

**PALM BAY POLICE AND FIREFIGHTERS' PENSION PLAN  
BOARD OF TRUSTEES  
Special Meeting 18-02**

Held on the 19<sup>th</sup> of January, 2018 at Robert J. Conlan Professional Center, 1501 R. J. Conlan Blvd., NE, Suite 240, Palm Bay, Florida.

This meeting was properly noticed pursuant to law; the minutes are on file in the Office of the City Clerk, City Hall, Palm Bay, Florida.

Timothy W. Lancaster, Chairperson, called the meeting to order at the hour of 9:14 a.m.

**ROLL CALL:**

**PRESENT**

Timothy W. Lancaster, Chairman, Police Elected  
Jason Dorey, Vice Chairman, Fire Elected  
Richard B. Adams, Trustee, Board Appointee  
Guillermo William Capote, Sr., Trustee, City Councilmember Appointee

**EXCUSED**

James W. Brock, Secretary, Trustee,  
City Council Appointee

Also, in attendance were Ms. Kathy Adams, Board Administrator and Ms. Lark Janes, CPA LLC; Mr. Clement Johns, Audit Director, CPA, and Mr. Joaquin Urquiola, Partner, CPA, BDO USA LLP, telephoned at 10:29 a.m.

Motion by Mr. Capote, seconded by Mr. Adams to excuse Mr. Brock's attendance. Motion carried with members voting as follows: Mr. Dorey, Yea; Mr. Adams, Yea; Mr. Capote, Yea; and Mr. Lancaster, Yea.

**AGENDA REVISIONS:**

Motion by Mr. Adams, seconded by Mr. Capote to add under Adoption of Minutes, FORM 8B MEMORANDUM OF VOTING CONFLICT FOR COUNTY, MUNICIPAL, AND OTHER LOCAL PUBLIC OFFICERS-Read by Mr. Capote; and under New Business\*1. Consideration of Warrants for Payment: f. JP Morgan Strategic Property Fund-\$25,720.72-RE Strat Prop Fund Fee for Period Ending 12/31/2017, Invoice No. 20171231-57655-A (Fire Fund Only); g. JP Morgan Strategic Property Fund-\$25,720.72-RE Strat Prop Fund Fee for Period Ending 12/31/2017, Invoice No. 20171231-1788-A (Police Fund Only); h. SSI Investment Management-\$10,486.00-Management Fee 10/1-12/31/2017; Inv. No. 002018-0029 (Police Fund Only); i. SSI Investment Management-\$10,314.00-Management Fee 10/1-12/31/2017; Inv. No. 002018-0030 (Fire Fund Only); \*4. Request for Buy Back of Prior Firefighter Service-Firefighter William M. Curphey; \*5. Request to Prepare Retirement Benefit Analysis from Foster & Foster at Member's Expense-Firefighter Edward Yanes; \*6. Termination Refund/Rollover/or Vested Termination, If Eligible-Police Officer JoAnn Upperman; \*7. Termination Refund/Rollover/or Vested Termination, If Eligible-Firefighter Jonathon Comer; \*8. Application for Retirement & DROP-Firefighter Bertram Lewis; \*9. New Plan Member Applications; Member Beneficiary Changes; Pre-Retirement Death Benefit Option Selection Forms; Member Retirement Beneficiary Forms; and DROP Beneficiary Designations. These items were considered under Consent Agenda and approved as presented. Motion carried with members voting as follows: Mr. Dorey, Yea; Mr. Adams, Yea; Mr. Capote, Yea; and Mr. Lancaster, Yea. Mr. Brock arrived at 9:17 a.m.

**CONSENT AGENDA:**

Motion by Mr. Capote, seconded by Mr. Adams to approve the Consent Agenda. Motion carried with members voting as follows: Mr. Dorey, Yea; Mr. Brock, Yea; Mr. Adams, Yea; Mr. Capote, Yea; and Mr. Lancaster, Yea.

**ADOPTION OF MINUTES:**

**\*Regular Minutes 18-01**

This item was approved under Consent Agenda as presented.

**FORM 8B MEMORANDUM OF VOTING CONFLICT FOR COUNTY, MUNICIPAL, AND OTHER LOCAL PUBLIC OFFICERS-Read by Mr. Capote**

Mr. Capote read the form regarding his request to purchase an iPad Retina Tablet from the Fund.

