

CITY OF PALMETTO
POLICE OFFICERS' PENSION BOARD OF TRUSTEES
February 22, 2021 - 11:00 A.M.

BOARD MEMBERS PRESENT:

Ryan LaRowe, Chair
Mike Fuller, Secretary
Jim Freeman
Robert Rotondo

STAFF AND OTHERS PRESENT:

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

Mr. LaRowe called the meeting to order at 11:04 a.m.

1. **AGENDA APPROVAL**

Minutes were corrected to reflect Police Officers' Pension Board Agenda instead of General Employees' Pension Board Agenda.

Motion: Mr. Freeman moved, Mr. Rotondo seconded, and the motion carried 4-0 to approve the February 22, 2021 Police Officers' Pension Board Agenda.

2. **PUBLIC COMMENT**

None

3. **CERTIFICATION OF BALLOTS FOR THE TWO ELECTED TRUSTEES SEATS**

The first election was held from January 12th through January 25th. Due to a tie, a second election was held from February 3rd through February 8th. Ballots were collected by the clerk for the Board and counted. Per the Operating Rules of Procedures, the ballots have been certified by the City Clerk and the Clerk of the Board.

- MICAH MATTHEWS RECEIVED 11 VOTES
- MATTHEW WILSON RECEIVED 9 VOTES

Motion: Mr. Rotondo moved, Mr. LaRowe seconded, and the motion carried 4-0 to approve the Clerk's certification of the election for the Police Officers' Board Trustees. [Mr. Matthews had the most votes and is thereby elected as Trustee for a two year term]

Discussion ensued regarding the elections held. Mr. LaRowe submitted a letter of resignation effective February 22nd. Attorney Christiansen informed the Board that another election will have to be conducted to fill this position with the term ending 2022.

4. APPROVAL OF MINUTES

Motion: Mr. Fuller moved, Mr. Freeman seconded, and the motion carried 4-0 to approve the November 30, 2020 minutes with changes.

5. APPROVAL OF EXPENSES

- a. Salem Trust invoices dated October 2020 and January 2021
- b. Foster and Foster Invoice dated December 2020
- c. Christiansen & Dehner invoices dated November 2020 and January 2021
- d. Sawgrass invoices dated October 2020 and January 2021
- e. Anchor Capital invoices dated October 2020 and January 2021

There were discussions on some invoices that were being paid directly by the custodian, and others requiring two authorized signatures before payment. The Board recommended that the Operating Agreement be followed, and vendors be notified to send all invoices to the Plan Administrator for payment processing.

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

6. INVESTMENT REVIEW

John Thinnes, & Co Consulting, presented the end of the quarter investment review. He gave the following summary that the market value reached over 15.8 million. When discussing the asset allocation page of the summary, Mr. Thinnes pointed out that the Total Domestic Equity was slightly overweight and a natural rebalance needs to be done to get back in range. The money will be applied to Domestic Fixed income, which is underweight. For the next meeting in May 2021, Mr. Thinnes stipulated that an additional page will be added to the report that shows fees for investment managers, investment consultants, and custodian arrangements associated with Sawgrass.

Motion: Mr. LaRowe moved, Mr. Freeman seconded, and the motion carried 4-0 to have the consultant to rebalance either through natural cash flow or by following the Investment Policy Statement back into range.

Mr. Fuller inquired about other alternative non-core options and inflation. Mr. Thinnes replied that he doesn't favor the Hedge Fund, and the real estate allocations are adequate. He addressed private equity and stated that it could be a secondary fund. And, Mr. Thinnes will bring more options in for the next meeting in May 2021. Regarding inflation, Mr. Thinnes anticipates that the Federal Reserve will raise interest rates at least by 2 percent, but not soon because of wage growth.

Attorney Christiansen asked about infrastructure stocks, and Mr. Thinnes replied there are a few open-end funds and mentioned Brooksville. He stated that infrastructure will be a part of future institutional pension plans, and once incorporated, it will be presented to the Board.

7. BENEFITS DISBURSEMENT APPROVAL

a. DROP PARTICIPANT

- None

b. SEPARATED NON-VESTED EMPLOYEE

- Michael A. Aponte
- James F. Volpe

c. SEPARATED VESTED EMPLOYEE

- None

d. RETIRED EMPLOYEES

- None

e. DECEASED RETIREES

- None

f. DECEASED ACTIVE EMPLOYEE PAYOUT

- None

8. NEW MEMBER ACKNOWLEDGEMENT (Informational Only)

- None

9. SEPARATED MEMBER ACKNOWLEDGEMENT (Informational Only)

- None

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

10. ATTORNEY CHRISTIANSEN'S REPORT

Attorney Christiansen discussed a pending Legislative Bill in Tallahassee. The Bill requires appointed public officials to get continual/further education of 5 hours in the area of Board governing and fiduciary responsibilities. He communicated that he is not sure who the appointed officials would be. The Board has 2 that are appointed by the Commission, and 2 elected by the police officers, and the hybrid 5th member who is selected by the other 4 Trustees, but appointed as administrative duties by the Commission. More clarification will arrive by the next meeting in May 2021, and Attorney Christiansen will update the Board on this bill.

Attorney Christiansen explained the new E-Verify System Bill that was adopted by the Florida Legislation was effective January 1, 2021. He stated that the program is an online website that was developed by Homeland Security. This website give employers the ability to verify documents provided to them by new hires to establish lawful employment eligibility. And, this legislation also applies to all new contractors and new addenda to existing contracts.

Attorney Christiansen reminded the Board that new board members needs to fill out the Form 1 within 30 days, and those leaving the Board will have to do a Form 1F within 60 days.

11. PLAN ADMINISTRATOR'S REPORT

Ms. Cochran addressed the below items.

- Pension Letter #1 Declaration of Returns forwarded to Tallahassee.
- Pension Letter #2 Annual Report of Investment Activity distributed to the Commission.
- FY 2019/2020 and FY 2020-2021 Police Pension Plan Budget Expenses provided to Commission.
- Mr. Moreno's retiree benefits reinstated November 1st.
- Ray Guerrer and Roshard Howell employment benefit status corrected from Police new members to General Employee new members.

Mr. Freeman reported that the \$13,000 actuary amount that Doug Lozen addressed at the last meeting in November 2020 was paid.

Mr. LaRowe adjourned the meeting at 11:55 p.m.

MINUTES APPROVED: MAY 24, 2021

MIKE FULLER

MIKE FULLER

SECRETARY