

CITY OF PALMETTO
POLICE OFFICERS' PENSION BOARD OF TRUSTEES
November 29, 2021
11:00 A.M.

Board Members Present:

Jim Freeman, Chair
Micah Mathews, Secretary
Mike Fuller
Robert Rotondo
Matthew Wilson (Not Present)

Staff and Others Present:

John Thinner, & Co Consulting
Scott Christiansen, Board Attorney
Vanessa Cochran, Assistant City Clerk

Mr. Freeman called the meeting to order at 11:01 a.m.

1. AGENDA APPROVAL

Motion: Mr. Fuller moved, Mr. Mathews seconded, and the motion carried 4-0 to approve the November 29, 2021 Police Officers' Pension Board Agenda.

2. PUBLIC COMMENT

None

3. APPROVAL OF MINUTES

Motion: Mr. Mathews moved, Mr. Fuller seconded, and the motion carried 4-0 to approve the August 30, 2021 minutes.

4. APPROVAL OF EXPENSES

- a) Sawgrass Asset Management cover period April 1, 2021 to June 30, 2021
- b) Sawgrass Asset Management period ending September 30, 2021
- c) Christiansen & Dehner P.A. invoice dated August 31, 2021
- d) Christiansen & Dehner P.A. invoice dated September 30, 2021
- e) Florida Municipal Insurance Trust effective October 1, 2021 through October 1, 2022
- f) AndCo invoice dated September 30, 2021
- g) Salem Trust Company cover period July 1, 2021 through September 30, 2021
- h) Foster & Foster invoice dated November 19, 2021
- i) Anchor Capital Advisors LLC cover period January 1, 2021 through March 31, 2021
- j) Anchor Capital Advisors LLC cover period April 1, 2021 through June 30, 2021
- k) Anchor Capital Advisors LLC cover period July 1, 2021 through September 30, 2021

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Mr. Freeman confirmed the Pension plan now pays 100% of the custodian fee whereas in the past Sawgrass was splitting this fee with the Board.

Motion: Mr. Fuller moved, Mr. Rotondo seconded, and the motion carried 4-0 to ratify the paid expenses as presented.

5. INVESTMENT REVIEW

John Thinnes, &Co Consulting, presented the end of quarter investment review. The inflation talk is the big news and now it is consensus that inflation will be present longer than expected. Globally, the new Omicron variant has created some uncertainty in the market.

The returns for the portfolio were strong this year. Currently, the portfolio is valued at 16.8 million as of September 30, 2021. He will double check but the allocations appear to be within policy and he feels we do not need to rebalance the portfolio. Fiscal year returns the plan was up over 18% for the fiscal year to date ending September 30, 2021, which is very strong. Her reviewed the individual managers and overall was happy with the individual manages. However, he has notified Anchor Capital Advisors that he is watching the fund closely for performance. He reviewed the total investment fees is 42 basis points plus custodian fees the total fees are around 60 basis fees.

Mr. Fuller asked for Mr. Thinnes to bring some different manager options to compare against Anchor for next meeting. Mr. Thinnes said he would bring back 4 or 5 options for the next meeting. Total fund policy talks about the investment policy and how much is invested in domestic, international, fixed a real estate. Mr. Fuller also asked if we can add a 7 year or 10 year comparison against peer group. Mr. Thinnes was going to ask his staff if this can be changed.

Mr. Freeman asked about a similar discussion on Anchor that was had at the last meeting. Also, discussion was had about bringing some small cap options and Morningstar charts. Mr. Thinnes thought this would happen after the first of the year and he will go back and listen to the minutes. Mr. Thinnes would bring some options for small cap value or growth.

Attorney Christiansen asked about moving monies (3%) from equities to fixed income per the motion at the last meeting, but there are no transfers. Mr. Thinnes was not sure and he will have to double check and report back to the Board.

Mr. Thinnes summarized the following action items for the next meeting:

- Morningstar
- Small Cap Growth and Value
- Large Cap Value
- Change page 30
- Look at domestic equity rebalance

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Mr. Freeman requested to get the report one week before the meeting, so the Board may ask questions. Mr. Thinnes said he will make that happen in the future.

6. FISCAL YEAR 2021 PENSION PLAN BUDGET VERSUS ACTUAL EXPENSES (Informational Only)

Since the report goes to the State, Attorney Christiansen recommended to have a motion done instead of informational.

Motion: Mr. Fuller moved, Mr. Mathews seconded, and the motion carried 4-0 to approve the Fiscal Year 2021 Pension Plan Budget versus Actual Expenses.

