

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

Village Council Chambers
560 Crandon Blvd., Key Biscayne, Fl 33149
REGULAR MEETING OF SEPTEMBER 26TH, 2013

1. Call to Order – Chairman Michael Haring called the meeting of the Key Biscayne Police Officers' & Firefighters' Retirement Plan to order at 5:44 P.M.

Roll Call

Present

Chairman Michael Haring
Martha F. Broucek
Jose L. Monteagudo
Secretary Servando Parapar

Absent

Ramon Rodriguez

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

2. Additions/Deletions to Agenda. NCPERS had recently sent out an email announcing they were going to provide Fiduciary Liability Insurance for Public Funds and their Trustees. Chairman Haring felt this might be worth exploring when it was time to renew the board's policy. Jose Monteagudo moved to add this under agenda item #9 for additional discussion if necessary. Servando Parapar seconded the motion. The motion carried unanimously.

3. Approval of Minutes for May 23rd, 2013. Chairman Haring presented the minutes from the previous board meeting for approval. Jose Monteagudo moved to approve. Martha Broucek seconded the motion. The motion carried unanimously.

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

SunTrust Bank, Inv #250128 Dated 7/24/13	\$9,995.25	
SunTrust Bank, Inv #250130 Dated 7/24/13	\$ 892.03	
TOTAL		\$10,887.28
Burgess Chambers & Associates, Inc., Inv #13-174 Dated 7/5/13		\$ 3,750.00
Holland & Knight, Invoice #2948869 Dated 8/23/13		\$ 50.00

Joan L. Wall, Administrator, 5/17 – 7/19/13; 38 ¾ hrs, plus expenses	\$1,887.57
Joan L. Wall, Administrator, 7/23 – 9/13/13; 11 ½ hrs, plus expenses	\$ 525.67
TOTAL	\$ 2,413.24

5. Approve DROP Retirements/Commencement of Benefits. Chairman Haring presented the DROP Retirements for P/O Jose Gondar and Police Chief Charles R. Press as listed on the agenda for approval and payment. Jose Monteagudo moved to approve payment. Servando Parapar seconded the motion. The motion carried unanimously, authorizing payment of the following:

P/O Jose Gondar, DROP as of 4/1/2013, Monthly Benefit of \$3,189.55 less \$10 Board Fee

Police Chief Charles R. Press, DROP as of 4/1/2013, Monthly Benefit of \$3,406.10 less \$10 Board Fee

Chairman Haring presented the October 1, 2013 commencement of monthly retirement benefits in the amount of \$954.39, after leaving the DROP on September 6th, 2013, for Nelson Correa for approval and payment. Jose Monteagudo moved to approve payment. Servando Parapar seconded the motion. The motion carried unanimously. Chairman Haring stated this was the first participant to leave the DROP to begin collecting their monthly benefits directly. This participant also needed direction as to taking his funds out of the DROP. Attorney Bieler stated she would provide assistance to the administrator. Joan Wall reported speaking with Dorothy Ingram at SunTrust to stop the October 1, 2013 benefit from being transmitted to ICMA.

6. UNFINISHED BUSINESS – None

NEW BUSINESS

7. a) Blake Myton from SunTrust

- **Investment Market Report** – Interest rates climbed as markets chaffed at the suggestion that the Fed may begin tapering its bond buying program. US stocks stumbled in June, snapping a seven month rally, while global stocks continued to see red. However, returns were still solid for the second quarter and are up double-digits this year. Major international markets fell for the second straight month, but developed international stocks remain in positive territory this year. On the other hand, emerging markets were hit hard in June and are the only major equity market down this far in 2013. The benchmark 10-year US Treasury yield briefly surged above 2.60% for the first time since August 2011 before settling at 2.48% by month end. That pushed most fixed income sectors further into negative territory for the first half of the year as bond mutual funds experienced heavy outflows for the month. Real estate indices fell in sympathy with equity indices for the month but are up for 2013. Sagging prices for precious metals more than offset flat energy prices, dragging commodity returns lower in June. The DJ-UBS Commodity Index shed nearly 10% for the quarter.

- **Ratify Asset Allocation Changes per May 29th, 2013 email that rebalanced the custody account (#7923441) consistent with SunTrust's new tactical strategy.** Servando Parapar moved to ratify. Martha Broucek seconded the motion. The motion carried unanimously.

