

**CITY OF PALMETTO  
POLICE OFFICERS' PENSION  
BOARD OF TRUSTEES  
November 30, 2020 - 11:00 A.M.**

**BOARD MEMBERS PRESENT:**

Ryan LaRowe, Chair  
Jim Freeman  
Mike Fuller, Secretary  
Robert Rotondo (Not Present)  
Richard Wilson

**STAFF AND OTHERS PRESENT:**

John Thinnis, & Co Consulting  
Scott Christiansen, Board Attorney  
Mindy Johnson, Salem Trust Company  
Doug Lozen, Foster & Foster (Appeared Telephonically)  
Vanessa Cochran, Assistant City Clerk

Mr. LaRowe called the meeting to order at 11:02 a.m.

1. AGENDA APPROVAL

**Motion: Mr. Freeman moved, Mr. LaRowe seconded, and the motion carried 4-0 to approve the November 30, 2020 Police Officers' Pension Board Agenda.**

2. PUBLIC COMMENT

None

3. APPROVAL OF MINUTES

**Motion: Mr. LaRowe moved, Mr. Fuller seconded, and the motion carried 4-0 to approve the August 31, 2020 minutes.**

4. APPROVAL OF EXPENSES

- A) Foster and Foster Invoice Dated August 27, 2020 Compliance Disclosure
- B) Anchor Capital Advisors Invoice Dated July 28, 2020 Management Fee
- C) Christiansen and Dehner Invoice Dated August 31, 2020 Professional Services
- D) Florida Municipal Insurance Trust Invoice Dated September 1, 2020 Fiduciary Liability
- E) Christiansen and Dehner Invoice Dated September 30 and October 31, 2020 Professional Services

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

5. INVESTMENT REVIEW

John Thinnis, & Co Consulting, presented the end of the quarter investment review, and the presentation is a part of the minutes. He stated that the Portfolio is valued just over \$14.5 million, and the current allocations are in the range of the investment policy statement. Also, the returns are up almost 5 1/2% for the quarter and 8.74% for the fiscal year.

Mr. Freeman questioned the 10 point net basis difference between gross and net fees. He asked if & Co Consulting fees were included in the net fee amount. Mr. Thinnes replied that it was not included and will start including it. Also, Mr. Thinnes requested the Board to confirm the new legal structure for the Principle Realestate Funds.

**Motion: Mr. LaRowe moved, Mr. Fuller seconded, and the motion carried 4-0 to confirm the new legal structure for the Principle Realestate Funds.**

6. FISCAL YEAR 2020 PENSION PLAN BUDGET VERSUS ACTUAL EXPENSES

**Motion: Mr. Freeman moved, Mr. LaRowe seconded, and the motion carried 4-0 to adopt Fiscal Year 2020 actual expenses for the City of Palmetto Police Pension Plan.**

7. 2020 ACTUARIAL VALUATION REPORT

Mr. Doug Lozen, Foster and Foster, presented the October 1, 2020 Actuarial Valuation Report to the Board. He stated that the City requirements for Fiscal Year 2021 is based on last year's evaluation at 19.18% of payroll, and the State's contribution of \$133,879. The funding for next year is projected to drop 17.93% due to beating investment assumption to lower salaries, staff turnovers, and lower life expectancies/mortality. He added that the City had a shortfall contribution of \$13,398.87, and a monthly interest charge of \$78 each month after September 30, 2020 until the shortfall contribution is made.

Mr. Freeman asked for clarification concerning the \$13,398.87 short fall contribution. Mr. Lozen responded that the City's contribution was \$392,800 and should have been \$406,199. He requested that Mr. Freeman give him a call to discuss it further.

Mr. Freeman requested the current assumption for salary increase. Mr. Lozen answered about 5 1/2%. Mr. Freeman reported that this year there were salary increases of 10% or more that will impact future evaluations.

