

**BAL HARBOUR VILLAGE POLICE OFFICERS'
PENSION PLAN AND TRUST**

Bal Harbour Village Hall, 2nd Floor Conference Room
655 – 96th Street, Bal Harbour, Fl 33154
REGULAR QUARTERLY MEETING – MARCH 12TH, 2018

1. Call to Order – The meeting of the Bal Harbour Village Police Officers' Pension Plan was called to order at 4 P.M.

Roll Call

Present

Gregory Matthews
Daniel Gold
Ronald Smith

Absent

David Levin

OTHERS PRESENT: Moises Ariza from Marcum LLP, Patrick Donlan from Foster & Foster, Inc., (arrived at 5 P.M.), Lt. Jack Young, Stephanie Marquez, Assistant Village Clerk, Ramiro Inguanzo, Village Manager, Paul A. Daragjati, Esq., from Klausner, Kaufman, Jensen & Levinson, Attorneys for the Plan via speakerphone and Joan L. Wall, Clerk to the Board of Trustees.

2. Introduction of New Trustee – Gregory Matthews (Police). Gregory Matthews was sworn in by the Assistant Village Clerk prior to the meeting and introduced to those present where he outlined his previous experience.

3. Election of Officers

- **Chairman** – Ronald Smith nominated Daniel Gold. Gregory Matthews seconded the nomination.
- **Secretary** – Ronald Smith nominated Gregory Matthews. Daniel Gold seconded the nomination.

4. Signature Letters for Fiduciary Trust International – Gregory Matthews had signed the required form prior to the meeting.

5. Additions/Deletions to Agenda. Since the agenda had been published the benefit calculation for the widow of Miguel De La Rosa had been received reflecting a payment of \$1,292.46 per month. Lt. Jack Young spoke briefly at this time questioning how the calculation was made.

6. Approval of Minutes for October 30th, 2017. Chairman Gold presented the minutes from the previous meeting for approval. Ronald Smith moved to approve. Gregory Matthews seconded the motion. The motion carried unanimously.

7. Approval of Warrant #100. Chairman Gold presented the invoices listed on the agenda for approval and payment in the amount of \$78,970.96. Ronald Smith moved to approve payment. Gregory Matthews seconded the motion. The motion carried unanimously, authorizing payment of the following:

Klausner, Kaufman, Jensen & Levinson, Nov, 2017 – March, 2018 Retainers, etc.	\$ 10,014.43
Joan L. Wall, 10/23/17 – 3/4/18, 101 hrs, plus expenses \$259.28(2 invoices)	\$ 5,285.54
Sawgrass Asset Management; Investment Fee for Qtr Ending 12/31/17	\$ 28,414.55
Fiduciary Trust International, Custody for Qtr Ending 11/30/17	\$ 3,305.08
AndCo Consulting, Performance Report for Qtr Ending 12/31/17	\$ 4,562.19
Foster & Foster, Invoice #11613, dated 1/11/18	\$ 600.00
Foster & Foster, Invoice #11844, dated 2/21/2018	\$9,816.00
<u>TOTAL</u>	\$ 10,416.00
FPPTA, Dues for 2018 (2946 Wellington Circle East, #A, Tallahassee, FL 32309)	\$ 600.00
Ronald Smith, Reimbursement for attendance at 47 th P/F Conference	\$ 1,373.17
Marcum, LLP, Invoice#101159828 dated 10/31/17	\$1,000.00
Marcum, LLP, Invoice#101164704 dated 11/30/17	\$5,000.00
Marcum, LLP, Invoice#101170301 dated 12/31/17	\$9,000.00
<u>TOTAL</u>	\$ 15,000.00
<u>TOTAL for Warrant #100</u>	\$ 78,970.96

8. Approval: Commencement of Retirement Benefit, Beneficiary Death Benefit and Beginning of DROP Participation. Chairman Gold presented the following for approval:

- **Alvin McFarlane**, DROP March 1, 2013 to February 28th, 2018, Monthly Benefit to begin March 1st, 2018 in the amount of \$7,298.11. Ronald Smith moved to approve payment of monthly benefits after end of DROP participation. Gregory Matthews seconded the motion. The motion carried unanimously.
- **James P. Balikes**, DROP Participation, November 1, 2017 to October 31st, 2022, Monthly Benefit of \$7,393.87. Ronald Smith moved to approve. Gregory Matthews seconded the motion. The motion carried unanimously.
- **Jenine De La Rosa**, Beneficiary Death Benefit, effective February 1st, 2018 in the amount of \$1,292.46 per month for ten years. Discussion followed regarding the language of the plan ordinance that was unclear exactly how this benefit should be determined and calculated by the actuary. After input from Attorney Daragjati that he wanted to speak to the Village attorney regarding the language in the ordinance that addressed how a death benefit should be calculated and that the ordinance did provide for correcting a previously

approved benefit calculation in the event it was incorrect, Gregory Matthews moved to approve her benefit in the amount of \$1,292.46 per month for ten years beginning effective February 1, 2018. Ronald Smith seconded the motion. The motion carried unanimously. If it was determined at a later date there was a different way of calculating the benefit that would result in a higher benefit, the matter would be addressed again at that time.

