

**CITY OF OAKLAND PARK POLICE & FIREFIGHTERS
PENSION PLAN REGULAR MEETING MINUTES
Monday, April 25, 2016**

CALL TO ORDER:

The regular meeting of the Board of Trustees of the City of Oakland Park Police & Firefighters' Pension Plan was called to order by the Fund Administrator at 5:30 pm at the City of Oakland Park, 2nd Floor Conference Room.

ROLL CALL:

TRUSTEES PRESENT: Robert Rogers, James Carroll, Michael Paparella, Bert Wrains and Paul Vanden Berge

OTHERS PRESENT:

Fund Attorney Adam Levinson, Fund Actuary Don DuLaney, City Representatives Ming Meyer and Andrew Thompson, Bradley Rinsem of Salem Trust and Fund Administrator Lauri Patterson.

APPROVAL OF MINUTES:

January 26, 2016 Regular Meeting Minutes

Trustee Wrains moved to approve the minutes and Chairman Rogers seconded the motion. The motion passed 5-0.

PUBLIC COMMENTS:

There were no public comments.

CONSENT AGENDA:

For Ratification: Warrants #189-192

GSK (Progress Billing for 9/30/15 Audit; Invoice #20418249 dated 1/29/16)	\$1,250.00
KKJ&L (Legal Fees-Bill #17815 dated 1/31/16)	\$1,980.00
Michael Paparella (Expenses Incurred at FPPTA Trustees School)	\$244.56
Total	\$3,474.56
DuLaney & Company (Services Rendered for January 2016)	\$7,400.00
GAMCO (1 st Qtr. 16 Mgmt Fee-Inv #20151231-154-5255B dated 1/27/16)	\$22,332.24
KKJ&L (Legal Fees-Bill #17937 dated 2/29/16)	\$720.00
Total	\$30,450.24
DuLaney & Company (Services Rendered for February 2016 Inv dated 3/22/16)	\$4,290.00
GSK (Final Billing for 9/30/15 Audit; Invoice #20418706 dated 2/29/16)	\$3,978.00
Total	\$8,268.00
Bogdahn Group (Consulting Fees-Invoice #13609 dated 3/30/16)	\$10,000.00
DuLaney & Company (Services Rendered for March 2016; Inv dated 4/5/16)	\$4,390.00
KKJ&L (Legal Fees-Bill #18078 dated 3/31/16)	\$2,430.00
Total	\$16,820.00
Auto payments for Ratification:	
Benefits USA, Inc. (Administration Services Jan-Mar 2016)	\$3,900.00
Benefits USA, Inc. (Bookkeeping Fee Jan-Mar 2016)	\$825.00
Garcia Hamilton (1 st Qtr. '16 Mgmt Fee-Invoice #26433 dated 1/6/16)	\$7,403.69
Salem Trust Co. (1 st Qtr. 16 Custodian Fee)	\$9,723.50
Total Auto Payments	\$21,852.19

Pension Payments for Ratification:

Chad Bailey (Share Plan Distribution)	\$55,843.37
William Schwartz (Share Plan Distribution)	\$55,843.37
Total Pension Payments	\$111,686.74
Grand Total disbursements	\$150,358.93

Trustee Wrains moved to approve the Consent Agenda and Chairman Rogers seconded the motion and it passed 5-0.

INVESTMENT REPORTS:

Mr. West was not in attendance at this meeting.

ACTUARY'S REPORT:

Presentation of 10/1/15 Actuarial Valuation

Mr. DuLaney reported that the anticipated State contributions will be \$341,612; \$195,707 for firefighters and \$145,905 for police officers. The remaining \$1,813,381 which is 42.8390% of the projected 2015/2016 annual payroll is to be contributed by the City and BSO for fiscal year 10/1/16 through 9/30/17. The amount payable from the City will be \$1,611,629 and the amount payable for BSO will be \$201,752. Because of the excess contributions of \$117,173 made by BSO on behalf of a retired member, the required BSO contribution will be \$84,579. Mr. DuLaney reported that the total normal costs of the plan as of October 1, 2015 were \$736,532 or 17.4% which was almost identical to last year. The total market value of the Fund as of 10/1/15 was \$52,373,603. Mr. DuLaney reported that there are 119 retirees receiving benefits; 7 DROP retirees; 4 terminated vested members and 57 active members.

