

City of Boynton Beach Municipal Firefighters Pension Trust Fund

MINUTES

May 2, 2018

9:00 AM

The regular meeting of the Board of Trustees of the City of Boynton Beach Municipal Firefighters Pension Trust Fund was called to order on behalf of the Board by Chairman Matt Petty, on May 2, 2018, at 9:07 A.M. at 2080 High Ridge Road, Boynton Beach, Florida 33325

TRUSTEES PRESENT:

Mr. Matt Petty – Chairman; Mr. Jon Raybuck – Secretary; Ms. Helen Bush – Trustee; Mr. Stan Cale – Trustee (arrived at 9:14 A.M.); & Fire Chief Glenn Joseph – Ex Officio.

ABSENT:

Mr. Robert Taylor-Trustee

OTHERS PRESENT:

Mr. Adam Levinson- Board Attorney; Mr. Bob Dorn, Plan Administrator – Precision Pension Administration, Inc.; Mr. David West – AndCo Consulting; Mr. Michael Smollen - Retired Member; Mr. Kevin Quinn – Retired Member; Mr. Shawn Weeks and Mr. Jonathan McMahan

It should be noted that there was a quorum for the Board to have an official meeting.

PUBLIC DISCUSSION:

There were no public comments or discussion.

CONSENT AGENDA:

APPROVAL OF THE MINUTES:

The Board of Trustees reviewed the minutes for the February 7, 2018 pension meeting. A Motion was made by Trustee Raybuck to approve the minutes. The Motion was seconded by Trustee Bush. The Motion passed 3-0.

WARRANTS / RATIFICATIONS:

Mr. Dorn presented to the Board Warrants 067 through 085 for payment. The Board reviewed and discussed each Warrant. A Motion was made by Trustee Raybuck to approve Warrants 067 through 085. The Motion was seconded by Trustee Bush. The Motion passed 3-0.

WARRANT 067

This Warrant is to Gabriel, Roeder, Smith & Company for actuarial services performed for the Pension Fund through 2/9/2018. The invoice number is 436400. The amount of this Warrant is for \$12,257.00.

WARRANT 068

This Warrant is to Chairman Matt Petty for reimbursement of costs related to a notary expense for a security litigation case for the Pension Fund. The amount of this Warrant is for \$8.00.

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WARRANT 069

This Warrant is to Jevate Collins for refund of pension contributions. The amount of this Warrant is for \$43,114.91.

WARRANT 070

This Warrant is to Robert Dorn for reimbursement of postage expenses for Pension Fund business, receipts attached. The amount of this Warrant is for \$68.60.

WARRANT 071

This Warrant is to Klausner, Kaufman, Jensen & Levinson for legal services rendered through 02/28/2018 to the pension fund. The amount of this Warrant is \$3,395.00. The invoice number is 21341.

WARRANT 072

This Warrant is to Schrodgers Investment Management for investment fees from 10/1/2017 to 12/31/2017. The amount of this Warrant is for \$11,035.83. The invoice number is 132555.

WARRANT 073

This Warrant is to Schrodgers Investment Management (TIPS Account) for investment fees from 10/1/2017 to 12/31/2017. The amount of this Warrant is for \$1,239.10. The invoice number is GB93788001.

WARRANT 074

This Warrant is to Professional Indemnity Insurance for fiduciary liability insurance for the Pension Fund from 4/10/2018 to 4/18/2019. The amount of this Warrant is for \$16,470.00.

WARRANT 075

This Warrant is to AndCo Consulting, LLC for consulting services and professional evaluation of pension fund's investments for the period of 1/1/2018 to 3/31/2018. The amount of this Warrant is \$10,000.00. The invoice number is 24483.

WARRANT 076

This Warrant is to Kevin Quinn for a DROP disbursement from his DROP account. The amount of this Warrant is for \$5,000.00.

WARRANT 077

This Warrant is to Klausner, Kaufman, Jensen & Levinson for legal services rendered through 03/31/2018 to the pension fund. The amount of this Warrant is \$420.00. The invoice number is 21491.

