

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

**MINUTES: QUARTERLY MEETING OF February 8, 2019**

**1. CALL TO ORDER**

Chairman Robert Hagerty called a regular Quarterly Meeting of the Board of Trustees for the Town of Lantana Police Relief and Pension Fund to order at 1:00 PM in the Police Department Multipurpose Room at 901 North 8<sup>th</sup> Street in Lantana, Florida.

Those persons present included:

**TRUSTEE**

**Commander Robert Hagerty, Chair  
Simion Pavlov  
Troy Schaaf**

**OTHERS**

**Kyle Tintle & Albert Lovingood, Resource Centers  
Bonni Jensen, Klausner Kaufman Jensen & Levinson  
Jennifer Gainfort, AndCo  
Trisha Amrose, Gabriel Roeder Smith & Company  
Richard Cristini & Jeanine Bittinger, Davidson Jamieson & Cristini**

**2. PUBLIC COMMENTS**

There was no public comment at this time.

**3. APPROVAL OF THE MINUTES**

The Board reviewed the minutes for the meeting of November 7, 2018.

**Troy Schaaf made a motion to approve the minutes for November 7, 2018. The motion received a second from Simion Pavlov, approved by the Trustees 3-0.**

**4. REPORTS**

**Audit Report – Jeanine Bittinger and Richard Cristini**

Jeanine Bittinger reported the audit provided an unqualified (clean) opinion for the Audited Financial Statements as of September 30, 2018. The financial statements present fairly the results of the Plan's financial position. She stated as of September 30, 2018 the Pension Fund has total assets of \$15,821,578 increasing from \$14,137,969 the previous year. Jeanine Bittinger reviewed the statement of income and expenses for the fiscal year in detail. She reviewed the net appreciation (depreciation) in fair value of investments as of September 30, 2018 versus 2017 which were \$847,703 and \$1,238,548 respectively. The employer contribution increased from \$302,908 in 2017 to \$701,427 in 2018. Jeanine Bittinger noted unsettled transactions in the amount of \$87,474 which are liabilities listed as accounts payables, broker dealers. She reviewed the notes for the Financial Statement.

Richard Cristini presented the schedule of investment returns for the past five years. He stated that numbers are net of investment expenses showing the returns. Richard Cristini reviewed the different GASAB reports and the requirements for the Comprehensive Annual Financial Report (CAFR). He explained that there was a format change this year which required more footnotes. Richard Cristini acknowledged Jennifer Gainfort from AndCo for her assistance in providing the fair value of investments which is necessary information for the report.

Jeanine Bittinger presented the Auditing Services Contract between the Town of Lantana Police Officers' Retirement System and the Auditing Firm of Davidson, Jamieson & Cristini, P.L. for the fiscal years ending September 30, 2019, 2020, and 2021. She noted that the fees represent some of the lowest fees for any of the Plan's they work with in deference to their long standing relationship. The Board reviewed the agreement.

**Troy Schaaf made a motion to approve the Auditing Services Agreement from Davidson, Jamieson, & Cristini. The motion received a second from Simion Pavlov, approved by the Trustees 3-0.**

The Representation Letter was presented to Commander Hagerty for review. Jeanine Bittinger explained the purpose of the letter to the Board.

**Simion Pavlov made a motion to approve the Representation Letter from Davidson, Jamison, & Cristini. The motion received a second from Troy Schaaf, approved by the Trustees 3-0.**

Jeanine Bittinger and Richard Cristini departed the meeting at 1:50 PM.

#### **Annual Valuation - Trisha Amrose**

Trisha Amrose of Gabriel Roeder Smith Consulting introduced herself to the Board. She appeared before the Board to present the Actuarial Valuation Report as of October 1, 2018. The required employer contribution for the fiscal year end (FYE) 09/30/2020 based on the 10/01/2018 valuation is \$807,436 which is 41.18% of covered payroll. Trisha Amrose noted that there had been no revisions in benefits since the previous valuation. In addition there have been no revisions in actuarial assumptions or methods since the previous valuation. She reported the combined employer and State contribution is \$924,232 which is 47.14% of covered payroll. The contribution represents a slight decrease in the percentage of covered payroll 48.86% on 10/01/2017 versus 47.14% on 10/01/2018. Trisha Amrose noted that the Town would save approximately \$30,000 if they paid the employer contribution in full at the beginning of the next fiscal year. She reported that there will not be a cost of living adjustment for retirees and beneficiaries due to the cumulative net actuarial losses as of September 30, 2018.

