

SUNRISE POLICE OFFICERS' RETIREMENT BOARD

13790 N.W. 4th Street, Suite 105

Sunrise, FL 33325

April 02, 2015

10:00 A.M.

Call to Order:

On behalf of the Board, Mr. Dave Williams called the meeting to order at 10:07 A.M.

Roll Call:

Present were Mr. Michael West – Chairman, Mr. Bill Bettencourt – Secretary, Mr. Eric Goldstein (left at 10:50 A.M. and returned at 11:20 A.M.) & Mr. Roger Torres (arrived at 10:25 A.M.) and Mr. Dan Ransone. Mr. Williams welcomed Mr. Ransone back on the Board.

Absent:

None

Others Present:

Also present were Mr. Ron Cohen – Board Attorney; Mr. Dave Williams - Plan Administrator, Mrs. Patty Ostrander – Administrative Assistant, Mr. Jeff Amrose and Mrs. Trisha Amrose – Board Actuaries. Mr. Ken Schlichting and Mr. Stephen Allen - City of Sunrise Police Officers, Ms. Kelly Scappechi – City of Sunrise, Finance Department.

Public Comment:

Mr. Allen would like confirmation on how the final numbers are calculated. He stated that the Union would like the City to pay for a program that will allow the Pension Board to calculate their own numbers. Mr. Bettencourt asked Ms. Scappechi if they currently have a program that calculates the AFC. Ms. Scappechi stated that the city wide upgrade to Kronos has been delayed with all the changes in the Finance department. Mr. West commented that this isn't really good timing for the city or us due to the changes in the City Manager and Finance Director. The Board has been pursuing this matter for an extended period of time. He also reflected that there are a lot of members whose calculations must be confirmed now and if nothing changes in this situation in the future and it is definitely a concern.

Mr. Allen feels that the members should receive proof of the city's calculations. Mr. Williams explained to Mr. Allen how the calculation process works. Documentation of the calculation is provided to the member by the Board as a matter of checks and balances. Mr. Williams reinforced that this is how the calculation errors were discovered. Mr. Goldstein reaffirmed with Ms. Scappechi if the calculations are being done manually. To which, Ms. Scappechi confirmed that they are. Mr. Williams noted that the city's AFC calculation process is contained within the trustee meeting packet.

Mr. West assured Mr. Allen that the Board is working on this to make sure our members are being paid the benefit they earned and that they deserve. That is our ultimate goal and we do recognize that this is taking some time, but under the current circumstances we are trying to fast track this process. He asked about a liaison between the Union and the Pension Board. Mr. West also suggested that the Union have a representative present at our meetings so they are kept up to date.

Approval of Minutes:

Motion to approve minutes of February 05, 2015 by Mr. Bettencourt, seconded by Mr. Ransone. Motion passed 4-0. (Mr. Torres was not present for this vote).

Approval of Payables:

After review and consideration of the payables of February 05, 2015 through April 01, 2015, a motion to approve payables was made by Mr. Bettencourt, seconded by Mr. Goldstein. Motion passed 4-0. (Mr. Torres was not present for this vote).

Attorney's Report:

Mr. Cohen briefed the Board on proposed pension legislation. Mr. Cohen will report back after the conclusion of the legislative session.

Administrative Report:

No formal report.

Old Business:

Average Final Compensation – Administrative Rule - Mr. Williams stated that he was hoping the City would send someone to interact on this issue and he does not feel that Ms. Scappechi is in the position to do that, in which she agreed. The Board asked for and received on February 27th a copy of the city's procedures in determining the AFC (nonconsecutive & consecutive. Mr. Williams asked Mr. Amrose to provide his input in terms of the city's process. Mr. Amrose reflected that a policy should be crafted in such a way that when anyone reviews it, he or she should be able to calculate the benefit. Mr. Amrose did not feel that the city's current written process accomplishes that goal. While Mr. Amrose feels that this is a good starting point, there should be more detail to define how the calculation is derived. After further discussion amongst the Board members as well as their professionals, the Board agreed by consensus to direct Mr. Amrose to meet with City Representatives and report back to the Board once again.

Mr. Cohen stated that the Board has been working on this issue for an extended period of time and it must be brought to closure.

Mr. West suggested that a couple AFC tests be provided by Mr. Amrose to the City Manager for his review. Mr. West will coordinate with Mr. Amrose and the City Manager to regarding the next meeting. Mr. Bettencourt feels that the Union should also be present.

At the conclusion of this dialogue, Mr. West conveyed that he received a phone call from the City Manager; Mr. Richard Salamon. Mr. West advised that the City Manager asked him to table this matter until he can attend the meeting. As such, no formal action was taken and the matter tabled.

FPPTA Conference – Travel Approval - Mr. Williams indicated the location of the upcoming FPPTA Conference is in Boca Raton, Florida. Mr. Williams explained that the current rules states that overnight lodging in the tri county area must be approved in advance. As such, Mr. Williams is seeking formal approval for any trustees who wish to attend. Motion to approve overnight lodging for the FPPTA Conference by Mr. Ransone, seconded by Mr. Bettencourt. Motion passed 3-1. (Mr. Goldstein was not present for this vote and Mr. Torres voted no).

Open Board Discussion:

Mr. West asked Mr. Cohen to draft a policy to permit other Board members to act as Chairman and / or Secretary during their absence in case authorized signors are required by the Plan Administrator.

Mr. Amrose indicated that he is still awaiting guidance with regard to the October 01, 2014 Actuarial Valuation Report. The Board asked him to get input from the City Manager regarding suggested assumption changes. (1-reduce the Investment return assumption from 8 to 7.5%, which would increase next years required contribution by \$1.1M; 2- lowering the salary scale by 1%, which would lower the contribution by \$700,000 and 3- changing the retirement rates to more closely match what is happening with the work force which would raise the contribution by \$700,000 offsetting the salary increase assumption). Numerous attempts by Mr. Amrose to communicate with the City Manager proved unsuccessful. The Board will address this at the June 04, 2015 meeting when the Actuarial Valuation is presented. It should be noted that the City's Actuary, Mr. Michael Tierney is in concurrence with the changes.

Mr. Williams stated that the current lease on our current copier / printer is expired. Mr. Williams sought and obtained a proposal for a new copier / printer. Under the Government bid proposal received, the three year term will actually decrease our current monthly payment. Motion to approve the lease proposal by Mr. Bettencourt, seconded by Mr. West. Motion passed 4-0. (Mr. Goldstein was not present for this vote).

Mr. Amrose requested the Board's direction on a buyback request from Officer Pena. According to the Ordinance, a member must have ten years of service before they can buyback. Mr. Cohen felt that a buyback could be purchased, however the service credit could not be applied until the member is fully vested with ten years of service. Mr. Bettencourt made a motion to approve buybacks for non-vested members as presented by Mr. Cohen which was seconded by Mr. West. Motion passed 4-0 (Mr. Goldstein was not present for this vote). Mr. Cohen was asked to prepare a policy for the Board to formally adopt.

Mr. West asked Mr. Goldstein for an update on the furniture. Mr. Goldstein stated that he has no samples and is in the process of researching and possibly having some samples delivered to the office. Mr. Torres asked what chairs are we talking about replacing and Mr. Goldstein stated the current chairs throughout the office which were purchased in 1998. Mr. West asked Mr. Cohen to confirm that office furniture that is 17 years old is a reasonable expense and Mr. Cohen agreed.

Mr. West asked Mr. Amrose to outline the 13th check process.

Adjournment:

Motion to adjourn at 11:25 A.M. by Mr. Goldstein seconded by Mr. West. Motion passed 4-0.