

**CITY OF PALMETTO
POLICE OFFICERS' PENSION
BOARD OF TRUSTEES
February 24, 2020 - 11:00 A.M.**

BOARD MEMBERS PRESENT:

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

STAFF AND OTHERS PRESENT:

John Thinnis, & Co Consulting
Scott Christiansen, Board Attorney
Amber LaRowe, Assistant City Clerk

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

1. AGENDA APPROVAL

Mr. Freeman exited the meeting at 11:00 a.m.

Mr. LaRowe removed item, Actuarial Report, from the Agenda; Mr. Lozen will be present in May. Also, he added a new item 7, Kessler Topaz Meltzer & Check (KTMC) report and conference call with Jonathan Davidson.

Motion: **Mr. Fuller moved, Mr. Wilson seconded, and the motion carried 4-0 to approve the February 24, 2020 Police Officers' Pension Board agenda with changes as mentioned. Mr. Freeman was absent for the vote.**

2. PUBLIC COMMENT

3. APPROVAL OF MINUTES

Motion: **Mr. Fuller moved, Mr. Wilson seconded, and the motion carried 4-0 to approve the November 25, 2019 minutes as provided. Mr. Freeman was absent for the vote.**

4. APPROVAL OF EXPENSES

- A) Christiansen and Dehner: Invoices Dated November and December 2019 and January 2020
- B) Foster & Foster Invoice #16287
- C) Salem Trust for Quarter Ending 12/31/2019
- D) AndCo Consulting Fees Quarter ending December 2019

Motion: **Mr. Rotondo moved, Mr. Fuller seconded, and the motion carried 4-0 to ratify the paid expenses as presented. Mr. Freeman was absent for the vote.**

5. ELECTION OF OFFICERS

Motion: Mr. Fuller moved, Mr. Wilson seconded, and the motion carried 4-0 to elect Ryan LaRowe as Chair for a term ending 2022. Mr. Freeman was absent for the vote.

Mr. Freeman returned to the meeting at 11:02 p.m.

Motion: Mr. Fuller moved, Mr. LaRowe seconded, and the motion carried 5-0 to elect Jim Freeman as Secretary for a term ending 2022.

6. INVESTMENT REVIEW

John Thinnies, & Co., introduced Jeremy Fisch who is part of the research team of & Co.

Mr. Thinnies stated that the Portfolio was valued at around \$14.4M at the end of the quarter, an increase of approximately \$730K. When discussing the asset allocation page of the summary, Mr. Thinnies pointed out that the Total Domestic Equity was slightly overweight and that Receipts and Disbursements (R&D) was short to make benefit payments. He would like to remove approximately \$150K to make benefit payments to retirees.

Discussion regarding adding a more passive manager and a small cap manager as well.

Mr. Thinnies asked for a motion to deduct 5 percent from Domestic Equity to rebalance and place into R&D for benefit payments.

Motion: Mr. Fuller moved, Mr. LaRowe seconded, and the motion carried 5-0 to take \$150,000, or approximately 1 percent, from Domestic Equity to place into R&D for benefit payments, 2 percent from Domestic Equity into International Equities, and 2 percent from Domestic Equity into Baird Aggregate Bond Fund.

Motion: Mr. LaRowe moved, Mr. Fuller seconded, and the motion carried to take \$50,000 from T. Rowe Price (Domestic Equity), \$50,000 from Vanguard S&P Midcap, and \$50,000 from Vanguard S&P 500 Index to make up the \$150,000 cash for the R&D fund for benefit payments.

Mr. Thinnies discussed a letter that Anchor Capital sent regarding a fee reduction to 60 basis points as opposed to the current 75 basis points. He requested a motion by the Board to authorize Attorney Christiansen to draft an addendum to the Agreement with Anchor.

Motion: Mr. Fuller moved, Mr. Freeman seconded, and the motion carried 5-0 to provide an addendum to Anchor for their service fees to Attorney Christiansen for his review.

7. 2019 ACTUARIAL VALUATION REPORT

~~Action Request: Motion to accept the October 1, 2019 Actuarial Valuation Report.~~

~~Action Request: Motion 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 _____%, net of investment related expenses.~~

7 New Added Item: Kessler Topaz Meltzer & Check Discussion

Attorney Christiansen informed the Board that when the Board decided to use this firm for claim forms and claim recovery, if warranted, there was no charge to the Plan. Mr. Davison will be on the phone to discuss the need to charge a 4% contingency fee for claims filed after January 1, 2020.

Mr. Jonathan Davison, Attorney, attended the meeting via telephone. He explained the need for uniformity and consistency, and that some clients had begun to pay for KTMC's services. He stated that some financial institutions are not able to accept their services at no cost, forcing KTMC to provide their services consistently among all clients. KTMC has decided a contingency fee of 4% is fair and equitable to apply to all claim recovery payments relating to claims filed on or after January 1, 2020. He respectfully requested the Board approve the addendum to the agreement. Attorney Christiansen agreed with Mr. Davison; a copy of the addendum has been provided to the Board.

Motion: Mr. LaRowe moved, Mr. Wilson seconded, and the motion carried 5-0 the addendum to the Agreement with Kessler Topaz Meltzer & Check.

8. BENEFITS DISBURSEMENT APPROVAL

A. DROP PARTICIPANT

- None

B. SEPARATED NON VESTED EMPLOYEES

- None

C. SEPARATED VESTED EMPLOYEES

- None

D. RETIRED EMPLOYEES

- Tim Matthews

E. DECEASED RETIREES

- None

F. DECEASED ACTIVE EMPLOYEE PAYOUT

- None

Motion: Mr. LaRowe moved, Mr. Wilson seconded, and the motion carried 5-0 to approve the Benefits Disbursements as presented.

9. NEW MEMBER ACKNOWLEDGEMENT (Informational Only)

- Vincent Diorio

10 MEMO RE: CYBERATTACK AND CYBER LIABILITY INSURANCE (Informational Only)

Information from other vendors that conduct business with the Plan are submitting cyber liability insurance information.

11. ATTORNEY CHRISTIANSEN'S REPORT

Mr. Christiansen discussed Senate Bill 1270 regarding training requirements for appointed trustees. He will keep the Board apprised of the Bill and, if it passes, what that would look like for this Board and the trustees.

12. PLAN ADMINISTRATOR'S REPORT

- PL-2 Memo to the Commission for end of year investments/reports were distributed to the Commission
- Mr. Freeman's and Mr. Fuller's terms were ratified by the City Commission
- The Summary Plan Description was distributed to all active members of the Plan
- Summary Plan Description, Operating Rules and Procedures, Investment Policy Statement, and Form 1 have been distributed to Mr. Rotondo

Mrs. LaRowe discussed the process of sending out Confirmation of Benefit letters to current retirees. She mailed a first round of letters before the first of the New Year with a second request sent on February 12th. There are about four police retirees with no response. Mrs. LaRowe would like confirmation from the Board to proceed with the letter for non-compliance to the remaining retirees. This specific letter requires a date to be placed in the letter to have a response by; Mrs. LaRowe would like to input the date of May 18th (the next Board meeting date). The Board agreed.

Motion: Mr. LaRowe moved, Mr. Wilson seconded, and the motion carried 5-0 to to mail the non-compliance letter to remaining retirees with a date of May 18th.

Chair LaRowe adjourned the meeting at 12:02 p.m.

MINUTES APPROVED: May 18, 2020

Jim Freeman

JAMES R. FREEMAN
SECRETARY