



POLICE PENSION BOARD MEETING

CITY OF ST. PETE BEACH
155 Corey Avenue

Thursday, April 20, 2017
1:30 M

Call to Order
Pledge of Allegiance
Roll Call

REGULAR MEETING

1. **Changes to the Agenda** – Agenda items to be added, moved or deleted will be addressed at this time. Added items will be assigned agenda item numbers and moved items should remain with the same item numbers. Notation will be made that those items will be taken out of order.
2. **Audience Comments** - Comments shall be limited to three minutes per person to issues not on the agenda.
3. **Election of Chair and Secretary.**
4. **Approval of Minutes** – Regular Meeting of January 19, 2017.

5. Authorization of Payments:

- [Attachment "A"] Invoice from AndCo Consulting LLC (formerly Bogdahn Group) for services through March 2017 in the amount of \$3,800.
- [Attachment "B"] Invoice #30105 from Christiansen & Dehner for services through January 31, 2017 in the amount of \$852.57.
- [Attachment "C"] Invoice #g70-ISC-TRSA from Insight Investment for fees through December 31, 2016 in the amount of \$3,375.70.

6. Presentations

- AndCo Consulting LLC (formerly the Bogdahn Group)
- Salem Trust.
- Christiansen & Dehner

7. Correspondence or actions since last meeting

- January 12, 2017 letter from the Florida Division of Retirement acknowledging the plan's Actuarial Valuations of 10/1/2013; 10/1/2014; and 10/1/2015 stating that they have found the plan to be "state accepted" , along with "all reports and actuarial impact statements ". [Attachment "D"].
- January 13, 2017 memorandum from Christiansen & Dehner providing updated forms for Member's Request for Actuarial Study; Health Certificate; and Second Follow-up letter and Hearing Notice. (The originals will be provided to the City Clerk on the date of this meeting for submission to Human Resources.) [Attachment "E"]
- January 24, 2017 letter from Chairman Rogers updating the Mayor and City Commissioners on the plan, including the 7% earnings assumption, change in mortality table imposed by the state, and forecasts of required city contributions. [Attachment "F"]
- January 26, 2017 authorization request from Insight Investment for their use of Electra Systems Information Systems Electra Data Service, executed by Board Member Alan Slakis on February 9, 2017. (Member Slakis has been designated by the Board as an alternate signer.) [Attachment "G"]
- February 7, 2017 letters from Chairman Rogers to plan participants Thanh Nguyen and Vanessa Hapworth informing them of their available contribution refunds that are not earning any interest or capital gains. [Attachment "H"]
- Form of letter sent by Chairman Rogers informing beneficiaries that Board Member Robert Micklitsch was unopposed in the member election and therefore will serve another term on the board. [Attachment "I"]
- 2017 dates for the board meetings. [Attachment "J"]

8. Other Business

9. Adjournment

APPEAL

APPEAL: Florida Statutes 286.0105 Notices of meetings and hearings must advise that a record is required to appeal. Each board, commission, or agency of this state or of any political subdivision thereof shall include in the notice of any meeting or hearing, if notice of the meeting or hearing is required, of such board, commission, or agency, conspicuously on such notice, the advice that, if a person decides to appeal any decision made by the board, agency, or commission with respect to any matter considered at such meeting or hearing, he or she will need a record of the proceedings, and that, for such purpose, he or she may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based.

AMERICANS WITH DISABILITIES ACT: Florida Statutes 286.26. Accessibility of public meetings to the physically handicapped. In accordance with the Americans with Disabilities Act and Florida Statutes, persons needing special accommodations to participate in a meeting should contact City Hall at (727) 367-2735 no later than forty-eight (48) hours prior to the meeting for assistance.

Electronic media must be submitted a minimum of 24 hours in advance to cityclerk@stpetebeach.org

The public is cordially invited to attend.

All agenda material is available for review at City Hall.

