

CITY OF LAUDERHILL FIREFIGHTERS' RETIREMENT SYSTEM
FIRE PENSION- MONTHLY MEETING
November 10, 2015

Recorded and Submitted by
Barbara, Plan Administrator

Fire Headquarters
2nd Floor Training Room
1980 NW 56 Avenue, Lauderhill, Fl.33313

REGULAR MEETING-4:30PM

I CALL TO ORDER

Vice Chair Michael Taussig called the meeting to order at 4:55PM

MEMBERS PRESENT:

Michael Taussig, Vice Chairman
Karen Pottinger, Secretary
Ryan Gabner, Trustee
John Leicht, Trustee

ALSO PRESENT:

Ron Cohen,
Rice Pugatch Robinson & Schiller, P.A.
Greg McNeillie, Dahab Associates
Pat Kelly & Ryon Acey; Agincourt Capital
Chad Little, Freiman Little Actuaries

MEMBERS ABSENT:

Sean Henderson

II APPROVE MINUTES OF REGULAR MEETING DATED October 13, 2015

MOTION to approve amended minutes by J. Leicht
SECONDED by K. Pottinger
PASSED UNANIMOUSLY

III NEW BUSINESS

1. Agincourt Capital Quarterly Report

See report under Dahab Associates. Report on file in Pension Office. Summary of recommendations:

It would give Agincourt more flexibility to invest in BBB quality Bonds. The plan's restriction for A or better excludes a large portion of the industries. The Consultant informed the board that most of his clients have changed to allow the Triple B ratings and he recommends it if the Ordinance allows. This board has discussed going to BBB a few times over the years. The Attorney feels it is allowable. The Attorney and Consultant feel it can be done can be done through Investment Policy change. Greg McNeillie will amend the Policy Guidelines for Agincourt and send it to Ron Cohen for review. Mr. Cohen will check the ordinance, review the amended policy and bring it to the next meeting.

2. Dahab Associates Quarterly Report

The fund's allocation has gotten them to the top third, top decile performance over one, three and five years. Diversified from fixed income to real estate and increased performance. Relative to the benchmark the bonds had a good return but diversifying recaptured some good performance. The full report is on file in the Pension Office.

Concerns:

Large Cap Brown Growth portfolio performance is going well, the concern is on the Systematic Value side of the portfolio. Mr. McNeillie feels this needs to be addressed the same way they did with Brown Advisory. He recommends adding a passive large cap value using 7.5% of Systematic's 17.5% weighting leaving them with 10%. He recommends using SSGA providing legal can work out the contract amendment. If they can't, the next recommended is Rumline. These are who the board looked at before and the board should be able to come to agreement with one of them. After a lengthy discussion, Mr. Taussig entertained a motion.

MOTION by J. Leicht to move 7.5% (\$5,000,000 approximately) of Systematic to SSGA Passive Russell 1000 Value fund. If there is an issue with contracts, move to Rumline.

SECONDED by R. Gabner

MOTION PASSED UNANIMOUSLY

Mr. McNeillie recommends keeping an eye on Loomis Smid Cap. Paying attention to portfolio since Dan Failen left the company, the performance is still good, but performance has not been the same since he left. Mr. McNeillie wants to watch the product as there has been a difference in the product with different management.

Brown has improved, Mr. McNeillie hopes for the same result with Systematic.

Mr. McNeillie moved to the asset allocation. He recommends to rebalance the portfolio. Since 2012 the fund's cash flow has turned positive with more contributions coming in. It is up to 5% (\$3,200,000 approximately) and he would like to put some of that to work now. He recommends keeping some there for future DROP payments they expect around March or April. Strategic allocation would mean move \$2,000,000 to Bond manager to rebalance the target asset allocations.

MOTION by J. Leicht to move \$2,000,000 to Agincourt to rebalance the portfolio and leave \$1,200,000 for activity.

SECONDED by K. Pottinger

MOTION PASSED UNANIMOUSLY

Mr. McNeillie ended with good news. Pointing to a page in the report the portfolio is doing great. Real Estate and Agriculture are providing good downside protection. The Attorney stated that he hasn't been to all of the pension client's meetings yet this quarter, but so far he has seen that this fund did the best.

3. Freiman Little Actuaries Report

Chad Little reminded the board that they already discussed the fact that the mortality table has to change next year. They will look at the assumed rate of return to be a net rate of return when they do the Valuation. The goal is to come up with a net rate of return that has exactly the same contribution rate as the gross rate of return of 8%. There is a lot to consider as it makes an impact of other things like DROP, so they may not change it but it should be looked at.

