

Village of North Palm Beach Police and Fire Pension Fund

MINUTES OF WORKSHOP HELD

May 16, 2008

Chairman, Robert DiGloria called the meeting to order at 1:45 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

Robert DiGloria
Scott Freseman
Henry Maki

TRUSTEES ABSENT

Steve Brandt
Robert Furey

OTHERS PRESENT

Bonni Jensen; Hanson, Perry & Jensen (2:00 PM)
Denise McNeill; Pension Resource Center
Steve Palmquist; Gabriel Roeder Smith & Co
Mary Kay McGann
Anthony Giarrusso
Mike Mayo; IAFF
Mark Floyd; Mierzwa & Associates (2:00 PM)
Damien Izquierdo

DISCUSSION OF PENSION BENEFITS AND THE COST OF IMPROVEMENTS

Denise McNeill reviewed the packets presented for the meeting. The information presented included prior cost study detail provided by the actuary in May 2007, July 2007 and January 2008.

Steve Palmquist reviewed the July 2007 study. He explained that although the 9/30/07 valuation numbers are not completed, the preliminary information appears that the employer contribution rate will reduce by approximately 2%. Discussion followed regarding the minimum mandated benefits. The Division of Retirement has inquired into the Plan asking why the benefits have not been increased since the funding is available. Steve Palmquist explained that the available 175 and 185 funds held in the plan to improve benefits would cover the cost to add the remaining minimum benefits of 52/25, elimination of the one year waiting period and the minimum 2% per year multiplier, beyond the current 60% cap. Additionally, by removing the one year waiting period, it will immediately increase contributions to the Plan further reducing the overall Plan cost. Mr. Palmquist continued to review each item explaining the cost and the overall effect on the contributions. Mr. Palmquist went on to review the Impact Statement dated January 2008.

Henry Maki advised that the Pension Board had been advised by the Village that it would be possible to initiate changes if costs were further reduced therefore the most recent study was requested from the actuary with the multipliers prospectively. Mr. Palmquist advised that the 75% cap would immediately be available to all members while the multiplier would be prospective from the time accumulated after the benefit was

granted. Mrs. Jensen advised that once the minimum benefits are met, the Board can use the additional 175 and 185 funds to improve and add benefits with the agreement of the majority of the membership and the Village. Mrs. Jensen explained that the minimum benefits must be changed before any other benefits can be addressed in the Plan. When the changes were presented to the Village, the Pension Board was told the changes would need to be bargained. Mrs. Jensen explained that if labor and management waive their bargaining rights to the matter, the changes could be made. It was discussed that the State may choose to withhold the State contribution until the minimum benefits are met, which would require the Village fund an additional \$138,000 into the Pension Plan. Mrs. Jensen inquired of Mrs. McGann if the Village has a position on the matter and Mrs. McGann advised this is not the forum to be presenting the Village's view. Mr. Floyd expressed his concern of the Union waiving their right to bargaining on the matter.

It appeared the labor groups and the Pension Board are in agreement to put the minimum mandates into place. Mrs. McGann advised that she was not aware both labor groups were willing to accept minimum only benefits in order for the changes to be implemented. Mrs. Jensen advised that, upon the aid of Mrs. McGann in the communication process, the previous request to update the investment provision passed the second reading.

Discussion followed regarding concern expressed by the Division of Retirement of the lack of minimum benefits in the Plan since it was first reported in May 2007 that the funds were available to initiate the benefits.

Mr. Giarrusso inquired into the guidelines for Trustee attendance at Board meetings. Mrs. Jensen advised that there are currently no attendance requirements.

Mr. Floyd recommended the Board wait to let the Union confirm they are willing to initiate minimum benefits only.

Mrs. Jensen recommended the cost study be updated to include the 2007 valuation information. Mr. Palmquist will forward the information as soon as the update is available.

Workshop adjourned at 3 P.M.

Respectfully submitted,

Henry Maki