ATTACHMENT "A"



AndCo Consulting, LLC
 formerly The Bogdanovich
 11 Vineland Road, Ste 600
 Orlando, FL 32811

	INVOICE #
1/2017	31,011

Bill To:

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Description	Amount
Consulting services and performance evaluation billed quarterly (January - March 2017)	L,2Mlfj7
Consulting services and performance evaluation billed quarterly (April - June 2017)	1 .2Md)7
Consulting services and performance evaluation billed quarterly (July - September 2017)	l.2bhJ1
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Christiansen & Dehner, P. A.

63 Sarasota Center Boulevard
Suite 107
Sarasota, FL 34240-

941-377-2200
Phone

941-377-4848
Fax

A?T/CI/mevr- " ,,

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January 31, 2017

City of St. Pete Beach Police
Officers' Pension Fund
155 Corey Avenue
St. Pete Beach, FL 33706
Thomas Lange

Invoice Number

In Reference To: Police Pension Fund

8926

30105

Professional Services

	Hours	Amount
1/19/2017 Travel Time	0.60	122.70
Preparation and attendance at Board Meeting.	1.10	449.90
1/31/2017 Preparation of Administrative Forms PF-27, PF-28 and PL-6; revision to Administrative Forms Table.	0.60	245.40
For professional services rendered	2.30	\$818.00

Additional Charges :

	Qty	
1/19/2017 Car Expense	1	14.45
Food Expense	1	7.50
Tolls	1	0.62
Copies	48	12.00
Total additional charges		\$34.57

Total amount of this bill \$852.57

Previous balance \$595.31

Accounts receivable transactions

1/31/2017 Payment - thank you. Check No. 27842 (\$595.31)

Total payments and adjustments (\$595.31)

	<u>Amount</u>
Balance due	<u>\$852.57</u>

Please note that the "Balance Due" figure at the end of this bill reflects both "Total New Charges - Current Period" and any previous balances due. In most cases, if the previous balance(s) have already been approved for payment but not yet received in our office, you should be paying only the "Total New Charges - for services and/or expenses" . Thank you.

**Please indicate account number(s) with payment.
(Please Deduct any payments not reflected in Balance due)**

Insight
 INVESTMENT

 200 Park Ave 7th Floor
 New York, NY 10166
 212-527-1800

www.insightinvestment.com

January 23, 2017

INVOICE #
970-ISC-TRSA

 Mr. Thomas Lange
 Secretary, Police Pension Board
 City of St. Pete Beach
 155 Corey Avenue
 St. Pete Beach, Florida 33706

Invoice for Investment Advisory Services for the City of St. Pete Beach Police Officers:

 October 1, 2016 - December 31, 2016 \$3,375.70

 TOTAL AMOUNT DUE \$3,375.70

Terms: Due and payable upon receipt

Fee computed as follows:

Entity (Fund)	Average Assets	% of Total
St. Pete Beach Firefighters	\$2,755,958.56	40.7497%
St. Pete Beach Police	\$4,007,179.38	59.2503%
Aggregate average assets under management	\$6,763,137.94	100.0000%

Fees based on aggregate assets at:	Average Assets	Quarterly Fee
Multiplied by quarterly fee of 1/4 of .35 of 1%	\$5,000,000.00	\$4,375.00
Multiplied by quarterly fee of 1/4 of .30 of 1%	\$1,763,137.94	\$1,322.35
Multiplied by quarterly fee of 1/4 of .25 of 1%	\$0.00	\$0.00
Multiplied by quarterly fee of 1/4 of .20 of 1%	\$0.00	\$0.00
Multiplied by quarterly fee of 1/4 of .15 of 1%	\$0.00	\$0.00
	<u>\$6,763,137.94</u>	<u>\$5,697.35</u>

 Allocated Fees to St. Pete Beach Police Officers \$3,375.70

Please reference invoice number when making payments by ACH, Fedwire, or CHIPS Transfers:

 Cutwater Investor Services Corp. BNY Mellon, N.A. 500 Ross Street Pittsburgh, PA 15262
Transit Routing (ABA) # 043000261
Account # 9040869 SWIFT/SIC IRVTUS3N
FFC to Account Name & Invoice Number

Insight Investment is the corporate brand for the group of companies managed or administered by Insight Investment Management Limited. Insight Investment includes Insight Investment Management (Global) Limited (I/IG), Pareto Investment Management Limited (PIML), Cutwater Asset Management Corp (CAMC) and Cutwater Investor Services Corp (CISC), each of which provides asset management services. This group of companies may be referred to as 'Insight' or 'Insight Investment'.



