

**CITY OF PALMETTO
POLICE OFFICERS' PENSION
BOARD OF TRUSTEES
February 29, 2016 - 11:00 A.M.**

Board Members Present:

Mike Stinson, Chair
Mike Fuller, Secretary
Michael Becks
Coby Gaulien
Ryan LaRowe

Staff and Others Present:

John Thinnies, Bogdahn Group
Scott Christiansen, Board Attorney
Amber Foley, Assistant City Clerk

Chair Stinson called the meeting to order at 11:00 a.m.

1. AGENDA APPROVAL

Motion: Mr. Gaulien moved, Mr. LaRowe seconded, and the motion carried 5-0 to approve the February 29, 2016 Police Officers' Pension Board agenda.

2. PUBLIC COMMENT

None.

3. APPROVAL OF MINUTES

Motion: Mr. Becks moved, Mr. Fuller seconded, and the motion carried 5-0 to approve the November 30, 2015 minutes.

4. ELECTION OF CHAIR

Motion: Mr. LaRowe moved, Mr. Fuller seconded, and the motion carried 5-0 to elect Mike Stinson as Chair for term ending in 2018.

5. ELECTION OF 5TH TRUSTEE

Motion: Mr. Stinson moved, Mr. LaRowe seconded, and the motion carried 5-0 to elect Mike Fuller as the 5th Trustee for a term ending in 2018.

6. APPROVAL OF EXPENSES

- A) Christiansen and Dehner: Invoices Dated 11/30/2015, 12/31/2015, 1/31/2016
- B) Sawgrass Asset Management-High Quality Core Fixed Income Invoice Dated 1/11/2016
- C) Sawgrass Asset Management-Diversified Large Growth Equity Invoice Dated 1/11/2016
- D) Bogdahn Group Invoice #12944
- E) Foster & Foster Invoice #8323
- F) Anchor Capital Advisors Invoice for period 10/1/2015 through 12/31/2015
- G) FPPTA Registration for Trustee Mike Fuller \$450.00
- H) Mike Fuller reimbursement for FPPTA Trustee School \$584.01

Motion: Mr. Becks moved, Mr. LaRowe seconded, and the motion carried 5-0 to ratify the paid expenses as presented.

7. INVESTMENT REVIEW

John Thinnis, Bogdahn Group, presented the end of quarter review. He stated that the Portfolio was valued at \$10,842,392 with a gain net-of-fees of \$361,252; there is no need for rebalance at this time.

Mr. Thinnis discussed the Principal Real Estate Fund. The Board discussed moving funds out of Sawgrass Fixed Income to invest into Principal. Mr. Gaulien opined that the Board should prepare the transaction now to get into the queue.

Motion: Mr. Gaulien moved, Mr. Becks seconded, and the motion carried 5-0 to take \$250,000 from Fixed Income and invest into Principal Real Estate Fund.

Mr. Thinnis will make the changes to the Investment Policy Statement to increase the real estate fund to 8 percent.

Diversification of the Portfolio was discussed. Mr. Thinnis will prepare a domestic equity search for core manager to compliment both Sawgrass and Anchor.

8. 2015 ACTUARIAL VALUATION REPORT

Doug Lozen, Foster & Foster, reviewed the October 1, 2015 Actuarial Valuation Report. He commented that the percent of total annual payroll that the City contributes increased from 26.63 percent to 30.01 percent.

Mr. Lozen reviewed page 11 of the Report commenting on the two approved changes to the Report; the new mortality assumption and the Fresh Start method change.

Mr. Lozen also informed the Board that the Plan's Funded Ratio is 87.9 percent.

Motion: Mr. Becks moved, Mr. Gaulien seconded, and the motion carried 5-0 to accept the October 1, 2015 Actuarial Valuation Report.

Motion: Mr. Fuller moved, Mr. LaRowe seconded, and the motion carried 5-0 to declare that based on the advice of our investment professionals and/or actuary, the Board of Trustees declare that the total expected annual rate of return for the next year, the next several years, and the long term thereafter shall be 7.5%, net of related expenses.

Mr. Lozen informed the Board that it would be in the best interest of the Plan to have Foster & Foster perform an experience study. The investment and salary increases of the Plan need to be reviewed. He opined the long term salary assumption could be lowered from the 7.5 percent. Mr. Lozen would like to look at lowering the investment assumption also. If the Board agrees, he will work on an updated experience study and bring forward to the next meeting and the cost should not exceed \$6,500.

Motion: Mr. Fuller moved, Mr. LaRowe seconded, and the motion carried 5-0 to approve the actuary performing an experience study not to exceed \$6,500.

Mr. Fuller discussed lowering the investment rate of return from 7.5 percent. Further discussion will occur after the experience study is presented in August.

9. BENEFITS DISBURSEMENT APPROVAL

A. DROP PARTICIPANT

- NONE

B. TERMINATED NON-VESTED EMPLOYEES

- Justin Garza

C. TERMINATED VESTED EMPLOYEES

- NONE
- D. RETIRED EMPLOYEES
- Christopher Leister
 - Jerome Waiters (left money in and now collecting his retirement)
- E. DECEASED RETIREES
- NONE
- F. DECEASED ACTIVE EMPLOYEE PAYOUT
- NONE

Motion: Mr. LaRowe moved, Mr. Becks seconded, and the motion carried 5-0 to approve the benefits disbursement as presented.

10. NEW MEMBER ACKNOWLEDGEMENT (*Informational Only*)

- Nico Lee

11. ATTORNEY CHRISTIANSEN'S REPORT

It was verified that the updated Summary Plan Description was distributed to all Plan members.

Attorney Christiansen informed the Board that during the last legislative session there were no proposed changes to effect the Plan.

Mr. Christiansen prepared the Ordinance for the City to adopt that incorporates the changes from the Internal Revenue Code with the addition of the share plan language.

12. PLAN ADMINISTRATOR'S REPORT

Ms. Foley updated the Board on the recent Pension Letter 11, Confirmation of Benefits, which was sent out to all active retirees/beneficiaries. She is still waiting on the return of a few more letters.

In regards to Ordinance 2016-01 (as mentioned during Attorney Christiansen's comments) has been put on the agenda for Commission approval. Due to several questions regarding the Ordinance, Mr. Christiansen will be in attendance to answer their questions at the next Commission meeting on March 7, 2016.

Chair Stinson adjourned the meeting at 12:42 p.m.

Minutes approved: May 23, 2016

Mike Fuller

Mike Fuller
Secretary