

BOARD OF TRUSTEES OF THE CITY PENSION FUND FOR FIREFIGHTERS & POLICE OFFICERS

In the City of Pembroke Pines
Hampton Professional Center
1951 NW 150th Avenue – Suite #104
Pembroke Pines, FL 33028

REGULAR MONTHLY MEETING APRIL 20, 2017

The four hundred sixty-third meeting of the Firefighters and Police Officers Pension Fund in the City of Pembroke Pines was called to order at 2:05 PM by Chairman Timothy Anderson.

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|----|---------------------------|---|---|--|
| 1. | <u>Roll Call –</u> | <u>Fire Members</u> | <u>Police Members</u> | <u>City Members</u> |
| | | Adam Cabeza Robert Johnson John Kearney (2:29 PM) | Timothy Anderson Adam Feiner Sean Wollard | Gary Arenson Jack McCluskey Vicki Minnaugh |

Others Present: Larry Wilson; Plan Actuary; Paul Daragjati and Ana Klausner-Parish, Plan Attorney; Rachel Maldonado, Asst. Plan Administrator.

Also in attendance:

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|------------------------------------|
| Frank Musumeci, Retired Pines Fire |
|------------------------------------|

2. **Approval of Minutes for March 16, 2017** – Chairman Anderson presented the minutes from the previous meeting held on March 16, 2017. Motion by Gary Arenson, second by Vicki Minnaugh, to approve the minutes as presented. The motion carried unanimously.
3. **Approval of DROP/Retirement Benefits** – The following benefit was presented for approval.
 - F/F John Simon, Joint & 75% Contingent commencing 4/1/17

Motion by Vicki Minnaugh, second by Rob Johnson, to approve the DROP benefit. The motion carried unanimously.
4. **Request for DROP Loan(s)** – Chairman Anderson presented the following DROP loans for approval.
 - F/F Paul Vega
 - F/F Adam Cabeza
 - P/O Walter Yester
 - P/O Sean Yap

Motion by Vicki Minnaugh, second by Adam Feiner, to approve the list of DROP loans. The motion carried unanimously. Adam Cabeza abstained due to a voting conflict.
5. **Approval of DROP Distributions** – The following DROP benefits were presented for approval.
 - F/F Michael Vincent – Lump Sum
 - F/F Maurice Washington – Lump Sum
 - F/F Pete Greene – Lump Sum
 - F/F Daniel Lanzi – Lump Sum
 - F/F William Baker – Lump Sum
 - F/F Steven Weishaar – Lump Sum
 - F/F James Sammarco – Lump Sum
 - F/F John Caprio – Lump Sum
 - P/O Barbara Laughead – Lump Sum
 - P/O John Hess – Lump Sum
 - P/O Kevin King – Lump Sum

- P/O Robert Powers – Lump Sum

Asst. Administrator Maldonado noted there were additional requests to be added to the agenda.

- P/O Christian Heminway – Lump Sum
- P/O Kevin McCluskey – Lump Sum
- P/O Kevin King – Lump Sum

Motion by Robert Johnson, second by Adam Feiner, to make changes to the list of DROP distributions as indicated by the Asst. Administrator. The motion carried unanimously. Motion by Vicki Minnaugh, second by Gary Arenson, to approve the amended list of DROP distributions. The motion carried unanimously. Jack McCluskey abstained due to a voting conflict.

The IRC 415 screening tool results were provided to Actuary Larry Wilson. When appropriate, his office will provide the necessary letters to members indicating distributions will not pose a problem with the IRC 415 limitation at the present time.

6. **Ratification of Special Warrant #718** – The following special warrant was presented for ratification. Motion by Vicki Minnaugh, second by Gary Arenson, to ratify special warrant #718. The motion carried unanimously.

| Name (Pension Benefits, Services Rendered or Obligations) | Amount |
|---|--------|
| DROP Distributions: | |
| F/F Michael Vincent – Lump Sum Withdrawal less FIT | *** |
| U.S. Treasury – FIT – W/H (Vincent) | *** |
| TOTAL | *** |

7. **Approval of Vendor Warrant #719**– Chairman Anderson presented Vendor Warrant #719 for approval. Motion by Vicki Minnaugh, second by Rob Johnson, to approve Warrant #719 in the amount of \$528,823.53. The motion carried unanimously. Gary Arenson and Sean Wollard abstained due to voting conflicts.

