

CITY OF FT. PIERCE POLICE OFFICERS' RETIREMENT TRUST FUND
MINUTES OF MEETING HELD
DECEMBER 21, 2017

A quarterly meeting of the Board of Trustees was called to order by Daniel Flaherty on December 21, 2017 at 9:43 a.m. in the 2nd Floor Conference Room located at the Fort Pierce City Hall, Fort Pierce, Florida.

TRUSTEES PRESENT

John Schramm - Absent
Carlos Diaz
Frank Amandro - Absent
Carlos Villanueva
Daniel Flaherty

OTHERS PRESENT

Bonni Jensen, Klausner Kaufman Jensen & Levinson
Scott Baur and Kyle Tintle, Pension Resource Center
Burgess Chambers, Burgess Chambers & Associates
Christine Paz, City of Fort Pierce

PUBLIC COMMENTS

No Public Comment.

APPROVAL OF MINUTES

The Trustees reviewed the minutes of the meeting held on September 21, 2017.

Daniel Flaherty made a motion to approve the minutes of the meeting held on September 21, 2017. Carlos Diaz seconded the motion, approved by the Trustees 3-0.

INVESTMENT CONSULTANT REPORT

Mr. Chambers stated that this is the 30th anniversary of Burgess Chambers & Associates, Inc. The firm has 85 clients of which 65 are public safety, in 3 states. He believes he was one of the first to provide an independent model, without commissions, and paid directly by the client. Mr. Chambers provided a brief firm update and mentioned a new hire announcement that would be made after the first of the year. Mr. Chambers presented the Investment Report and a market overview. He reviewed the strong market numbers for the quarter ending September 30, 2017. The fund earned \$462K or +2.9% (+2.8% net) versus the strategic model (+2.7%) The top three categories were international (+7%), large-cap core (+4.5%), and small-cap (+4.5%). The market value at the end of the quarter was \$13,161,673; the portfolio gained 9.6% compare to the benchmark of 9.9%. Equities gained 8% this quarter which is evidence of the strong start for the fiscal year. Mr. Chambers reviewed the impact of the new tax package could have on the economy. He examined the various market sectors noting that the bond market is starting to compress and that economic growth hurts bonds but will help stocks. The Plan has 59% of the funds in equity.

The September 30, 2017 investment report includes the DROP deposits as part of the Fund's holdings. Lisa Allen should provide the money market statements directly to Mr. Chambers. He reported that the private real estate is over weighted and the MLPs, managed by Westwood, are underweighted. Mr. Chambers introduced a new company into the real estate sector of the

portfolio, Cohen & Steers Global Infrastructure fund. They offer stable returns and are an alternative to bonds as a global infrastructure option. Mr. Chambers recommended moving away from pure MLPs, and purchase Cohen & Steers. He presented an updated Investment Policy Statement to the Board for review.

Carlos Diaz made a motion to approve the updated Investment Policy. Daniel Flaherty seconded the motion, approved by the Trustees 3-0.

Carlos Diaz made a motion to terminate Westwood at the end of 31 days and proceed to Cohen & Steers. Daniel Flaherty seconded the motion, approved by the Trustees 3-0.

FINANCIAL REPORT

Ms. Paz just returned from a leave and will submit a Financial Report next meeting.

BENEFIT REPORT

The benefit approvals are being deferred to the next meeting.

ATTORNEY REPORT

Ms. Jensen updated the Board on the three members that were not originally enrolled and contributing to the Pension Plan. Discussion ensued on what could be done to prevent this from happening in the future. The City has added additional controls and procedures to avert a repeat of this issue. Ms. Jensen reviewed the current Federal, State, and Local death benefits for police. She explained that the State of Florida, Chapter 185 death benefit for members prior to retirement only requires a refund of contributions to beneficiaries. Ms. Jensen provided information of the Federal benefit of \$350,000 which is not readily available. This benefit could take almost a year to be received. Additionally, the educational benefit only is available after the Federal benefit has been established. The City can buy insurance to pay beneficiaries in a timely manner. The State benefits paid by the City are as follows: \$50,000 for an accidental death, \$100,000 accidentally killed while on fresh pursuit and \$150,000 for unlawful or intentional death. Subject to the current price index (CPI) the amount increased to \$72,000, \$144,000, and \$200,000 respectively. There is no death benefit in the Plan for non-vested members. The funeral benefits for police officers are \$1,000 towards funeral and burial expenses. The Florida statute states the officer's employing agency may pay up to \$5,000 towards the venue. The spouse would receive health insurance until they remarry and the children would be covered until the age of 26. Ms. Jensen reviewed the additional benefit of workers' compensation. The IRS provides direction on the documentation required for payments due to beneficiaries. The documenting the steps are important for audit purposes. Ms. Jensen raised the issue as a worthwhile topic for discussion with the union, members, and the City.

Ms. Jensen has a conflict with the proposed meeting date of June 21st for the next Board meeting. The meeting will be rescheduled for June 28th.

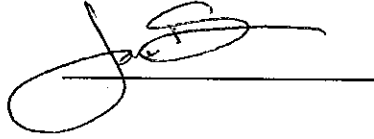
ADMINISTRATIVE REPORT

Ms. Tintle distributed the Sun Trust signature form to be updated. The Trustees in attendance signed the forms. The signature forms for the City will be signed and returned to the Resource Centers.

OTHER BUSINESS

There being no further business and the next meeting being scheduled for March 15, 2018, the meeting adjourned at 11:07 A.M.

Respectfully submitted,

A handwritten signature in black ink, consisting of a large, stylized 'S' or 'J' shape, followed by a horizontal line.