

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

Village Council Chambers
560 Crandon Blvd., Key Biscayne, FL 33149
REGULAR MEETING OF NOVEMBER 16TH, 2011

1. Call to Order – Secretary Servando Parapar 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
Jose Monteagudo
Steve Liedman
Martha Broucek

Absent

Michael Haring, Chairman

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

2. Introduction of New Trustee. Secretary Parapar introduced Martha Broucek to the other trustees and those present, reviewing her past service to the Village.

3. Additions/Deletions to Agenda – None.

4. Approval of Minutes for September 22nd, 2011. Secretary Parapar presented the minutes from the previous meeting for approval. Jose Monteagudo moved to approve. Steve Liedman seconded the motion. The motion carried unanimously.

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

SunTrust Bank, Invoice #231582 dated 10/4/11	\$20,219.40	
SunTrust Bank, Invoice #231583 dated 10/4/11	<u>\$ 398.15</u>	
<u>TOTAL</u>		\$20,617.55
Burgess Chambers & Associates, Inc. #11-216 dated 8/22/11	\$ 3,750.00	
Burgess Chambers & Associates, Inc. #11-217 dated 8/12/11	\$ 145.37 (DROP)	
Burgess Chambers & Associates, Inc. #11-218 dated 8/12/11	<u>\$ 1,604.63 (SHARE)</u>	
<u>TOTAL</u>		\$ 5,500.00

FPPTA, Dues for 2012	\$ 600.00
Joan L. Wall, Administrator, 9/16 – 11/3/11, 28 hrs, plus expenses	\$ 1,334.70

6. UNFINISHED BUSINESS – None

NEW BUSINESS

7. a) Blake Myton from SunTrust – Investment/Market Report. All indices of the market were down significantly for the quarter ending 9/30/11, with the exception of some areas of fixed income. The end of September was the worst quarter since 2008 due to euro zone solvency problems, slowing economic activity and the downgrade of our AAA credit rating by the S&P which weighed heavily on investor sentiment. Compared to many foreign stock markets, the United States proved to be the relative outperformer. Recent economic data has been mixed with the economy better than perceived, witness the S&P 500 up 11% in October. The fiscal crisis in the euro zone continues to remain a wildcard. Interest rates remain low with the Fed signaling that policy rates will remain low for some time.

Martha Broucek inquired about the investment policy. The last revision to the policy was in 2009. The trustees decided that a review with possible approval of a revised investment policy should be on the next agenda.

7. b) Burgess Chambers from Burgess Chambers & Associates, Inc. – Performance Report for the Quarter Ending September 30th, 2011. Mr. Chambers reviewed with the trustees the returns for the funds in the DROP and SHARE Plans. The 9/30/11 quarter return for the plan itself, while diversified, was not immune from geopolitical forces that stem from a dysfunctional Congress, Europe’s sovereign debt uncertainty and the resulting investor fears. The fund was up 11% through June 30th, but the equity markets dropped 20% in the September 30th quarter. For the quarter the total fund experienced an investment loss of \$1.7 million (-10.2% net) as compared to the model portfolio return of (-9.9%). For the fiscal year, the total Fund experienced an investment loss of \$204K (-0.6% net), behind the model portfolio (+1.1%). For the five year period, the fund was ahead of the model portfolio and ranked in the 21st percentile in the BNY Mellon Public Universe. For the month ending October 31st, the fund returned 7.89% as compared with the benchmark of 6.76%. The fund as of September 30th, has gone from six to sixteen funds, a lot of which are passive.

7. c) Schools & Conferences – FPPTA, Trustees’ School will be held February 5th – 9th, 2012 at the Hyatt Regency Jacksonville Riverfront, Jacksonville, Florida. Martha Broucek requested details about the school.

7. d) Meeting Dates for 2012 (Pending Village Council Approval)

- Thursday, January 26th, 2012

- Thursday, March 22nd, 2012
- Thursday, May 24th, 2012
- Thursday, July 26th, 2012
- Thursday, September 27th, 2012
- Wednesday, November 14th, 2012

7. e) Review/Approve – Revised DROP Forms (changing “firefighter” to “member”). Steve Liedman moved to approve. Jose Monteagudo seconded the motion. The motion carried unanimously.

7. f) Request from Gabriel Roeder Smith & Company – Letter dated 9/22/11 regarding changes per Senate Bill #1128 requiring a new actuarial disclosure requirement. The firm requested approval of an additional fee of \$750 for complying with this change. Steve Liedman moved to approve. Jose Monteagudo seconded the motion. The motion carried unanimously.

8. Trustees’ Concerns – None

9. REPORTS

- **Attorney** – 10/11/11 Memorandum regarding Commission on Ethics – Reporting of Intangible Personal Property. Attorney Bieler reviewed the opinion recently issued by the Commission with the trustees, stating that if anyone needed further clarification to call her.
- **Administrator**
 - Awaiting Trustee Election Reports from the Fire and Police Departments (continued from 9/22/11). Chief of Police Charles Press had advised that Jose Monteagudo had been reappointed to serve as trustee from the Police Department for another two years.
 - Summary Plan Description – possible revision (last dated 11/19/09) Jose Monteagudo moved to approve Gabriel Roeder Smith revise this. Steve Liedman seconded the motion. The motion carried unanimously.
 - Status of work for Actuary & Auditor – in process
- Other – Included with agenda packages are the following:
 - August & September 2011 Commission Recapture Reports
 - September & October, 2011 Securities Monitoring Reports
 - 10/1/11 Letter from SunTrust enclosing copy of insurance renewal

10. Input from Active/Retired Members - None

11. Next Meeting Date/Adjournment. Secretary Parapar announced the next meeting date was set for Thursday, January 26th, 2012 at 5:30 P.M. If for some reason the Village Council did not approve that date the meeting would be held in the Community Room of the Police Department.

There being no further business before the board, Jose Monteagudo moved to adjourn at 6:57 P.M. Steve Liedman seconded the motion. The motion carried unanimously.

Respectfully submitted,

Servando Parapar, Secretary