

CITY OF OKEECHOBEE GENERAL EMPLOYEES/POLICE/FIRE PENSION BOARDS
REGULAR MEETING MINUTES, November 6, 2017
CITY HALL, 55 SE THIRD AVENUE
OKEECHOBEE, FL 34974

1. CALL TO ORDER

Jackie Dunham called a meeting of the Board of Trustees for the City of Okeechobee General Employees/Police/Fire Pension Boards to order at 5:03 PM in the Conference Room at Station 83.

TRUSTEES

OKEECHOBEE GENERAL

Nathan Pippin – Chairman - Absent
Jackie Dunham - Secretary
Melissa Henry
Daryl Roehm
Willie Hall, Jr

OTHERS

Scott Baur & Kyle Tintle, Resource Centers
Scott Christiansen, Attorney
Tony Kay & John McCann, AndCo
Mindy Johnson, Salem Trust

POLICE

Jack Boon - Chairman
Bettye Taylor – Secretary -Absent
Ray Worley
Ryan Holroyd

Fire

Herby Smith – Chairman
Michael Skipper – Secretary - Absent
Adam Crum
John Koepke
Glen Hodges – Absent

2. PUBLIC COMMENT

There were no additional comments from the public.

3. REPORTS

Investment Consultant Report (Tony Kay)

Mr. Kay introduced John McCann as part of the AndCo relationship team working for the Okeechobee Pension Funds. Mr. Kay announced that he has recently married and will be relocating to Texas. Mr. McCann gave a brief synopsis of his background in financial services and association with AndCo. He will now be attending the Okeechobee Police, General, and Firefighter's quarterly meetings.

He reviewed the market environment for the quarter ending September 30. The market had an excellent quarter which closed the fiscal year with good results. Quarterly returns were positive helped by strong corporate earnings and positive consumer confidence. Domestic equities lagged behind International stocks and the International equities were helped by the low dollar. Growth outperformed value this quarter. Mr. Kay reviewed the asset compliance and noted that all are within the investment policy guidelines. The General plan ended the quarter year with \$4,670,680 in assets. The gross trailing

and net returns for the quarter for the General plan were 3.44% beating the policy at 3.25%. The fiscal year to date returns for the General plan were 11.68% gross, 11.53% net versus the policy of 11.12%. The Police plan ended the year with \$8,810,488 in assets. The gross trailing returns and net for the Police fund year to date were 3.58% beating the policy of 3.33%. The fiscal year to date returns was 11.66% gross, 11.59% net beating the policy of 11.19%. The Fire plan ended the quarter with \$3,910,601 in assets. The gross trailing returns and the net for the Fire's fund year to date were 3.56% versus the policy of 3.33%. The fiscal year to date returns for the Firefighters' plan was 12.18% gross, 11.97% net versus the policy of 11.19%. A discussion was held about the Fed raising the interest rates and the impact that would have on the economy. As well as the administration's promise of new tax codes and the effect it would have on the markets. Mr. Kay reviewed the current asset allocations and was pleased that the plans beat the assumed rate of return for the fiscal year.

Attorney Report (Scott Christiansen)

Mr. Christiansen reported that each one of the Boards have an engagement letter that needs to be reviewed, approved, and executed. He discussed term limits; for the General Employees plan, Jackie Dunham's term is up and Willie Hall, Jr.'s term will expire on December 31, 2017; for the Police plan Jack Boon's term was up on September 30, 2017, but the election will be held this week. The City will need to appoint someone who lives in the City to replace Bill Bartlett for the Police Board. At the next meeting the Firefighters will need to elect officers. The fiscal year end reports for the three boards will need to be provided to the City by the Resource Centers. The next item was the proposed meeting dates for 2018.

Mr. Roehm made a motion to approve the 2018 proposed meeting dates for the General Employees. The motion received a second by Ms. Henry, approved by the Trustees 4-0.

Mr. Crum made a motion to approve the 2018 proposed meeting dates for the Firefighters Board. The motion received a second by Mr. Smith, approved by the Trustees 3-0.

Mr. Holroyd made a motion to approve the 2018 proposed meeting dates for the Police Board. The motion received a second by Mr. Worley, approved by the Trustees 3-0.

Mr. Christiansen raised the issue of having a records management liaison officer. Ms. Lane Gamiotea, from the City Clerk's office, provided a memo expressing her willingness to continue maintaining the records if she is regularly sent copies of everything on a quarterly basis. Mr. Christiansen referred to a letter recently sent from his firm to each of the Boards describing the recent decision to reduce the number of pension plans they will represent. Christiansen & Dehner will still represent the three Okeechobee Boards.

Custodian Report (Mindy Johnson)

Ms. Johnson presented the Salem Trust Service Report Summary for the third quarter. The purpose of the report is to track and analyze their service as the Custodian for the Plan. The objective of the report is to ensure high levels of customer service. Ms. Johnson discussed the class action filing process and the additional service charge that will come out of the proceeds to cover the third party expenses. In the past these expenses were covered by Salem Trust however due to the increased litigation they are no longer able to absorb these costs.

Mr. Christiansen explained that other clients have separate equities that have to be monitored for class action filings. Those clients hire law firms to monitor and file claims. Mr. Kay added that the portfolios for the Plans are all mutual funds. Mr. Christiansen explained that Kessler Topaz monitors assesses potential claims at no charge.

No motion by the General Employees Board.