A discussion ensued regarding the proposed ordinance covering the Collective Bargaining Agreement (CBA) which provides for a future increase of member contributions and a cost of living adjustment (COLA) for new hires. Ms. Jensen confirmed the CBA has been approved however the ordinance has not been adopted. She noted the adoption of the ordinance would have an effect on the valuation. As a result of the discussion, Commander Hagerty requested Trisha Amrose prepare an updated Actuarial Impact Statement which reflects the impact of the increased member contributions and reduced COLA for new hires. Trisha Amrose reviewed the funded liability and recommended gradually lowering the investment rate of return to 7 ¼ % or 7% for the Plan. Commander Hagerty requested Trisha Amrose prepare the projected effect of lowering of investment rate of return in steps over a 5 year period down to 7%.

Trisha Amrose discussed a new section of the report associated with risk measures. She noted that all pension plans take risk with their investments in the market and other demographic risks. Trisha Amrose explained that there are no indications that this Plan is in any unnecessary risk.

A lengthy discussion ensued regarding the Valuation and the financial outcome without the previously discussed ordinance being adopted. As a result the motion to approve the Valuation has been tabled. A Special Meeting is set for March 27, 2019 at 1:00 PM to review the Actuarial Valuation Report as of October 1, 2018.

**Investment Consultant: Jennifer Gainfort, AndCo**

Ms. Gainfort began her report by highlighting the letter from Mike Welker, the President and CEO of AndCo. His letter reinforced the company's commitment to the clients and the commitment to delivering high quality customer service. Ms. Gainfort reviewed the losses of the quarter in both the domestic and international equity markets. She explained how the trade tension between the United States and China and the government shut-down impacted the markets. Positive data is being reported and fixed income did better than equities. Ms. Gainfort reviewed the asset allocations for the quarter ending December 31, 2018 versus September 30, 2018. The market value for the quarter was \$14,293,453 compared to the previous quarter which closed at \$15,726,501. She said the asset allocations are in line with the targets, so there is no need to rebalance at this time. Ms. Gainfort followed with a review of the individual managers and funds. She reviewed the long term returns of the Plan's portfolio demonstrating the strength of the returns over time.

**Ms. Tintle requested a change of order for the Agenda as Trustee Simion Pavlov needed to leave shortly for another appointment. The Board allowed the disbursements and benefit approval to be moved to this point of the meeting.**

Ms. Tintle presented the warrants and invoice for the quarter. The Board reviewed the expenses for the following dates: December 6, 2018, January 4, 7, 16, 23, 29, 2019.

**Simion Pavlov made a motion to approve the Warrants dated December 6, 2018, January 4, 7, 16, 23, 29, 2019. The motion received a second from Troy Schaaf, approved by the Trustees 3-0.**

Ms. Tintle presented the Benefit Approval for Todd Dwyer. The Board reviewed the DROP withdrawals for Mr. Dwyer

**Troy Schaaf made a motion to approve the benefits for Todd Dwyer. The motion received a second from Simion Pavlov, approved by the Trustees 3-0.**

**Bonni Jensen, Klausner Kaufman Jensen & Levinson**

Ms. Jensen presented several memoranda of note for the Board. The first memo is the Florida Statue 709 in regards to a Power of Attorney. She reviewed the specifics as they relate to the Board and how the specific powers are delineated. Ms. Jensen presented the next memo dealing with Florida's Public Records Law in respect to Police and Firefighters. She explained that not all information contained within a public record is accessible to the public, such as social security numbers, bank account information, and birth certificates. Within the memo is a list of specific exemptions for Public Safety Officers (Police Officers' and Firefighters'). The final memo Ms. Jensen discussed pertained to the proposed House Bill 265 which would amend Florida's Open Meeting Law and impose additional procedural requirements. The requirements deal with advance notice of meetings, availability of meeting materials for the public, and response time, in writing, to questions by the public. Ms. Jensen reviewed the current Open Meeting Law and the Sunshine Law for the Trustees.

2:56 PM Simion Pavlov left the meeting.

**Kyle Tintle, Resource Centers**

Ms. Tintle provided a list of upcoming conferences presented by local and national organizations. She presented the Salem Trust Quarterly Report for the Board's review. The report is the service report card for Salem Trust for the 4<sup>th</sup> quarter of 2018. Ms. Tintle noted that Deerfield Beach office of Salem Trust will be relocated to Hollywood, Florida. She explained there would not be any interruption of service for

the Plan. The press release dated January 29, 2019 from Salem Trust assured the Plans that Karen Russo, RPA, CPPT will remain as relationship management support for the Board.

**5. NEW BUSINESS**

Troy Schaaf inquired about status of the ordinance. Ms. Jensen has not had any reply from the City. She will investigate to see if the correspondences from her office are not being delivered electronically to the City to resolve the communication issues with the Town. Ms. Jensen will have the ordinance delivered for a reading and review by the City Council.

**6. ADJOURNMENT**

**There being no further business the meeting adjourned at 3:05 PM.**

Respectfully Submitted,

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Commander Robert Hagerty,  
Chairman