**PRESENTATIONS AT 10:30 A.M.:**

1. Mr. Clement Johns, Audit Director, CPA, BDO USA LLP, and Mr. Joaquin Urquiola, Partner, CPA-Audit for Fiscal Year Ending 9/30/2017-Ms. Adams and Ms. Janes discussed the project calendar established by Ms. Adams early on and the delays by BDO along the way. The on-site audit was thorough, but BDO's team was not established until around October/November thereby delaying the process. A final draft was supposed to be received the end of the prior week but had been received this morning. Upon review, several items were incorrect. Both expressed concern about the ability to have an accurate presentation for this meeting and disappointment in the product. Ms. Janes stated she received another draft while this discussion was taking place. The Board discussed various options. Mr. Johns and Mr. Urquiola telephoned at 10:29 a.m. Mr. Johns began presenting the audit. He mentioned some typo's and stated everything would be corrected. Mr. Capote left the meeting at 10:37 a.m. and did not return. Mr. Johns discussed the Share Plan. He said there was an issue he had to resolve with Foster & Foster on classification of investments. Mr. Lancaster halted the presentation and addressed the issues and timelines. Mr. Johns' apologized stating he was out of the loop due to the flu and they had added new people to the firm. Mr. Lancaster said the Board expected the final presentation at the February 2<sup>nd</sup> meeting. Mr. Johns said he would have the final draft by the end of next week. Mr. Lancaster asked what could be done to correct this as the Board had never seen this with Mr. Johns in the past and that they could not have this again next year. Mr. Johns said he will look at this along with his partners and would be calling a meeting on it. Ms. Adams and Ms. Janes will get their prior list of corrections to Mr. Clement on Monday. Ms. Adams was instructed to schedule the presentation at the February 2<sup>nd</sup> Board meeting. The call ended at 10:57 a.m.
2. Ms. Lark Janes, CPA, LLC-Audit Review, Accounting Updates, Custodial Review-Ms. Janes said she will be here on February 2<sup>nd</sup> and thanked the Board for their action relative to BDO. She said her portal site is working well. The transition with Salem went well. She said the displays on-line are more informative. The Board recessed at 11:16 a.m. and reconvened at 11:24 a.m. Ms. Janes did not return to the meeting.

**OLD BUSINESS:**

Discussion of Long Range Projects Established in 2017-Planning Strategy for \$250M Fund: Ms. Adams reviewed the accomplishments over the last year stating the market value at January 1, 2018 was estimated to be \$188 Million; administrative expenses remained stable at ten percent (10%) for the last two years; the Firefighter Fund has twelve (12) DROP participants with eighteen (18) firefighters that could be eligible to retire over the next five (5) years. She reviewed the annual breakdown of those numbers. The Police Fund has twelve (12) DROP participants with sixteen (16) that could be eligible to retire over the next five (5) years. She reviewed the annual breakdown of those numbers.

Legislative Issues: She said GASB is now part of the audit preparation. Because of that, State Exhibit Reports are done the first or second week of October. Some of the in-house forms need to be updated due to the police maximum changing, new Qualified Domestic Relations Order forms recommended by the Board attorney, plus new public record's language to be included in all new contracts.

LRS Upgrades & Development: The automated COLA processing has been implemented by Ms. Taglia-Polak on PensionGold and is being used. It took a lot of time working with the programmer on this project but will save time with future processing. Ms. Adams said they had four (4) disabilities in process this year and they had that occur only one other time during her 21+ years with the Fund. They are time-consuming and that is being targeted for automation of some of the processes on PensionGold. Ms. Taglia-Polak and Ms. Adams have been making note of some upgrades on the system that could help, so those will be worked on this year. We need to address the Boardroom TV and conferencing situation, but it was not added to the goals. Mr. Lancaster said he just used Best Buy to set up his personal TV and they were great. If we move forward on this, he would assist.

Monitor Custodial & Legal Transitions: Ms. Adams said the on-line access with US Bank and Salem has helped to research member inquiries and respond in a timely manner. The communication is excellent with Salem staff and it helps that we have Ms. Johnson and Ms. Parsons as primary contacts. Ms. Adams said she has been monitoring the custodial and legal relationships and have been very pleased with both. Ms. Adams said she is very impressed with Mr. Klausner and his staff. They always respond quickly, regardless of the time of day or night. They are professional, informative, easy to work with and proactive. She continues to send Board minutes and copies of certain items to Mr. Cypen. She spoke to him this week and he is doing well. The Board requested that he be kept in the loop on the Board minutes. We are streamlining the warrant process. Salem requires more back-up documentation and verification, but that is a good thing for internal controls. Ms. Taglia-Polak and I are looking at paperless statements from investors, except for Salem, to reduce the incoming mail and duplication in filing and scanning. Ms. Johnson with Salem had planned to attend the February meeting, but asked that it be postponed until a later meeting.

