

**MINUTES OF A JOINT EMPLOYEES' RETIREMENT BOARD
AND POLICE RETIREMENT BOARD MEETING
HELD IN THE CONFERENCE ROOM AT CITY HALL ON
TUESDAY, APRIL 28, 2015 at 2:00 PM**

I. ROLL CALL: 2:07 PM

A. Employees' Retirement Board:

A meeting was called to order at 2:07 P.M.

Those persons present included:

Trustees: Pamela Triolo
Nerahoo Hemraj
Richard Collier
Evanna Stephenson
Karla White

Others: Ken Harrison, Sugarman & Susskind
Kerry Dutton, Resource Centers
Tim Nash, Bogdahn Group
Members of Public:

B. Police Retirement Board:

A workshop was called to order at 2:07 P.M.

Those persons present included:

Trustees: Christopher Johnson, Vice Chair (joined 2:56)
Pamela Triolo
Nerahoo Hemraj

Others: Ken Harrison, Sugarman & Susskind
Kerry Dutton, Resource Centers
Time Nash, Bogdahn Group
Members of Public

II. PLEDGE OF ALLEGIANCE

All in attendance said the Pledge of Allegiance.

III. ADDITIONS/ DELETIONS/ REORDERING:

A. Employees' Retirement Board:

Ms. Dutton requested to add item: III.A.1. Investment Consultant Report: Tim Nash (The Bogdahn Group) to be placed as the last item.

Action: A motion was made by Mr. Collier and seconded by Ms. Stephenson to have the following item: III.C.1. Investment Consultant Report: Tim Nash (The Bogdahn Group) be added to the agenda as the last item.

Vote: Voice vote showed: AYES: Unanimous. NAYS: None.

B. Police Retirement Board:

C. Employees' and Police Officers' Retirement Board:

IV. UNFINISHED BUSINESS:

A. Police Retirement Board:

B. Employees' Retirement Board:

C. Employees' and Police Retirement Boards:

V. NEW BUSINESS:

A. Employees' Retirement Board:

B. Police Retirement Board:

C. Employees' and Police Retirement Boards:

Police Retirement Board:

Employees' Retirement Board:

D. Board Attorney's Report:

1. Discussion on the IRS Issues & New Guidance on Applying 415 Limits to DROP Accounts

Mr. Harrison explained that the employee contributions are limited to no additions in to the DROP accounts. He stated that this does not apply to the General Employees' Pension Plan.

VI. CONSENT AGENDA:

A. Employees' Retirement Board:

- 1. Warrant for Accounts Payable**
- 2. Benefit Approvals**

B. Police Retirement Board:

- 1. Warrant for Accounts Payable**
- 2. Benefit Approvals**

C. Employees' and Police Retirement Boards:

- 1. Minutes: January 27, 2015**
- 2. Minutes: February 24, 2015**

Action: For the Employees' Retirement Board a motion was made by Mr. Collier and seconded by Ms. White to approve the Consent Agenda which included the warrant for accounts payable, and benefit approvals along with minutes for January 27, 2015 and February 24, 2015.

Vote: Voice vote showed: AYES: Unanimous. NAYS: None

Mr. Tim Nash Joined the meeting at 2:30 p.m.

III.C.1. Investment Consultant Report: Tim Nash (The Bogdahn Group)

Mr. Nash stated that the quarter ended well but was a very volatile quarter. Mr. Nash briefly reviewed the termination of Manning & Napier and moved to Euro Pacific. Mr. Nash stated that the Bogdahn Group reviews all policies and investment consulting procedures however Manning & Napier did not follow their own policies. There was a brief discussion on the amount of funds that were gained by the Plan from the Manning & Napier manager. Mr. Nash reviewed performance of the market environment for major market indexes as of March 31, 2015. Mr. Nash reported that all managers out performed for this quarter. Mr. Nash reported that for quarter ending March 31, 2015 the assets for the General Plan were \$69,662,432. He reviewed the asset allocation during this quarter for the General Plan: 47.9% Domestic Equity, 14.9% International Equity, 24.0% Fixed Income, 10.3% Real Estate and 2.9% Cash Equivalent. He

reported that for quarter ending March 31, 2015 the General Employees' total fund (gross) was up 2.99% versus the bench mark at 2.15%. He reviewed the individual performances by investment managers for the General Employees'. Mr. Nash explained the specifications of American Core Realty which compared to the US Bonds. He stated that the American Core Realty had more return with less risk in the last three years. There is a brief discussion on the Fixed Income and Global Bonds. Mr. Nash reviewed the asset allocation guidelines for each manager. He also explained TIPS Briefly. Mr. Nash explained that the City ordinance does not allow for Global Bonds and the Board originally declined the option of changing the ordinance to include Global Bonds. Mr. Harrison recapped the Boards past decisions in regards to ordinance amendment to include Global Bonds. He explained that this is only the first quarter into the new fiscal year. There was a lengthy discussion about the fund's current asset allocation.

