

WEST PALM BEACH FIREFIGHTERS' PENSION FUND
MINUTES OF MEETING HELD
July 2, 2013 – SPECIAL MEETING

Chairman Rick Dorey called the meeting to order at 10:11 A.M. in the Third Floor Conference Room at Station 1; 500 N. Dixie Highway, West Palm Beach, Florida. Those persons present were:

TRUSTEES

Rick Dorey, Chair
Brian Walker, Secretary
Dave Merrell
Jeff Green
Ron Frano

OTHERS

Audrey Ross, Resource Centers
Bonni Jensen, The Law Offices of Perry & Jensen
Brad Armstrong, Gabriel, Roeder & Smith
Gregg Gordon, City of WPB Firefighter
Gaetano Montante, City of WPB Firefighter
Rick Roberts, City of WPB Firefighters (retired)

PUBLIC COMMENTS

Mr. Green announced that today would be his last meeting with this pension board. He is relocating out of the City of West Palm Beach and per the Ordinance his seat requires the Trustee to be a City resident. The Board thanked Mr. Green for his time and participation on the board.

ACTUARY REPORT: GABRIEL, ROEDER & SMITH (PRESENTED BY BRAD ARMSTRONG)

Mr. Armstrong and Ms. Jensen reviewed the letter that they drafted after the last board meeting as directed by the board. This letter will be sent to the Division of Retirement as a response to the letter that the Plan received regarding the plans benefits and assumptions being too high. The board concurred.

Ms. Jensen explained that after the last board meeting the board decided to make some changes to the plan as described in scenario 1 of the experience study. She wanted the Trustees to be clear and discuss the fact that scenario 1 would also change the Plan's amortization schedule from 20 years to 30 years, but in order to change the amortization schedule the board would need to change the Special Act. The Trustees had a very lengthy discussion on this issue and reviewed what the difference would be with doing scenario 1 with the exception of changing the amortization schedule and with changing it. Mr. Armstrong noted that with the combination of the other 3 changes (decreasing the investment rate of return assumption, decreasing the salary increase assumptions, and lowering the duty disability assumptions) will have no impact on the City's contributions. The Trustees also discussed what it would take to change the language in the Special Act to allow the Plan to change their amortization schedule from 20 years to 30 years. Ms. Jensen explained the process and also explained what would happen if the Legislature did not pass the revised language as well. Mr. Armstrong noted that before any of that process is started, the Board would want to check with the Division of Retirement to see if this would be acceptable with them. The Trustees continued their discussion and lastly discussed when these changes will be implemented. Mr. Armstrong explained that the Board has 2 options; the changes can be effective with the October 1, 2014 valuation report which determines the contributions rate for 2015, or the Board can amend the September 30, 2013 valuation report to include the changes by issuing an impact statement after the valuation is completed. The City's contribution rate may slightly decrease if adding the changes into the September 30, 2013 valuations, but we will not know this until

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after the fact so the City will still contribute based off the original amount already quoted to be cautious.

A motion was made by Brian Walker to amend the motion made at the June 6, 2013 meeting to accept scenario 1 with the exception of changing the amortization period from 20 years to 30 years (only the investment rate of return assumption, the salary increase assumption, and the duty disability assumption will be changed). The motion was seconded by Ron Frano and carried 5-0.

Ms. Jensen stated that she will draft a revised letter that will be sent to the City, the Union, and the Division of Retirement reflecting the changes made here today.

BENEFIT APPROVALS

Ms. Ross presented the board with a hardship withdrawal from Share account for Eric Ruskino. The Trustees reviewed the letter submitted by Mr. Rusinko explaining his hardship, and concluded that his scenario does fall under the guidelines and eligibility for a hardship withdrawal under the Plan.

A motion was made by Brian Walker to approve the application for a hardship withdrawal from share account for Eric Rusinko. The motion was seconded by Ron Frano and carried 5-0.

OTHER BUSINESS

Mr. Green briefly mentioned that there are some other benefit revisions that he would like the board to consider. Ms. Jensen noted that he would need to bring this discussion up with the City and the Union as the Board does not have anything to do with negotiating benefits.

There being no further business and the next Pension Board meeting having been scheduled for Thursday August 15, 2013 @ 1:30PM, the meeting adjourned at 11:41 AM.

Brian Walker, Secretary