FLORIDA DEPARTMENT OF MANAGEMENT SERVICES

retirement

We serve those who serve Florida

Bureau Local Retirement Systems

P.O. Box 9000

Tallahassee, FL 32315-9000

www.frs.MyFlorida.com

Toll-Free: 877-738-5622 | Tel:850-488-2784 | Fax: 850-921-2161

Rick Scott, Governor

Chad Poppell, Secretary

January 12, 2017

Mr. Robert M. Rogers, Chairman
City of St. Pete Beach
Police Officers' Retirement Plan
200 76th Avenue
St. Pete Beach, FL 33706

Re: City of St. Pete Beach Police Officers' Retirement Plan
10/1/2015, 10/1/2014 and 10/1/2013 Actuarial Valuations

Dear Mr. Rogers:

This is to notify you that we have reviewed the above referenced actuarial reports for compliance with Part VII of Chapter 112, F.S. and Chapter 60T, F.A.C. Based upon the results of our review of these reports, we have determined the **Plan** to be **state accepted**. By this letter, **all reports and actuarial impact statements effective prior to the above valuation date and received** by the Division of Retirement may likewise be considered to be **state accepted**.

Our review relied upon the actuarial costs and asset amounts as determined by the Plan actuary in the above referenced actuarial reports. Although we reviewed the reports for compliance, consistency and reasonableness, we did not audit the asset or employee data information for accuracy. Accordingly, we express no opinion on the reasonableness of the estimates of the financial status of the Plan. An audit may or may not uncover material issues in the actuarial work performed.

Sincerely,

J2M{

EA, FCA

Actuary
Florida Division of Retirement

Cc: Patrick Donlan, ASA
Rebecca Haynes, City Clerk V
Sara Carr, Division of Retirement

Law Offices

Christiansen & Dehner, P.A.

63 Sarasota Center Blvd. Suite 107 Sarasota, Florida 34240 • 941-377-2200 • Fax 941-377-4848

MEMORANDUM

TO: BOARD OF TRUSTEES

FROM: CHRISTIANSEN & DEHNER, P.A. ✓

RE : NEW ADMINISTRATIVE FORMS

DATE: JANUARY 13, 2017

Attached please find the following new administrative forms:

- 1) PF-27, *Member 'sRequest For Actuarial Study;*
- 2) PF-28, *Health Certificate;*
- 3) PL-6, *Second Follow-up letter and Hearing Notice for Non-Receipt of PF-11.*

Additionally, you will find an updated Forms Table to reflect these new forms. We ask that you update your records accordingly.

Please feel free to call if you have any questions. Thank you.

BOARD OF TRUSTEES OF THE
CITY OF ST. PETE BEACH POLICE OFFICERS'
RETIREMENT SYSTEM

FORMS DISTRIBUTION TABLE

New Hire	PF-2, PF-3
Change Beneficiary	PF-3
Change Joint Annuitant (If allowed)	PF-25, PF-28
Member Entering the DROP Board Requirement:	PF-4. Get actuarial calculation, then PF-9, DF-1, DF-2 Copy of PF-9 to Actuary and Copy of PF-9 to City and inform City to cease withdrawal of member contributions on retirement effective date
Member in DROP and wants to change return option	DF-4
Member Exiting/Leaving the DROP Board to Complete:	DF-3, PF-15, PF-16, PF-17, PF-22 * PF-7
Member Retiring Board to Complete:	PF-27, PF-4. Get actuarial calculation, then PF-9, PF-22 * PF-7 and then PF-11 to retiree on annual basis
Member Applying for Disability	PF-5
Member Granted Disability Board to Complete:	Get actuarial calculation, then PF-10, PF-22 * PF-7 and then PF-6 to disability retiree on annual basis
Member Terminating Employment - Leaving contributions in the Fund	PF-12
Member Terminating Employment - VESTED with return of Contributions Board to Complete:	PF-13, PF-15, PF-16, PF-17 PF-7
Member Terminating Employment - NON-VESTED with return of Contributions Board to Complete:	PF-14, PF-15, PF-16, PF-17 (if under \$200 - PF-14 only) PF-7

