

**CITY OF PALMETTO
POLICE OFFICERS' PENSION
BOARD OF TRUSTEES
May 23, 2016 - 11:00 A.M.**

CALL TO ORDER

1. AGENDA APPROVAL

Action Request: Motion to approve the May 23, 2016 Police Officers' Pension Board agenda.

2. PUBLIC COMMENT

3. APPROVAL OF MINUTES

(TAB 1)

Action Request: Motion to approve the February 29, 2016 minutes.

4. APPROVAL OF EXPENSES

(TAB 2)

- A) Christiansen and Dehner: Invoices Dated 2/29/2016, 3/31/2016,
- B) Sawgrass Asset Management-High Quality Core Fixed Income Invoice Dated 3/31/2016
- C) Sawgrass Asset Management-Diversified Large Growth Equity Invoice Dated 3/31/2016
- D) Bogdahn Group Invoice #13632
- E) Anchor Capital Advisors Invoice for period 3/31/2016
- F) Salem Trust Invoice Dated January 1, 2016 to March 31, 2016

Action Request: Motion to ratify the paid expenses as presented.

5. SAWGRASS MANAGEMENT REVIEW

Gregg Gosch and David Siegel from Sawgrass will be present to review the Sawgrass Portfolio.

6. INVESTMENT REVIEW

John Thinnes, Bogdahn Group, will present the end of quarter investment review.

7. BENEFITS DISBURSEMENT APPROVAL

- A. DROP PARTICIPANT
 - NONE
- B. TERMINATED NON-VESTED EMPLOYEES
 - NONE
- C. TERMINATED VESTED EMPLOYEES
 - NONE
- D. RETIRED EMPLOYEES
 - NONE
- E. DECEASED RETIREES
 - NONE
- F. DECEASED ACTIVE EMPLOYEE PAYOUT
 - NONE

Action Request: Motion to approve the benefit disbursements at presented. *No action required.*

8. NEW MEMBER ACKNOWLEDGEMENT (Informational Only)

- None

9. ATTORNEY CHRISTIANSEN'S REPORT

10. PLAN ADMINISTRATOR'S REPORT

(TAB 3)

Review Section 22-199 of the City of Palmetto Code of Ordinances.

Discussion regarding the option for language in the Code of Ordinances or Rules and Procedures of the Plan regarding the payment of actuarial calculations for members seeking retirement or DROP.

11. ADJOURN

If any person desires to appeal any decision of the City Commission, CRA Board, or of any other Board of the City, that person will need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based (FS §286.0105).

The City of Palmetto does not discriminate on the basis of race, color, national origin, sex, religion, age, marital status or handicapped status in employment or in the provision of services. Handicapped individuals may receive special accommodation in services on forty-eight hours notice (FS §286.26). Anyone requiring reasonable accommodation for this meeting as provided for in the American with Disabilities Act should contact the City Clerk by telephone at 941-723-4570, fax 941-723-4576 or e-mail jfreeman@palmettofl.org or afoley@palmettofl.org.

POSTED AND DISTRIBUTED: May 17, 2016

NEXT MEETING: August 29, 2016

TAB 1

**DRAFT
CITY OF PALMETTO
POLICE OFFICERS' PENSION
BOARD OF TRUSTEES
February 29, 2016 - 11:00 A.M.**

Board Members Present:

Mike Stinson, Chair
Mike Fuller, Secretary
Michael Becks
Coby Gaulien
Ryan LaRowe

Staff and Others Present:

John Thinnis, Bogdahn Group
Scott Christiansen, Board Attorney
Amber Foley, Assistant City Clerk

Chair Stinson called the meeting to order at 11:00 a.m.

1. AGENDA APPROVAL

Motion: Mr. Gaulien moved, Mr. LaRowe seconded, and the motion carried 5-0 to approve the February 29, 2016 Police Officers' Pension Board agenda.

2. PUBLIC COMMENT

None.