IV ATTORNEYS' REPORT

A DROP member asked if he could change his optional form of benefit to one that is not on the list of options. The Actuary said the Ordinance says you have to allow members to change their option once time (if they want to). Board policy says that if you change that benefit while in the DROP then the benefit will change back to the point at which they entered the DROP. Another part of the Ordinance reads that the resulting benefit that is paid to the member cannot be less than 50% of the value of the benefit. That doesn't mean 50% Joint and survivor benefit. If a member wants to elect 33 1/3% they will get over 50% of the value of the benefit. Electing 33 1/3% will not be an issue. A member can elect a benefit any way they choose if the board will approve it. To be certain that the Attorney understood it he asked the Actuary if what he said will comply with what is in the Ordinance.

Following the commencement of the receipt of benefits, including any payments to the member's DROP account, each member will be allowed to revoke such election and to make a new election, provided that the existing beneficiary is in reasonably good health. The value of optional benefits shall be actuarially equivalent to the value of benefits otherwise payable, and the present value of payments to the retiring member must be at least equal to fifty (50) percent of the total present value of payments to the retiring member and his beneficiary.

Mr. Little said yes. A factor would need to be created. Because they are developing a singular factor and not a table of factors, the cost should probably be what they charge for a regular calculation which is \$250. He will have to recalculate the member's DROP statement as well. Mr. Little prefers to bill the plan and the plan gets reimbursement from the member. This is because he has a contract with the plan not the member.

The Plan Administrator has the request from the member and will move forward with it. This does not require a motion.

That concluded the Attorney's Report

MOTION by J. Leicht to approve the warrant in the amount of \$58641.59
SECONDED by K Pottinger
MOTION PASSED UNANIMOUSLY

V ADMINISTRATOR'S REPORT

- Monthly Summary was handed out for review.

This concludes the Administrator's Report

VI OLD BUSINESS

Mr. Leicht asked if the Trustees have looked through the Ninger disability documents provided by the Administrator. He said there is a recommendation from one of the IME Doctors to have Mr. Ninger to do a Functional Capacity Test. He would like to make a motion to ask Mr. Ninger to have one done. Mr. Gabner asked what exactly the test is and does. Mr. Leicht says is show your functional capacity to do your job. The Attorney said he is not sure but he believes Mr. Ninger's treating Physician has advised him not to do one. The general rule is that you cannot make someone do anything invasive. Mr. Cohen is not sure the tests are so he feels the board should find out what they are and who can do them. If it the Board's choice to tell him to take one, have the Administrator tell Mr. Ninger that they are aware that his Doctor advised he doesn't take it. If he elects not to take the test, he can tell the Board why. Mr. Cohen doesn't want to order Mr. Ninger to do anything that would make his condition worse. He recommends getting a description of the test and bring it to the board.

MOTION by J. Leicht to have Mr. Ninger do a functional capacity test

SECONDED by K Pottinger

Under discussion, the board agreed that Mr. Ninger has one more IME test to take. They should get the information for what a Functional Capacity Test is before they ask Mr. Ninger to take one. The Administrator was directed to bring that information to the next meeting.

MOTION passed unanimously.

VII COMMUNICATIONS

A date needs to be chosen for the special meeting for Rantanen appeal hearing. After some discussion, the Board asked the Administrator to ask all parties if January 14th at 9:00am will work.

Rick Morley was invited to speak. Mr. Morely asked if he could get the cost the fund incurred so far for the appeal hearing. Specifically the cost that they spent on the outside legal counsel. Mr. Cohen gave a summary of the status of the case. Karen Rantanen applied for a disability, was granted a non-service connected disability, opposed to service-connected. She opposed that question. There is no difference in the amount that is paid. It makes a difference to her as to if the money is taxable or not taxable. This would not affect anyone else's pension. The Board has a fiduciary obligation to pay benefits to those who are entitled to receive one. This was a difference of opinion. She appealed it. The Board considered the fact that the amount should would receive would not be different, but they decided they should look into if it should ben service connected or not service connected. They hired special counsel as is customary in this case. Mr. Cohen has a phone conference with Ms. Rantanen's attorney and special counsel attorney and asked if it would make sense to have another IME at the time. Special counsel said it wouldn't be useful. Special counsel was not hired to take the position that it was not service connected. He was hired to look into it and make a determination of whether or not evidence proved it to be service connected or not service connected, and he has concluded so far that it was not service connected. The Board understands that there is no difference in the amount but a need for them to get it right, as a fiduciary duty. He feels that the Board would have been ok if special counsel said he felt is was service connected but that is not the case.

VII ADJOURNMENT

MOTION to adjourn at 6:40 PM by Karen Pottinger.

Respectfully submitted by Barbara White