POLICE PENSION BOARD

MINUTES

OCTOBER 16, 2014

10:30 A.M.

CALL TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL

PRESENT:

Bob Rogers, Chairman
Jerry Gorup, Member
Alan Slakis, Member
Tom Lange, Member

ALSO PRESENT:

Lee Dehner, Christiansen & Dehner
Tyler Grumbles, Bogdahn Consulting
Lynn Skinner, Salem Trust
Mary Jo Murphy, Deputy City Clerk

1. Changes to the Agenda

Member Lange requested to make a change to the agenda. Member Lange suggested adding an invoice from Foster & Foster in the amount of $400. Member Lange will make the invoice Attachment H and will provide a copy to the City Clerk. Member Lange also stated that he received a copy of a letter to the Mayor from the Division or Retirement for money received from the insurance premium tax in the amount of $88,046.64

2. Audience Comments

There were no audience comments.

3. Approval Minutes

Member Gorup made a motion to approve the minutes of July 17, 2014 as written. The motion was seconded by Member Slakis and unanimously approved by a voice vote.

4. Authorization of Payments

- (Attachment "A") Cutwater Asset Invoice dated July 18, 2014 for services April 1 – June 30, 2014 in the amount of $2,716.39
- (Attachment "B) Christiansen & Dehner Invoice (22733) dated September 30, 2014 for services through that date in the amount of $1,198.15
- (Attachment "C") Bogdahn Group Invoice (10928) dated September 8, 2014 for services July – September 2014 in the amount of $3,800
- (Attachment "H") – Foster & Foster Invoice for their services for preparing the annual cost of living authorization in the amount of $400

Member Slakis made a motion to pay the following Attachments: A, Cutwater; B, Christiansen & Dehner; C, Bogdahn Group; and H, Foster & Foster. The motion was seconded by Member Gorup and unanimously approved by a voice vote.

5. Actuarial Valuation Report

Chairman Rogers stated that the data is not available for the valuation reports and proposed that the Board wait until January for the report.

Chairman Rogers posed questions to Attorney Dehner in regard to Senate Bill 534 and the GASB 67. Attorney Dehner explained to the Board an action item to be taken with regard to Senate Bill 534. Attorney Dehner recommended the Board authorize the actuary do an additional calculation assuming that 2 percent more is earned than the assumed rate. This action would entail a $500 charge.

Member Gorup made a motion to have the actuary do the calculations required by Senate Bill 534 compliance and to add a calculation which would determine the plan's liability and funding requirements, assuming that 2 percent more is earned than the actuarial assumption, for an additional $500. The motion was seconded by Member Slakis and unanimously approved by a voice vote.

Attorney Dehner explained to the Board an action item to be taken with regard to GASB 67. Attorney Dehner recommended for the Board to authorize Foster & Foster to use liabilities reported in the 10/1/13 valuation report and then roll forward the liabilities and use the asset value as of 9/30/14 for timely presentation to the City for their audits and financial statements.

In regard to GASB 67, Member Lange made a motion to authorize Foster & Foster to coordinate the calculation with the City. The motion was seconded by Member Slakis and unanimously approved by a voice vote.

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Attorney Dehner explained GASB 68 to the Board and stated that no action needed to be taken during the meeting.

Attorney Dehner advised the Board the Division of Retirement fall conference will be November 17, 18 and 19 in Lake Buena Vista and there is no fee for registration. Attorney Dehner stated that the minimum statutory requirement is that trustees receive education at least once a term.

Member Lange suggested Chairman Rogers and Secretary Lange obtain the details on the Division of Retirement conference, or any local conference, and that the Board authorize them to arrange attending the conference with reasonable expenses.

Chairman Rogers made a motion for the Board to approve reasonable expenses to attend the education portion of the Division of Retirement conference in Lake Buena Vista. The motion was seconded by Member Slakis and unanimously approved by a voice vote.

6. Presentations

Bogdahn Group

Tyler Grumbles, Bogdahn Consultant, reviewed with the Board the report entitled "City of St. Pete Beach Police Officers' Retirement System, Investment Performance Review, September 30, 2014."

Mr. Grumbles distributed a handout entitled "Manning & Napier Overseas EXOSX" to the Board. There was board discussion in regard to the handout. Chairman Rogers suggested revisiting this topic in January 2015.

Mr. Grumbles advised the Board that Cutwater was sold to Bank of New York. Mr. Grumbles stated Cutwater has done well with the plan, and Bogdahn Group will be observing Cutwater to make sure they retain their decision-making authority.

Mr. Grumbles distributed a handout entitled "City of St. Pete Beach Police Officers' Retirement System, Investment Policy Statement" to the Board. There was board discussion in regard to the handout. Attorney Dehner stated there needed to be a motion to approve the Investment Policy, and if approved, the policy needs to be filed with the Division of Retirement, the City, the actuary and Attorney Dehner.

Member Lange made a motion to authorize the chair to adopt the investment policy and authorize the chairman to sign it and give it to the clerk for distribution. The motion was seconded by Member Slakis and unanimously approved by a voice vote.

<u>Salem Trust</u>

Lynn Skinner distributed a spreadsheet entitled "City of St. Pete Beach Police, Custody Fee Analysis" to the Board. There was board discussion in regard to the spreadsheet.

Member Lange made a motion to approve the Proposed Fee Schedule presented by Ms. Lynn Skinner. The motion was seconded by Member Slakis and unanimously approved by a voice vote.

7. Approval of the Operating Rules and Procedures for the board.

There was Board discussion in regard to the Operating Rules and Procedures. Attorney Dehner commented that the rules and procedures should be reviewed periodically. After Board discussion, there were no changes made.

8. Correspondence or Actions Since Last Meeting

Secretary Lange reviewed the following with the Board:

- Obtained Fiduciary Liability Insurance
- COLA adjustments authorization for 10 eligible retirees
- Authorization for distribution of "Share" money to Russell Novak
- Instruction to Salem Trust for a "one-time rebalance" of investments
- Clarification of the 2013 annual report; correspondence between Florida Department of Management Services and Foster and Foster
- 2015 board meeting dates prepared by the City Clerk's office

9. Other Business

Chairman Rogers reviewed with the Board the following:

- letter to be distributed for electing the fifth member of the board
- "Share" money: Human Resources has contacted, by mail, three people with accounts that are not earning interest

Mr. Grumbles stated he needed approval from the board to update the standing rebalance instructions on file to reflect the new target asset allocation and to rebalance the account to the new asset class target weights. After obtaining Board approval, Mr. Grumbles will draft two separate letters of direction for Member Lange's signature to instruct Salem Trust.

Member Lange moved to have Tyler Grumbles from the Bogdahn Group draft a letter for Tom Lange's signature to instruct Salem Trust to perform a one-time rebalance to the new asset class target weights. The motion was seconded by Member Slakis and unanimously approved by a voice vote.

Member Slakis moved to have Tyler Grumbles from the Bogdahn Group draft a letter for Tom Lange's signature that will update the standing rebalance instructions held on file with Salem Trust in order to reflect the new target asset allocation. The motion was seconded by Member Gorup and unanimously approved by a voice vote.

Member Lange noted there will be 29 people in the retirement fund and careful consideration needs to be taken with regard to expenses.

Attorney Dehner advised the Board that he drafted a new summary plan description which needs to be distributed and put on the January 2015 agenda for review and comments.

10. Adjournment

There being no further business to come before the Board, the meeting was adjourned at 11:50 a.m.

Attest:

Rebecca C. Haynes, City Clerk

Bob Rogers, Chairman
1/15/2015

Minutes approved on: 1/15/15