

**CITY OF PALMETTO  
POLICE OFFICERS' PENSION  
BOARD OF TRUSTEES  
February 26, 2018 - 11:00 A.M.**

Board Members Present:

Mike Stinson, Chair  
Mike Fuller, Secretary  
Coby Gaulien  
Jim Freeman  
Ryan LaRowe

Staff and Others Present:

Tyler Grumbles, & Co Consulting  
Scott Christiansen, Board Attorney  
Doug Lozen, Foster and Foster  
Amber LaRowe, Assistant City Clerk

Chair Stinson called the meeting to order at 11:30 a.m.

1. AGENDA APPROVAL

**Motion: Mr. Gaulien moved, Mr. LaRowe seconded, and the motion carried 5-0 to approve the February 26, 2018 Police Officers' Pension Board agenda.**

2. PUBLIC COMMENT

None

3. APPROVAL OF MINUTES

Mr. Freeman exited the meeting at 11:38 a.m.

**Motion: Mr. LaRowe moved, Mr. Fuller seconded, and the motion carried 4-0 to approve the November 27, 2017 minutes. Mr. Freeman was absent for the vote.**

4. ELECTION OF OFFICERS

Mr. Freeman returned at 11:39 a.m.

**Motion: Mr. LaRowe moved, Mr. Gaulien seconded, and the motion carried 5-0 to nominate and elect Mike Stinson as Chair for the Board for a term ending 2020.**

**Motion:**        **Mr. Gaulien moved, Mr. LaRowe seconded, and the motion carried 5-0 to nominate and elect Mike Fuller as Secretary for the Board for a term ending 2020.**

5. APPROVAL OF EXPENSES

- A) Christiansen and Dehner: Invoices Dated November and December 2017
- B) Sawgrass Asset Management-High Quality Core Fixed Income Invoice 1/9/2018
- C) &co Invoice #23941
- D) Anchor Capital Advisors Invoice for period 12/31/2017
- E) Salem Trust Invoice for period 12/31/2017
- F) FPPTA Renew Membership
- G) Winter Trustee School Registration Mike Fuller
- H) Hyatt Regency Hotel Registration Trustee Mike Fuller
- I) Per Diem for Travel for Winter Trustee School Mike Fuller
- J) Per Diem for Trustee Mike Stinson for Trustee Seminar

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

6. INVESTMENT REVIEW

Tyler Grumbles of & Co., presented the end of quarter investment review. The Portfolio was valued at \$12,823,454 as of 12/31/2017. Mr. Grumbles noted that Equity is slightly over-weighted at 51.8 percent with the target of 45 percent. The Portfolio ranked in the 30<sup>th</sup> percentile for the Quarter.

Mr. Grumbles handed out an Open-End, Core Plus and Value-Add Real Estate Manager Analysis handout. More discussion will be had at the May meeting.

Discussion ensued regarding rebalancing total Domestic Equity to 45 percent and total Domestic Fixed Income to 25 percent.

Mr. Grumbles handed out a Global Tactical Asset Allocation Manager Analysis packet to the Board. Discussion ensued with Mr. Grumbles recommending the Board review this and have more discussion at the May meeting when Mr. Thinnes returns.

Attorney Christiansen explained the current Ordinance in place that allows the Board to make a motion to move the asset allocation in range to what is currently allowed. If the Board wants to reduce it further, then more discussion can be had in May when Mr. Thinnes returns. Mr. Fuller opined to reduce Equity down to 45 percent and place the overweight funds into Domestic Fixed Income to bring that back into the allocation range.

**Motion:**        **Mr. LaRowe moved, Mr. Gaulien seconded, and the motion carried 5-0 to rebalance Domestic Equity to 45 percent and Domestic Fixed Income to**

**bring that into the upper limits as noted in the current Investment Policy Statement [current IPS has a range of 15%-30% for Fixed Income with a target of 20%].**

#### 7. 2017 ACTUARIAL VALUATION REPORT

Doug Lozen of Foster & Foster, presented the October 1, 2017 Actuarial Valuation Report. On Page 5 it shows that the contribution by the City has increased, part of this is due to a salary increase above average. Assumption changes were made at the last meeting that Mr. Lozen was present at. The mortality assumption as required by the State affected the increase as well.

He discussed page 10, funding status, noting a slight decrease from 82.9 percent to 82.6 percent.

Mr. Gaulien left the meeting at 12:15 p.m.

**Motion: Mr. Freeman moved, Mr. Fuller seconded, and the motion carried 4-0 to accept the October 1, 2017 Actuarial Valuation Report.**

**Motion: Mr. Fuller moved, Mr. LaRowe 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 7.1%, net of investment related expenses.**

#### 8. BENEFITS DISBURSEMENT APPROVAL

##### A. DROP PARTICIPANT

- NONE

##### B. TERMINATED NON-VESTED EMPLOYEES

- NONE

##### C. TERMINATED VESTED EMPLOYEES

- NONE

##### D. RETIRED EMPLOYEES

- NONE

##### E. DECEASED RETIREES

- NONE

##### F. DECEASED ACTIVE EMPLOYEE PAYOUT

- NONE

**Action Request: No action needed.**

9. NEW MEMBER ACKNOWLEDGEMENT (*Informational Only*)

- James Carr
- Gustavo Lux

10. FOSTER & FOSTER MEMO REGARDING ONLINE PORTAL

Mr. Lozen explained the attached memo. The Division of Retirement has changed the way that they will accept their reports, and, due to this change, Foster and Foster had to train staff on the new procedure. The initial year costs more as the training is new; however, it will be reduced to \$300 for every year after the first year.

**Motion:** Mr. Freeman moved, Mr. Fuller seconded, and the motion carried 4-0 to approve the initial fee of \$750.00 and the ongoing fee of \$300.00 for subsequent years and to authorize Attorney Christiansen to draft an addendum to the current Foster and Foster contract to add all the fees which includes the \$750.00 as approved by the Board and the ongoing \$300.00 fee [based on the requirement by the State and other Governmental reporting rules].

11. RETAINER AGREEMENT FOR SECURITIES MONITORING

Attorney Christiansen discussed the agreement as presented in the Agenda packet. Salem Trust discussed this at the last meeting that they are no longer going to be paying the fee for any settlement claims as they have been doing on the Plan's behalf. Attorney Christiansen reached out to this company that does not charge any fee for the filing of claims, so the Plan would get back 100 percent of the award, if any.

**Motion:** Mr. LaRowe moved, Mr. Freeman seconded, and the motion carried 4-0 to authorize the Chair and the Secretary to sign the agreement for securities monitoring with the law firm of Kessler Topaz Meltzer & Check, LLP.

12. ATTORNEY CHRISTIANSEN'S REPORT

No report.

13. PLAN ADMINISTRATOR'S REPORT

Mrs. LaRowe recently sent out the letters to retirees to confirm they are receiving their benefits; this is a procedure done every two years for both Plans. Mrs. LaRowe has received all but three confirmations back. Chair Stinson will reach out to one of the retiree's and Mr. LaRowe will help with the other two. If no confirmation or contact has been obtained, information will be provided to the Board at the May 14<sup>th</sup> meeting to schedule a hearing if needed.

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Chair Stinson adjourned the meeting at 12:51 p.m.

Minutes approved: May 14, 2018

*Mike Fuller*

Mike Fuller  
Secretary