

**CITY OF PALMETTO  
POLICE OFFICERS' PENSION  
BOARD OF TRUSTEES  
May 18, 2020 - 11:00 A.M.**

**BOARD MEMBERS PRESENT:**

Mike Fuller, Secretary  
Jim Freeman  
Robert Rotondo  
Richard Wilson

**BOARD MEMBERS ABSENT:**

Ryan LaRowe, Chair

**STAFF AND OTHERS PRESENT:**

John Thinner, & Co Consulting—Appeared Telephonically  
Doug Lozen, Foster and Foster—Appeared Telephonically  
Scott Christiansen, Board Attorney  
Amber LaRowe, Assistant City Clerk

Mr. Freeman called the meeting to order at 11:09 a.m.

**1. AGENDA APPROVAL**

**Motion: Mr. Rotondo moved, Mr. Fuller seconded, and the motion carried 4-0 to approve the May 18, 2020 Police Officers' Pension Board agenda.**

**2. PUBLIC COMMENT**

No comments.

**3. APPROVAL OF MINUTES**

Attorney Christiansen noted one change to page three item seven; the name should be Jonathan Davidson not Davis.

**Motion: Mr. Rotondo moved, Mr. Wilson seconded, and the motion carried 4-0 to approve the February 24, 2020 minutes with the one change as mentioned.**

**4. APPROVAL OF EXPENSES**

- A) Christiansen and Dehner: Invoices Dated February and April 2020
- B) Foster & Foster Invoice #16970
- C) Salem Trust for Quarter Ending 3/31/2020
- D) AndCo Consulting Fees Quarter ending March 2020
- E) Anchor Capital Quarter ending December 2019
- F) Reimbursement to City of Palmetto for mailing of Letters to Retirees for Confirmation of Benefits
- G) Florida Public Pension Trustees Association (FPPTA) Annual Membership Dues

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

#### 5. INVESTMENT REVIEW

Mr. Thinnes presented the end of quarter investment review. The Portfolio was valued at just over \$12M; a decrease of approximately \$2M since last quarter. He mentioned that the Plan was overweight in domestic equity but still on target. Fixed income is also overweight with receipt and disbursement outside the range of the Investment Policy Statement.

Discussion ensued regarding the underperformance of PRIMECAP. Mr. Thinnes stated that most of their investments are in the cruise and airline industry. Discussion continued regarding moving the assets in PRIMECAP or waiting for an official recommendation from the & Co. team. Mr. Thinnes stated the Board can move assets now or he can bring back more information to the August meeting. The Board recommended removing assets now from PRIMECAP as the best option, and then in August another manager recommendation can be discussed.

**Motion: Mr. Fuller moved, Mr. Rotondo seconded, and the motion carried 4-0 to liquidate the investments in PRIMECAP and move the assets into TROWE Price Fund effective immediately.**

Mr. Fuller discussed real estate investments. He opined that the ten percent investment is on the high side and would prefer rebalancing the Portfolio to remove some of this allocation. Mr. Thinnes would prefer to have further discussion, hopefully in person, at the August meeting.

#### 6. 2019 ACTUARIAL VALUATION REPORT

Mr. Lozen presented the October 1, 2019 Actuarial Valuation Report to the Board. He noted that the salary increases were higher than expected and there was one disability retirement that was not assumed for; these are on page five. Mr. Lozen discussed page ten, the Plan's funded ratio that has increased to 88.1 percent. Mr. Lozen expects to update the experience study next year and for the Plan to go below 7 percent for the expected annual rate of return for next fiscal year.

**Motion: Mr. Fuller moved, Mr. Wilson seconded, and the motion carried 4-0 to accept the October 1, 2019 Actuarial Valuation Report.**

**Motion: Mr. Fuller moved, Mr. Rotondo seconded, and the motion carried 4-0 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 investment return for the next year, the next several years, and the long-term thereafter shall be 7%, net of investment related expenses.**

#### 7. BENEFITS DISBURSEMENT APPROVAL

##### A. DROP PARTICIPANT

- None

B. SEPARATED NON VESTED EMPLOYEES

- Donell Deleon Thompson
- Nico Lee

C. SEPARATED VESTED EMPLOYEES

- None

D. RETIRED EMPLOYEES

- Tim Matthews

E. DECEASED RETIREES

- None

F. DECEASED ACTIVE EMPLOYEE PAYOUT

- None

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

8. NEW MEMBER ACKNOWLEDGEMENT (*Informational Only*)

- Miguel Rodriguez

9. ATTORNEY CHRISTIANSEN'S REPORT

Attorney Christiansen reminded the Board that the Form 1, Financial Affidavit's will be arriving if they have not already. Please fill those forms out and submit before July 1<sup>st</sup>; there is a \$25 per day fine for every day it is not received back.

He reminded Mrs. LaRowe to prepare the budget for the next meeting for Fiscal Year 2021.

The Legislation that Mr. Christiansen discussed at the last meeting regarding more training was not passed. He mentioned the Notary Public Law change that was adopted that allows for notaries to be done electronically with certain criteria. Mr. Rotondo asked if someone in another state can notarize a document from a person from a different state; Attorney Christiansen will do research and provide information when he receives it.

Attorney Christiansen requested a copy of the Anchor Capital contract addendum.

10. PLAN ADMINISTRATOR'S REPORT

- Status update on the Confirmation of Benefits for the Retirees
  - All but one has been received; the one that has not been received was never given the original letter with today's date on it because Mrs. LaRowe was receiving help from the Chief of Police but the retiree has since moved and is no longer in Florida. Mrs. LaRowe requested if the Board wanted to put the August date in the letter to this one retiree or if they wanted to select another date. The Board requested a letter be sent to the retiree with the August date of the next Board meeting for their submittal of the Confirmation Form.
- Authorization for Catherine Dublin, City of Palmetto Accountant, access to the Police Officers' Pension Plan accounts regarding retirees and reconciliation of accounts.

**Motion:**      **Mr. Rotondo moved, Mr. Wilson seconded, and the motion carried 4-0 to authorize the Accounting Department for City of Palmetto, access to the retiree disbursements of the Police Officers' Pension Plan to assist in the reconciliation of expenditures and investment records. Also, the removal of Angela Bechtel access to these same accounts.**

Mr. Freeman adjourned the meeting at 12:24 p.m.

MINUTES APPROVED: AUGUST 31, 2020

*JAMES R. FREEMAN*

JAMES R. FREEMAN  
SECRETARY