

KEY BISCAYNE POLICE OFFICERS' & FIREFIGHTERS' RETIREMENT PLAN

Village Council Chambers
560 Crandon Blvd., Key Biscayne, Fl 33149
REGULAR MEETING OF APRIL 4TH, 2013

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
Jose L. Monteagudo
Ramon Rodriguez

Absent

Martha F. Broucek

OTHERS PRESENT: Fire Captain Jose Marti, Fire Chief Eric Lang, F/F's Marcos Osorio, F/F disability applicant Lazaro Castellon, Police Chief Charles Press, P/O disability applicant Nelia M. Real, Village Manager John Gilbert, Frank Wan from Burgess Chambers & Associates, Inc., Blake Myton from SunTrust, Pete Strong from Gabriel Roeder Smith & Company, Alison S. Bieler, Esq., from Cypen & Cypen, Attorneys for the Fund and Joan L. Wall, Administrator.

2. Additions/Deletions to Agenda – Jose Monteagudo moved to take P/O Nelia Real's disability application, under Agenda item 6, out of order as she was present at the meeting. Ramon Rodriguez seconded the motion. The motion carried unanimously. Attorney Bieler reviewed the ordinance regarding disability pensions with the trustees and those present. In closing she read a comment on page 7 of Dr. Lupu's report, "*In my opinion her career as a Police Officer is at an end*". Dr. Lupu's letter further stated her impairment was clearly service-connected, the damage was permanent. While she would be able to perform light duty, Chief Press had advised that there was no light duty available. Attorney Bieler further advised that approval of any disability benefit takes effect on the date the board votes to approve. Jose Monteagudo moved to approve a service connected disability benefit for Nelia M. Real based on Dr. Lupu's report that her injury was service connected, total and permanent. Servando Parapar seconded the motion. The motion carried unanimously.

Jose Monteagudo moved to take F/F Lazaro Castellon's disability application, under Agenda item 6, out of order as he was now present at the meeting. Servando Parapar seconded the motion. The motion carried unanimously. Attorney Bieler reviewed with the trustees the requirements for a non-service connected disability and the contents of

Dr. Lupu's disability evaluation that stated "F/F Castellon should not be placed in a situation where life and death decisions are made, his impairment allows him to do some of the sedentary aspects of his job description. His impairment is therefore non-total. He would be a candidate for a permanent light duty job if such a position was available.. His impairment is not service connected, not-total, and permanent". Jose Monteagudo moved to grant F/F Castellon a non-service connected disability, based on Dr. Lupu's letter and the communication from Fire Chief Eric Lang that the department had no permanent light or limited duty positions. Chairman Haring seconded the motion. The motion carried with Servando Parapar voting opposed.

3. Approval of Minutes for January 24th, 2013. Chairman Haring presented the minutes from the last meeting for approval. Jose Monteagudo moved to approve. Chairman Haring seconded the motion. The motion carried unanimously.

4. Ratification of Prepaid Invoice. Chairman Haring presented for ratification the invoice from Professional Indemnity Agency, Inc. in the amount of \$4,492.66 that had been paid after the last meeting and prior to today's meeting. Jose Monteagudo moved to ratify. Servando Parapar seconded the motion. The motion carried unanimously.

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

Gabriel Roeder Smith & Co., Inv #121076 dated 3/13/13	\$ 5,862.00
SunTrust Bank, Inv #246107 dated 1/28/13	\$9,140.74
SunTrust Bank, Inv #246108 dated 1/28/13	\$ 855.87
<u>TOTAL</u>	\$ 9,996.61
Burgess Chambers & Associates, Inc., Inv #12-300 dated 11/8/12	\$3,750.00
Burgess Chambers & Associates, Inc., Inv #13-45 dated 2/25/13	\$ 268.43
Burgess Chambers & Associates, Inc., Inv #13-46 dated 2/25/13	\$1,481.57
<u>TOTAL</u>	\$ 5,500.00
Cornel J. Lupu, MD, Inv dated 3/12/13 (Lazaro Castellon)	\$1,000.00
Cornel J. Lupu, MD, Inv dated 3/20/13 (Nelia Real)	\$1,500.00
<u>TOTAL</u>	\$ 2,500.00
SHARE Plan Distribution (\$78,663 less fees of \$6,198.60)	\$72,464.40
Joan L. Wall, Administrator, 1/18 – 3/22/13; 85 ¾ hrs, plus expenses	\$ 4,538.60

6. See Agenda Item 2.

7. UNFINISHED BUSINESS – Review of Supplemental Report reflecting impact of updating the mortality table and lowering investment earnings assumption to either 7.75% or 7.5%. (tabled from 11/14/12 and 1/24/13). As the October 1, 2012 Actuarial Valuation Report was available for presentation under item 8. c) Jose Monteagudo moved to take this item first. Servando Parapar seconded the motion. The motion carried unanimously.

