

Village of North Palm Beach Police and Fire Pension Fund

MINUTES OF MEETING HELD

December 12, 2005

Robert DiGloria called the meeting to order at 2:05 PM in the Conference Room of the North Palm Beach Village Hall located at 501 US Highway One, North Palm Beach, FL. Those persons present were:

TRUSTEES PRESENT

Lew Steinberg
Robert DiGloria
Tom Fitzpatrick

OTHERS PRESENT

Bonni Jensen, Hanson, Perry & Jensen;
Fund Counsel
Denise McNeill; Pension Resource Center
Manny Grinn

The Trustees discussed the current format of the Board. Mrs. McNeill explained the Trustee election had not been posted due to a request the attorney received from the Village. Bonni Jensen explained she had received a request from the Village to change the composition of the Board to reflect one fire representative, one police representative, two appointed by the Village and the fifth appointed by the other four as per State guidelines. Mrs. Jensen explained the change would require a change to the ordinance.

AUDIT ENGAGEMENT

Bonni Jensen reviewed an audit engagement letter from Cherry, Bekaert and Holland for the fiscal year ending 9/30/05 for a fee of \$7,950 with an additional amount to process the annual report not to exceed \$1,650. She explained the auditor's process of reviewing the internal controls of the pension plan. Mrs. Jensen explained that the Board had completed an RFP for an independent auditor a few years ago, but had decided not to engage a separate audit. The Board expressed concern with hiring the same audit firm as the Village, however Mrs. Jensen felt the auditor would properly report their findings in the Management Letter upon completion of the audit. Lengthy discussion followed with Mr. Grinn asking various questions regarding the process.

- Lew Steinberg made a motion to accept the audit engagement from Cherry Bekaert & Holland for the 2005 audit and for the Board to go out for an official RFP in 2006 in preparation of the 2006 audit process, seconded by Tom Fitzpatrick and approved by the Trustees 3-0.

SUMMARY PLAN DESCRIPTION

Bonni Jensen reminded the Trustees that the Summary Plan Description (SPD) is a summary document designed to clearly reflect the benefits for employees, however the Ordinance supercedes any statement made in the SPD. The Trustees discussed the pending issue of what data is being reported to the actuary for calculation. The Administrator is not receiving data in the requested electronic format and is unable to determine how the information is currently being reported. In addition to that, the Administrator has not received historical payroll information for prior calculations.

The Trustees discussed the disability process. Mrs. Jensen explained the level of detail may be decided by the Board as the plan initially adopted the language from Chapter 175 provisions relating to disability benefits. Mrs. Jensen will provide the Board with disability procedures and guidelines for review.

Mr. Grinn inquired into the calculation and lump sum option. Brief discussion followed regarding those items.

Mrs. Jensen will present an updated SPD to the Board for review at the February meeting.

ELECTRONIC PAYROLL DATA

Denise McNeill informed the Trustees that as per her latest communication with the Village, the Finance Department has not received a response from their software vendor regarding the cost or time-frame to provide the requested data. Mr. Sizemore had confirmed use of the programmer, mentioned by the Administrator previously, could be the solution to the pending data issue and the Finance Department would be willing to work with the Pension Board in the process.

- Tom Fitzpatrick made a motion to hire John Lark, the independent programmer, for the hourly rate of \$80 to address the payroll data issues with the Village, seconded by Tom Fitzpatrick and approved by the Trustees 3-0

DISBURSEMENTS

Mrs. McNeill then presented Disbursements to the Board.

- Tom Fitzpatrick made a motion to approve disbursements as presented, seconded by Tom Fitzpatrick and approved by the Trustees 3-0.

ORDINANCE CHANGE

Mrs. Jensen presented the Trustees with an updated Ordinance change reflecting changes to the composition of the Board, removing item (b) relating to forfeiture of membership in the board for absenteeism, reflecting participant membership to immediately upon hire and to reflect the normal form of benefit as 10 year certain and life.

Mrs. Jensen informed the Trustees that she had spoken with the actuary and he believes the plan would have enough money in the 175 and 185 funds to change the minimum benefit to the 2% multiplier.

The Trustees discussed the composition of the Board. Mrs. Jensen recommended holding over the seat for Tom Fitzpatrick that is set to expire in January until the City has appointed a Trustee to the seat vacated by JD Armstrong.

Discussion followed regarding minimum benefits. Mrs. Jensen explained the age 52 or 25 years of service is a stronger benefit than the 2% multiplier, however currently, there is not enough funds from 175 and 185 to purchase the benefit. The Board decided not to change to the 2% minimum benefit, therefore holding the funds to be utilized in purchasing the age 52 or 25 years of service in the future.

- Lew Steinberg made a motion to approve the Ordinance change as amended, seconded by Tom Fitzpatrick and approved by the Trustees 3-0.

The Trustees expressed concern with the pension process and the efforts made to initiate plan changes. Mrs. Jensen recommended the information be forwarded to both the Police and Fire Unions.

- Lew Steinberg made a motion instructing the attorney to summarize the pension process and send the information to the Police and Fire Union attorney's, seconded by Tom Fitzpatrick and approved by the Trustees 3-0.

Mr. Grinn advised he was present for both Union negotiations and described the process to the Trustees.

Mrs. Jensen advised the Federal mileage reimbursement rate for travel to conferences changes effective 1/1/06 to \$.445 per mile.

APPOINTMENT OF CHAIRMAN

Discussion of Chairman appointment was tabled until the next meeting.

- Lew Steinberg made a motion to adjourn the meeting at 3:25 P.M., seconded by Tom Fitzpatrick and approved by the Trustees 3-0.

Respectfully submitted,

Henry Maki, Secretary