Member Buy-back of Prior Military Service - Member must pre-pay for actuarial calculation	PF-18, PF-20 *
Member Buy-back of Prior Police Service - Member must pre-pay for actuarial calculation	PF-19, PF-20 *

* At the Member's Option

**CITY OF ST. PETE BEACH
POLICE OFFICERS' RETIREMENT SYSTEM**

MEMBER'S REQUEST FOR ACTUARIAL STUDY

Member Name: _____

Date: _____

I, _____, hereby request an actuarial study to determine my retirement benefits. In accordance with the Board's Operating Rules and Procedures Section 11.6, Actuarial Studies for Individual Plan Members, I acknowledge that as a vested plan member, I am entitled, at the fund's expense, to receive two actuarial studies (one estimate and one final) to determine my benefits. I also acknowledge that any additional studies shall be provided at my expense. Any special actuarial study requested by me, such as those done in connection with a dissolution of marriage, shall be provided only at my expense.

Signature

Mail To:

St. Pete Beach Police Officers' Retirement System
155 Corey Avenue
St. Pete Beach, Florida 33706

5/6

**CITY OF ST. PETE BEACH
POLICE OFFICERS' RETIREMENT SYSTEM
HEALTH CERTIFICATE**

NOTE: This certificate MUST be signed and completed by a licensed physician. The Patient named below is the current Joint Annuitant who is being replaced with a new Joint Annuitant.

Name of Patient: _____

Date of Birth: _____

I, _____, hereby affirm that I am a licensed
(Name Printed)
physician and I am familiar with the medical history and current medical condition(s) of the Patient named above and that he/she is, to the best of my knowledge, free from any medical condition which represents an immediate threat to life and he/she is in reasonably good health.

Physician signature

Address

City, State, Zip

Date

(Date)

Name of Recipient

Re: City of St. Pete Beach Police Officers' Retirement System

Dear _____

Failure to comply with this mandatory request will result in an interruption of your pension benefits.

Numerous letters have been sent to you requesting that you complete a Confirmation of Receipt of Retirement Benefits (PF-11) from the Board of Trustees of the City of St. Pete Beach Police Officers' Retirement System. You were requested to have this affidavit notarized and returned to the Board confirming that you are currently receiving retirement benefits from the pension plan and that your eligibility for those benefits continues. To date we have not received your completed PF-11 form.

The Board of Trustees has a fiduciary responsibility to be certain that only those persons who are eligible to receive benefits from the pension plan are receiving payments. This letter serves to inform you that a Hearing to determine continuation of your benefits will be held at the board meeting on Enter day, date, and time of meeting, located at the i.e. police or fire department training room, then address

If you submit the completed PF-11 form prior to the Hearing, the Hearing will be cancelled. However, if we do not receive the completed PF-11 form prior to the Hearing and you fail to attend, the Board will terminate your benefits beginning with the enter the first day of the month after the date of the hearing payment.

Please do not hesitate to contact the board at enter board contact phone number if you have any questions.

Yours very truly,

Chairman or Secretary of Board

enclosure

Mayor and Commissioners

St. Pete Beach, Florida

January 24, 2017

Dear Mayor and Commissioners,

I am writing you to update you on the Police Pension Plan. The Pension Board is diligently working to prudently and efficiently perform the duties of the trustees for the plan. We hold quarterly meetings to consider the recommendations of our financial consultant, our legal counsel and review the operation of Salem Trust which is the repository of the plan assets and is responsible for receipt of new funds and disbursements to our beneficiaries and to our vendors. The Police Retirement System is now a closed plan with all covered former employees now fully retired and receiving a monthly benefit. The Board voted in the previous fiscal year to decrease our market risk by shifting a greater percentage of the plan assets to fixed income from equity investments. Our earnings estimate for the plan is 7%.