Mr. Koepke made a motion to use the firm recommended by Salem Trust for monitoring and filing class actions. The motion received a second by Mr. Crum, approved by the Trustees 3-0.

Mr. Boon made a motion to use the firm recommended by Salem Trust for monitoring and filing class actions. The motion received a second by Mr. Holroyd, approved 3-0.

No other business.

The Boards adjourned the open session at 5:45 pm and proceeded into their individual sessions. Ms. Tintle will go to the Police and Fire Boards and Mr. Baur to the General Board.

INDIVIDUAL SESSION: POLICE BOARD

Jack Boon called the individual meeting of the Police Trustees to order at 5:47 pm. The Trustees noted that Ms. Taylor was absent.

Mr. Holroyd made a motion to approve the Minutes from the August 7, 2017 meeting. The motion received a second by Mr. Boon, approved by the Trustees 3-0.

The Operating Rules and Procedures were presented by Mr. Christiansen for review. Ms. Tintle presented the Interim Financial Statements; they were received and filed. She then went over the Warrants for review and ratification.

Mr. Holroyd made a motion to ratify the Warrants from September 28 and October 24, 2017. The motion received a second by Mr. Boon, approved by the Trustees 3-0.

Ms. Tintle distributed the Cost of Living increase for retirees for review and approval.

Mr. Holroyd made a motion to approve the cost of living increase for retirees. The motion received a second by Mr. Worley, approved by the Trustees 3-0.

Ms. Tintle explained the new State requirement for electronic filing for the Plan's annual report. GRS is asking for a one time set up fee and an annual fee to comply with the new requirement.

Mr. Boon made a motion to approve the one time set up fee and the electronic filing cost from GRS. The motion received a second by Mr. Worley, approved by the Trustees 3-0.

Ms. Tintle presented the Audit Engagement letter for review and approval. The Resource Centers will file the letter once signed by the Chairman.

Mr. Holroyd made a motion to sign the Audit Engagement Letter. The motion received a second by Mr. Worley, approved by the Trustees 3-0.

The Police Board adjourned their individual session at 6:10 pm.

INDIVIDUAL SESSION: FIRE BOARD

Mr. Smith called the individual meeting of the Fire Trustees to order at 6:10 pm.

Mr. Crum made a motion to approve the September 25, 2017 Special Meeting Minutes. The motion received a second by Mr. Smith, approved by the Trustees 3-0.

Mr. Crum made a motion to approve the proposed meeting dates. The motion received a second from Mr. Koepke, approved by the Trustees 3-0.

Ms. Tintle distributed the Cost of Living increase for retirees for review and approval.

Mr. Smith made a motion to approve the cost of living increase for retirees. The motion received a second by Mr. Crum, approved by the Trustees 3-0.

Ms. Tintle explained the new State requirement for electronic filing for the Plan's annual report. GRS is asking for a one time set up fee and an annual fee to comply with the new requirement.

Mr. Smith made a motion to approve the one time set up fee and the electronic filing cost from GRS. The motion received a second by Mr. Crum, approved by the Trustees 3-0.

Ms. Tintle presented the Interim Financial Statements; they were received and filed.

Mr. Koepke made a motion to ratify the Warrants from September 28 and October 25, 2017. The motion received a second by Mr. Smith, approved by the Trustees 3-0.

Ms. Tintle presented the Audit Engagement letter for review and approval. The Resource Centers will file the letter once signed by the Chairman.

Mr. Crum made a motion to sign the Audit Engagement Letter. The motion received a second by Mr. Smith, approved by the Trustees 3-0.

The Fire Board adjourned their individual session at 6:30 pm.

INDIVIDUAL SESSION: GENERAL BOARD

Mr. Baur called the individual meeting of the General Board Trustees to order at 6:22 pm.

Ms. Henry made a motion to approve the August 7, 2017 meeting minutes. The motion received a second by Mr. Hall, approved by the Trustees 4-0.

Mr. Christiansen presented the Operating Rules and Procedures for review. He explained that the document was updated to reflect the current name of the Plan and Trustee term limits. Mr. Baur drew the Boards attention to the Interim Financial Statements. He reviewed the Balance Sheet in detail. The Board discussed Trustee education and FPPTA School at the end of January 2018.

Ms. Henry made a motion to approve the Operating Rules and Procedures. The motion received a second by Ms. Dunham, approved by the Trustees 4-0.

Mr. Baur explained the new State requirement for electronic filing for the Plan's annual report. GRS is asking for a one time set up fee and an annual fee to comply with the new requirement.

Mr. Roehm made a motion to approve the one time set up fee and the electronic filing cost from GRS. The motion received a second by Ms. Henry, approved by the Trustees 4-0.

The Board considered new cash letter instructions for Salem Trust.

Ms. Henry made a motion to approve the R&D account instructions for Salem Trust. The motion received a second by Ms. Dunham, approved by the Trustees 4-0.

Mr. Kay explained the updated Investment Policy Statement. The document was updated to reflect the current name of the Plan. He assured the Board that there were no other changes to the policy.

Mr. Baur presented the Audit Engagement letter for review and approval. The Resource Centers will send the letter to DiBartolomeo, McBee, Hartley, & Barnes.

Ms. Dunham made a motion to sign the Audit Engagement Letter. The motion received a second by, Ms. Henry approved by the Trustees 4-0.

Mr. Willie Hall, Jr. was approved as the fifth Trustee. Inform the City Clerk so the information can be added to the City Council Agenda.

The General Board adjourned their individual session at 6:45 pm.