

**CITY OF FT. PIERCE POLICE OFFICERS' RETIREMENT TRUST FUND**  
**MINUTES OF MEETING HELD**  
**MARCH 27, 2015**

A quarterly meeting of the Board of Trustees was called to order on March 27, 2015 at 12:02 P.M. in the 1st Floor Conference Room located at the Fort Pierce City Hall, Fort Pierce, Florida.

**TRUSTEES PRESENT**

John Schramm  
Daniel Flaherty  
Frank Amandro  
Carlos Villanueva

**OTHERS PRESENT**

Bonni Jensen, Klausner Kaufman Jensen & Levinson  
Nick Schiess, Pension Resource Center  
Burgess Chambers, Burgess Chambers & Associates  
Peter Strong, Gabriel, Roeder, Smith & Co  
Christine Luna, City of Fort Pierce

**PUBLIC COMMENTS**

There was no public comment.

**APPROVAL OF MINUTES**

The Trustees reviewed the minutes of the meetings held on November 20, 2014 and January 15, 2015. Frank Amandro made a motion to approve the minutes of the meetings held on November 20, 2014 and January 15, 2015. Daniel Flaherty seconded the motion, approved by the Trustees 4-0.

**INVESTMENT CONSULTANT REPORT**

Burgess Chambers provided a report on the performance of the investment portfolio for the period ending December 31, 2014. He reported that the return for the investment return quarter was 1.0% and for the calendar year was 5.5%. Mr. Chambers reviewed in detail the performance of the individual investment products in great detail, noting all was satisfactory.

**ACTUARY REPORT**

Peter Strong appeared before the Board on behalf of Gabriel, Roeder, Smith & Co. to present the 2014 Actuarial Valuation. He reported that State contributions for the 2013 fiscal year were \$248K, which was slighter higher than the amount received the prior year. He reported that the Plan experience was more favorable than anticipated with lower than expected salary increases, more terminations than expected and greater than expected investment returns. The required contributions to the Plan were \$735,234 but the contributions received were \$697,994, requiring a transfer in the amount of \$37,240 from the reserve account and ending reserve account balance of \$2,739. A discussion arose regarding the status of the reserve account. A subsequent discussion ensued

regarding options for reducing costs of the Plan prospectively. Mr. Strong noted that the recent changes in Plan assumptions will lessen the prefunding requirements of the Plan. He explained that the funding situation should improve provided that the Chapter 185 revenues do not decrease and payroll does not increase significantly. Frank Amandro made a motion to accept the 2014 Actuarial Valuation. Carlos Villanueva seconded the motion, approved by the Trustees 4-0.

Mr. Strong reviewed the new supplemental disclosures required under GASB 67. He then discussed the additional pending disclosures that will be required under HB 534 to be submitted to the State sixty days after the final rules on preparing the disclosures have been determined by the State.

The Trustees noticed a discrepancy between the market value of the Plan's assets represented in the investment consultant report and the Actuarial Valuation as of September 30, 2014. Nick Schiess explained that there were usually variances between the market value of assets and net assets attributable to accounting entries and cash positions. He agreed to research the discrepancy and report back to the Board in between meetings.

### **FINANCIAL REPORT**

The Board reviewed the financial report for the quarter ending December 30, 2014.

### **BENEFIT APPROVALS**

There were no benefit approvals submitted for consideration.

### **ATTORNEY REPORT**

Bonni Jensen reported that the Internal Revenue Service determination letter was due for renewal on January 31, 2016. She advised that the renewal costs would be \$5K in legal fees and \$1K for the filing fee. Dan Flaherty made a motion to authorize the expenses for the renewal of the Internal Revenue Service determination letter. Carlos Villanueva seconded the motion, approved by the Trustees 4-0.

Ms. Jensen provided an update on the status of the negotiation of an agreement for the Multi-Employer Property Trust selected by the Board at the last meeting. She advised that the firm agreed to be a fiduciary to the Plan but did not agree to Martin County as the venue to settle any legal disputes. She explained that their reluctance to agree to venue was because the investment product was a commingled trust fund with clients across the country and any legal dispute would likely occur in a major city. Burgess Chambers recommended proceeding with the investment. Frank Amandro made a motion to authorize the execution of the Participation Agreement and Statement of Compensation for the Multi-Employer Property Trust. Dan Flaherty seconded the motion, approved by the Trustees 4-0.

## **OTHER BUSINESS**

A lengthy discussion arose regarding the actuarial assumption rate for investment returns, which is required by the State to be determined annually. Burgess Chambers advised that the current 7.5% assumption rate was appropriate and attainable over the long-term. Mr. Strong agreed that the rate was reasonable. Frank Amandro made a motion to determine that the total expected annual rate of investment return for the Plan for the next year, next several years, and long-term thereafter, shall be 7.25%, net of investment related expenses. This determination was made in accordance with Section 112.661(9) Florida Statutes. Daniel Flaherty seconded the motion, approved by the Trustees 4-0.

## **ADMINISTRATIVE REPORT**

Nick Schiess advised that there were no outstanding administrative issues to report.

There being no further business and the next meeting being scheduled for May 21, 2015, the meeting adjourned at 2:35 P.M.

Respectfully submitted,

---