3. APPROVAL OF MINUTES

Motion: Mr. Becks moved, Mr. Fuller seconded, and the motion carried 5-0 to approve the November 30, 2015 minutes.

4. ELECTION OF CHAIR

Motion: Mr. LaRowe moved, Mr. Fuller seconded, and the motion carried 5-0 to elect Mike Stinson as Chair for term ending in 2018.

5. ELECTION OF 5TH TRUSTEE

Motion: Mr. Stinson moved, Mr. LaRowe seconded, and the motion carried 5-0 to elect Mike Fuller as the 5th Trustee for a term ending in 2018.

6. APPROVAL OF EXPENSES

- A) Christiansen and Dehner: Invoices Dated 11/30/2015, 12/31/2015, 1/31/2016
- B) Sawgrass Asset Management-High Quality Core Fixed Income Invoice Dated 1/11/2016
- C) Sawgrass Asset Management-Diversified Large Growth Equity Invoice Dated 1/11/2016
- D) Bogdahn Group Invoice #12944
- E) Foster & Foster Invoice #8323
- F) Anchor Capital Advisors Invoice for period 10/1/2015 through 12/31/2015
- G) FPPTA Registration for Trustee Mike Fuller \$450.00
- H) Mike Fuller reimbursement for FPPTA Trustee School \$584.01

Motion: Mr. Becks moved, Mr. LaRowe seconded, and the motion carried 5-0 to ratify the paid expenses as presented.

7. INVESTMENT REVIEW

John Thinnis, Bogdahn Group, presented the end of quarter review. He stated that the Portfolio was valued at \$10,842,392 with a gain net-of-fees of \$361,252; there is no need for rebalance at this time.

Mr. Thinnis discussed the Principal Real Estate Fund. The Board discussed moving funds out of Sawgrass Fixed Income to invest into Principal. Mr. Gaulien opined that the Board should prepare the transaction now to get into the queue.

Motion: Mr. Gaulien moved, Mr. Becks seconded, and the motion carried 5-0 to take \$250,000 from Fixed Income and invest into Principal Real Estate Fund.

Mr. Thinnis will make the changes to the Investment Policy Statement to increase the real estate fund to 8 percent.

Diversification of the Portfolio was discussed. Mr. Thinnis will prepare a domestic equity search for core manager to compliment both Sawgrass and Anchor.

8. 2015 ACTUARIAL VALUATION REPORT

Doug Lozen, Foster & Foster, reviewed the October 1, 2015 Actuarial Valuation Report. He commented that the percent of total annual payroll that the City contributes increased from 26.63 percent to 30.01 percent.

Mr. Lozen reviewed page 11 of the Report commenting on the two approved changes to the Report; the new mortality assumption and the Fresh Start method change.

Mr. Lozen also informed the Board that the Plan's Funded Ratio is 87.9 percent.

Motion: Mr. Becks moved, Mr. Gaulien seconded, and the motion carried 5-0 to accept the October 1, 2015 Actuarial Valuation Report.

Motion: Mr. Fuller moved, Mr. LaRowe seconded, and the motion carried 5-0 to declare that based on the advice of our investment professionals and/or actuary, the Board of Trustees declare that the total expected annual rate of return for the next year, the next several years, and the long term thereafter shall be 7.5%, net of related expenses.

Mr. Lozen informed the Board that it would be in the best interest of the Plan to have Foster & Foster perform an experience study. The investment and salary increases of the Plan need to be reviewed. He opined the long term salary assumption could be lowered from the 7.5 percent. Mr. Lozen would like to look at lowering the investment assumption also. If the Board agrees, he will work on an updated experience study and bring forward to the next meeting and the cost should not exceed \$6,500.

Motion: Mr. Fuller moved, Mr. LaRowe seconded, and the motion carried 5-0 to approve the actuary performing an experience study not to exceed \$6,500.

