

CITY OF FT. PIERCE POLICE OFFICERS' RETIREMENT TRUST FUND
MINUTES OF MEETING HELD
JUNE 22, 2015

A quarterly meeting of the Board of Trustees was called to order on June 22, 2015 at 10:08 A.M. in the 1st Floor Conference Room located at the Fort Pierce City Hall, Fort Pierce, Florida.

TRUSTEES PRESENT John Schramm
 Daniel Flaherty
 Carlos Villanueva

OTHERS PRESENT Bonni Jensen, Klausner Kaufman Jensen & Levinson
 Nick Schiess & Brittany Park, Pension Resource Center
 Burgess Chambers, Burgess Chambers & Associates
 Christine Luna, City of Fort Pierce

PUBLIC COMMENTS

There was no public comment.

TRUSTEE ELECTION

Nick Schiess reported that an election was conducted for the position of employee trustee held by John Schramm and he was the only person to receive nominations. Certification of the election results was deferred until the next meeting.

APPROVAL OF MINUTES

The Trustees reviewed the minutes of the meeting held on March 27, 2015. Daniel Flaherty made a motion to approve the minutes of the meeting held on March 27, 2015. Carlos Villanueva seconded the motion, approved by the Trustees 3-0.

INVESTMENT CONSULTANT REPORT

Burgess Chambers provided a report on the performance of the investment portfolio for the quarter ending March 31, 2015. He reported that the investment return for the quarter was 1.9% and for the fiscal year-to-date was 2.9%. Mr. Chambers reviewed the performance of the individual investment products in great detail, noting all was satisfactory.

Mr. Chambers reviewed the asset allocation, noting that the new Multi-Employer Property Trust real estate allocation had been funded. A discussion arose regarding funding the remaining \$300K balance of the original target allocation to the Multi-Employer Property Trust Fund and ultimately Mr. Chambers recommended proceeding with funding the remaining allocation to this product. Daniel Flaherty made a motion to purchase \$300K of the Multi-Employer Property Trust Fund based upon the

recommendation of the Investment Consultant. Carlos Villanueva seconded the motion, approved by the Trustees 3-0.

Mr. Chambers reviewed the compliance checklist and it was noted that many of the investment objectives and rankings were not achieved. He explained that corrective measures have already been implemented including the replacement of the CS McKee small cap product that had created a significant drag on investment performance. Mr. Chambers noted that the annualized rate of return had exceeded the actuarial assumption rate for the last three years. He discussed the performance of the CS McKee large cap portfolio during an extended period in which the market did not favor their investment strategy and ultimately recommended retention of this investment manager. Mr. Chambers was questioned regarding the significant decrease in market value of the Master Limited Partnership fund. He discussed market conditions, specifically the decrease in the pricing of oil that impacted nearly all energy related companies. He anticipated that the product and energy market would recover and recommended the retention of this asset allocation.

FINANCIAL REPORT

The Board reviewed the financial report for the quarter ending March 31, 2015.

BENEFIT APPROVALS

There were no benefit approvals submitted for consideration.

ATTORNEY REPORT

Bonni Jensen discussed the new reporting requirements under State Statutes. It was noted that the reporting must be published on a website, but it is unclear whether the State desired it to be published on the City's website or the website maintained by the Plan Administrator. Ms. Jensen advised that publishing the disclosures on the website maintained by the Pension Resource Center satisfies the requirement. She discussed the requirement of producing an annual administrative budget, which will need to be considered and adopted at the next meeting. Ms. Jensen explained that a copy of the budget must be provided to the plan sponsor as well as to the plan members. Additionally, the State mandates that pension plans utilize the same mortality table used by the Florida Retirement System effective the actuarial valuation for October 1, 2016.

Ms. Jensen reminded the Trustees to file their annual Statements of Financial Interests.

ADMINISTRATIVE REPORT

Nick Schiess advised that the deadline for funding of the new allocation to the Multi-Employer Property Trust Fund was June 30, 2015 and he would collaborate with the City to complete the funding on a timely basis.

OTHER BUSINESS

There being no further business and the next meeting being scheduled for September 17, 2015 at 9:30 A.M., the meeting adjourned at 11:20 A.M.

Respectfully submitted,