Last fiscal year the plan made benefit payments of \$1,544,440 which included \$445,649 in refunds for DROP and employee contributions. Going forward, the plan will payout about \$1,150,000 in benefits each year. Please refer to attachment A which is an excerpt from the actuaries report. Note that the plan funded ratio has declined from 70% to 65.2%; consequently our unfunded liability increased from \$5,036,614 to \$6,170,998. The reason for this significant change was caused by a Florida State mandated mortality table which assumes a far more conservative life expectancy – longer life.

Last fiscal year the Plan payout of benefits was \$1,544,440 not including operational expenses of \$68,676 for a total payout of \$1,613,116. The City and State contribution to the plan was \$581,797 for a net payout of \$1,031,319. Notice that the market value of the plan assets had a moderate decline of \$48,498 which demonstrates the careful and efficient management of the Plan's assets. This assumption change will cause the City's required contribution to the plan to increase from \$477,988 to \$564,791 for an increase \$86,803 for the 9/30/2018 fiscal year. See Attachment

For future planning, the board is considering a change to the amortization of the unfunded liability from 30 years to 15 years. The reason for this change is the average age of our beneficiaries is 63 years and a 30 year schedule isn't realistic for our population which has a life expectancy of 84 years. As estimated by our actuary, this change will result in increased funding by the City of about \$65,000 In FY 2018-2019.

The Police Pension Board is committed to thoughtful prudence and efficient management of the fund assets to insure that the City's obligation to our beneficiaries will be realized.

Respectfully,

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Robert Miller Rogers, Chair

Police Pension Board

Attachment

COMPARATIVE SUMMARY OF PRINCIPAL VALUATION RESULTS

	New Assump 10/1/2016	Old Assump 10/1/2016	10/1/2016
A. Participant Data			
Actives			0
Service Retirees		0	0
DROP Retirees			
Beneficiaries			
Disability Retirees			
Terminated Vested			
			0
B. Assets			
Actuarial Value (AVA)	11,540,279	11,540,279	11,732,265
Market Value (MVA)	11,084,818	11,084,818	11,133,316
C. Liabilities			
Present Value of Benefits			
Actives			
Retirement Benefits			0
Disability Benefits		0	0
Death Benefits			0
Vested Benefits			0
Refund of Contributions			0
Service Retirees	302,350		14,433,072
DROP Retirees			0
Beneficiaries			120,286
Disability Retirees		50,490	110,468
Terminated Vested			0
Share Plan Balances			0
			6,768,879

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C. Liabilities - (continued)	New Assump 10/1/2016	Old Assump 10/1/2016	10/1/2016
Present Value of Future Salaries			
Present Value of Future Normal Costs			
Total Normal Cost			
Present Value of Future Normal Costs			
Total Actuarial Accrued Liability (AL)		5,558,696	to
Unfunded Actuarial Accrued Liability (UAAL)	6,170,998	4,988,117	5,036,614
Funded Ratio (AVA / AL)			

More detailed
Mortality
Table

previous
Table


Insight
INVESTMENT

January 26, 2017

Thomas Lange
St. Pete Beach Police Officers' Retirement System
155 Corey Ave
St. Pete Beach, FL 33706

Dear Thomas:

The Northern Trust Company ("NT"), Insight Investment's middle office service provider has recently subscribed to the Electra Information Systems' Electra Data service. NT will use Electra Information Systems to facilitate the electronic collection of asset and transaction statement data from your custodian thereby eliminating the need for NT to provide internal support for multiple custodian systems and data extraction methods. With this change NT will automate this data to enable straight-through processing, which NT believes will increase the efficiency of the daily reconciliation of cash and assets between your custodian and NT.