9. UNFINISHED BUSINESS – None.

NEW BUSINESS

10 a) Marcum, LLP – Presentation of Financial Statements for September 30th, 2017. Moises Ariza was present to review with the trustees and others, the results of the audit findings. In the firms' opinion, the 2017 financial statements present fairly in all material respects, the respective net position of the plan as of September 30th, 2017, and the respective changes in net position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America. Gregory Matthews moved to accept the financial statements. Ronald Smith seconded the motion. The motion carried unanimously.

10. b) Foster & Foster, Inc., Presentation of the Actuarial Valuation Report for October 1, 2017. Patrick Donlan was present to review the report with the trustees. The report outlined the contribution requirements applicable to the fiscal year September 30th, 2019. Total required contribution was \$1,792,129. After deductions for the expected member contributions of \$245,880 and the State of \$48,057, the balance due from the Village would be \$1,498,192. During the past 12 months there was net unfavorable actuarial experience on the basis of the actuarial assumptions. This included higher than expected increases in pensionable compensation, no turnover, no inactive mortality and the service-connected death of an active member. These were partially offset by the 8.59% investment return. There were no plan changes since the prior valuation. The only change was the mandated change of the assumed rates of mortality that were changed to the rates used by the Florida Retirement System as required by law. Gregory Matthews moved to accept the report. Ronald Smith seconded the motion. The motion carried unanimously.

Mr. Donlan was asked as to a recommendation of the current year, next year and going forward rate of investment return. He recommended continuing with 8% based on the current report. Gregory Matthews moved to accept his recommendation of 8%. Ronald Smith seconded the motion. The motion carried unanimously.

10. c) Davidson, Jamieson & Cristini, P.L. – Engagement Agreement for preparation of the 2017 Annual Report for a fee of \$1,000 to \$1,500. Foster & Foster had corrected what had been posted online for the prior year and Mr. Donlan stated they would charge a higher fee to prepare the report for 2017. Attorney

Daragjati stated they had satisfactory results using this CPA firm. Gregory Matthews moved to approve using the firm with the stipulation they obtain board approval if the fee would be any higher than \$1,500.00. Ronald Smith seconded the motion. The motion carried unanimously.

10. d) Sawgrass Asset Management – Investment Report. Mr. Gosch was not present today due to a prior commitment made prior to two changes in the meeting date. His report was available to all for their review.

10. e) AndCo Consulting – Performance Report for December 31st, 2017. Mr. McCann was also not present today due to meeting change dates. His report was available for review. Assets were Domestic Equity 61.5%, Domestic Fixed Income 37.1% and Cash Equivalents 1.4% for a total market value of \$22,738,336, up \$1,901,141 from the previous quarter. Total net return for the quarter was 4.31%, one year 14.47%, three years 6.61% and five years 9.82% as compared to the fund policy returns of 4.27%, 14.03%, 7.74% and 10.08% for the same time periods. The fund outperformed for the quarter and one year periods. Sawgrass equity and fixed outperformed for quarter and one year.

10. f) Review/Accept – Net DROP Return of 4.31% for the quarter ending December 31st, 2017. Based on the report provided, Gregory Matthews moved to accept. Ronald Smith seconded the motion. The motion carried unanimously.

10. g) Schools/Conferences

- **FPPTA**, 34th Annual Conference, 6/24 – 27/18, Rosen Shingle Creek, Orlando
- **Division of Retirement** – 39th Annual Police Officers' & Firefighters' Pension Trustees' School, June 4th – 6th, 2018, Tallahassee, Fl

11. Input from Active/Retired Members – None.

12. Trustees' Concerns – Chairman Gold suggested nominating David Levin to the position of Vice Chairman. Ronald Smith moved to nominate David Levin to the position of Vice Chairman. Gregory Matthews seconded the motion. The motion carried unanimously.

13. Public Comments - None.

14. REPORTS

- **Attorney** – None.
- **Board Clerk** – Annual Affidavits sent 1/9/2018, all received except one.
- **Other** –

15. Next Meeting Date/Adjournment – Chairman Gold announced the next quarterly meeting was scheduled for Monday, April 30th, 2018 at 3 P.M.

There being no further business before the board, Gregory Matthews moved to adjourn at 5:30 P.M. Ronald Smith seconded the motion. The motion carried unanimously.

Respectfully submitted,



Daniel Gold, Chairman



Gregory Matthews, Secretary