WARRANT 078

This Warrant is to Gabriel, Roeder, Smith & Company for actuarial services performed for the Pension Fund through 2/9/2018. The invoice number is 437743. The amount of this Warrant is for \$5,100.00.

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WARRANT 079

This Warrant is to Edwin Esteves for a DROP disbursement from his DROP account. The amount of this Warrant is for \$2,793.83. This DROP disbursement will be re-occurring each and every month until either the member stops it or there are no funds in his DROP account.

WARRANT 080

This Warrant is to Robert Dorn for reimbursement of postage expenses for Pension Fund business, receipts attached. The amount of this Warrant is for \$100.00.

WARRANT 081

This Warrant is to DSM Capital Partners for investment management fees from 4/1/2018 to 6/30/2018. The invoice number is 21057. The amount of this Warrant is for \$31,523.21.

WARRANT 082

This Warrant is to Robert Dorn for reimbursement of postage and envelope expenses for Pension Fund business, receipts attached. The amount of this Warrant is for \$168.88.

WARRANT 083

This Warrant is Edward Leamon for a DROP disbursement from his DROP account. The amount of this Warrant is for \$5,000.00.

WARRANT 084

This Warrant is to Robert Dorn for reimbursement of postage expenses for Pension Fund business, receipts attached. The amount of this Warrant is for \$49.40.

WARRANT 085

This Warrant is to Denis Flushing for a DROP disbursement from his DROP account. The amount of this Warrant is for \$25,000.00.

Trustee Cale arrived at the meeting at 9:14 A.M.

NEW / UNFINISHED BUSINESS:

Mr. Dorn outlined an issue for members not having their compensatory time counted towards their average final compensation (AFC) for benefit calculations. The Board discussed this issue along with the Board's Attorney, Mr. Levinson. Trustee Raybuck made a Motion to have the Actuary, Attorney and Plan Administrator to obtain the necessary payroll records and then report back to the Board regarding to who the members are who did not have their rollover compensatory time used in the AFC and rollover over to their DROP Accounts, if the Board is allowed to retroactively change their DROP balances and AFC benefit calculations to include the compensatory time. The Motion was seconded by Trustee Cale. The Motion passed 4-0. Mr. Dorn advised that he would work with the City's Payroll Department and internal payroll clerk within the Fire Department to review and report back to the Board on the number of members, amounts and potential changes to the AFC and DROP account balances. Trustee Raybuck advised that he did some initial research on this matter and members in the past had their compensatory time added into the member's AFC and then rolled over to their DROP accounts. Trustee Raybuck advised that it appears that compensation time

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stopped being rollover starting with DROP Member Rodrick Nance until present (10/1/2013 to 5/1/2018). Trustee Raybuck advised that the last two members (Lederhandler & Brant) who entered the DROP on May 1, 2018, did have compensation time used in the AFC and rolled over to their DROP accounts. In the aforementioned time frame, there were some changes in the internal payroll clerk position and the amounts were never sent to the City's Payroll Department for the Plan Administrator or the Actuary to use in AFC's or rollovers to DROP Accounts. The Board directed Mr. Dorn to review the issues and report back to the Board. Mr. Levinson advised he would write a memo to the Board regarding this issue. Chairman Petty advised that he wants this issue corrected as soon as possible and if necessary, to have a special meeting before the next regular scheduled meeting. Chief Joseph advised that he would have the internal payroll clerk ensure that the compensation is sent to the City's Payroll Department so the amounts are used in the benefit calculations going forward.

Mr. Dorn advised that the Florida Public Pension Trustee Association (FPPTA) is having a Board of Directors election to be held at the next meeting (June/2018). Mr. Dorn gave the Trustees FPPTA election packet which included the names of the candidates and the candidates' resumes. The Board discussed this issue. The Board directed Chairman Petty to vote on behalf of the Board at the FPPTA election in June/2018.