Mr. DuLaney noted that the actuarial value is higher this year at 7.9% versus the assumed rate of 7.5%. therefore, investment performance was a minor source of the actuarial gain. The recent salary increase and turnover experience was 9.3% versus the assumed rate of 5.00%; factors include death, increasing liability and higher salaries. Mr. DuLaney reminded the Board this data comes from the City. Salary increase was a source of the actuarial gain. The market value rate of return was 2.4%. The Net Actuarial gain was \$1,998,523. The Plan was funded at 79.2%. Mr. DuLaney noted there was a credit for the overpayment for Robert Crum. Attorney Levinson stated he would like to see a healthier plan and the State likes to see at least 80%.

Mr. DuLaney noted there were no gains allocated after 3/1/13 according to the ordinance. Attorney Levinson and Mr. DuLaney will discuss further and review the ordinance and report back at the next meeting. Trustee Wrains asked if the Ordinance could be replaced but the City has to agree, Trustee Wrains stated the Board can provide suggestions and recommendations as to the administration of the plan. Mr. Thompson mentioned he believed it was not in the Board's scope to change an ordinance.

Trustee Wrains moved to approve the October 1, 2015 Valuation contingent upon Attorney Levinson contacting the City attorney as the Valuation is under review and may change in the future due to cost sharing provisions and may have to add a disclaimer. Trustee Carroll seconded the motion and it passed 5-0.

ATTORNEY'S REPORT:

City Inquiry regarding mandatory participation

Attorney Levinson reported that there was a question from the City as to whether or not the Assistant Fire Chief was a member of the pension Plan. Attorney Levinson stated that under sections 175 all Firefighters are members of the Plan with the exception of the Fire Chief.

Attorney Levinson discussed a COLA or 13th check for the retirees. The City may be interested as it is good for membership and they want to show a healthy pension plan on the CAFR. A Cost of Living Adjustment (COLA) Reserve Fund was established on September 30, 1999, COLA benefits were to be awarded if the plan experienced an actuarial gain for the prior year. Attorney Levinson briefly reviewed the ordinance Section 9-63, Section 2 (c) and (d) Payment shall only be made in those years in which actuarial gain has been determined to exist by the board of trustees, following consultation with the Actuary. Chairman Rogers requested that the Ordinance be reviewed. There should be a mutual agreement between the City and the Union or the default response should be brought to the table. Chairman Rogers and Trustee Paparella asked what the next course of action is. Attorney Levinson said discussions with the union and the City.

NEW BUSINESS:

Appointment of 5th Trustee

It was noted that a 5th Trustee needed to be appointed by the Board. James Carroll is the existing 5th Trustee. Trustee Wrains moved to appoint James Carroll as 5th Trustee and Chairman Rogers seconded the motion and it passed 4-0.

Salem Trust-Globe Tax

Mr. Rinsem provided a handout to the trustees to discuss the recovery program and how it would benefit the Plan. Since some of the investment activities were in foreign funds there are taxes that the fund may be able to recapture. Globe Tax has a complete interactive database which includes 230 markets; they also have a long-standing relationship with foreign tax authorities. Fees are entirely contingent and payable only after the money has been recovered. Trustee Raines asked how long they have been in business and addressed Attorney Levinson for an opinion on the program. Mr. Rinsem stated since 1992, Globe Tax clients include all four US Depositories, BNY Mellon, Citi, Deutsche Bank and, JP Morgan. The Plan has already received \$5,400.00 in the last three years and Mr. Rinsem noted there is a lot of money out there to reclaim. Attorney Levinson stated there is no disadvantage to participate but we should get an opinion from Mr. West the money manager of The Bogdahn Group. Andrew Thompson stated we could use the City's tax ID and he would be willing to sign the W9 Form.

Trustee Carroll moved to enter into an agreement with Globe Tax after reviewed and approved by Dave West from the Bogdahn Group. The motion was seconded by Chairman Rogers and passed 5-0.

Steven Eggnatz Calculation (Actuary)

The question is does the Plan pay the ex-spouses alimony and child support or a lump sum. There should be an equitable distribution into the joint account. Mr. Eggnatz is not eligible to receive his monthly payment until October 1, 2016. Attorney Levinson stated he needs to review the Divorce Degree further.

UNFINISHED BUSINESS:

Discussion on Lee Whitaker (Attorney)

It was noted that the records for Lee Whitaker were sent to Attorney Sicking as requested.

ADMINISTRATOR'S REPORT:

Ms. Patterson had nothing further to report.

MISCELLANEOUS CORRESPONDENCE: (No action required)

NEXT MEETING DATE:

The next meeting date is July 25, 2016 @ 5:00 PM

ADJOURNMENT:

The meeting was adjourned at 8:00 PM


Secretary

7/25/16