



**Town of Surfside**  
**Special Joint Town Commission and Pension Board Meeting**  
**AGENDA**

**July 6, 2020**

9293 Harding Ave, 2<sup>nd</sup> Floor  
Surfside, FL 33154

**1. Opening**

**A. Call to Order**

Mayor Burkett called the meeting to order at 2:14 p.m.

**B. Roll Call of Members**

Town Clerk McCready called the roll for the Town Commission with the following members present: Mayor Burkett, Commissioner Kesl, Commissioner Salzhauer and Vice Mayor Paul and Commissioner Velasquez arrived (2:52 p.m.)

Recording Clerk Duval called the roll for the Pension Board with the following members present: Chair Abraham Issa, Board Member Yamileth Slate-McCloud, Board Member Sgt. Julio Torres, Board Member Guillermo Olmedillo (arrived at 2:23 p.m.)

Absent: Board Member Golding

Also present were Pension Board Attorney Adam Levinson, Pension Board Attorney Robert Klausner, Interim Assistant Town Manager/Finance Director Jason Greene, Town Attorney Lillian Arango and Pension Board Actuary Nicolas Lahaye.

**2. Pension Board Members and Consultant Introduction**

Chair Issa gave an introduction of the Pension Fund and the portion of the Budget Fund, liabilities and assets. Chair Issa read his statement into the record explaining the pension fund, the Town's employees and police officers, while balancing the assets and making it best for the Town.

Chair Issa explained the layout of the Pension Board and its members. He asked the Pension Board members to introduce themselves.

The Pension Board members introduced themselves along with their expertise. The Pension Board members that introduced themselves were Pension Board member Yamileth Slate-McCloud, Pension Board member Police Sgt. Julio Torres, Pension Board Chair Abraham Issa and Pension Board member Guillermo Olmedillo.

Chair Issa explained the process of this meeting and the topic of today's meeting.

Pension Board Attorney Adam Levinson introduced himself and Pension Board Attorney Robert Klausner.

### **3. Pension Presentation**

Pension Board Attorney Klausner introduced himself and provided a PowerPoint presentation to the Pension Board and Town Commission.

Commissioner Salzhauer asked why there was a pension plan in the public sector when it has been determined in the past that it does not work. She also asked regarding the difference between this Town's pension plan and a 401K retirement plan.

Pension Board Attorney Klausner explained that a defined benefit pension plan model is less expensive than the defined contribution plan. He stated that a pension plan will produce longevity in employees. The 401K pension plan is not constitutional for government pension plans. He stated that a defined benefit plan pays for itself.

Commissioner Salzhauer asked who came up with the changes to the new plan.

Chair Issa answered Commissioner Salzhauer's question and stated that it was Board Member Slate McCloud in conjunction with research comparison that she performed. He also stated that with the legislation being introduced, the 401K plans will look more like a defined benefits plan.

Commissioner Velasquez asked why the eligible age of retirement was lowered by 12 years. She stated that she believes that if you lower the retirement plan it should be up to the residents to decide.

Mayor Burkett stated that he disagrees with Commissioner Salzhauer and Commissioner Velasquez in regards to lowering the retirement age.

Pension Attorney Klausner stated that the lowering of the age was more due to the public works employees being too old to do the job and referred to the PowerPoint presentation.

Commissioner Salzhauer commented on the management benefits of lowering the age and years of service and increasing the management percentage to 80%.

Pension Attorney Levinson explained the calculation of the pension plan and the percentage an employee would take is dependent on their years of service and explained the difference in pension plans.

Mayor Burkett spoke regarding the 5-year highest salary when it comes to determining the pension income. He discussed the pension plan in 2016 and it was the last time there were significant changes to the pension system. He spoke regarding the cost of a defined benefit pension plan to the Town.

Chair Issa addressed the comments made by the Town Commission and Mayor Burkett as well as their concerns regarding the pension.

Pension Board member Slate McCloud addressed the comments made by the Town Commission regarding the pension plan, benefits and the comparisons.

Commissioner Kesl stated that he agrees with the general consensus and spoke regarding the pension plan as it relates to the residents and employees.

Commissioner Kesl left the meeting at 3:30 p.m.