Mr. Lozen gave an update on the funded status and declared that it is good news. Last year it was 88.1%, and this year it is 92.7% as a result of the mortality change. He added a full review of all the assumptions is recommended because the last review was done in 2015. He requested the Board's approval to conduct the Experience Study, and he will present the developments at the May meeting.

Mr. LaRowe asked the Board if there were any questions.

Mr. Fuller asked the difference between Actuarial Value and Market Value. Mr. Lozen replied that the Market Value is a 1 year measurement and Actuarial Value is a 4 year average.

**1st Motion: Mr. LaRowe moved, Mr. Wilson seconded, and the motion carried 4-0 to accept the October 1, 2020 Actuarial Valuation Report as presented.**

**2nd Motion: Mr. Fuller moved, Mr. Freeman seconded, and the motion carried 4-0 to conduct the Experience Study this summer no earlier than May and a fee not to exceed \$10,000.**

Mr. Fuller recommended that 6.75% be considered over a number of years when conducting the Experience Study because the capital assumptions are getting smaller. Mr. Lozen agreed and stated that it will be a part of the Experience Study.

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Mr. LaRowe inquired about the cost of living cola. Mr. Freeman replied that the Board wanted to hold off until the members review their options and bring it back at a future meeting, so Foster and Foster could review it.

Attorney Christiansen requested that Mr. Thinnes give a recommendation on the reasonable Rate of Return based on the asset allocations. Mr. Thinnes stated that based on the asset allocation 7% is a reasonable rate of investment return for the next year, the next several years, and the long-term thereafter.

**Motion: Mr. LaRowe moved, Mr. Wilson 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.**

Mindy Johnson, Salem Trust, gave an update on Salem Trust's transition and changes. She also mentioned that the retirees will receive two 1099-Rs for the tax year 2020; one from the previous owners and the current owners.

8. BENEFITS DISBURSEMENT APPROVAL

a. DROP PARTICIPANT

- None

b. SEPARATED NON-VESTED EMPLOYEE

- None

c. SEPARATED VESTED EMPLOYEE

- None

d. RETIRED EMPLOYEES

- None

e. DECEASED RETIREES

- None

f. DECEASED ACTIVE EMPLOYEE PAYOUT

- None

Mr. LaRowe asked if Mr. William Parrish was contacted. Ms. Cochran replied that a certified letter was sent, and it was returned. Mr. Freeman added that Mr. Parrish's benefits were stopped on November 1, 2020. And, after following up with Palmetto Chief of Police, there were no other addresses for Mr. Parrish.

9. NEW MEMBER ACKNOWLEDGEMENT (Informational Only)

- Michael Aponte
- Derek Jackson
- Richard Allen
- Ray Guerrer
- Roshard Howell
- James Volpe

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Mr. LaRowe commented that Ray Guerrer and Roshard Howell were not police officers, and Richard Allen separated in August 2020. Mr. Freeman replied that HR will research and make the corrections.

Mr. Freeman asked the Board for guidance on notifications to the Board regarding benefits disbursements and new members acknowledgments. Mr. LaRowe suggested that after new member acknowledgement add another section for separate member acknowledgement. Mr. Freeman stated that he will speak with HR.

10. PENSION PLAN COLA FOLLOW-UP DISCUSSION

Mr. LaRowe communicated that he will get with the Bargaining Committee members and have them provide options to discuss with Foster and Foster at the next meeting in August 2021.

11. ATTORNEY CHRISTENSEN'S REPORT

Attorney Christensen reminded the Board of the trustees' terms expiring. And, he mentioned that the End Of The Fiscal Year Report is due and informed Plan Administrator that it requires Pension Letter #2.

12. PLAN ADMINISTRATOR'S REPORT

None

Mr. LaRowe adjourned the meeting at 12:23 p.m.

MINUTES APPROVED: FEBRUARY 22, 2021

*MIKE FULLER*

MIKE FULLER  
SECRETARY