7. b) Burgess Chambers & Associates – Performance Report for the Quarter Ending June 30th, 2013. Mr. Chambers stated the fund had done well. For the quarter the fund earned \$81K or +0.5% net (+0.6% gross), ahead of the model portfolio (-0.2%) and ranked in the top 21st percentile. Large-cap growth (+4.3%), large-cap value (+3.3%), large-cap core (+2.8%) and small-cap (+2.5%) were the best performing asset classes during this period. Fiscal year-to-date, the fund had earned \$1.5 million or +7.6% net (+8.1% gross), ahead of the model portfolio (+7.5%). Small-cap (+20.4%), mid-cap (+17.0%), large-cap value (+14.2%) and large-cap core (+13.3%) were the best performing asset classes during this period. For the rolling three-year period the fund earned, on average, +11.7% per year, and well ahead of the actuarial assumption rate. Rolling three and five-year returns ranked in the top 42nd and top 15th percentiles, respectively. Mr. Chambers also reviewed with the trustees the returns of the DROP and SHARE plans, which were based on the individual members' investment choices.

7. c) Request from Frontier Capital Management – Authorized Chairman to sign letter acknowledging agreement. Attorney Bieler stated she had reviewed the letter and determined that the chairman could sign. Servando Parapar moved to authorize the chairman to sign. Jose Monteagudo seconded the motion. The motion carried unanimously.

7. d) Request Carolyn Greaves from Human Resources to provide ICMA with personal information for new hires going into the SHARE Plan. Ms. Greaves was currently providing all the details required by ICMA for new members. The trustees recommended asking Ms. Greaves to provide this and advise Anthony Chifari how this would be handled.

7. e) Schools & Conferences

- FPPTA, Trustees School, 9/29 – 10/2/2013, PGA National Resort & Spa, Palm Beach Gardens
- Division of Retirement will be hosting a conference in Orlando, approximately 10/22 – 24/2013. Attorney Bieler advised there was no registration fee for the conference. Rooms were available at the Sea World Hotel.
- Nuts & Bolts of Shareholder Litigation – 1 day seminar 10/18/13 at Westin Diplomat Hotel, Hollywood (free of charge)

8. Trustees' Concerns – Terms of Office

- Michael Haring and Jose Monteagudo terms as trustees expire on 9/30/13. They both advised that elections would be held in their respective departments.

- Servando Parapar (Fifth Trustee) term expires on 9/30/13. Chairman Haring inquired if Mr. Parapar was interested in serving again. Mr. Parapar stated he would. Jose Monteagudo moved to nominate Servando Parapar to serve an additional two year term commencing October 1, 2013 until September 30th, 2015. Michael Haring seconded the motion. The motion carried unanimously.
- Martha Broucek was reappointed by Village Council on August 27th, 2013 for another two year term.

Jose Monteagudo suggested calling special meetings just for the purpose of timely implementing benefits for members who were ready to begin DROP participation or receive retirement benefits rather than waiting until the next regular meeting. Attorney Bieler stated the chairman had the authority to call a special meeting for this purpose.

9. REPORTS

- **Attorney** – August 12th, 2013 Memorandum regarding SB 50 – Public Comments at Pension Board meetings. Attorney Bieler reviewed the Rules of Procedure for Public Comment and Participation at Pension Board Meetings with the trustees. Servando Parapar moved to adopt the “Rules of Procedure on Public Comments” attached to the memorandum. Jose Monteagudo seconded the motion. The motion carried unanimously. The Rules of Procedure for Public Comment and Participation at Pension Board Meetings would be provided to anyone who desired to speak before the board.
- **Administrator**
 - Annual Report was approved on July 23, 2013
 - State Funds due to the plan: Fire \$246,072.95 and Police \$120,163.65. There would be an additional supplemental check for the Fire distributed on September 30th, 2013.
- **Other** – SunTrust’s 2012 Addendum to Float Disclosure was included in the agenda packages.

10. Input from Active Members/Retired Members/Public Comments. Fire Lt. Gary Carter asked questions about the retirement process in light of possible ordinance changes to the plan.

11. Next Meeting Date/Adjournment. Chairman Haring announced the next regular meeting was scheduled for Thursday, November 20th, 2013 at 5:30 PM. There being no further business before the board, Jose Monteagudo moved to adjourn at 8:01 PM. Martha Broucek seconded the motion. The motion carried unanimously.

Respectfully submitted,

Servando Parapar, Secretary