Mr. Fuller discussed lowering the investment rate of return from 7.5 percent. Further discussion will occur after the experience study is presented in August.

9. BENEFITS DISBURSEMENT APPROVAL

A. DROP PARTICIPANT

- NONE

B. TERMINATED NON-VESTED EMPLOYEES

- Justin Garza

C. TERMINATED VESTED EMPLOYEES

- NONE

D. RETIRED EMPLOYEES

- Christopher Leister
- Jerome Waiters (left money in and now collecting his retirement)

E. DECEASED RETIREES

- NONE

F. DECEASED ACTIVE EMPLOYEE PAYOUT

- NONE

Motion: Mr. LaRowe moved, Mr. Becks seconded, and the motion carried 5-0 to approve the benefits disbursement as presented.

10. NEW MEMBER ACKNOWLEDGEMENT (*Informational Only*)

- Nico Lee

11. ATTORNEY CHRISTIANSEN'S REPORT

It was verified that the updated Summary Plan Description was distributed to all Plan members.

Attorney Christiansen informed the Board that during the last legislative session there were no proposed changes to effect the Plan.

Mr. Christiansen prepared the Ordinance for the City to adopt that incorporates the changes from the Internal Revenue Code with the addition of the share plan language.

12. PLAN ADMINISTRATOR'S REPORT

Ms. Foley updated the Board on the recent Pension Letter 11, Confirmation of Benefits, which was sent out to all active retirees/beneficiaries. She is still waiting on the return of a few more letters.

In regards to Ordinance 2016-01 (as mentioned during Attorney Christiansen's comments) has been put on the agenda for Commission approval. Due to several questions regarding the Ordinance, Mr. Christiansen will be in attendance to answer their questions at the next Commission meeting on March 7, 2016.

Chair Stinson adjourned the meeting at 12:42 p.m.

Minutes approved:

Mike Fuller
Secretary

TAB 2

Christiansen & Dehner, P. A.

63 Sarasota Center Boulevard
Suite 107
Sarasota, FL 34240-

941-377-2200
Phone

941-377-4848
Fax

February 29, 2016

City of Palmetto Police Officers'
Retirement Plan
P. O. Box 1209
Palmetto, FL 34220-1209
Attn: Amber Foley

Invoice Number

In Reference To: City of Palmetto Police Officers'
Retirement Plan

9422

27914

Professional Services

	<u>Hours</u>	<u>Amount</u>
2/23/2016 Telephone conference with J. Freeman.	0.20	78.80
2/25/2016 Revise proposed ordinance and e-mail to J. Freeman.	0.20	78.80
2/29/2016 Preparation and attendance at Board Meeting.	2.20	866.80
Travel Time	0.70	137.90
For professional services rendered	3.30	\$1,162.30

Additional Charges :

	<u>Qty</u>	
2/29/2016 Car Expense	1	13.50
Food Expense	1	5.50
Total additional charges		\$19.00

Total amount of this bill

\$1,181.30

Balance due

\$1,181.30

** Please note that the "Balance Due" figure at the end of this bill reflects both "Total New Charges - Current Period" and any previous balances due. In most cases, if the previous balance(s) have already been approved for payment but not yet received in our office, you should be paying only the "Total New Charges - for services and/or expenses". Thank you.

**Please indicate account number(s) with payment.
(Please Deduct any payments not reflected in Balance due)**

Christiansen & Dehner, P. A.