Christopher Johnson entered the meeting. The police Boards workshop ended at 2:56 p.m. and the Police Pension Board was confirmed at 3:00 p.m.

Mr. Nash continued by reviewing the asset allocation for the Police Officers' Plan. There was a brief discussion about the expected rate of return for 2014. Mr. Harrison stated that the current trend in Florida is to reduce the expected rate of return in small increments. He stated that the Police Officers' Pension Plan is in line with the allocation requirements. Mr. Nash reviewed the comparative performance returns report for both Plans. He explained the past 1 year, 3 year, and 5 years returns for both Plans. He explained the return pattern which determines the City's contribution requirements. There was a lengthy discussion on the possible options for the expected rate of return in the future. He reviewed the compliance checklist for both the General Employees' and Police Officers' Pension Plan. Mr. Nash explained and reviewed the violations that some of the managers have while diverting from their policies. He recommended the replacement of Hartland.

Mr. Nash reviewed the SMID Cap Value Domestic Equity review report. He stated the recommended options from the most conservative to the most aggressive. Mr. Nash stated the requirements that a manager needs to have be an active manager. He reviewed all 7 possible managers for replacement. He stated that both Cambiar and Cardinal don't have the 5 year history. He then reviewed the fee schedules for all 7 potential managers. Mr. Nash also reviewed the manager's returns over the past 3 years. Mr. Nash recommends both Plans terminate Hartland and replace with Cambiar at 50 basis points. He recommends Bernzott as a second choice for replacement of Hartland.

Action: For the Employees' Retirement Board a motion was made by Ms. Stephenson and seconded by Mr. Collier to terminate Hartland and replace with Cambiar at 50 basis points using Capis for the transition. Secondary choice for replacement for Hartford is Bernzott.

Vote: Voice vote showed: AYES: Unanimous. NAYS: None

Action: For the Police Officers' Pension Board a motion was made by Mr. Johnson and seconded by Mr. Nerahoo to terminate Hartland and replace with Cambiar at 50 basis points using Capis for the transition. Secondary choice for replacement for Hartford is Bernzott.

Vote: Voice vote showed: AYES: Unanimous. NAYS: None

Action: For the Police Officers' Pension Board a motion was made by Mr. Johnson and seconded by Mr. Nerahoo to approve the Consent Agenda which included the warrant for accounts payable.

Vote: Voice vote showed: AYES: Unanimous. NAYS: None

Mr. Nash stated that the Investment Policy statement needs to be updated due to the American Core realty changing their title. He also added a collier to restrict any real estate investment.

Action: For the Police Officers' Retirement Board a motion was made by Ms. Triolo and seconded by Mr. Nerahoo accept the recommended changes to the Investment Policy Statement by Mr. Tim Nash.

Vote: Voice vote showed: AYES: Unanimous. NAYS: None

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Action: For the General Employees' Retirement Board a motion was made by Ms. Stephenson and seconded by Mr. Collier accept the recommended changes to the Investment Policy Statement by Mr. Tim Nash.

Vote: Voice vote showed: AYES: Unanimous. NAYS: None

Action: For the Police Officers' Retirement Board a motion was made by Ms. Triolo and seconded by Mr. Johnson to approve up to 3 trustees to attend the FPPTA Boca Conference from July 28 -- July 1, 2015.

Vote: Voice vote showed: AYES: Unanimous. NAYS: None

E. Administrators Report:

Ms. Dutton stated that Pension Resource Centers was contacted by January 2, 2015 by the retiree's ex-wife, Kay Whisman. She further explained that there not a Police Officers' Pension Plan Division II designation of Beneficiary on file with either the Pension Resource Centers or the City. Mr. Harrison explained the State laws in place that apply to named beneficiaries. He instructed Ms. Dutton to inform Ms. Kay Whisman that an estate account be required to pay the Share funds out due to Mr. Adkins death.

VII. PUBLIC COMMENTS:

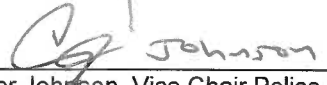
There were no Public Comments.

VIII. ADJOURNMENT:

There being no other business and the next meeting having been previously scheduled for Tuesday, July 28, 2015 at 2:00 PM, the General Employees' and the Police Officers' Pension Boards adjourned the meeting at 4:05 p.m.

MINUTES APPROVED: July 28, 2015


Pam Triolo, Chair Employees' Retirement Board


Christopher Johnson, Vice Chair Police Retirement Board


Kerry Dutton, Administrator
Employees' & Police Retirement Boards