| Name (Pension Benefits, Services Rendered or Obligations) | Amount |
|--|--------------|
| Klausner, Kaufman, Jensen & Levinson – Monthly Retainer for April 2017 | \$3,250.00 |
| Hampton Professional Center Condo #2, Ste 104 (Monthly Maintenance – May 2017) | \$407.72 |
| Twilight Industries, LLC – (Maintenance – April 2016) | \$152.00 |
| Steven Bornstein – April 2017 DROP Loans | \$800.00 |
| GRS – August 2016 | \$17,971.00 |
| GRS – September 2016 | \$13,482.00 |
| GRS – October 2016 | \$14,228.00 |
| ProShred – Service on 4/12/17 | \$56.38 |
| Inverness – Equity Mgmt Fee for Q/E 6/30/17 | \$134,461.98 |
| Inverness – Fixed Inc Mgmt Fee for Q/E 6/30/17 | \$70,474.62 |
| LMCG – Midcap Mgmt Fee for Q/E 3/31/17 | \$46,758.04 |
| LMCG – Large Mgmt Fee for Q/E 3/31/17 | \$41,974.01 |
| LMCG – Midcap Mgmt Fee for Q/E 12/31/16 | \$43,643.19 |
| LMCG – Midcap Mgmt Fee for Q/E 12/31/16 | \$39,031.17 |
| CRU #4426 | \$345.00 |
| Joan Wall – Bookkeeping Services 2/9/17 – 2/28/17 | \$1,249.38 |
| ABS – Copier Lease 3/15 – 4/14/17 | \$234.60 |
| BDO – for 9/30/16 Audit | \$1,950.00 |
| Fiduciary Trust – Custodial Fee for Inverness Q/E 1/31/17 | \$11,190.39 |
| Fiduciary Trust – Custodial Fee for Atlanta Capital Q/E 1/31/17 | \$6,576.25 |
| SSGA – Mgmt Fee for Growth Index Q/E 12/31/16 | \$2,074.84 |
| SSGA – Mgmt Fee for Value Index Q/E 12/31/16 | \$5,360.51 |
| SSSGA – Mgmt Fee for International Q/E 12/31/16 | \$69,249.39 |
| Pitney Bowes – Postage Reload | \$201.00 |
| FP&L | \$183.41 |
| Comcast Business – Installation and service | \$596.67 |

| | |
|---|---------------------|
| Verizon – Tablet Service | \$100.72 |
| SunTrust – Ending 8870 | \$1,725.94 |
| SunTrust – Ending 8961 | \$768.15 |
| Gary Arenson – Refund for Tablet Cases | \$177.75 |
| Sean Wollard – IFEBP Conference Reimbursement | \$149.42 |
| TOTAL | \$528,823.53 |

8. **Approval of Member Warrant #720** – Chairman Anderson presented Member Warrant #720 for approval. Motion by Vicki Minnaugh, second by Jack McCluskey, to approve Warrant #720 in the amount of **\$349,071.43**. The motion carried unanimously. Adam Cabeza abstained due to a voting conflict.

| Name (Pension Benefits, Services Rendered or Obligations) | Amount |
|---|---------------------|
| DROP Distributions: | |
| F/F Maurice Washington – Lump Sum Withdrawal less FIT | *** |
| F/F Pete Greene – Lump Sum Withdrawal less FIT | *** |
| F/F Daniel Lanzi – Lump Sum Withdrawal less FIT | *** |
| F/F William Baker – Lump Sum Withdrawal less FIT | *** |
| F/F Steven Weishaar – Lump Sum Withdrawal less FIT | *** |
| F/F James Sammarco – Lump Sum Withdrawal less FIT | *** |
| F/F John Caprio – Lump Sum Withdrawal less | *** |
| P/O Barbara Laughead– Lump Sum Withdrawal less FIT | *** |
| P/O John Hess – Lump Sum Withdrawal less FIT | *** |
| P/O Robert Powers – Lump Sum Withdrawal less FIT | *** |
| P/O Christian Hemingway – Lump Sum Withdrawal less FIT | *** |
| P/O Kevin McCluskey – Lump Sum Withdrawal less FIT | *** |
| P/O Kevin King – Lump Sum Withdrawal less FIT | *** |
| U.S. Treasury – FIT – W/H (Combs, Noona, Toth, Velaquez, Moss, Kuruc, Diaz) | *** |
| DROP Loans: | |
| F/F Adam Cabeza - DROP Loan Less Documentary Stamp | *** |
| F/F Paul Vega – DROP Loan Less Documentary Stamp | *** |
| P/O Walter Yester – DROP Loan Less Documentary Stamp | *** |
| P/O Sean Yap – DROP Loan Less Documentary Stamp | *** |
| Documentary Stamp for DROP Loans: | |
| Florida Department of Revenue – Documentary Stamp (Cabeza) | *** |
| Florida Department of Revenue – Documentary Stamp (Vega) | *** |
| Florida Department of Revenue – Documentary Stamp (Yester) | *** |
| Florida Department of Revenue – Documentary Stamp (Yap) | *** |
| TOTAL | \$349,071.43 |

*** Schedule A is available upon request. Please contact the Pension Office if you wish to view it.

NEW BUSINESS

9. **10/1/2016 Actuarial Valuation Results** – Larry Wilson of Gabriel Roeder Smith submitted the annual Actuarial Valuation for 10/1/16. With the report complete, Mr. Wilson reminded the Board that the valuation determines the required City and State contribution for the fiscal year ending 9/30/2018 as well as other necessary accounting information. Below are some highlights from the report.