Commissioner Salzhauer commented on the amount of years of service and age for retirement. She asked for an explanation of the DROP program.

Chair Issa addressed the comments made by Commissioner Salzhauer on the pension income the employee would be taking once they retire.

Mayor Burkett requested the Pension Board advise the Commission exactly what the difference is with the pension plan that was in effect 10 years ago to the pension plan that is being introduced now. He requested to have a simple spreadsheet showing the differences as a side by side comparison to what they had in 2010 and what they have in 2020.

Pension Board Attorney Levinson explained what the DROP program is and how it works.

Further discussion took place among the Town Commission and Pension Board Members regarding the pension plan as well as employee turnover.

Vice Mayor Paul summarized the 2016 changes and spoke regarding the increase in the employees' contributions which did not increase the Town's contribution. She spoke regarding the comparison of other Towns which were the same size as Surfside. She stated she is here to protect what is in place currently.

Mayor Burkett stated this is a global issue and believes that the tax payers should have a say regarding the pension. He also stated that they should allow the residents to have a say about it and it should be placed on the ballot. He suggested the language to state to have the pension benefits to be the way they were in 2010 or if the Town should go to a 401K pension plan. He also suggested discussing this topic at the special meeting they currently have scheduled that will address which items will be placed in the November 2020 ballot.

Mayor Burkett requested the 2010 Pension Rules and Regulations and 2020 Pension Rules and Regulations be given to all the Commissioners for the Commission to review.

Further discussion took place among the Town Commission and the Pension Board regarding the changes of the pension plan and lowering the retirement age.

Pension Board Member Olmedillo gave the Pension Board and Town Commission his input on how the employees will react with these changes.

Chair Issa gave a synopsis of the direction of what the Commission is requesting. He spoke regarding the Ordinance the Commission passed in late January 2020 and they can see the differences from 2009 through the ordinance that changed the pension plan in 2020. Chair Issa will also include the 2009 pension rules and regulations as well as the current pension rules and regulations.

Pension Board Actuary Nicolas Lahaye commented that the 80% for management was already in place. He also commented on Mayor Burkett's comments in regard to the funding ratio and stated that not much has changed from 2012 to 2018 because 2016 was paid for by the Town employees and to date has not cost much to the Town. He further commented on the percentage of funding ratio and progress was made and they are back to 89% funded. He offered suggestions on how to make amendments to the plan by possibly placing the cap instead of 80% to 90% and raising the retirement age.

Chair Issa spoke about the idea that was given in the past of the Town by placing money into a reserve that does not get used unless it is needed in order by the Town to pay the Town's pension contribution. This will assist in partially funding the contribution for the year that the Town needs assistance.

Mayor Burkett addressed the suggestions made by Pension Board Actuary Lahaye.

#### **4. Questions and Answers**

#### **5. Public Comments**

Jeff Rose stated that if you want to maintain good employees you need to pay them appropriately and give them a good pension plan as well.

#### **6. Adjournment**

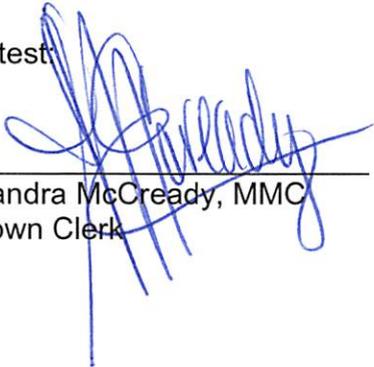
There being no further business to discuss before the Town Commission, Commissioner Velasquez made a motion to adjourn the meeting, seconded by Vice Mayor Paul, to adjourn the meeting without objection at 5:39 p.m.

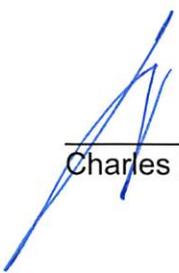
A motion was made by Pension Board Member Olmedillo and seconded by Pension Board Member Sgt. Torres to adjourn the Pension Board meeting without objection at 5:39 p.m.

Respectfully submitted,

Accepted this 17 day of August, 2020.

Attest:

  
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Sandra McCready, MMC  
Town Clerk

  
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Charles Burkett, Mayor