

**KEY BISCAYNE POLICE OFFICERS' & FIREFIGHTERS'
RETIREMENT PLAN**

Village Council Chambers
560 Crandon Blvd., Key Biscayne, FL 33159
REGULAR MEETING OF JANUARY 28TH, 2016

1. Call to Order – Chairman Michael Haring called the meeting of the Key Biscayne Police Officers' & Firefighters' Retirement Plan to order at 5:37 P.M.

Roll Call

Present

Servando M Parapar, Secretary (arrived 5:47 PM)
Michael Haring, Chairman
Martha F. Broucek
William Stephens

Absent

Jose Monteagudo

OTHERS PRESENT: Burgess Chambers from Burgess Chambers & Associates, Inc., Terri Herubin, Portfolio Manager and Kevin Ryan, Vice President from Cornerstone Patriot Fund, Rob Gronda, Vice President from MEPT, Richelle Hayes, Director of Marketing and Client Service from American Realty Advisors, Paul A. Daragjati, Esq., from Klausner, Kaufman, Jensen & Levinson, in conjunction with Stephen H. Cypen, Esq., Attorney for the Plan, who was absent, and Joan L. Wall, Administrator.

2. Appointment of Fifth Trustee – (continued from 9/24/15 and 11/11/15). Martha Broucek moved to nominate Servando M. Parapar to the position of Fifth Trustee. Michael Haring seconded the nomination. The nominations were closed and Servando M. Parapar was appointed as Fifth Trustee by a unanimous vote of the three trustees present. The Village Clerk would be notified of this action and requested to have the Village Council approve the nomination as a ministerial duty.

3. Additions/Deletions to Agenda – None.

4. Approval of Minutes for November 11th, 2015. Chairman Haring presented the minutes from the previous meeting for approval. Martha Broucek moved to approve. William Stephens seconded the motion. The motion carried unanimously.

5. Approval of Invoices. Chairman Haring presented the invoices listed on the agenda for approval and payment. Martha Broucek moved to approve payment. Michael Haring seconded the motion. The motion carried unanimously, authorizing payment of the following:

Gabriel Roeder Smith & Co., Inv #418006, dated 11/13/2015 \$ 4,382.00

Gabriel Roeder Smith & Co., Inv #419140, dated 1/6/2016	\$ <u>2,472.00</u>	
TOTAL		\$ 6,854.00
Burgess Chambers & Associates, Inv #15-339, dated 11/10/15	\$ 3,750.00	
Burgess Chambers & Associates, Inv #15-340, dated 11/10/15	\$ 1,056.41	
Burgess Chambers & Associates, Inv #15-341. Dated 11/10/15	\$ <u>693.59</u>	
TOTAL		\$ 5,500.00
Joan L. Wall, Administrator, 11/5/15 – 1/20/16, 43 ¾ hrs, plus expense		\$ 2,074.80

6. Approve Commencement of DROP Benefits. Chairman Haring presented the DROP/Retirement for P/O Victoria A. Hernandez for approval and payment. Martha Broucek moved to approve payment. Servando Parapar seconded the motion. The motion carried unanimously, authorizing payment of the following:

P/O Victoria A. Hernandez, DROP/Retirement Date 10/1/2015 – 9/30/2020	
Monthly Benefit \$3,151.92, Less \$10 monthly board fee, net amount of	\$ 3,141.92

7. UNFINISHED BUSINESS – Review and Approval of Summary Plan Description prepared July, 2015 by Gabriel, Roeder, Smith & Company (continued from 9/24/15 and 11/11/15) Servando Parapar moved to approve. Martha Broucek seconded the motion. The motion carried unanimously. Chairman Haring requested the document be emailed to Jose Monteagudo and himself for distribution to the members. A copy would be sent to the Division of Retirement.

NEW BUSINESS

8. a) Real Estate Investment Presentations. Burgess Chambers presented the representatives from the companies selected at the November meeting, reviewing with those present that the demand for real estate investments is high while the supply is low. There is an entry-queue with most private real estate managers with some being as long as two years. NCREIF-ODCE is the industry standard benchmark: capitalization – weighted based on the 33 managers in the universe and gross of fees.

- **Cornerstone Patriot Fund** – The company has been in business since 1994 with 50 billion in assets and will be a fiduciary to the product trust. The Patriot Fund is a \$4.2 billion open-end fund, maintaining its core focus since inception in 2004. The Fund has made cash distributions quarterly. The Fund restricts non-core/value-added investments to provide more play than other benchmark managers, with 10% of its assets invested in Florida. Minimum investment is \$1 million. Fees are 1.10% on first \$15 million and 0.15% on cash in excess of 5% of gross assets.
- **MEPT** – The firm is a multi-employer property trust. NewTower Trust Company is trustee and Bentall Kennedy is the real estate advisor handling investor relations. MEPT is a traditional open-end core real estate fund in operation since 1982 with 13 offices located across Canada and the U.S., offering stable income investment strategy focused on active management, acquisition and

development, with conservative capital structure and superior liquidity. Fees are approximately 0.88%.

- **American Realty Advisors** – The firm has been in business since 1987 and is one of the largest privately-held real estate investment managers in the U.S. with seasoned professionals managing over \$7.4 billion in assets consisting of 157 properties primarily in major markets across the U.S. Risk control forms the basis of their investment process by evaluating all aspects of transactions, avoiding conflicts of interest and no litigation with clients concerning investment management services. The firm is fiduciary to investors with respect to their assets in the fund. Fees are 1.10% for up to \$25 million with no other fees charged to investors.

After discussion, William Stephens moved to establish a relationship with MEPT with a fee of 0.88%. Michael Haring seconded the motion. The motion carried unanimously.

Burgess Chambers stated that a minor change to page 2 of the Investment Policy Statement would be required in order to proceed with this investment and he would forward the document with the required change. Martha Broucek moved to approve the minor change and authorize the chairman to sign the document after obtaining the signatures of Blake Myton from SunTrust and that of Burgess Chambers. William Stephens seconded the motion. The motion carried unanimously.

8. b) Schools & Conferences

- **FPPTA** – Winter Trustees' School, January 31st – February 3rd, 2016 at the Hilton, Lake Buena Vista in Orlando, Fl.

9. Trustees' Concerns – None.

10. REPORTS

- **Attorney** –
 - Code of Conduct for Public Pension Service Providers (continued to the March meeting when Schedule A will be included and Attorney Cypen is present to review with the trustees).
 - Attorney Daragjati from Klausner, Kaufman, Jensen & Levinson distributed a memorandum regarding the need to update the database in Tallahassee for 1) municipal annexations, 2) new construction on previously undeveloped land and 3) areas under which police or fire services are being contractually provided by inter-local agreement.
- **Administrator** –
 - Annual Affidavits mailed on 1/6/2016
 - 1/8/2016 Located error in Contribution Report – vs – amount sent to SunTrust, taken care of by Finance Director same day. Chairman Haring requested the final accounting information be provided to the Village auditors and the plan's actuary as soon as possible.

Other –

- 11/11/2015 communication from Westwood Trust
- 12/7/2015 letter from SunTrust regarding BenePay Enhancements
- SunTrust's Investment Review for the 4th Quarter, 2015 was distributed

11. Input from Active Members/Retired Members/Public Comments –
None.

12. Next Meeting Date/Adjournment. Chairman Haring announced the next regular meeting was scheduled for Thursday, March 24th, 2016 at 5:30 P.M.

There being no further business before the board, a motion was made, seconded and carried unanimously to adjourn at 8:30 P.M.

Respectfully submitted,

Servando M. Parapar, Secretary