor and City Manager regarding the remarriage survivor benefit ordinance. This ordinance is currently being re-drafted and will be placed on a City Commission Agenda in November.

The following Item was taken out of order on the Agenda.

Retiree Randy Trout

Alan Eichenbaum, attorney for retiree Randy Trout, stated that the issue before the Board extends back in excess of 30 years. He explained that Mr. Trout first went out on a service-related disability pension, then on normal retirement in 1995. The issue is whether or not Mr. Trout is entitled to academic incentive paid credits.

He provided the Board with documentation related to three different courses, the first of which dates back to 1973, with a certificate of completion. Mr. Eichenbaum said it is his understanding that an individual's first academic incentive achievement would have allowed for a $25 per month academic incentive payment. Mr. Trout then attended a second course, with accompanying documentation of successful completion, which would entitle him to a $20 payment per month, and a third course in 1975, with a certificate and memo, indicating an additional $20 per month academic incentive payment.

Mr. Eichenbaum observed that the only record of payroll is a record kept by Mr. Trout dating back to 1979, which shows he was receiving this $65 per month, as well as the check number(s). Neither Mr. Trout nor the City has copies of the checks themselves.

Mr. Eichenbaum concluded that the request before the Board is for Mr. Trout to receive credit for the $65 per month after his date of retirement, and that he receive credit for any additional courses or diplomas for which other retirees are receiving academic incentive pay. He noted that this would require some review of records, as other retirees who are receiving academic incentive pay credits from the plan for other courses and/or diplomas. He added that case law appears to indicate that Trustees should grant these benefits.

Chair Dew said his understanding of this issue is that the Board is waiting for documentation of these credits, as the City could not provide them with the appropriate documents. Ms. Wenguer noted that the available records only date back to 1980; however, Mr. Trout was on workers' compensation at that time, which could mean he was taken off academic incentive pay.

Mr. Cypen asked if Mr. Eichenbaum had checked the Statute determining how much pay is allowed for academic incentive pay credits. Mr. Eichenbaum said his understanding was that some retirees are receiving up to $130 for this credit. He reiterated that the request is only for Mr. Trout to receive the same pay for each of the courses as other retirees are receiving. Mr. Cypen said the issue is to refer to the statute in order to determine what this benefit would be.

Mr. Bayne asked to know the date of Mr. Trout's separation. Mr. Eichenbaum said normal retirement occurred in 1995, while disability retirement occurred in 1984. He reiterated that records were not kept because academic incentive pay did not become an issue until approximately 2006-07, when the decision was made to include academic incentive pay. Mr. Hole noted that some of the education was attained after the member's disability. Ms. Wenguer noted that the payroll register simply reflects academic incentive pay without breaking down exactly what the payments were for.

Vice Chair Rudominer requested clarification that Mr. Trout was seeking to have the last two years of his compensation recalculated, based upon the addition of $65 per month. Mr. Cypen observed that there is an employee contribution toward compensation which correlates to an individual's benefit. Ms. Wenguer advised that academic incentive pay was not properly included in individuals' pensionable earnings; when it was granted retroactively to retirees, contributions were taken out on this pay for the appropriate period of time.

Motion made by Mr. Bayne, seconded by Mr. Naugle, to accept the documentation as legal representation of [Mr. Trout's] academic incentive pay training. In a voice vote, the motion passed unanimously.

Mr. Cypen advised that the Board should direct Staff to work with him and with Mr. Eichenbaum to determine the amount to which Mr. Trout is entitled. It was agreed that this would be done.

CAPTRUST: Investment Review, Steve Schott, Kevin Schmid

Chair Dew explained that the pension obligation bond has been approved, and the Board will be receiving approximately $173,428,479, subject to the cost of issuance. The true interest cost is 4.167675%. He added that the CapTrust representatives were asked to evaluate this figure and make recommendations on how these funds should be included in existing policy.

Finance Director Douglas R. Wood clarified that neither he, the City Manager, nor the City Commission may exert any control over the investment of these funds, as the Board functions as an independent entity. He commented, however, that it is hoped that these funds will earn more than the stated rate of 4.167675%, as this would be beneficial to both the plan and the City.

Chair Dew said the City Commissioners have the impression that the pension obligation bond funds will be invested according to existing policy Mr. Cypen agreed that these funds should not be invested differently, and that the bond interest rate is not relevant to their investment.

Mr. Schott said the first of two scenarios he and Mr. Schmid have developed for the prospective investment of funds involves allocating the funds in line with the current target allocation, giving each manager its pro rata share. The only manager that is an exception in this scenario is Lee Munder on the small cap value side, as they are currently 1%-2% over their target.

