

TOWN OF LANTANA POLICE RELIEF AND PENSION FUND
BOARD OF TRUSTEES QUARTLY MEETING

MINUTES: WORKSHOP OF FEBRUARY 8, 2017

1. CALL TO ORDER

Chairman Robert Hagerty called a workshop of the Board of Trustees for the Town of Lantana Police Relief and Pension Fund to order at 8:43 AM in the Police Department Conference Room at 500 Greynolds Circle in Lantana, Florida.

Those persons present included:

TRUSTEES

Robert Hagerty, Chair
Eddie Tavcar

OTHERS

Scott Baur, Resource Centers
Tyler Grumbles, AndCo
Bonni Jensen, Klausner Kaufman Jensen & Levinson
Chris Decker (Member)
Joey Sanders (Member)

2. PUBLIC COMMENTS

No members of the public had any comment for the Board.

3. APPROVAL OF THE MINUTES

The Board deferred approval of the Minutes until the next meeting of the Trustees.

4. REPORTS

Investment Consultant

Tyler Grumbles explained that the Bogdahn Group officially became AndCo on January 1, 2017, following a period of much suspense. The new name reflects the independence of the consulting firm and emphasizes the partnership between the consultant and the client. Mike Welker remains the primary equity holder in the firm. Attorney Bonni Jensen prepared an assignment of the Agreement between the Board and AndCo to acknowledge the name change.

Mr. Grumbles reported that the Pension Fund had total assets of \$12,432,954 as of December 31, 2016. The investments gained 0.99% for the quarter gross of fees, compared to a gain of 1.3% for the benchmark. For the calendar year, the portfolio had a gross return of 7.28% compared to 9.07 for the benchmark. Tyler Grumbles reviewed the asset allocation as of December 31, 2016, with a total of 9 active and passive strategies in the portfolio. He then reviewed the rebalancing of assets during the quarter and commented on individual manager performance.

For the fiscal year ending September 30, 2016, the Pension Fund assets earned 9.25% net of fees, exceeding the 7.25% assumption.

Attorney Report

Ms. Jensen stated that the Annual Report will get filed online, and the Board briefly discussed the filing process by auditor Richard Cristini. Ms. Jensen then reported that the federal mileage reimbursement rate dropped from 0.54 per mile to 0.535 per mile as of January 1, 2017. Bonni Jensen also addressed the new mortality assumptions mandated by Florida, already adopted by the Board.

Ms. Jensen then discussed a city near Miami that incurred a substantial loss due to account fraud. She questioned the internal controls and procedures in place to manage the risk of fraud. As part of this discussion, Ms. Jensen recommended that the Board consider cyber liability insurance at the next renewal for the Board fiduciary liability insurance policy.

Ms. Jensen provided the Agreement for the Resource Centers as plan administrator. The Board previously approved the Agreement for execution.

Bonni Jensen reported that the City and the union reached mutual consent for the use of the Chapter 185 premium tax receipts. The agreement will require an ordinance, which Ms. Jensen reviewed on behalf of the Board. The ordinance also includes clarification of the disability provisions for the plan. Finally, the proposed ordinance substitutes a COLA in place of a 13th check for members retiring prospectively. Eligible retired members will continue to receive a 13th check, never actually paid to date, should conditions meet the requirements to allow such a distribution. Jeff Amrose will prepare an impact statement for the proposed ordinance. The Board had a brief conversation about funding and benefits offered by some post-retirement health care plans.

Administrator Report

Mr. Baur reported on the transition in plan administration, really just beginning. He requested that the Trustees present provide updated Board contact information. He also discussed the website content this his firm will establish on behalf of the Plan. He discussed upcoming conferences and provided the Board with a list. Mr. Baur briefly address such additional items as a data request to Lantana for member records and payroll office that his firm would maintain on behalf of the Board, and organization and timing for materials for meetings of the Board.

5. PLAN FINANCIALS

Ratification of Warrants

The Board deferred approval of any plan expenses.

Benefit Approvals

The Board had no benefits currently pending approval.

6. NEW BUSINESS

The Board had no other New Business for discussion.

7. ADJOURNMENT

There being no further business and the next Special Meeting having previously been scheduled for Monday, February 13 at 1:00 PM, Chair Hagerty adjourned the meeting at 10:22 AM.

Respectfully Submitted,

Simione Pavlov, Secretary