7. SUMMARY PLAN DESCRIPTION

Attorney Christiansen summarized the changes including adding provision about new form PF-29 for someone working past normal retirement date that have some additional options in the event they die prior to retiring. Page 11 item 11 the last sentence in the first paragraph was adding regarding a change that was made in 2012. It was related to retirees who get divorced and remarry, who is eligible for joint pensioner or beneficiary. The list of Board of Trustees was updated and the Plan Administrator was updated.

Motion: Mr. Mathews moved, Mr. Rotondo seconded, and the motion carried 4-0 to approve the December 1, 2021 Summary Plan Description.

Attorney Christensen also reported the ordinance regarding the IRS changes were approved by the Commission and Ms. Cochran will need to send that to the State of Florida and technically should be sent before the second reading is adopted.

He also reported that the investment report of assets and returns for the fiscal year must be sent to the City Commission. This is form letter that will need to go to the Commission.

There is some new legislation SB 744 regarding adding Covid and other infectious diseases as a presumptive disability.

Next, he mentioned trustee terms. Matt Wilson's term is up 1/1/2022 and this is an elected position, Jim Freeman's term is up 1/1/2022 and he is appointed by the Commission and Mike Fuller, 5th trustee needs to be reappointed by Police Pension Board. Mr. Fuller is interested, but we will wait until the next meeting to appoint the 5th trustee. At the next meeting, we should have the results of the election and City Commission appointment mentioned above. Then we will need to appoint the 5th trustee as an agenda item at the next meeting.

Next, he mentioned the Records Management Liaison Officer is required and needs to be appointed.

We currently list Amber LaRowe, and we need to appoint Vanessa Cochran by way of Resolution 2021-01.

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Motion: Mr. Freeman moved, Mr. Mathews seconded, and the motion carried 4-0 to approved Resolution 2021-01 appointing Vanessa Cochran as the Records Management Liaison Officer (RMLO).

8. BENEFITS DISBURSEMENT APPROVAL (This item was inadvertently skipped as the Board went to item 11 next on the agenda. This item #8 was subsequently addressed at the end of the meeting.

a. DROP PARTICIPANT

- None

b. SEPARATED NON-VESTED EMPLOYEE

- Harold Baez

c. SEPARATED VESTED EMPLOYEE

- None

d. RETIRED EMPLOYEES

- None

e. DECEASED RETIREES

- John Giddens (Pension ended)

f. DECEASED ACTIVE EMPLOYEE PAYOUT

- None

Motion: Mr. Mathews moved, Mr. Fuller seconded, and the motion carried 4-0 to approve the Benefits Disbursements as presented.

9. NEW MEMBER ACKNOWLEDGEMENT (Informational Only)

- Jordan Caouette
- Dean DeDominicis
- Martin Illams

10. SEPARATED MEMBER ACKNOWLEDGEMENT (No Payment Processed)

- None

11. ATTORNEY CHRISTIANSEN'S REPORT

Most of Attorney Christiansen's report was covered at the conclusion of item #7 on the agenda. Mr. Mathews asked about a costs for COLA's and Health Insurance and what that would cost to incorporate that into the plan that they may want to pay for.

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Attorney Christiansen stated that all benefit changes are negotiable and this Board can make suggestions but the union must approve. He discussed several types of COLA such as the automatic annual COLA which is incredibly expensive. This could be negotiated to determine who would pay for this benefit. There is an Ad Hoc COLA for current retirees which is another option, but only for current retirees. Mr. Mathews suggested talking to the officers to determine what is important and what percentage of their salary are they comfortable with to pay for the additional benefit as a starting point

Mr. Fuller asked if the General employees' pension has a COLA. Mr. Freeman stated no automatic COLA in the General Plan, but they are looking at an Ad Hoc COLA as it has been 25 years since the last Ad Hoc COLA. Mr. Mathews asked when the last Ad Hoc COLA was for the Police retirees and Attorney Christiansen said 2005.

Mr. Fuller asked what the cost is to have an Actuary look at the options being discussed. Attorney Christensen says it depends on the number of options we ask the Actuary to perform.

12. PLAN ADMINISTRATOR'S REPORT

No report, but Ms. Cochran mentioned that were overlooked item 8 on the agenda and a motion is needed. Refer above to item 8 for the motion that was made.

Mr. Freeman adjourned the meeting at 11:50 p.m.

MINUTES APPROVED: FEBRUARY 28, 2022

MICAH MATHEWS
MICAH MATHEWS
SECRETARY