The only major difference in the second prospective scenario is in the large cap area. Rather than dividing the infusion of funds across four large cap managers, the new monies would be concentrated into the Rhumbline large cap index vehicle in an effort to keep the Plan's costs under control.

Mr. Schott recalled that the Board had expressed concern regarding the long-term performances of Sawgrass and Systematic. The alternate recommendation focuses the large and mid cap area on index rather than active management, while continuing active management in the areas where it can have the most impact, such as small cap, international, and fixed income.

Vice Chair Rudominer commented that the market has been performing well over the last month, and asked if the Board should invest the pension obligation funds as soon as they are received. Mr. Schott said they would recommend investing these funds right away, as there is no way to predict if positive market performance will continue.

Chair Dew advised that the Entrust contract is complete, although it has not yet been signed. He noted that $11 million will go directly to Entrust, while the $23 million from K2 should be available shortly after the September 30 redemption date. It was noted that the pension obligation bond funds will be available no later than October 4. Mr. Schmid confirmed that funds should be invested with Entrust no later than the beginning of November.

He continued that $6.5 million is currently allocated to real estate funds; however, all incoming funds will not be invested in this asset class at once, but will represent an increased commitment of funds that will be called up over funds. The $16.5 intended for real estate investment will be held on a pro rata basis between the large and mid cap index funds, and will be funneled into real estate as capital is called up.

Chair Dew asked if there is a cost associated with holding these funds in another class and removing it when it is called up. Mr. Schmid said there is no cost other than placing these funds at risk of the rise and fall of the market. He observed that the real estate market has similar risk/return characteristics to what is expected in the equity market, which was why this market is recommended as a “parking place” for these funds over other classes, such as fixed income. He noted that when the Plan was recommitted to real estate, these monies were also kept in the equity market until they were called up.

Mr. Hole asked if other alternative investments were being ruled out at this time. Mr. Schott replied that while these have not been ruled out, the recommendation is to be “deliberate” with regard to alternative investments. He noted that the Pimco All-Asset Fund would be used as a source of funds for other alternative investments. Mr. Schmid added that they had not wanted to introduce any new investments at the time the pension obligation funds are being allocated; the goal over time is to take funds from the Pimco All-Asset Fund when one more alternative investment has been selected for allocation.

Chair Dew asked what the CapTrust team would recommend. Mr. Schott stated that while active investing has an opportunity for additional gains with higher costs, there is also the opportunity for underperformance; however, the team likes active investing in certain asset classes, such as international and fixed income, due to the potential for interest rate increases. He concluded that CapTrust’s recommendation is for additional monies to be put into the index for large and mid cap, while maintaining an active position in small cap, international, and fixed income.

Mr. Schmid recalled that there have been questions regarding whether or not the Plan’s fees are increasing. An increased allocation to alternatives would have the effect of marginally increasing fees; this could be offset by keeping fees as low as possible in the more efficient areas of the market, such as large cap. Managers such as Sawgrass and Systematic will continue to be evaluated over time, and work will continue with existing active managers to ensure that the Plan is getting the best possible fee these managers can offer. He cautioned, however, that it was not certain how much movement on fees could be achieved in this manner.

Mr. Naugle commented that he felt the infusion of funds could not occur at a worse time, as the current market will be affected by outside forces after the election and at the new year; if the market is down once more, it would mean the Plan has lost a great deal of capital. Mr. Hole said he shared this concern as well, and asked if it would be possible to “park” these funds until after these events. Chair Dew pointed out that the Board had challenged the CapTrust team to develop investment scenarios. He stated that the Board is supportive of CapTrust’s work.

Mr. Schott advised that while the market will continue to be cyclical, the least amount of outperformance will take place in the large and mid cap areas. This was why the team felt indexing was appropriate on these sides.

Mr. Schmid asserted that the CapTrust team shared the Board’s concerns regarding the timing of the pension obligation funds: while the market has performed well during the past quarter, there is still a reasonable chance for both improved and downward performance. If the infusion of roughly $173 million, which represents a 35%-40% increase of the Plan, is simply kept as cash and earns nothing, it would be very difficult to achieve the goal of 7.5%.

He suggested that they could discuss staging the assets in various tranches over a two- to three-month period instead of investing them all at the same time, if a scheduled increase made the Board more comfortable. This could lower the timing risk. Mr. Schmid cautioned that there would always be risks regarding when funds are put to work, particularly when one large amount is put to work at any given time.