63 Sarasota Center Boulevard
Suite 107
Sarasota, FL 34240-

941-377-2200
Phone

941-377-4848
Fax

March 31, 2016

City of Palmetto Police Officers'
Retirement Plan
P. O. Box 1209
Palmetto, FL 34220-1209
Attn: Amber Foley

Invoice Number

In Reference To: City of Palmetto Police Officers'
Retirement Plan

9422

28053

Professional Services

	<u>Hours</u>	<u>Amount</u>
3/7/2016 Preparation for and attendance at City Commission meeting.	1.00	394.00
Travel Time	1.50	295.50
For professional services rendered	2.50	\$689.50
Additional Charges :		
	<u>Qty</u>	
3/7/2016 Car Expense	1	27.00
Total additional charges		\$27.00
Total amount of this bill		\$716.50
Previous balance		\$1,181.30
Accounts receivable transactions		
3/22/2016 Payment - thank you. Check No. 23180		(\$1,181.30)
Total payments and adjustments		(\$1,181.30)
Balance due		<u>\$716.50</u>

** Please note that the "Balance Due" figure at the end of this bill reflects both "Total New Charges - Current Period" and any previous balances due. In most cases, if the previous balance(s) have already been approved for payment but not yet received in our office, you should be paying only the "Total New Charges - for services and/or expenses" . Thank you.

**Please indicate account number(s) with payment.
(Please Deduct any payments not reflected in Balance due)**



April 12, 2016

Palmetto Police Officers' Pension Fund - High Quality Core Fixed Income
Attn: Ms. Leta Chaney, VP & Regional Manager
c/o Salem Trust Company
1715 N. Westshore Blvd, Ste 750
Tampa, FL 33607

Re: Palmetto Police Officers' Pension Fund - High Quality Core Fixed Income

Dear Leta:

Please find enclosed our first quarter invoice for the period ending March 31, 2016.

A self-addressed, stamped envelope has been enclosed for your convenience.

We appreciate the opportunity to work with you and for your continued confidence in our investment services.

Should you have any questions, please call me at (904)493-5500.

Sincerely,

Gregory S. Gosch
Senior Manager of Client Services
Sawgrass Asset Management
1579 The Greens Way, Ste. 20
Jacksonville Beach, FL 32250

Enclosure

cc: Diane Ponder, City of Palmetto

04-11-16

Palmetto Police Officers' Pension Fund - High Quality Core Fixed Income

Attn: Ms. Leta Chaney, VP & Regional Manager

c/o Salem Trust Company

1715 N. Westshore Blvd, Ste 750

Tampa, FL 33607

Sawgrass Asset Management

SUMMARY OF MANAGEMENT FEES

For The Period 1st Quarter Ending 03-31-2016

Portfolio Value with Accrued Interest as of 03-31-16

2,940,252.24

2,940,252 @ 0.2500% per annum

1,837.66

Quarterly Management Fee

1,837.66

TOTAL DUE AND PAYABLE

1,837.66



April 12, 2016

Palmetto Police Officers' Fund - Diversified Large Growth Equity
Attn: Ms. Leta Chaney, VP & Regional Manager
c/o Salem Trust Company
1715 N. Westshore Blvd, Ste 750
Tampa, FL 33607

Re: Palmetto Police Officers' Fund - Diversified Large Growth Equity

Dear Leta:

Please find enclosed our first quarter invoice for the period ending March 31, 2016.

A self-addressed, stamped envelope has been enclosed for your convenience.

We appreciate the opportunity to work with you and for your continued confidence in our investment services.

Should you have any questions, please call me at (904)493-5500.

Sincerely,

Gregory S. Gosch
Senior Manager of Client Services
Sawgrass Asset Management
1579 The Greens Way, Ste. 20
Jacksonville Beach, FL 32250

Enclosure

cc: Diane Ponder, City of Palmetto

04-11-16

Palmetto Police Officers' Fund - Diversified Large Growth Equity

Attn: Ms. Leta Chaney, VP & Regional Manager

c/o Salem Trust Company

1715 N. Westshore Blvd, Ste 750

Tampa, FL 33607

Sawgrass Asset Management

SUMMARY OF MANAGEMENT FEES

For The Period 1st Quarter Ending 03-31-2016

Portfolio Value as of 03-31-16

3,065,024.70

3,065,025 @ 0.7000% per annum

5,363.79

Quarterly Management Fee

5,363.79

TOTAL DUE AND PAYABLE

5,363.79



4901 Vineland Rd Suite 600 Orlando, FL 32811

Invoice

Date	Invoice #
3/30/2016	13632

Bill To
City of Palmetto Police Attn: Amber Foley Attn: Salem Trust

Description	Amount
Performance Evaluation for 12/31/15 Reports and Consulting Services through 3/31/16 1/1/16 - 3/31/16	3,875.00
Balance Due	\$3,875.00