Mr. Strong reviewed with the trustees the results of the valuation, stating the required Village contribution for the following fiscal year reflected a rate of 13.78% of covered payroll, down from 14.33% for the current fiscal year. Mr. Strong stated that the funded ratio for the plan was the highest ever. Servando Parapar moved to accept this report. Jose Monteagudo seconded the motion. The motion carried unanimously.

After reviewing the information with Mr. Strong that was originally presented and reviewed at the November meeting, Jose Monteagudo moved to adopt the Generational Mortality Table and 7.5% earnings assumption at a cost increase of 5.9% of covered payroll based on the October 1, 2011 Actuarial Valuation over a ten (10) year period and to have the October 1, 2012 Actuarial Valuation revised to reflect the changes. Chairman Haring seconded the motion. The motion carried unanimously. Mr. Strong stated he would have the revised valuation ready for the May 23rd, 2013 board meeting and advised that the report approved earlier at today's meeting should be held and not forwarded to the Division of Retirement.

NEW BUSINESS

8. a) Blake Myton from SunTrust – Investment Report. Mr. Myton stated that many asset classes posted strong returns in 2012 despite challenges, while the economic growth for 2012 was marred by uncertainties and could best be described as sluggish. Entering 2013 SunTrust sees more investment opportunities than risks. Preliminary performance summaries for the quarter ending March 31, 2013 reflect an increase of 5.7% in the total portfolio, with the majority of this coming from equities.

8. b) Frank Wan from Burgess Chambers and Associates

- **Performance Report for Quarter Ended 12/31/12.** For the quarter the Fund earned 1.1% net, behind the strategic model, with the difference due to large-cap core and value fund products underperforming their respective benchmarks. For the 12 month period, the Fund earned \$2.0 million or 12.1% net, behind the model portfolio on a management fee net basis. The best four performing asset categories were: international, small-cap, mid-cap and large-cap growth. For the rolling three year period the Fund earned, on average, 8.5% per year, ahead of the actuarial assumption rate. Rolling five year returns trailed the model portfolio, but ranked in the top 21st percentile in the BNY-Mellon Public Funds universe. Total market value as of 12/31/12 was \$20,309,211.30.

- **ICMA Program Analysis dated 9/30/12 (to be reviewed in depth).** After review of the list of "Other Funds to Consider" Jose Monteagudo moved to add the funds recommended by BCA as follows;
 - PIMCO Total Return Fund,
 - Vantagepoint Inflation Protected Secs Fund,
 - PIMCO High Yield Fund and
 - the Vantagepoint Target Date Funds from 2000 through 2050.

Chairman Haring seconded the motion. The motion carried unanimously. Mr. Wan advised that the addition of these funds would not entail any additional monitoring fees.

- **ICMA January, 2013 letter regarding liquidation and termination of VT Vantagepoint Model Portfolio Savings Oriented Fund effective March 22, 2013.** This decision by ICMA was due to declining interest in the Fund and lack of Fund growth. It was Mr. Wan's recommendation to map assets from this fund to Vantagepoint Model portfolio Conservative Growth Fund. He stated he would take care of this when he advised ICMA of the funds to be added.

Mr. Wan stated that BCA had discussed with Blake Myton various investment ideas that Mr. Myton had expressed for the future and were impressed with the ideas.

8. c) See previously under Agenda Item #7

8. d) Review/Approve - Disability Claims Procedures *(continued from 1/24/13).* Servando Parapar moved to table to the next meeting as Martha Broucek was not present at today's meeting. Ramon Rodriguez seconded the motion. The motion carried unanimously.

8. e) Schools & Conferences

- Division of Retirement, 5/20 – 22/13, Tallahassee, FL – Jose Monteagudo requested details on this conference.
- FPPTA, 9th Annual Fishing Tournament, 4/19 – 21/13, Tarpon Lodge, Pine Island
- FPPTA, 29th Annual Conference, 6/23 – 26/13, Omni at ChampionsGate, Orlando

9. Trustees' Concerns – Servando Parapar stated he would be unable to attend the next meeting due to a prior commitment.

10. REPORTS

- **Attorney** – none at this time
- **Administrator**
 - Annual Affidavits – all in with exception of one retiree from the police department. Jose Monteagudo stated he would take care of this.
 - Merrill Lynch Litigation - \$20,719.17 was received and the file closed on this matter
- **Other** – January, 2013 Securities Monitoring Report was distributed

11. Input from Active/Retired Members – None.

12. Next Meeting Date/Adjournment. Chairman Haring announced the next regular meeting was scheduled for Thursday, May 23rd, 2013.

There being no further business before the board, Servando Parapar moved to adjourn at 7:50 P.M. Jose Monteagudo seconded the motion. The motion carried unanimously.

Respectfully submitted,

Servando Parapar, Secretary