

KEY BISCAYNE POLICE OFFICERS' & FIREFIGHTERS' RETIREMENT PLAN

Village Council Chambers
560 Crandon Blvd., Key Biscayne, FL 33149
REGULAR MEETING OF MARCH 27TH, 2014

1. Call to Order – Chairman Michael Haring called the meeting of the Key Biscayne Police Officers' & Firefighters' Retirement Plan to order at 5:35 P.M.

Roll Call

Present

Chairman Michael Haring
Secretary Servando Parapar
Ramon Rodriguez
Jose L. Monteagudo

Absent

Martha F. Broucek

OTHERS PRESENT: Peter N. Strong, Actuary and Consultant, from Gabriel Roeder Smith & Company, Blake Myton from SunTrust, Frank Wan from Burgess Chambers & Associates, Bonni Jensen, Esq., from Klausner, Kaufman, Jensen & Levinson, Stephen H. Cypen, Esq., from Cypen & Cypen, Attorney for the Plan and Joan L. Wall, Administrator.

Attorney Cypen introduced Bonni Jensen, Esq. to the trustees and those present, stating she would be assisting Cypen & Cypen when needed to replace Alison S. Bieler, who had taken a sabbatical to attend to family matters. Attorney Jensen gave a brief resume of her experience.

2. Additions/Deletions to Agenda. Since the agenda had been posted, Deputy Police Chief Jose Monteagudo had changed his retirement option from Modified Cash Refund Annuity to Ten Year Certain and Life Thereafter Annuity in the monthly benefit amount of \$5,290.04. This will be reflected under agenda item #6.

3. Approval of Minutes for January 23rd, 2014. Chairman Haring presented the minutes from the previous meeting for approval. Jose Monteagudo moved to approve. Servando Parapar seconded the motion. The motion carried unanimously.

4. Ratify payment made in the interim. Chairman Haring presented for ratification Warrant #14-07 payable to Professional Indemnity Agency in the amount of \$4,818.84 for payment of the annual premium for the fund's Fiduciary Liability Policy #U713-51216, for March 25th, 2014 through March 25th, 2015. Servando Parapar

moved to ratify. Jose Monteagudo seconded the motion. The motion carried unanimously.

5. Approval of Invoices. Chairman Haring presented the invoices listed on the agenda, with the exclusion of the SHARE Plan Distribution, for approval and payment. Jose Monteagudo moved to approve payment. Ramon Rodriguez seconded the motion. The motion carried unanimously, authorizing payment of the following:

| | |
|--|-------------------|
| Holland & Knight, Inv #3007438, Dated 1/28/14 | \$ 100.00 |
| Holland & Knight, Inv #3017805, Dated 2/27/14 | <u>\$ 900.00</u> |
| TOTAL | \$ 1,000.00 |
| | |
| Gabriel Roeder Smith & Co., Inv #405566, Dated 2/12/14 | \$1,860.00 |
| Gabriel Roeder Smith & Co., Inv #406138, Dated 3/10/14 | <u>\$4,874.00</u> |
| TOTAL | \$ 6,734.00 |
| | |
| Burgess Chambers & Associates, Inv #14-48, Dated 2/5/14 | \$ 3,750.00 |
| | |
| SunTrust Bank, Inv #254464, Dated 1/29/14 | \$12,202.27 |
| SunTrust Bank, Inv #254472, Dated 1/29/14 | <u>\$ 978.28</u> |
| TOTAL | \$ 13,180.55 |
| | |
| Joan L. Wall, Administrator, 1/16 – 3/14/14; 50 hrs, plus expenses | \$ 2,416.62 |

Chairman Haring verified that there were thirty-six (36) members listed on the 9/30/13 SHARE Balance Report. Of these, Lazaro Castellon, Lon Rosen and John Gilbert are not eligible to receive any additional SHARE distribution. Eduardo Fraga and Jose Perez are to be added and receive a SHARE distribution. The SHARE funds in the net amount of \$68,552.83, \$74,433 less fees of \$5,880.17, shall be divided among the active thirty-five (35) participants as of 10/1/2013. Jose Monteagudo moved to approve payment of the SHARE Plan distribution. Servando Parapar seconded the motion. The motion carried unanimously.