Anchor Capital Advisors LLC
One Post Office Square
Boston, MA 02109-2103
Tel: (617) 338-3800 | Fax: (617) 426-6871
www.anchorcapital.com

April 1, 2016

Cust: Salem Trust Company
Acct: XXXXXX7628

Matt Misco
P. O. BOC 1209
Palmetto, FL 34220

MANAGEMENT FEE:

**City of Palmetto Police Officers' Retirement Fund
3159**

For the Period 1/1/2016 through 3/31/2016

3/31/2016 Portfolio Value: \$ 2,622,239.38

Quarterly Fee Based On:

All Assets

\$ 2,622,239 @ 0.75% per annum

\$ 4,916.70

Quarterly Fee:

\$ 4,916.70

Paid by Debit Direct (\$ 0.00)

Please Remit \$ 4,916.70



April 15, 2016

City of Palmetto
Attn: Jim Freeman
P.O. Box 1209
Palmetto, FL 34220

Fee A/C# M00992
Palmetto Police

Fee Advice for Period January 1, 2016 to March 31, 2016

Detail of Calculation:

	Annual Fee	Quarterly Fee
Flat Fee	\$ 3,000.00	\$750.00
	TOTAL DUE	\$750.00

These fees will automatically be charged to your account.
If you have any questions, please contact Mindy Johnson at 813.288.4990

TAB 3

registered or certified United States mail to such address is returned, mailing of checks will be suspended until such time as the member or retiree notifies the board of his address.

- (6) *Benefits not guaranteed.* All benefits payable to a member from the DROP shall be paid only from the assets of the member's DROP account and neither the city nor the board shall have any duty or liability to furnish the DROP with any funds, securities or other assets except to the extent required by any applicable law.
- (7) *Construction.*
- a. The DROP shall be construed, regulated and administered under the laws of the state, except where other applicable law controls.
 - b. The titles and headings of the subsections in this section 22-198 are for convenience only. In the case of ambiguity or inconsistency, the text rather than the titles or headings shall control.
- (8) *Forfeiture of retirement benefits.* Nothing in this section shall be construed to remove DROP participants from the application of any forfeiture provisions applicable to the system. DROP participants shall be subject to forfeiture of all retirement benefits, including DROP benefits.
- (9) *Effect of DROP participation on employment.* Participation in the DROP is not a guarantee of employment and DROP participants shall be subject to the same employment standards and policies that are applicable to employees who are not DROP participants.
- (Ord. No. 02-759, § 8, 10-7-02; Ord. No. 06-901, § 1, 10-2-06; Ord. No. 09-998, § 15, 10-19-09)

Sec. 22-199. Bi-annual review of status of retirees and beneficiaries.

The board shall review every two (2) years, the status of all service retirees, disability retirees and beneficiaries who are receiving payments from the system for the purpose of considering whether to recommend an ad hoc increase in benefits for all such persons. For purposes of its recommendation regarding the granting of ad hoc cost-of-living increases, and in consideration of the position of the state division of retirement, the board shall make a recommendation for an increase only if the net actuarial gains experienced since the most recent adjustment are sufficient to fully purchase the value of the additional benefits. The calculation of net actuarial gains and losses shall be computed by the board's actuary using generally accepted actuarial principles, and the cost method employed in the actuarial valuation of the fund, and shall be in compliance with F.S. § 112.61.

(Ord. No. 06-901, § 1, 10-2-06)

Secs. 22-200—22-210. Reserved.

REVIEW →