

**CITY OF FT. PIERCE POLICE OFFICERS' RETIREMENT TRUST FUND  
MINUTES OF MEETING HELD  
DECEMBER 19, 2019**

A quarterly meeting of the Board of Trustees was called to order by John Schramm on December 19, 2019 at 9:30 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  
Daniel Flaherty

**OTHERS PRESENT**

Bonni Jensen, Klausner Kaufman Jensen & Levinson  
Scott Baur, Resource Centers  
Christine Paz, City of Ft. Pierce  
Burgess Chambers, Burgess Chambers & Associates

**PUBLIC COMMENTS**

No Public Comment.

**APPROVAL OF MINUTES**

The Trustees reviewed the minutes of the quarterly and special meetings held on September 19, 2019.

**Dan Flaherty made a motion to approve both the quarterly meeting minutes held on September 19, 2019. Carlos Diaz seconded the motion, approved by the Trustees 3-0.**

**ATTORNEY REPORT**

Ms. Jensen provided a memo on the Uniformed Services Employment and Reemployment Rights Act (USERRA) to the Board. She reviewed the details of how to credit service after reemployment active duty military service. Ms. Jensen emphasized the importance of knowing when members are called to military duty are not terminations. A discussion was held regarding enlisting, not called to active duty, after employment which constitute a break in service. Buyback options and promotions were also discussed. The department currently has no plan members deployed to active military duty. A discussion was held regarding hiring and personnel policies.

Ms. Jensen presented a request for a fee increase to the Board. After a brief discussion a motion was held.

**Daniel Flaherty made a motion to approve the fee increase to \$300 an hour up from \$265. Carlos Diaz seconded the motion, approved by the Trustees 3-0.**

Ms. Jensen updated the Board on possible federal legislation tagged onto the appropriation bill that raises the required minimum distribution (RMD) age from 70½ to 72. She reviewed the current RMD requirements and explained members without a beneficiary may create a probatable estate. A discussion of beneficiary designations was held.

**INVESTMENT CONSULTANT REPORT**

Mr. Chambers criticized BREXIT as globalization to nationalism. He reported the Pension Fund gained 5.2% for the fiscal year to finish with total assets of \$15,417,490. He reviewed the asset

allocation now heavy to domestic equities due to recent gains. The portfolio gained 1.1% for the quarter ending September 30, 2019 compared to 1% for the benchmark to finish in the top 30%. The 5.6% gross return for the fiscal year ranked in the top 17%. Mr. Chambers reviewed the returns for the various asset classes. He reported that growth prospects in Europe are now improving.

Invite Bentall Kennedy MEPT for the March meeting.

Mr. Chambers also observed that bonds had a fantastic fiscal year with a 7.5% gain to outpace domestic equities. The Plan is very underweight to fixed income at the moment but with interest rates stabilizing. He did not recommend rebalancing at this time. Mr. Chambers explained the high yield bond allocation. He suggested reallocating some high quality bonds from CS McKee to the high yield position by 2% of assets.

**Carlos Diaz made a motion based on advice from the investment consultant to move \$300,000 from CS McKee to Barclay SPDR High Yield Bond ETF. Daniel Flaherty seconded the motion, approved by the Trustees 3-0.**

The equity allocation remains within allowable policy target.

**Daniel Flaherty made a motion to authorize the investment consultant to rebalance the portfolio before the next meeting if necessary. Carlos Diaz seconded the motion, approved by the Trustees 3-0.**

Ms. Jensen commented that FMI common stock seriously outperformed their benchmark. She inquired about the Europacific Growth Fund. A manager of one portfolio got terminated (9% of assets) for having an unreported offshore account, possibly front running trades. Ms. Jensen said the manager had 37 years in the industry and violated the ethics policy.

Rob Rossi provided a CS McKee consent letter assigning the contract for CS McKee to North Square. Ms. Jensen said PNC was purchased by a larger company then substantially changed the portfolio management mandate. Mr. Chambers said the change in ownership for CS McKee in this case; the management team will stay intact.

### **ADMINISTRATIVE REPORT**

Mr. Baur discussed Cyber Security and reviewed the SOC 1 Audit Report included in the meeting packets. He informed the Board of the many safeguards in place to protect the member's personal information. Mr. Baur covered the various types of fraud and what can be done to protect against ransomware. He and the Resource Centers' Director of IT work diligently to constantly update software and enforce cyber policies and offer training to the staff.

### **OTHER BUSINESS**

Ms. Paz handled the arrangements for the Trustees attending FPPTA School. She will be absent for the March 19, 2020 meeting.

There being no further business and the next meeting being scheduled for Thursday, June 18, 2020 the meeting adjourned at 11:36 AM

Respectfully submitted,

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