6. Approve Commencement of DROP Retirement. Chairman Haring presented the DROP Retirement of **Deputy Police Chief Jose Monteagudo** effective December 1st, 2013 with a monthly benefit of \$5,290.04, less \$10 per month board fee, for a net amount of \$5,280.04 to go into his DROP account. Servando Parapar moved to approve. Chairman Haring seconded the motion. The motion carried with Jose Monteagudo abstaining. He completed Form 8B "Memorandum of Voting Conflict for County, Municipal and Other Local Public Officers", which will be attached to the minutes of today's meeting.

7. UNFINISHED BUSINESS – F/F May's transfer of benefits from ICMA's SHARE and DROP Plans (per request of Chairman Haring at 1/23/14 meeting). The administrator reported signing approval to ICMA for F/F May's withdrawal of DROP funds. F/F May did not have a balance in the SHARE Plan as of 9/30/13.

NEW BUSINESS

8. a) Peter N. Strong, Gabriel Roeder Smith & Co. Discussion regarding recent pension changes and regarding possible changes to assumptions and methods to accommodate the changes. Mr. Strong reviewed with those present the ratified changes to the Pension Plan. He also discussed his observations and recommendations, stating he suggested preparing a study for the trustees to review. Jose Monteagudo moved to approve a study, for both Fire and Police, not to exceed a cost of \$12,000. Servando Parapar seconded the motion. The motion carried unanimously.

8. b) Blake Myton, SunTrust – Investment Market Report. Mr. Myton reviewed with the trustees and those present the market and economic update, SunTrust Portfolio Composition and Performance, Fund Facts and all Available SunTrust Platform Options.

8. c) Burgess Chambers & Associates

- **Performance Report for Quarter Ending December 31st, 2013.** Frank Wan reported for the quarter, the Fund earned \$1.5 million or +6.5% net, ahead of the model portfolio. Outperformance was due primarily to the overweighting among domestic equities with the best three performing asset categories; Large-cap Growth, Small-cap and Large-cap core. For the one year period the Fund earned \$3.9 million or +19.4% net, well ahead of the model portfolio and ranked in the 21st percentile. Outperformance was due to the overweighting among domestic equities. The three year period the Fund earned \$5.9 million, averaging +10.1% net per year, well ahead of the actuarial assumption rate and ranked in the top 21st percentile. For the five year period the Fund averaged +12.1% net, beating the actuarial return assumption and ranking in the top 42nd percentile. The ending market value as of 12/31/13 was \$25,807,892. Mr. Wan also reviewed the DROP and SHARE Plan performances.
- **Recommendations for possible replacement of ICMA.** Mr. Wan reported that the firms he had checked with; ING, Nationwide and Lincoln Financial, would not accept fiduciary responsibility.

8. d) Schools & Conferences

- **NCPERS** – 4/26 - 5/1/14, Sheraton Chicago Hotel & Towers, Chicago, IL
- **FPPTA**- 5/1 – 5/4/14, Fishing Tournament, Tarpon Lodge, Pine Island, FL and 30th Annual Conference, 6/ 29 – 7/2/14, Hilton Orlando, Bonnet Creek
- **Division of Retirement** – Correction – 35th Trustees' School will be held in Tallahassee from 5/12 – 14/14.

9. Trustees' Concerns – Terms of Office

- Michael Haring's term expired 9/30/2013. Chairman Haring reported the firefighters had an election scheduled. The results would be provided.

10. REPORTS

- **Attorney** – None.
- **Administrator** – Status of:
 - Annual Affidavits – All had been received with the exception of Lazaro Castellon, who had moved from the last known address and not provided a current address. Chairman Haring stated he would speak to him about completing and returning the affidavit.
 - Annual Report – This had been mailed on 3/25/14
 - ICMA DROP Payments - Recent communication from ICMA acknowledged a deposit of \$17,729.15 for DROP payments of which they stated they had received no detail. Follow up contact with SunTrust reflected that six checks totaling \$17,729.15 were sent to ICMA with the DROP account number and participant's name affixed in the description of each check.
- **Other** - The last Summary Plan Description was prepared in November of 2009. With the new changes, updating the SPD should be considered.

11. Input - Active Members/Retired Members/Public Comments - None.

12. Next Meeting Date/Adjournment. Chairman Haring announced the next regular meeting was scheduled for Thursday, May 22nd, 2014 at 5:30 P.M.

There being no further business before the board, Servando Parapar moved to adjourn at 7:07 P.M. Ramon Rodriguez seconded the motion. The motion carried unanimously.

Respectfully submitted,

Servando Parapar, Secretary