Member Communication & Education: Ms. Adams said we need to research a secure email site with E-signature availability. She needs to review the website and clean it up. Mr. Lancaster wants the Frequently Asked Question section expanded and perhaps have a separate page for Police and Fire active and retirees. Ms. Adams said the retiree page needs expanded due to increased members at open insurance enrollment and more members are reaching the age of Medicare. Share Plan language needs to be added. There are some legislative requirements that are spread throughout the site. Ms. Adams said we may want to add a specific Legislative page to include those requirements in one easy-to-read page. Ms. Adams said two members' personal accounts were hacked this month. They are time-consuming because they must change their account information and we must notify Salem and redo their documentation. We are seeing more of

this and it will continue. We are seeing an increase in the number of new hire orientations and terminations, but they are manageable. A TV conferencing system for use in those situations could be helpful. Also Mr. Klausner asked for it when he or his staff are included in meetings. If there is a large Firefighter group, Ms. Adams said she will conduct those on site at the Emergency Operations Center (EOC), but utilization of TV Conferencing could be used for that. She said the Summary Plan Descriptions still need to be updated and now that all the Share Plan ordinances have been adopted, she will move forward on that.

Office Location: The lease agreement is good through 2022. Two offices in-house have been repaired. Mr. Warner has been hired back so when they came in and did the repairs, the offices were left spotless. Ms. Adams said she saw mold in the downstairs women's bathroom a/c vents and reported it to the building manager. She was advised within a couple of days that it was dust on the exhaust vents and they were rusted so they replaced them. The response was fast. She also noted that the deli downstairs had been gutted and was perhaps being made available as office space. Mr. Lancaster discussed land location stating it would be several years before anything would be done. He asked if the client insurances were up-to-date. He asked that he be provided a copy of the list. Mr. Adams said Mr. Warner was contacting him and asked if the Board was OK with that and they said yes.

Staffing & Education: Ms. Adams said we are continuing to use temporary staff for scanning and filing. It has not only freed up staff's time but is more cost-effective to the Fund in the long-run. The scanning is going faster this year and items were boxes earlier than in the past, so the process is working. Written procedures for various items must be established and will be on-going.

Records Retention & Retrieval: A written records management procedure must be established along with the records log. Once we finish the 2017 scanning, we need to look at a disposal schedule to keep the number of boxes off-site down to a reasonable number. The goal is to finish the 2017 and prior years' boxes; complete the scanning of member files; scan the contract files; then establish an annual scanning procedure for new documents going into member and contract files.

Disaster Recovery: We had Computer Experts recently test email vulnerability. We look at our hurricane procedures every time we go through one and update them. We need to have a written procedure on the encryption recovery drive. Ms. Adams said we have had a busy year, but eh desire is to accomplish the goals established in a timely, yet manageable method. She asked if the Board wanted to add anything to the goals and they did not.

2. Long Range Planning for 2018-Ms. Adams said she would delete "Monitor Custodial & Legal Transitions" from the goal topics but retain the rest. She will prepare a revision for 2018 for discussion and approval at the February meeting.

## **NEW BUSINESS:**

### **\*1. Consideration of Warrants for Payment:**

\*a. Salem Trust-\$14,694.95-Account Management Fee for 10/1-12/31/2017, Fee A/C#M05207- This item was approved under Consent Agenda as presented.

\*b. BDO USA LLP-\$1,950.00-For Audit Services Year Ended September 30, 2017-Invoice No. 000903850-This item was approved under Consent Agenda as presented.

\*c. Eagle Asset Investment Management-\$2,811.15-Management Fees for Billing Period 10/01/-12/31/2017, Invoice No. 0410066529669 (Police Fund Only)-This item was approved under Consent Agenda as presented.