Mr. Cypen suggested that the team could prepare a demonstration for the Board on market timing over a period of days or years. Mr. Hole advised that the Board is aware of the volatility of market timing, and the issue is that he would feel more comfortable staggering the investment over three to four months.

Chair Dew observed that should the Board park the funds rather than invest them right away, they would still eventually have to be invested. Mr. Schott agreed, advising that waiting for the right time to invest the pension obligation funds could put the Board in a bad position. Mr. Hole stated that this would only mean drawing upon the funds over time to invest it all. Mr. Schott agreed this would be a more defensible position.

Mr. Schmid suggested that the money be invested in stages between October 4 and the end of 2012 in order to minimize the timing risk; he cautioned, however, that by doing so the Board would need to recognize that a significant percentage of the Plan would earn very little during this time. He added that because of the success of the current quarter, the Plan is probably in good shape; if the market continues to rise toward the end of the year, however, the Board will need to be comfortable with a fourth-quarter report in which the Plan did not perform as well against its peers.

Mr. Schott proposed that putting these funds into the market by one-third each month over the next three months would have them invested by the end of the year. He felt this would show reasonable caution while getting the money invested.

Chair Dew asked how this could best be done. Mr. Schott said he would put the first one-third in relative to where the asset allocation is least adjusted to the percentages; then the Plan would readjust to these percentages and add the second and third infusions. When the first 33% is invested, the remaining 66% could be kept in cash in order to prevent choosing one investment over another.

Chair Dew recalled that the Board's major complaint in the past has been that they were too conservative and missed a lot of opportunities. He advised that what the Board chooses to do with the pension obligation funds is not just their judgment call, but reflects upon the sponsor that entrusted them with the money.

He continued that perhaps they could place the funds somewhere other than in cash for the time being, such as fixed income. Mr. Schmid said it could be disruptive to these managers to place a large amount of money there for one to two months and then take it back out.

He advised that the most sensible approach seemed to be investing $37.5 million in fixed income right away; the $16.5 million that would go into real estate would not be called up right away in any case, so it could be left in cash. Another $15 million could be placed in Pimco and $11 million to Entrust. The more difficult discussion regarding timing would be with regard to the approximately $85 million slated to go into equities, which would be divided into thirds and invested over a three-month period at $27-$28 million each month. Chair Dew agreed that this was a sensible approach and did not mean placing the money in an environment where it would earn nothing, while still exercising reasonable caution.

Motion made by Vice Chair Rudominer, seconded by Mr. Hole, that the Board instruct their investment advisor to, on receipt of pension obligation funds, invest the money in Scenario 2 and [the] timeframe as mentioned.

Mr. Schmid reiterated his suggestion for the investment of these funds: immediately investing the portion of funds that would go to Agincourt and Boyd Watterson, as well as the money that would go to Pimco and Entrust. Real estate funds would not be called up right away in any case and could be committed so they are called as needed. He emphasized that what the Board is really discussing with regard to dollar cost averaging is the $85 million or so that is earmarked for the equity portion of the Plan, which would be invested by one-third in October, one-third in November, and one-third in December.

Mr. Bayne requested clarification of the dates each month on which the funds would be invested. Mr. Schmid said this could be determined at today's meeting. It was determined that the first one-third investment would take place 30 days after the pension obligation funds are received.

Mr. Schott asked Mr. Cypen if he felt the most defensible position for the Plan was investing the funds over the course of three months. Mr. Cypen said he felt this was a defensible position. Mr. Schott explained that he wanted to exercise caution that this strategy was not perceived as market timing, but as a diversification of risk.

Ms. Wenguer expressed concern that the strategy could be a violation of the Plan's investment policy. She recommended reviewing this policy before any investments are made, pointing out that the strategy could result in investing more money in alternatives than as a percentage of assets. Mr. Schmid said while this was not likely to be an issue, there could be cause for concern if the Plan is over- or underweight with regard to equities. The Board briefly reviewed the investment policy. Mr. Schmid noted that because policy minimums are very low, he did not believe there was reason for concern. Mr. Schott assured the Board that they would review the numbers once more to ensure no policy violations resulted from the strategy.

In a voice vote, the motion passed 4-1 (Chair Dew dissenting).

Mr. Schott requested clarification of the dates upon which the pension obligation funds would be invested, one-third at a time. It was determined that one-third of these funds would be invested every 30 days.

Chair Dew asked if the CapTrust representatives have begun the process of discussing investment fees with potential renegotiations in mind. Mr. Schmid said these conversations have begun, but have not been particularly encouraging thus far.

