

Village of North Palm Beach Police and Fire Pension Fund

MINUTES OF MEETING HELD

March 19, 2009

Chairman, Robert DiGloria called the meeting to order at 2:15 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
Henry Maki
Joseph Yungk
Steve Brandt

TRUSTEES ABSENT

Scott Freseman

OTHERS PRESENT

Denise McNeill; Tegrit Plan Administrators
Jim Burdick & Rowana Flitan; Cherry, Bekaert & Holland
Samia Janjua; Finance Director

ITEMS FROM THE PUBLIC

There were no items presented from the Public for discussion at this time.

AUDIT PRESENTATION

Jim Burdick and Rowana Flitan appeared before the Board to present the audited financial statements for the plan year ending September 30, 2008. Mr. Burdick reported there were no significant deficiencies found during the audit process. He explained that the report appears different than in the past due to changes in the Governmental Accounting Standards Board (GASB) requirements related to the disclosure of financial information. He presented an audit summary letter to the Board. Mr. Burdick advised that there was a typo on page two of the letter. He explained that the letter makes a statement that there were material reclassification entries required, however the letter should state that the reclassifications were "not" material to the Plan. A revised letter will be provided to the Board along with the final report. Mr. Burdick advised that the report was issued with the highest standard the auditor is allowed to provide. Mr. Burdick then reviewed the report in detail noting that the decrease in assets of 8.5% from the prior year relates to the loss of investments and benefits paid out of the Plan. He noted that total assets as of September 30, 2008 were \$10,058,618. Mrs. McNeill noted that an item listed as accounts receivable from the City should be corrected as the actual funds were due from the IRS due to an overpayment of 945 taxes. Mr. Burdick reported the Plan's funded ratio was 85.2%. Mr. Burdick noted that the Village contribution listed 106% resulting in an over contribution. He then advised that overall, there were no material weaknesses or compliance issues determined for the Plan. Samia Janjua inquired into the contributions listed. Lengthy discussion followed regarding the Village and State contributions to the Plan. Mr. Burdick advised that the Supplemental State contribution will be reclassified as per the request from Finance.

- Steve Brandt made a motion to accept the Audited Financial Report for the plan year ending September 30, 2008 as amended. The motion received a second from Henry Maki and was approved by the Trustees 4-0.

Samia Janjua, Jim Burdick and Rowana Flitan departed the meeting at 2:52 P.M.

Denise McNeill presented a management letter to be signed by the Board. She explained that the letter had only been received that same morning therefore the attorney had not been provided enough time to review. She advised that the final audit report will not be released from the auditor until the management letter has been signed by the Board and returned to Cherry, Bekaert & Holland.

- Steve Brandt made a motion for the Chairman to sign the management letter contingent upon approval by the Plan attorney. The motion received a second from Joe Yungk and was approved by the Trustees 4-0.

BENEFIT APPROVAL – WARREN

Mrs. McNeill presented a retirement request from George Warren for Board approval.

- Henry Maki made a motion to approve the benefit request for normal retirement. The motion received a second from Steve Brandt and was approved by the Trustees 4-0.

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 Joseph Yungk and was approved by the Trustees 4-0.

ADMINISTRATIVE REPORT

ACTUARY RFP: Denise McNeill advised that she was not able to schedule the actuary interviews for the same time as the audit presentation. The Board instructed the administrator to arrange a special meeting mid April for the presentations.

PENDING RETIREMENT APPLICATIONS: Mrs. McNeill reported of two pending retirement applications received from vested-deferred members. Mrs. McNeill explained that she expects for the information to be completed and ready for presentation to the Board for approval at the special meeting in April.

TRUSTEE ELECTION: Mrs. McNeill advised that notices will be posted for one fire and one police officer term as the seats are scheduled for renewal.

GRS ORDINANCE REVIEW: Mrs. McNeill then reported that the actuary had responded to the attorney's request to review the proposed ordinance amendment related to the investment policy changes as well as the Uniformed Services Employment and Reemployment Rights Act (USERRA) and Heroes Earnings Assistance and Relief Tax Act (HEART). Mr. Palmquist advised that while the benefits in USERRA & HEART would result in an actuarial loss in the year in which any member is affected, there was a very low probability that these new provisions will be utilized therefore the actuary does not feel that an estimate for advanced funding is necessary. A copy of the response was provided to the Board in their meeting packet.

ADMINISTRATIVE FEE PROPOSAL: Discussion followed regarding the administrative fee proposal tabled from the prior meeting. Henry Maki addressed the fee along with the list of services provided by the administrator, expressing his satisfaction with the cost relative to the level of service received from Tegrit Plan Administrators. Mrs. McNeill advised the firm would be willing to provide a two year guarantee if no COLA was included. It was noted that the administrator had continued their prior fee almost two years beyond the initial guarantee. The Trustees discussed the matter and how an RFP process would be handled if they determined the need to go out for an RFP.

- Henry Maki made a motion to approve the monthly administrative fee increase of \$1,750 effective March 1, 2009 with a two year rate guarantee and no COLA. The motion received a second from Steve Brandt and was approved by the Trustees 4-0.

UPCOMING CONFERENCES: Mrs. McNeill reminded the Trustees that the administrative website reflects upcoming conferences related to Police and Fire Plans. She also recommended the site for other Trustee resources and information. Steve Brandt informed the Board of his planned attendance at an upcoming pension conference being presented by the International Foundation of Employee Benefits (IFEBC).

Samia Janjua had re-entered the meeting and reported that the contribution detail had been resolved with the auditor for the fiscal year ending September 30, 2008. The final audit report should be issued accordingly.

There being no further business:

- Steve Brandt made a motion to adjourn the meeting at 3:20 P.M. The motion received a second by Henry Maki and was approved by the Trustees 4-0.

Respectfully submitted,

Henry Maki