- \*d. Eagle Asset Investment Management-\$1,152.58-Management Fees for Billing Period 10/01-12/31/2017, Invoice No. 943765769691 (Fire Fund Only)-This item was approved under Consent Agenda as presented.
  - \*e. Burgess Chambers & Associates, Inc.-\$18,928.35-Performance Monitoring & Advisory Fee for Quarter End 12/31/2017; Invoice No. 18-27-This item was approved under Consent Agenda as presented.
  - \*f. JP Morgan Strategic Property Fund-\$25,720.72-RE Strat Prop Fund Fee for Period Ending 12/31/2017, Invoice No. 20171231-57655-A (Fire Fund Only)-This item was approved under Consent Agenda as presented.
  - \*g. JP Morgan Strategic Property Fund-\$25,720.72-RE Strat Prop Fund Fee for Period Ending 12/31/2017, Invoice No. 20171231-1788-A (Police Fund Only)-This item was approved under Consent Agenda as presented.
  - \*h. SSI Investment Management-\$10,486.00-Management Fee 10/1-12/31/2017; Inv. No. 002018-0029 (Police Fund Only)-This item was approved under Consent Agenda as presented.
  - \*i. SSI Investment Management-\$10,314.00-Management Fee 10/1-12/31/2017; Inv. No. 002018-0030 (Fire Fund Only)-This item was approved under Consent Agenda as presented.
2. Board Business-Mr. Brock located the Galaxy Tab 2 and is not interested in purchasing it. Motion by Mr. Brock, seconded by Mr. Adams to donate the item to St. Joseph's School or the Brevard School Foundation. Motion carried with members voting as follows: Mr. Dorey, Yea; Mr. Brock, Yea; Mr. Adams, Yea; and Mr. Lancaster, Yea. Mr. Adams said he received a call from Sprint about installing an amplifier relay box for office. If the Board accepts it and installs it there is not cost; however, if it is accepted and it is not used and not returned, there is a \$150.00 charge. If it is returned, then we must pay the postage fees only. There was discussion about having one installed at the office and the other two for trustees' use. Motion by Mr. Brock, seconded by Mr. Dorey to approve the order of three (3) boxes with the understanding that they must be used and returned if the Board member is no longer on the Board. Each box will be listed on the Inventory Log and noted as such. Motion carried with members voting as follows: Mr. Dorey, Yea; Mr. Brock, Yea; Mr. Adams, Yea; and Mr. Lancaster, Yea. Mr. Lancaster said he canceled attendance at the upcoming FPPTA School. He is going to NCPERS in New York. He said he will be arriving on Monday for the June FPPTA Conference due to a conflict with a family celebration and asked the Board if that was OK. The Board did not have any issue with it.
3. Raise Cash for the Receipt & Disbursement Account-Motion by Mr. Brock, seconded by Mr. Dorey to approve the raising of cash in the amount of \$500,000.00 for the Receipt & Disbursement Account as directed by Mr. Cole and Ms. Janes. Motion carried with members voting as follows: Mr. Dorey, Yea; Mr. Brock, Yea; Mr. Adams, Yea; and Mr. Lancaster, Yea.
- \*4. Request for Buy Back of Prior Firefighter Service-Firefighter William M. Curphey-This item was approved under Consent Agenda as presented.
  - \*5. Request to Prepare Retirement Benefit Analysis from Foster & Foster at Member's Expense-Firefighter Edward Yanes-This item was approved under Consent Agenda as presented.
  - \*6. Termination Refund/Rollover/or Vested Termination, If Eligible-Police Officer JoAnn Upperman-This item was approved under Consent Agenda as presented.
  - \*7. Termination Refund/Rollover/or Vested Termination, If Eligible-Firefighter Jonathon Comer-This item was approved under Consent Agenda as presented.

PBP&F Pension Fund  
Special Minutes 18-02  
January 19, 2018

\*8. Application for Retirement & DROP-Firefighter Bertram Lewis-This item was approved under Consent Agenda as presented.

\*9. New Plan Member Applications; Member Beneficiary Changes; Pre-Retirement Death Benefit Option Selection Forms; Member Retirement Beneficiary Forms; and DROP Beneficiary Designations-Member beneficiary forms were accepted and approved for Police Officer Nicole S. Caroffino and Firefighter Michael D. Kurrus; A member beneficiary form for retirement was accepted and approved for Firefighter Bert Lewis; and a Deferred Retirement Option Plan (DROP) beneficiary designation was accepted and approved for Firefighter Bert Lewis. These items were considered under Consent Agenda and approved as presented.

**INPUT FROM ACTIVE AND RETIRED PLAN MEMBERS:**

There was no input from any active or retired plan members at this time.

**INPUT FROM THE PUBLIC:**

There was no input from the public at this time.

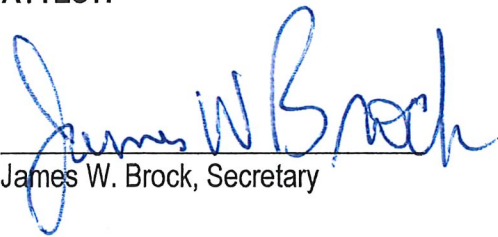
**ADJOURNMENT:**

There being no further business, the meeting adjourned at 12:10 p.m.



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Timothy W. Lancaster, Chairperson

**ATTEST:**



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James W. Brock, Secretary