

Village of North Palm Beach Police and Fire Pension Fund

MINUTES OF SPECIAL MEETING HELD

October 8, 2008

Chairman, Robert DiGloria called the meeting to order at 9:07 AM 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
Steve Brandt
Henry Maki
Joseph Yungk

TRUSTEES ABSENT

None

OTHERS PRESENT

Denise McNeill; Pension Resource Center
Jack Watrous

ITEMS FROM THE PUBLIC

None.

BENEFIT APPROVAL

Denise McNeill presented the retirement benefit for Jack Watrous. Mr. Watrous had requested the lump sum payment option.

- Steve Brandt made a motion to approve the benefit payable to Jack Watrous. The motion received a second from Henry Maki and was approved by the Trustees 5-0.

Mr. Watrous' benefit will be processed according to the current lump sum requirements of five annual installments. The administrator presented Mr. Watrous with the first annual payment.

DISBURSEMENT REVIEW

Denise McNeill presented disbursements for approval.

- Henry Maki made a motion to approve all disbursements as presented. The motion received a second from Scott Freseman and was approved by the Trustees 5-0.

AUDIT UPDATE

Denise McNeill expressed concern regarding recent communication received from the auditor. She explained that in the audit presentation given to the Board by Mr. Rew and Mrs. Flitan in September, the auditor had expressed to the Board that the Plan was in good standing. Mrs. McNeill explained that the auditor had later provided her with additional information related to the audit which included a letter dated July 10, 2008 from the auditor

advising of a material weakness in the Plan. Mrs. McNeill explained that as an administrator, statements of material weakness are not taken lightly and she immediately contacted the auditor to inquire into the matter. Mrs. Flitan had advised that the auditor had not considered the matter significant and therefore had not made mention of it during the presentation. Mrs. McNeill explained that several changes to the generally accepted accounting practices (GAAP) and further changes to the statement on auditing standard #12 (SAS 112) have had a significant impact on both the audit process as well as the form of acceptable monthly financial reporting. In the past, the auditor has taken the monthly financials received from the administrator and has re-cast the financial information into the audit format. Many auditors have advised that due to the changes in SAS 112, they are no longer capable of reclassifying the financial reports for the Pension Plan. The Trustees expressed concern that the matter had not been addressed with the Board during the audit presentation, especially considering the letter is dated July 10, 2008. There was concern that there would not be enough time to process an RFP for auditing services for the plan year ended September 30, 2008.

Discussion followed regarding the pending RFP for actuarial services. Mrs. McNeill will prepare a summary of responses for the Board and will send all of the information electronically to the Trustees the week prior to the next meeting for review.

Discussion followed regarding the current negotiation process between both Unions and the Village. There appears to be a lack of communication among the two Union Boards related to pension benefits.

There being no further business:

- Scott Freseman made a motion to adjourn the meeting at 10:00 A.M. The motion received a second by Steve Brandt and was approved by the Trustees 5-0.

Respectfully submitted,

Henry Maki