

KEY BISCAYNE POLICE OFFICERS' & FIREFIGHTERS' RETIREMENT PLAN

Village Council Chambers
560 Crandon Blvd., Key Biscayne, Fl 33149
REGULAR MEETING OF MARCH 22, 2012

1. Call to Order – Chairman Michael Haring called the meeting of the Key Biscayne Police Officers' & Firefighters' Retirement Plan to order at 5:42 P.M.

Roll Call

Present

Servando M. Parapar, Secretary
Michael Haring, Chairman
Steve Liedman
Jose Monteagudo (arrived at 5:58 P.M.)

Absent

Martha Broucek

OTHERS PRESENT: Blake Myton from SunTrust, Burgess Chambers from Burgess Chambers & Associates, Alison S. Bieler, Esq., from Cypen & Cypen, Attorneys for the Fund and Joan L. Wall, Administrator.

2. Additions/Deletions to Agenda – None.

3. Approval of Minutes for January 26th, 2012. Chairman Haring presented the minutes from the previous meeting for approval. Steve Liedman moved to approve. Servando Parapar seconded the motion. The motion carried unanimously.

4. Ratify Payment of Invoice during Interim. Chairman Haring presented the invoice from Professional Indemnity Agency, Inc. for ratification covering renewal of the Fiduciary Liability Insurance premium for the period of March 25th, 2012 to March 25th, 2013 in the amount of \$4,283.98 that had been paid after the last meeting. Steve Liedman moved to ratify. Servando Parapar seconded the motion. The motion carried unanimously. At the suggestion of Burgess Chambers and recommendation of Attorney Bieler, the agent at Benefits USA will be contacted to find out the name of the insurance company providing coverage and request a copy of their AM Best rating to be forwarded to the trustees.

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

Burgess Chambers & Associates, Inc., 4 Qtr Share, Inv #12-32, 1/26/12	\$1,556.14
Burgess Chambers & Associates, Inc., 4 Qtr DROP, Inv #12-33, 1/26/12	\$ 193.86
Burgess Chambers & Associates, Inc., 1 Qtr 2012, Inv #12-56, 2/10/12	<u>\$3,750.00</u>
<u>TOTAL</u>	\$ 5,500.00
SunTrust Bank, Qtr Ending 12/31/11, Inv #236828, 3/5/12	\$ 755.44
SunTrust Bank, Qtr Ending 12/31/11, Inv #236830, 3/6/12	<u>\$7,460.90</u>
<u>TOTAL</u>	\$ 8,216.34
Gerald J. Wilkoff Agency (Renewal of 3 year Fidelity Bond)	\$ 1,206.20
Vantagepoint Transfer, Annual Contribution to F/F SHARE Plan	\$34,477.80
Joan L. Wall, Administrator, 1/19/12 – 3/14/12, 39 ¾ hrs, plus expenses	\$ 1,852.68

6. UNFINISHED BUSINESS – None

NEW BUSINESS

7. a) Blake Myton from SunTrust – Investment/Market Report. Mr. Myton stated it was a good quarter for the markets, while the year 2011 was flat. He was concerned about the fixed income portion of the portfolio due to indications from the Fed that interest rates would be going up in 2013 at the earliest, definitely in 2014. The outlook for growth assets remains attractive. A succession of external shocks held down US GDP growth last year, but the US economy finished with upward momentum. The 2012 expectation for domestic stock is modest, but higher than much of the developed world. Consumer spending and the labor markets should show some strength in 2012. SunTrust forecasts consumer spending to average 3.3% in 2012, supported by a recovering housing market and gains in hours worked. Residential investment through the 3rd quarter of 2011 has declined for 23 quarters. It is expected the trend to reverse to a modest positive in 2012.

7. b) Burgess Chambers from BCA

- **Performance Report for Quarter Ending 12/31/2011.** For the quarter the total fund earned 6.3% net, which was behind the model portfolio but ranked in the top 21st percentile of the BNY-Mellon public funds universe. Top three best performing asset categories were: small cap, REIT and large cap core. While the fund lagged for the one year, for the five year return for the fund was ahead of the model portfolio at 3.3% and ranked in the top 21st percentile of the BNY-Mellon public funds universe. Actual asset allocation as of 12/31/2011 was fixed income 33.1%, small cap 6.6%, mid cap 9.8%, large cap core 6.4%, international 10.2%, REIT 4.9%, large cap value 11.9%, cash 3.5%, large cap growth 12.2% and TIPS 1.4% for a total market value of \$16,645,077. The Actual vs. Target Asset Allocation as of February 29th, 2012 was reviewed. Mr. Chambers stated he would request SunTrust to rebalance based on these figures.
- **Revised Investment Policy Statement**

- **Review Black Line Version.** Mr. Chambers reviewed with the trustees and those present the changes on pages 2, 3, 4 and 5, stating that new language was added to cover the expanded asset classes and other matters.
- **Approve Final Version** – It was Mr. Chambers’s recommendation that the revised Investment Policy Statement be approved. Jose Monteagudo moved to approve and authorize the chairman sign on behalf of the board. Steve Liedman seconded the motion. The motion carried unanimously. Chairman Haring stated he would hand deliver a signed copy to the Village Clerk in the morning.

7. c) Schools & Conferences

- Division of Retirement – 33rd Annual Police Officers’ & Firefighters’ Trustees School, May 14 – 16, 2012, Tallahassee, Fl
- FPPTA, 28th Annual Conference, June 24 – 27, 2012, Hilton Disney, Orlando, Fl

7. d) Discussion regarding Storage Space for Retirement Plan Documents.

Chairman Haring requested Joan Wall contact him on Friday.

8. Trustees’ Concerns – Steve Liedman stated he was resigning as trustee effective April 1, 2012 due to the recent sale and pending closing of his apartment on the Key. His plans were to move to the Boca area in Palm Beach County. Chairman Haring stated he would be missed and his service as trustee had been appreciated by all concerned. Mr. Liedman was wished well in his future endeavors and invited to attend a board meeting when he was in the area.

9. REPORTS

- **Attorney** – None
- **Administrator** –
 - Awaiting Trustee Election Report for Fire Department (continued from 9/22/11 & 11/16/11) Received – Michael Haring ran uncontested in election held 11/13/11
 - Status of work for Actuary – need information from Finance regarding Police Officers Received and forwarded to actuary. The actuary would present the valuation at the May meeting.
 - Additional Change at SunTrust – Lisa Allen, new Trust Advisor, effective March 1, 2012; replacing Katie Wilson & Michelle Hagan appointed 12/19/11
 - Status of Annual Retiree Affidavits – all received.
 - Commission Recapture – no longer applicable due to use of mutual funds and ETF’s (per 1/30/12 email from Dianne Garcia at BCA)
- **Other** - Included with agenda packages are the following:
 - January & February, 2012 Securities Monitoring Reports

10. Input from Active/Retired Members – None.

11. Next Meeting Date/Adjournment. Chairman Haring announced the next regular meeting was scheduled for Thursday, May 24th, 2012.

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

Respectfully submitted,

Servando Parapar, Secretary