

LAKE WORTH FIREFIGHTERS' PENSION TRUST FUND
MINUTES OF MEETING HELD
April 2, 2014

The meeting was called to order at 9:04 A.M. in the Conference Room at Station 93, Lake Worth, Florida. Those persons present were:

TRUSTEES

Valerie Hurley
Pat Highland
Rich Seamon (9:13 A.M.)
Mark Lamb

OTHERS

Margie Adcock & Scott Baur, Administrator
Adam Levinson, Attorney
Pete Strong, Actuary

PUBLIC COMMENTS

There were no public comments.

ADDITIONS AND DELETIONS

The Board added the presentation of the October 1, 2013 Actuarial Valuation to the Agenda.

ACTUARY REPORT

Pete Strong appeared before the Board. He presented the Actuarial Valuation as of October 1, 2013. He reviewed the annual required contribution. He noted that the total required contribution declined from last year mainly due to reflecting the settlement agreement. He stated that the required contribution would have increased if there had been no settlement. The total required contribution for the plan year ending September 30, 2015 would be \$2,550,030. He stated that with contributions from Division II of \$109,225, the City's contribution would be \$2,440,805. Mr. Strong reviewed the revisions in benefits. He stated that it reflects the impact of the retained leave settlement for the retirees. The change resulted in a decrease of \$202,630 in the required contribution. Mr. Strong stated that this is the fourth year for the phase in of the assumptions. He noted that the assumed rate is decreasing from 8.05% to 7.9%. There was a net actuarial loss of \$143,255 for the year, which means that the actuarial experience was less favorable than expected. The loss was primarily due to a less than expected return on the actuarial value of assets, which was 7.7% versus the assumed 8.05%. He stated that there would be no 13th check because the Plan experienced a cumulative actuarial loss. The funded ratio was 48.8% versus 47.2% last year. Mr. Strong reviewed the actuarial value of benefits and assets. He reviewed the calculation of the actuarial value of assets. He reviewed the required disclosures.

Rich Seamon entered the meeting.

Mr. Strong stated that they are targeting fully paying off the unfunded liability by the time the last person is expected to retire, which is October 1, 2026. He reviewed the reconciliation of plan assets and the calculation of the actuarial value of assets. He noted that the DROP Accounts were a large component of the total assets of the Fund. This could be viewed as a risk component where the Fund allows retirees to keep their money in the DROP after retirement. Mr. Strong reviewed the historical investment rate of return from fiscal year ending 1972 through 2013. The average rate of return is 8% on the market value. He reviewed the schedules added due to the new GASB 67 requirement. There was a lengthy discussion on the new requirements. A motion was made, seconded and carried 4-0 to approve the Actuarial Valuation as of October 1, 2013.

HEARING REGARDING DISPUTES AS TO AMOUNTS REFLECTED ON PERSONALIZED STATEMENTS

Mr. Levinson stated that the main purpose of the meeting today was to give all of the Participants due process. The mail out asked any Participant who had any questions or discrepancies as to their numbers needed to request a hearing in writing. It was noted that one Participant appeared to raise an issue regarding credited service. The Administrator provided the member with the information and followed up several times to see if the Participant was going to attend the hearing today or if the Participant had any other issues. The Participant did not respond any further. No other written requests for a hearing were received by the Board.

Tim Sipe and April Hanyecz appeared before the Board. They inquired about the settlement as it relates to those that are on a disability retirement where the City pays the difference between the disability retirement benefit amount and the 75% negotiated benefit. Mr. Levinson stated that it was an issue under the County. Ms. Adcock stated that she would advise Mary Miller at the County regarding the benefit amount changes for those that are receiving a disability benefit.

Mr. Levinson noted that no other Participant has come to appear before the Board.

OTHER BUSINESS

There being no further business, the Trustees adjourned the meeting.

Respectfully submitted,

Mark Lamb, Secretary