To facilitate and support Electra Information Systems' work with NT, we would like to request that you provide Salem Trust with the authorization to allow Electra Information System to collect data on NT's behalf. Please sign in the section below and return to Insight Investment at ClientServiceNA@InsightInvestment.com.

Please do not hesitate to contact me at 212-365-3191 should you have any questions about this request.

Yours very truly,



Dave Witthohn
Senior Portfolio Specialist

Authorization for delivery of reconciliation data via remote access products

We hereby direct and authorize Salem Trust to work with Electra Information Systems to provide the necessary information to NT for account number 3040062889.

St. Pete Beach Police Officers' Retirement System

By: **10sq**
Authorized Signature

2/9/17

Title: **Bo"e() €)\€>**



Mr. Robert Miller Rogers
Chairman of the Police Pension Board
City of St. Pete Beach
155 Corey Avenue
St. Pete Beach, FL 33706

February 7, 2017

Mr. Thanh Nguyen

██████████
a FL 34689

Dear Mr. Nguyen,

The St. Pete Beach Pension board recently reviewed all persons affected by the pension plan. You served our city in 2008 and during that time you contributed to the pension plan in effect at that time. Since you are not vested, you are entitled to a refund of \$1,616.24 which was your contribution during your time of service. This money is not accumulating any interest or capital gain. You may transfer this money to another pension plan if allowed by that plan or you may choose to have that money reimbursed to you.

Please contact St Pete Beach Human Resources at 727-363-9233. Ms. Colette Graston will be pleased to assist you with your decision.

With Best Regards,

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Robert Miller Rogers
Chair, Police Pension Board

2/2



Mr. Robert Miller Rogers
Chairman of the Police Pension Board
City of St. Pete Beach
155 Corey Avenue
St. Pete Beach, FL 33706

February 7, 2017

Ms. Vanessa Hapworth

— - FL 34207

Dear Ms. Hapworth,

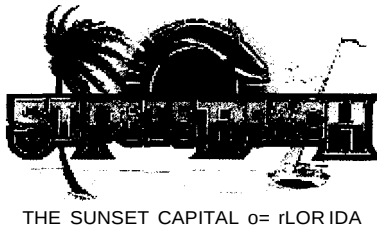
The St. Pete Beach Pension board recently reviewed all persons affected by the pension plan. You served our city in 2008 and during that time you contributed to the pension plan in effect at that time. Since you are not vested, you are entitled to a refund of \$1,616.24 which was your contribution during your time of service. This money is **not** accumulating any interest or capital gain. You may transfer this money to another pension plan if allowed by that plan or you may choose to have that money reimbursed to you.

Please contact St Pete Beach Human Resources at 727-363-9233. Ms. Colette Graston will be pleased to assist you with your decision.

With Best Regards,

A handwritten signature in black ink, appearing to be 'R' followed by a stylized flourish.

Robert Miller Rogers
Chair, Police Pension Board



Plan Beneficiary

St Pete Beach Police Pension Plan
St Pete Beach, FL 33706

Dear Beneficiary,

Since no one decided to run for the seat held by Mr. Bob Micklitsch, Mr. Micklitsch will, by acclimation, continue to serve on the Police Pension Board for two years.

If you have any questions or would like to suggest an improvement, please contact any member of the Board. The board members and important information about your plan may be found on the city's website

Yours f211;

Robert Miller Rogers
Chair, Police Pension Board

cc Tom

Notice of Meetings
Police Pension Board
2017

The Police Pension Board meets on a quarterly basis on the third Thursday of the month in the Commission Chambers of City Hall, 155 Corey Avenue, St. Pete Beach, Florida.

<u>Meeting</u> Date	Time	<u>Agenda</u> Packet Deadline
January 19, 2017	10:30 am	January 12, 2017
April 20, 2017	1:30 pm	April 13, 2017
July 20, 2017	8:30 am	July 13, 2017
October 19, 2017	10:30 am	October 12, 2017

Meeting to elect the Chair and Vice Chair will be on April 20, 2017.