COMMUNICATION DIRECTOR’S REPORT:

Mr. Nesbitt said the annual newsletter has been mailed to all retirees and emailed to active members. Chair Dew said he had received several positive communications from members who appreciated receiving this information.

ADMINISTRATOR’S REPORT:

Actuary RFP

Ms. Wenguer thanked the Board members for their input on this document, and provided them with copies of the draft RFP. She stated that with the Board’s approval, it will be posted on October 1.

Mr. Hole asked if the RFP refers to two additional studies per year being included in the actuary’s annual fee. Ms. Wenguer noted that there was no such inclusion on Randall Stanley’s contract, which lists rates not to be exceeded for additional studies but does not include them in the base fee.

Chair Dew asked if Mr. Hole felt this should be included in the RFP. Mr. Hole asked if the Board has requested any studies for which they were billed the hourly rate instead of a set fee. Ms. Wenguer observed that this was very vague, as some studies requested of the actuary might require only a few hours’ worth of work, while others are much more complex. Mr. Cypen said it is typical of actuaries to increase this fee to cover the addition of studies, whether or not they are actually requested by the client. He noted that the experience study includes a not-to-exceed rate.

Motion made by Vice Chair Rudominer, seconded by Mr. Bayne, to accept this request for proposal (RFP) as written, to be disseminated the first of November. In a voice vote, the motion passed unanimously.

Chair Dew clarified that the RFP will go out on October 1 and come back on November 1. Mr. Cypen said he did not feel this provided sufficient time for responses. Mr. Wood added that if a new actuary is selected, they will need to be brought on board by December 31, 2012, so the City can supply them with all the necessary information.

It was noted that a selection committee would determine the top three respondents, who would make presentations to the Board. Chair Dew concluded that the goal is to make the selection by the Board’s December meeting. Vice Chair Rudominer, Mr. Hole, and Chair Dew volunteered to serve on the selection committee. The decision on a new actuary would be made between November 15 and the date of the Board’s December meeting.

It was decided that proposals would be received through Friday, November 9, which would allow an additional week.

Motion made by Vice Chair Rudominer, seconded by Mr. Bayne, to amend the original motion to change the date to November 9. In a voice vote, the motion passed unanimously.

Pensions & Investments

Chair Dew noted that this cost came to $1,078. The RFP would be posted in the October 1, 2012 issue.

Pension Obligation Bond

Mr. Wood explained that this was a negotiated sale, with respondents bidding on each of the annual maturities. The lowest bidders within the parameters got these pieces. The overall interest rate on the bond is actually a 2~~3~~0-year average; the first few portions are at a very low rate, although still higher than what is available in the market.

Ordinance 12-__ / Actuarial Impact Statement

Ms. Wenguer said the Ordinance extending the terms of Trustees from two to four years, as well as adopting the new mortality table, has passed unanimously.

Retirement Seminar

The Retirement Planning Seminar will be held on Thursday and Friday, September 27 and 28. Chair Dew encouraged the Board members to attend on the first day of the seminar if possible.

7th Trustee Seat / Notice of Elections

Ms. Wenguer recalled that a policy had been established some years ago asking that any particular requirements for the seventh Board seat be brought to the table in advance.

Vice Chair Rudominer requested that his rank not be noted on election documentation. Chair Dew noted that many new hires and retirees are not familiar with the Board members or the capacity in which they had served.

Ms. Wenguer clarified that the seats held by Vice Chair Rudominer, Mr. Fortunato, and Mr. Hole will be up for election. She stated that the notice of elections would be sent to the individual members, who could send them out via email blast. She added that Vice Chair Rudominer's rank would be removed from the notice.

Chairman's Cell Phone

Chair Dew recalled that during the last several billing cycles, his phone had gone over the data plan, primarily due to activity related to the Board. The overages have significantly increased his bill. He requested that the Board consider a $30 phone allowance for the Chair for this reason.

Mr. Hole asked if this would be preferable to submitting an expense reimbursement. Chair Dew said he had considered this possibility as well. He explained that he did not want to change providers, as he participates in a family cell phone plan.

Motion made by Vice Chair Rudominer, seconded by Mr. Naugle, that the Board allot $50 a month for cell phone expense[s] for the Chairman. In a voice vote, the motion passed 4-0. (Chair Dew abstained. A memorandum of voting conflict is attached to the minutes.)

PENDING ITEMS:

Old Business

Chair Dew asked Mr. Cypen to discuss correspondence from Robert Klausner, the Board's fiduciary attorney. Mr. Cypen said he had met to discuss some details with Mr. Klausner, who responded in a letter dated September 19 that he was awaiting a Florida Supreme Court ruling on *Scott v. Williams* before making a decision regarding individuals affected by Me Too 3 3/8. Copies of the correspondence were provided to the Board.

