

CITY OF FT. PIERCE POLICE OFFICERS' RETIREMENT TRUST FUND
MINUTES OF MEETING HELD
JUNE 20, 2019

A quarterly meeting of the Board of Trustees was called to order by John Schramm on June 20, 2019 at 9:34 AM in the Conference Room on the second floor located at the Fort Pierce City Hall, Fort Pierce, Florida.

TRUSTEES PRESENT

John Schramm
Carlos Diaz
Carlos Villanueva
Daniel Flaherty
Brian MacNaught

OTHERS PRESENT

Bonni Jensen, Klausner Kaufman Jensen & Levinson
Kyle Tintle & Scott Baur, Resource Centers
Christine Paz, City of Ft. Pierce
Burgess Chambers, Burgess Chambers & Associates
Fernando Llop, ICMA-RC
Karen Lounge, City of Ft. Pierce

Chairman Schramm introduced himself and requested the attendees go around the room and state their names. The Trustees, service providers, and the City employee in attendance introduced themselves.

PUBLIC COMMENTS

No Public Comment.

ICMA-RC

Mr. Fernando Llop, Regional Manager from International City Management Associations Retirement Corporation (ICMA-RC), is attending the meeting at the Board's request to discuss the record keeping of DROP accounts for the Plan. His company currently maintains the records for the City's plans and would add in the DROP accounts from the Police Trust. A five year commitment from the combined plans, the 457 plans and the DROP, would reduce the fees from 85 basis points (bsp) to 55 bps. Mr. Llop informed the Board that ICMA would like to secure a long term commitment with the City of Fort Pierce. The Board asked many questions for Mr. Llop to see if the funds would be a good fit for the members. A discussion of several topics including what types of investments available; is there a default fund if an election has not been made; are there early termination charges; can outside investments available to be added to the offerings. Mr. Llop addressed the various topics and will keep in touch with Ms. Tintle following the meeting to provide additional information.

Ms. Paz reached out to Chief Accountant Ms. Logue to join the meeting, to hear Mr. Llop's presentation and meet with Mr. Chambers to discuss investment options for the City plans. The Board thanked Mr. Llop for his time and the information. Ms. Tintle will contact him if the Board decides to combine the record keeping with the City's and move forward with ICMA.

Mr. Llop departed the meeting at 10:02 AM.

The Board continued discussing contracting ICMA for the DROP accounts. The investments offered, combining with the City's plan, and the fees were all covered in the conversation. Karen

Logue and Officer Brian Avilla are members of the City's pension Board. Both will meet with Mr. Chambers to discuss ICMA and alternatives.

APPROVAL OF MINUTES

The Trustees reviewed the minutes of the meeting held on March 21, 2019.

Daniel Flaherty made a motion to approve the minutes of the meeting held on March 21, 2019. Carlos Diaz seconded the motion, approved by the Trustees 5-0.

INVESTMENT CONSULTANT REPORT

Mr. Chambers presented the investment performance report for the period ending March 31, 2019. He was pleased that the Fund experienced a strong recovery, earning \$1.3 million or +10.1% (+10.0%net), ranking in the top 7th percentile. The market value of the Fund at the end of the quarter ending March 31, 2019 was \$14,435,883. He reviewed the performance of the various investments for the quarter, 1 year, 3 and 4 year returns. The portfolio was up 6% in June and it could be up 7% for the quarter. Mr. Chambers reviewed the economic landscape for the past quarter. He reported that the market was up big today and update the Board on the latest news of the trouble in the Gulf. Mr. Chambers discussed the inverted yield curve and how in the past it predicted recessions. However, there are several differences today as money is relatively cheaper than before prior corrections. Also, exports are up, Federal spending is up and the interest rates are low. A recession is not imminent, as measured by corporate bonds and equity investor confidence. Mr. Chambers is monitoring the global risk and their impact on the United States' economy. For the one-year period, the Fund earned \$722K or +5.5% (-5.1% net) and ranked in the top 13th percentile. The top three categories were: REIT (+19.0%), infrastructure (+13.9%) and private real estate (+7.5%). The Multi-Employer Property Trust (MEPT) program (a bond substitute) beat core fixed income by a wide margin (+7.5% vs+4.6%). In light of the current economic conditions, Mr. Chambers recommended a rebalancing of the portfolio.

Carlos Diaz made a motion to direct Burgess Chambers to write a rebalancing letter. Daniel Flaherty seconded the motion, approved by the Trustees 5-0.

Karen Logue entered the meeting at 10:30 AM.

