

POLICE PENSION BOARD

MINUTES

JANUARY 18, 2018

1:30 P.M.

CALL TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL

PRESENT:

Bob Rogers, Chairman
Tom Lange, Secretary
Jack Frieder, Member
Robert Micklitsch, Member
Alan Slakis, Member

ALSO PRESENT:

Administrative Services Director, Vince Tenaglia
Mary Jo Murphy, Deputy City Clerk
Lee Dehner, Christiansen & Dehner
Tyler Grumbles, AndCo Consulting
Lynn Skinner, Salem Trust
Patrick Donlan, Foster & Foster (entered the meeting at 2:05 p.m.)

1. Changes to the Agenda

Chairman Rogers informed the Board that Patrick Donlan, Foster & Foster, would be arriving later during the meeting, and Item No. 5 and Item No. 6 may have to be moved in the sequence of the agenda.

2. Audience Comments

Chairman Rogers asked for audience comments. There were no audience comments.

3. Approval of Minutes

- October 19, 2017 – Regular Meeting

Member Slakis made a motion to approve the minutes of October 19, 2017. The motion was seconded by Member Micklitsch and unanimously approved by a voice vote.

- November 1, 2017 – Special Meeting

Member Slakis made a motion to approve the minutes of November 1, 2017. The motion was seconded by Member Micklitsch and unanimously approved by a voice vote.

- April 20, 2017 – Regular Meeting

Chairman Rogers stated that the April 20, 2017 minutes would be reviewed and approved later in the meeting.

4. Authorization of Payments

Secretary Lange reviewed the following invoices with the Board and requested authorization to pay the first three invoices and to take note of the last invoice:

Attachment D	AndCo	\$3,800.00
Attachment E	Christiansen & Dehner	\$2,366.51
Attachment F	Insight Investment	\$3,298.22
Attachment G1*	Salem Trust	\$2,875.00
Attachment G2*	Salem Trust	\$2,875.00

(*Note: Fee Advices automatically charged to account as agreed to for quarterly payments.)

Member Slakis made a motion to approve the authorization of payments for Attachment D, Attachment E, Attachment F, and Attachment G1 and G2 as stated by Secretary Lange. The motion was seconded by Member Micklitsch and was unanimously approved by a voice vote.

5. Actuarial Valuation Report

Chairman Rogers stated Item No. 5 would be discussed at a later time during the meeting when Mr. Donlan is available to give his presentation to the Board.

6. Consideration of lowering the plan investment return assumption from the current 7% to 6.75%; and /or lowering the amortization of unfunded accrued actuarial liability from thirty years to fifteen years.

Chairman Rogers stated Item No. 6 would be discussed at a later time during the meeting when Mr. Donlan is available to give his presentation to the Board.

7. Presentations

AndCo Consulting LLC

Tyler Grumbles, AndCo Consulting, reviewed with the Board the following reports entitled: "City of St. Pete Beach Police Officers' Retirement System, Investment Performance Review as of December 31, 2017."

Mr. Grumbles informed the Board that the plan is out of compliance with the Investment Policy Statement. As a result, Mr. Grumbles recommended that the Board needed to rebalance the plan by taking some from Domestic Equity and International Equity and put it toward Domestic Fixed Income.

Member Slakis made a motion to approve rebalancing the whole plan back to target. The motion was seconded by Secretary Lange and unanimously approved by a voice vote.

In regard to Insight Investment, Mr. Grumbles reviewed with the Board a report entitled: "St. Pete Beach Police Officers' Retirement System, U.S. Core Fixed Income Manager Analysis." After reviewing the aforementioned-report, Mr. Grumbles recommended liquidating the Insight fund and replacing it with either one fund, Metropolitan West, or two funds, Dodge & Cox and Metropolitan West Funds.

Secretary Lange made a motion to move the Domestic Fixed Income from Insight, 50 percent to Dodge & Cox Income and 50 percent to Metropolitan West Funds. The motion was seconded by Member Slakis and unanimously approved by a voice vote.

After voting to liquidate Insight Investment, Mr. Grumbles suggested using a transition manager, CAPIS, Capital Institutional Services, Inc.

Member Slakis made a motion to hire CAPIS to be the transition manager for the selling of Insight. The motion was seconded by Member Frieder and unanimously approved by a voice vote.

Tyler Grumbles, AndCo Consulting, informed the Board that Ms. Richardville will be the new AndCo Consulting consultant for the Police Pension Board. The Board thanked Mr. Grumbles for his efforts of working with the Board and congratulated him on his promotion.

Salem Trust

Lynn Skinner, Salem Trust, informed the Board that Salem Trust has worked with CAPIS before for transition management and expected a smooth transition.

5. Actuarial Valuation Report

Patrick Donlan, Foster & Foster, reviewed a report entitled: "City of St. Pete Beach Police Officers' Retirement System, Actuarial Valuation Report as of October 1, 2017, Contributions Applicable to the Plan/Fiscal Year Ended September 30, 2019."

Mr. Donlan stated there was a coding mistake in the system when calculating the Police Pension Board report which required a one-time correction. Mr. Donlan will follow up with an email explaining what portion was for the mortality experience and what portion was the coding adjustment. As a result, there is an increase to the City for approximately \$30,000.00.

Secretary Lange stated he was not comfortable approving a report that did not explain explicitly the reason for the mistake and requested Mr. Donlan to write a cover letter explaining the error in detail and that the error was on the part of Foster & Foster.

After Board discussion, there was a decision to hold a special meeting for the intent of adopting the valuation report.

Member Slakis made a motion to have a special meeting on February 6, 2018 at 9:00 a.m. The motion was seconded by Member Micklitsch and unanimously approved by a voice vote.

6. Consideration of lowering the plan investment return assumption from the current 7% to 6.75%; and /or lowering the amortization of unfunded accrued actuarial liability from thirty years to fifteen years.

Chairman Rogers proposed to move Item No. 6 to be on the agenda during the Police Pension Board meeting in April 2018.

7. Presentations continued

Christiansen & Dehner

Attorney Dehner discussed the following with the Board:

- Legislative Update
- Custodian of Records/Records Management Liaison Officer Update

There was Board discussion in regard to appointing a Records Management Liaison Officer.

Rebecca Haynes, City Clerk, City of St. Pete Beach, spoke to the Board in regard to the different aspects of record keeping involved with Pension Boards,

Attorney Dehner's draft of a Request for Proposal, and common practices of neighboring cities handling Pension Board records.

After Board discussion, it was decided that the City will have a conference and report back to the Board with a recommendation. Secretary Lange stated he will put the topic on an agenda for another Police Pension Board meeting.

8. Correspondence or actions since last meeting

Secretary Lange reviewed the following letters with the Board:

- October 5, 2017 letter from Christiansen & Dehner [Attachment "I"]
- Email from Sarah Carr with the State Division of Retirement [Attachment "J"]
- 2018 Pension Board schedule from the City Clerk's Office [Attachment "K"]

9. Old Business

Item No. 3, "Approval of Minutes," was reviewed at this time.

- April 20, 2017 – Regular Meeting

Member Slakis made a motion to approve the minutes of April 20, 2017. The motion was seconded by Member Micklitsch and unanimously approved by a voice vote.

10. New Business

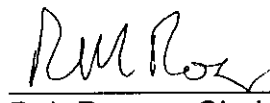
There was no new business presented.

11. Adjournment

There being no further business to come before the Board, the meeting was adjourned at 3:15 p.m.

Attest:


Rebecca C. Haynes, City Clerk


Bob Rogers, Chairman
4/19/2018

Minutes approved on: 4/19/18