Chair Dew stated that one issue facing the Board is that it can take a long time to get things done: for example, from the time the Board begins looking at an issue related to a manager or different funding mechanisms, it is typically six months or longer before anything is accomplished. He asked if the Board was interested in regularly scheduling a second monthly meeting, such as an investment meeting at which no other business would be discussed.

Mr. Hole pointed out that it is always possible to call a second meeting if necessary. Chair Dew explained that another option would be to make a decision at the regular Board meeting, then schedule a follow-up meeting to deal exclusively with this decision.

Mr. Bayne observed that according to the Ordinance, a Trustee may not miss two consecutive meetings, and asked if a second meeting would be subject to this rule. Mr. Cypen said this would not be an issue. It was also noted that special meetings may be called if 24 hours' notice is posted. Mr. Cypen said he did not feel this would be sufficient notice, however, unless the special meeting was considered an emergency: he instead recommended three days.

It was suggested that the Chair could advise the Board, at a regular meeting, that he felt a special meeting was warranted; it could then be scheduled at that time. Chair Dew proposed that this could also be accomplished if CapTrust communicated the need for a special meeting to him, at which time he could inform Ms. Wenguer of the communication and she could disseminate it to the members.

Ms. Wenguer advised that the next Board meeting is scheduled for October 17. She added that Mr. Cypen would also need to set the date for the hearing related to retiree Frank Colleran's claim. Mr. Cypen said this hearing should not be scheduled until Mr. Klausner, as special counsel, has provided an opinion.

Mr. Hole recalled that there had been discussion of expanding the pension obligation bond to apply to City employees, as well as conversation about limiting the expansion of benefits. He asked to know the final disposition of this issue. Ms. Wenguer said a resolution in the bond covenant states that benefits may not be enhanced except by a supermajority of the City Commission.

Mr. Hole asked if there has been discussion of adding two new Board members. Ms. Wenguer said there was no discussion of this topic. Mr. Hole requested an update on the evaluation of service providers. Ms. Wenguer replied that a draft document is underway.

Mr. Hole recalled that there had been discussion of including the mention of benefits in the employee handbook. Ms. Wenguer said this is also underway and should be available at the next Board meeting.

Chair Dew asked for an update on the new pension software. Ms. Wenguer said this is going well, and the provider has presented a new website for participants in the Plan, which has a more updated look than the previous site. The City has rewired the office so they will be ready when the new equipment arrives. This equipment is expected to provide a higher internal working speed. She concluded that this is a lengthy process.

New Business

Chair Dew noted that emotions sometimes run high during disability hearings, which can be of concern to Staff. With this in mind, he has requested that an Officer be on the premises during hearings. He also asked that the Board consider purchasing a monitoring system for the office, including a camera outside the door to identify individuals entering the building.

Motion made by Mr. Naugle, seconded by Vice Chair Rudominer, up to $3000 to purchase [a monitoring system], but on the same note, work with the landlord [to] look at all the options.

Ms. Wenguer observed that an adjacent office has a very inexpensive camera system. Chair Dew added that the proposed system would not be used for monitoring, but to provide real-time information. He stated that he would reach out to Staff members with tech experience who could advise him on a security system.

In a voice vote, the motion passed unanimously.

Mr. Cypen stated that the Florida Division of Retirement has taken administrative action to "correct" the misinterpretation of Chapters 175 and 185, Florida Statutes The new interpretation requires that there must be enough premium tax revenue to pay for minimum (base) benefits. He advised that the change in interpretation might not directly affect the Plan, but it could affect overtime and other benefits, as it is not known at present how much of the base benefits are paid for with premium tax revenue.

Mr. Cypen explained that before the new interpretation, base benefits were paid for by the City whether or not the money was available, and extra money paid for extra benefits. Under the new interpretation, there would not be extra benefits unless there is enough money to pay for both base benefits and improvements related to Chapter 99-1. He concluded that while this change may not be harmful, it cannot be considered positive.

Walt Courtney, President of the Retirees' Association, stated that he wished to thank Mr. Wood, Ms. Wenguer, and Ms. Cintron for their assistance in creating a dues check-off list.

It was determined that the submittal of the actuary RFP, the investment selection for the additional bond monies, and the date of the upcoming retirement seminar would be sent as communications to the City Commission.

There being no further business to come before the Board at this time, the meeting was adjourned at 2:15 p.m.

Close Window