

**MINUTES  
SPECIAL PENSION BOARD MEETING  
CITY OF DELRAY BEACH POLICE OFFICERS' RETIREMENT FUND  
JULY 15, 2021**

**1. CALL TO ORDER, ROLL CALL**

Chair Weber called the meeting to order at 8:34 a.m.

Board Members present: Chair Paul Weber, Vice-Chair Jim Hoesley (via telephone; joined at 8:37 a.m.), Secretary Jeffrey Rasor, Meer Deen (via telephone), and Scott Privitera.

Also present: Board Attorney Janice Rustin (Lewis, Longman & Walker as designated by City Attorney) and Pension Administrator Lisa Castronovo.

Guests: John Mainville, Gene Sapino

**2. AGENDA ADOPTION**

**MOTION** made by Mr. Privitera, seconded by Mr. Rasor, to adopt the July 15, 2021 Agenda. In a voice vote of the members present, **Motion** passed 4-0.

**3. MAXIMUM BENEFITS**

Ms. Rustin stated the reason for the special Board meeting was for the trustees determine the definition and interpretation of "annual starting benefit" as used in Ordinance Section 33.62 (*Benefit Amounts and Eligibility*). Ms. Rustin said when Gabriel, Roeder, Smith & Company ("GRS"), the System's actuaries, do their benefit calculations, they interpret "annual starting benefit" to be the same as "Normal Retirement Benefit" meaning the maximum \$108,000 annual benefit limit was applied to the Normal Retirement Benefit as calculated per Sections 33.62(B)(2) and 33.62(B)(4). Ms. Rustin said she understood that many police officers believed the \$108,000 maximum annual benefit applied to whichever benefit option the retiree selected (which was the "annual starting benefit"), not the Normal Retirement Benefit as calculated per Sections 33.62(B)(2) and 33.62(B)(4).

When Mr. Privitera asked what documentation provided the definition of normal retirement benefit and how it was calculated, Ms. Castronovo provided a summary of the various Ordinance provisions that defined normal retirement benefit and how it was calculated. Ms. Castronovo said the whole idea of the Ordinance providing how the normal retirement benefit is calculated is so that such benefit is "defined" at any point in time and that it is not a moving target subject to change based on who a member selects as their beneficiary. She added that if "annual starting benefit" was interpreted to mean whatever the optional form of benefit the member selects, it would open the plan up to manipulation. She stated that she, Jeff Amrose with GRS and legal were in agreement on how the maximum benefit limit was supposed to apply to the normal retirement benefit (calculated as applicable multiplier times final average earnings times total months and years of service) not to the actuarial equivalent optional benefit based on the normal benefit. Ms. Castronovo explained actuarial equivalence and how it is applied to the normal retirement benefit.

Lengthy discussion ensued. Mr. Rasor said that whatever was decided on what the maximum limit applied, such interpretation should apply to each and every officer who retires in the future. Mr. Rasor said it was his understanding that the maximum limit applied to whatever optional form of benefit selected by the member, not the Normal Retirement Benefit. Mr. Deen said he thought the maximum limit should be applied at the Normal Retirement Benefit calculation level, not at the optional form of benefit level. Chair Weber said some officers had made their retirement decision based on the understanding that the maximum limit was applied to the optional form of benefit, not the Normal Retirement Benefit. The trustees discussed how the issue could be addressed and clarified through upcoming collective bargaining negotiations.

Discussion turned to the officer immediately affected by the interpretation and implementation of "annual starting benefit." Ms. Rustin told the trustees they could allow the officer to retroactively enter the DROP on the date his Normal Retirement Benefit reached the maximum benefit limit (with the Plan to contribute to his DROP account the interest and earnings he would have received if he had entered the DROP on that earlier retroactive date). Alternatively, the trustees could interpret the provision however they best saw fit and then let the issue be addressed in upcoming collective bargaining negotiations.

Chair Weber asked Assistant Police Chief Gene Sapino to join the meeting. When asked if he would consider entering the DROP retroactively on the date the Normal Retirement Benefit reached \$108,000, Chief Sapino was not agreeable. Chief Sapino said he made his retirement date decision based on information provided by the City and since such information did not indicate the Normal Retirement Benefit would be limited to \$108,000, he assumed the limit would apply to the optional forms of benefits. He continued that based on this assumption, he waited to enter the DROP until such date his desired optional form of benefit met the \$108,000 limit. Mr. Sapino said he felt it was wrong the Board was now meeting to discuss the maximum benefit limit issue based on his benefit calculation when prior to his calculation everyone seemed to agree prior to his calculation being done that the limit applied to whichever benefit option he selected, not the Normal Retirement Benefit.


**MOTION** made by Mr. Privitera, seconded by Mr. Hoesley, that effective July 15, 2021, the maximum benefit limit of \$108,000 will apply to the Normal Retirement Benefit as calculated per Code of Ordinances Section 33.62. In a roll call vote of the members, **Motion** passed 4-1 (Mr. Rasor voted "no").

**MOTION** made by Mr. Rasor, seconded by Mr. Privitera, that for all retirements prior to July 15, 2021, the maximum benefit limit of \$108,000 will apply to the optional form of benefit as selected by the retiree. In a roll call vote of the members, **Motion** passed 4-1 (Mr. Deen voted "no").

**ADJOURNMENT**

**MOTION** made by Mr. Privitera, seconded by Mr. Rasor, to adjourn the meeting. Meeting adjourned at 9:32 a.m.

I, Paul Weber, the undersigned, am the Chair of the Board of Trustees of the City of Delray Beach Police Officers' Retirement System ("Board"). The information provided herein is the Minutes of the July 15, 2021 special meeting of said body. These Minutes were formally approved and adopted by the Board on September 22, 2021.

  
Paul Weber  
Board of Trustees, City of Delray Beach  
Police Officers' Retirement System

NOTE TO THE READER: If the Minutes you have received are not complete as indicated above, this means these are not the official minutes of the Board of Trustees of the City of Delray Beach Police Officers' Retirement System. Minutes will become official only after they have been reviewed and approved, which may involve some amendments, additions or deletions to the Minutes as set forth above.

NOTE: upon official approval by the Board of Trustees, the Minutes will be posted on the City of Delray Beach website at: [www.delraybeachfl.gov](http://www.delraybeachfl.gov).