ATTORNEY REPORT:

Mr. Adam Levinson made the presentation to the Board for the law firm of Klausner, Kaufman, Jensen & Levinson.

Mr. Levinson gave a verbal summary of the rollover of sick, vacation and compensatory time when an employee is terminated (vested & non-vested), enters the DROP Plan and retires. A member's rollover amounts will be either entered a (1) Terminal Leave Account or (2) DROP Account. If a member enters the DROP Plan, his/her rollover amounts will enter the DROP account and all other member's rolled over funds will enter a Terminal Leave Account. The Terminal Leave Account can be rolled over to a retirement fund or paid to the member directly. The Terminal Leave account will bear no interest on the funds. The Member will have up to 90 days to make their decision to rollover the funds to another retirement account or paid to them directly. After the 90 days, the funds will be paid to the member with 20% in taxes deducted. Mr. Levinson advised that he will have some Administrative Policies on this issue. The Board discussed this issue. Mr. Dorn advised that the City's Payroll have been sending all of the funds (sick, vacation and compensation time) to the Pension Plan since January 1, 2018. With these changes, there will be no maximum deferral and threshold limits for rollovers for the members under the Internal Revenue Code.

Mr. Levinson submitted to the Board a memo to summarize the Senate Bill 376 which was adopted by the Senate in a vote of 33-0 and the House vote of 114-0. The Governor now has to vote on this Bill. This Bill is referred to as the "PTSD Bill" (Post Traumatic Stress Disorder). This Bill would amend Section 112.1815, Florida Statutes, governing employment-related accidents and injuries for first responders. The Bill revives the worker's compensation "impact rule". As a result, physical injury is no longer required for a first responder to receive workers' compensation indemnity benefits for PTSD. The Bill is a guide for meaningful information to help pension boards, but does not bind them in making decisions for disability pensions. This Board discussed this issue and Trustee

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Bush spoke about her knowledge and experience in dealing with clients regarding PTSD. Chief Joseph advised that the Fire Department's training unit will be working with the active members on this topic.

ACTUARY REPORT:

Mr. Dorn advised that Mr. Pete Strong (Actuary) submitted to him the City of Boynton Beach Firefighters Pension Trust Fund's Chapter 112.664, F.S. Compliance Report in connection with the October 1, 2017 Funding Actuary Valuation Report and the Plan's Financial Reporting for the year ending September 30, 2017. Mr. Dorn advised that this report as per Chapter 112.664, F.S., Chapter 60-T is required for the Plan for mandatory disclosure purposes. Mr. Dorn advised that the report has to be posted on the Pension Plan's web site, given to the City's Clerk's Office as well as a link to the pension web site. The Board reviewed the report and then discussed the report. Trustee Raybuck made a Motion to accept the Chapter 112.664, F.S. Compliance Report as submitted. Trustee Bush seconded the Motion. The Motion passed 4-0.

MONITOR REPORT:

Mr. David West made the presentation to the Board for AndCo. Mr. West then gave an overview of the domestic and foreign markets to the Board for the previous quarter and the last fiscal year. Mr. West advised that on 12/31/2017, the Fund's market value was \$111,529,219. The market value of the Fund on 03/31/2018 was \$110,810,994. Mr. West reported to the Board the following investment reports for the portfolio:

RETURN PERIODS

NAME	Quarter	Fiscal Year	1-Year	3-Year
Total Fund Net	0.39%	3.71%	11.13%	7.78%
Total Fund Gross	-0.37%	3.51%	10.01%	7.17%
<i>Domestic Equity</i>				
Anchor All Cap Value	-0.67%	2.18%	7.78%	7.55%
Vanguard 500 Index	-0.77%	5.82%	13.95%	10.74%
DSM Large Growth	2.85%	8.80%	27.16%	13.01%
Vanguard Mid-Cap	0.00%	5.66%	12.34%	7.88%
<i>International Equity</i>				
WCM Internat Growth	1.78%	7.02%	20.75%	10.60%
American EuroPacific	1.03%	5.30%	21.18%	7.93%
<i>Domestic Fixed Income</i>				
Schroders Core fixed	-1.16%	-1.22%	0.47%	1.30%
Schroders TIPS	-0.31%	0.25%	0.81%	1.46%
<i>Global Fixed Income</i>				
PIMCO Diversified Income Fund	-064%	0.04%	4.60%	5.37%
<i>Real Estate</i>				
Intercontinental	2.79%	5.62%	9.85%	12.77%