- Contribution requirements:
Member: \$ 2,522,412
State: \$ 2,445,532
City: \$ 26,750,473
Total: \$ 31,718,417
- Last year City contribution - \$24,884,886
- Last year Actuarial loss of \$4,391,458
- Last year Market value return of 8.92%,
- Last year Smoothed value return at 7.38% which was less than the Fund's assumed investment return of 7.95%

Motion by Vicki Minnaugh, second by Jack McCluskey, to accept the 2016 Actuarial Valuation as presented by Mr. Wilson. The motion carried unanimously.

10. **Operating Expenses Worksheet FYE 9/30/2018** - Asst. Administrator Maldonado presented the Fund's operating expenses for FY 9/30/18. The Board asked that the amount allocated for trustee education be increased since the FY 2016 number was not sufficient to cover the educational expenses. Motion by Vicki Minnaugh, second by Gary Arenson, to approve the budget for FY 9/30/18 with the amendment to Trustee Education as indicated. The motion carried unanimously.
11. **Annual Staff Evaluations**: The Board discussed the annual evaluations for the Administrator and Assistant Administrator. Both are guaranteed a step increase under contract assuming satisfactory performance. All trustees agreed that this was the case.

Asst. Administrator Maldonado noted that this year is the last year of the staff's 5-year employment contract begun in May 2012. The Board said it would create a special committee to convene at the end of this calendar year in order to review employment terms effective May 1, 2018.
12. **DROP Loan Interest Rate for a/E 6/30/2017**: Agenda packets included information that the Wall Street Journal prime rate for the quarter ending 6/30/17 increased to 4.00%. It was noted that the DROP Loan Rules provide for 1% interest to be added to the WSJ rate. Motion by Adam Feiner, second by Gary Arenson, to approve a 5.00% DROP Loan interest rate for loans approved by the Board during April, May, and June of 2017. The motion carried unanimously.

UNFINISHED BUSINESS

None.

13. **Status of "Are You Alive? Affidavits"** – The Asst. Administrator reported that at the predetermined final date, there were two benefits that were not verified and were subsequently suspended for April 1st. After the date that the two members were not paid their pension benefit, the affidavits were submitted and verified and the full benefit was promptly paid. Currently, all benefits are now 100% verified.
14. **Waiver of Recourse** – It was confirmed that the Board's Fiduciary Liability Insurance policy includes a waiver of recourse for all covered parties. The Board's insurance agent confirmed that the trustees, their spouses, and the Board's employees are covered. Trustee Wollard asked Ms. Maldonado to confirm the correct source for premium payment.
15. **Reports**:

Actuary – Actuary Larry Wilson informed the Board that the is newly requiring the Annual State Report to be filed electronically. This will require additional labor at additional cost to the Board. Motion by Gary Arenson, second by Vicki Minnaugh, to approved the work required to file the Plan's Annual report electronically. The motion carried unanimously.

Mr. Wilson also reported to the Board that with the approval of the valuation, the compliance report would be released with 60 days.

Attorney – Attorney Paul Daragjati introduced the newest attorney to the firm, Ana Klausner-Parish.

He discussed the issue of Convergenx being purchased by Cowen. He notified the Board that he is conducting research before to ensure that the acquisition should be met with no concerns.

Mr. Daragjati reminded the Trustees that their financial disclosures are due July 1st.

Chairman – No report at this time.

Plan Administrator – Ms. Maldonado informed the Board that the City's CAFR was available.


Ms. Maldonado shared with the Board her concerns around the completion of the annual audit. This is the first year using their service since GSK was acquired by BDO. Due to the list of concerns presented by the Asst. Administrator, the Board recommended that an RFP for auditing services be released before

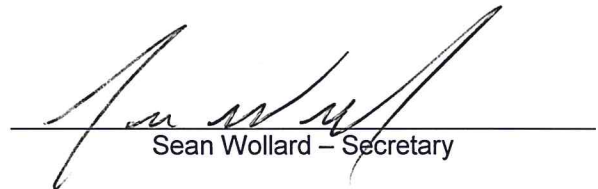
preparation for the next year's audit begins.

Ms. Maldonado reminded the Trustees that the annual FPPTA conference was scheduled for the end of June. She encouraged them to book their rooms as they tend to sell out closer to the date.

After Mr. Daragjati and Ms. Klausner-Parish departed from the meeting, the Board discussed the status of the RFP for Pension Attorney. Two declinations were received as well as three proposals. The Board wanted more information about conflicts of interest as each firm that responded have been or are currently engaged with entities directly related to the Plan in some way or another. Interviews may be held at the June meeting for all or some of the firms. The Board will confirm appointments after the May meeting.

16. **Input from Retirees:** None.
17. **Input from Active Members:** None.
18. **Input from Trustees:** None.
19. **Public Comment:** None.
20. **Adjournment** – Chairman Anderson announced that the next regular meeting would be held on **Thursday, May 18, 2017 at 1:00 PM.** The quarterly performance of the Plan will be discussed at that time. There being no further business, motion by Vicki Minnaugh, second by Adam Cabeza to adjourn the meeting at 4:19 PM. The motion carried unanimously.



Timothy Anderson – Chairman

Sean Wollard – Secretary