ATTORNEY REPORT

Ms. Jensen provided several memorandums to the Board. She began with the memo addressing the Annual Form 1 Filing the "Statement of Financial Interests" from the Commission on Ethics. The form needs to be filed by the Trustees with the Supervisor of Elections for the county in which they reside. Ms. Jensen included a blank Form 1 in the meeting packet for the Trustees convenience. She summarized the Senate Bill 426 and proposed House Bill 857 which provides certain benefits to firefighters who receive a cancer diagnosis when specific conditions are met. Ms. Jensen reviewed the bills to edify the Trustees even though they do not directly affect Police Officers. Next she reviewed the changes in the tax rules for alimony and recommended adding specific language to the Summary Plan Description.

Ms. Jensen presented information on two recent bills that were adopted by the Florida Legislature that relate to public safety officers and Plan Administrators. Expanded coverage of statutory death benefits in certain circumstances have been added to State Bill 7098/Chapter 2019/24. Effective July 1, 2019, this bill increases the statutory death benefits for public safety officers (law enforcement officers or firefighter/EMT/paramedic) as follows: accidental death benefit of

\$75,000; emergency death benefit of \$150,000; and an intentional act death benefit of \$225,000. These benefits have existed in Florida for many years but the bill increases the amounts of the death benefits. The Public Records Bill, State Bill 248/Chapter 2019-12, also known as the Sunshine Law, expands the exemption for home addresses under Florida's Public Record law. Under Section 119.0701, the following records of a public safety officer are exempt from disclosure: home address; telephone number; date of birth; photographs; all of the preceding applies to spouses and children of current or retired public safety officers; places of employment of spouses and children of current or retired public safety officers; names and locations of schools and daycare facilities attended by the children of current or retired public safety officers. We as a Pension Board keep everything confidential. Ms. Jensen suggested officers use a post office box for privacy. She informed the Board that House bill 265 filed in January 2019 relating to public meetings requirements did not pass.

BENEFIT APPROVALS

Ms. Paz presented the request for Sergeant John Schramm to enter the DROP as of March 1, 2019. Sergeant Schramm recused himself from the vote to avoid a conflict of interest. Ms. Tintle provided Mr. Schramm an 8B Voting Conflict form to be completed and incorporate the form in the meeting minutes.

Carlos Diaz made a motion to approve the John Schramm entering the DROP. Daniel Flaherty seconded the motion, approved by the Trustees 4-0.

Trustee Carlos Villanueva departed the meeting at 10:46 AM.

Ms. Paz presented the estimate for William (Bill) Hall who is going into the DROP August 16, 2019. She ran an initial calculation, will send it to the Actuary and will present his final figures at the next quarterly meeting.

Carlos Villanueva made a motion to approve the retirement estimate for William Hall to go to the Actuary. Carlos Diaz seconded the motion, approved by the Trustees 5-0.

10:49 AM Burgess Chambers and Karen Logue left the meeting.

John Schramm raised the question of Trustee education and the requirements for Trustees. Ms. Jensen explained that Trustees are encouraged to take advantage of educational opportunities such as the Certified Public Pension Trustee program. A brief discussion followed of the various educational opportunities available for the Trustees go give them as much exposure to information as possible. The Investment Policy Statement would need to be modified to include an educational requirement for Trustees.

FINANCIAL REPORT

Ms. Paz presented the Board with the Interim Financial Statement through March 31, 2019 for review. She summarized the Banking Report for the quarter and the activity for the Plan. Ms. Paz reviewed the monthly DROP activity and referred to various members who will be applying for retirement or the DROP in the upcoming quarter.

ADMINISTRATIVE REPORT

Ms. Tintle presented the Administrative Budget for the Trustees to review. She gave a brief explanation of the budget and reviewed the figures.

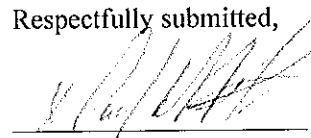
Carlos Diaz made a motion to approve the 2018 expenses and the Administrative Budget. Brian MacNaught seconded the motion, approved by the Trustees 5-0.

OTHER BUSINESS

Carlos Diaz informed the Board that he was asked to present identification as he entered City Hall by the security at the front desk. He informed the receptionist and security guard that he was attending the Public Pension Board meeting and refused to present his identification. Simultaneously, Ms. Jensen entered the building, joined Mr. Diaz, and walked to the elevator to attend the meeting without presenting her identification. Ms. Tintle and Mr. Llop were asked to present identification by security and complied. Ms. Tintle reiterated the fact that the pension meetings are public meetings so there was no need to require identification to the security guard and receptionist to no avail. John Schramm informed the Board of an issue the day before with an individual in the lobby of City Hall causing a disturbance which may have caused a heightened sense of suspicion by security. A discussion ensued and Ms. Jensen will once again contact the City to ensure the right of the public to attend the pension board meetings without providing identification is protected.

There being no further business and the next meeting being scheduled for September 19, 2019 the meeting adjourned at 11:04 AM

Respectfully submitted,

A handwritten signature in dark ink, appearing to be "Carlos Diaz", written over a horizontal line.