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the City Council. Mr. Levinson advised that this was acceptable. Mr. Dorn advised that it would be posted with the minutes. Mr. Dorn advised that the 2017 Public Pension Coordinating Council Award will be posted with the February/2018 minutes. The Board agreed to both of these postings.

Mr. Dorn presented to the Board the proposed 2018/2018 Administrative Budget which is mandatory per Section 112, Florida Statutes. The total proposed Administrative Budget is \$380,500.00. The Board discussed this topic and proposal. Trustee Raybuck made a Motion to approve the 2018/2019 Administrative Budget. Trustee Cale seconded the Motion. The Motion passed 4-0. Mr. Dorn advised that he would have this posted on the Pension Fund's web site and submitted to the City's Clerk's Office.

Mr. Dorn advised that he sent out to all of the retirees the 2018 Confirmation of Benefits form (formerly called Alive & Well Forms).

Mr. Dorn advised that there was a Capital Call of \$714,159.00 from Crescent Direct Lending on 3/13/2018. Mr. Dorn advised that the transfer letter was sign and sent to the Regions Bank on 2/28/2018. On 3/12/2018, representatives from Regions Bank assured Mr. Dorn that the wire was sent from the Pension Fund's Account. On 3/15/2018, representatives from Regions Bank advised that they did not receive the requested Funds. Apparently, there were some internal issues within Regions Bank's procedures as to why the wire was not sent out. The Bank did send the funds later in the day on 3/15/2018. There were no other issues regarding this matter.

Mr. Dorn submitted to the Trustees Regions Bank's Internal Audit Report which is commonly referred to as the SSAE 16 Report. The Board reviewed the report as requested by the Auditor's each year.

Mr. Dorn advised that on 4/16/2018, the Wells Fargo checking account was closed and all of the funds were transferred to the Regions Bank R & D account. Mr. Dorn advised that Chairman Petty was with him when the account was closed. Regions Bank acknowledged the receipt of the funds. Mr. Dorn advised that he notified the Florida Department of Financial Services that the Pension Fund closed this account.

Mr. Dorn advised that he submitted the 2018 COLA increases to the Board for approval on 10/1/2018. The Board reviewed the document and approved the increases. Trustee Raybuck made a Motion to approve the 10/1/2018 COLA increases to retirees who are eligible and outlined to the Board. Trustee Bush seconded the Motion. The Motion passed 4-0.

Mr. Dorn submitted to the Board the 2017 State of Florida Financial Disclosure Form 1 to the Trustees. This financial disclosure must be completed by active Board members as well as any members who entered or left the Board during 2017. The Trustee acknowledged this. Mr. Dorn advised that he sent the form to Trustee Taylor via mail.

Mr. Dorn advised that the 2017 Employee Benefit Statements are completed. The Board discussed this issue and directed Mr. Dorn to have the Employee Benefit Statements mailed to each member's home address. Mr. Dorn advises that he will have them mailed to the members.

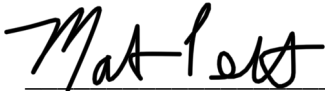
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OPEN DISCUSSION:

None

ADJOURN:

Trustee Cale made a Motion to adjourn the meeting. Trustee Raybuck seconded the Motion. The Motion passed 4-0. The meeting was adjourned at 11:54 A.M.

A handwritten signature in black ink, appearing to read "Matt Petty", written over a horizontal line.

Matt Petty, Chairman

FOR THE BOARD