

**PALM BAY POLICE AND FIREFIGHTERS' PENSION PLAN  
BOARD OF TRUSTEES  
Quarterly Meeting 18-10**

Held on the 3<sup>rd</sup> of August, 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 9:07 a.m.

**ROLL CALL:**

**PRESENT**

Timothy W. Lancaster, Chairman, Police Elected  
Jason Dorey, Vice Chairman, Fire Elected  
Richard B. Adams, Trustee, Board Appointee

**EXCUSED**

James W. Brock, Secretary, Trustee,  
City Councilmember Appointee  
Guillermo William Capote, Sr., Trustee,  
City Councilmember Appointee

Also in attendance was Ms. Kathy Adams, Board Administrator, Palm Bay Police & Firefighters' Pension Fund; Ms. Alex Bluto and Ms. Lysandria Serrano, HR Benefits Analysts 1, City of Palm Bay. Mr. Blake Myton, First Vice President, Institutional Advisory Services, SunTrust Private Wealth Management arrived at 10:00 a.m.; Mr. Larry Cole, Senior Consultant, Burgess Chambers & Associates, arrived at 10:30 a.m.

Motion by Mr. Dorey, seconded by Mr. Adams to excuse Mr. Brock as he was on his was from work and would be attending shortly and Mr. Capote because of scheduling conflict. Motion carried with members voting as follows: Mr. Dorey, Yea; Mr. Adams, Yea; and Mr. Lancaster, Yea.

**AGENDA REVISIONS:**

Motion by Mr. Adams, seconded by Mr. Dorey under Old Business to remove Mr. Engard from the Burgess Chambers presentation as she was not attending the meeting; remove 1. Ms. Santa Isabel Wright from the Presentation for the 5<sup>th</sup> Trustee as she had called this morning to rescind her application; Add 6. Follow-up Items from Ms. Taglia-Polak, d. Police Disability Robert Rama, Share Money; to Add under New Business: \*1. Consideration of Warrants for Payment, s. Wells Capital Management-\$12,452.79-Management Fees for Quarter End 04/01/2018-06/30/2018, Invoice No. 11853206 (Police Fund Only); t. Wells Capital Management-\$7,149.48-Management Fees for Quarter End 04/01/2018-06/30/2018, Invoice No. 11853213 (Fire Fund Only) and Items No. \*9. Termination Refund/Rollover/or Vested Termination, If Eligible, Police Officer Bailey Ritchie-Sullivan; \*10. Termination Refund/Rollover/or Vested Termination, If Eligible, Police Officer Priscilla King; and \*11. Termination Refund/Rollover/or Vested Termination, If Eligible, Police Officer Ron Lugo. Motion carried with members voting as follows: Mr. Dorey, Yea; Mr. Adams, Yea; and Mr. Lancaster, Yea.

**CONSENT AGENDA:**

Motion by Mr. Adams, seconded by Mr. Dorey to approve the Consent Agenda.as revised. Motion carried

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with members voting as follows: Mr. Dorey, Yea; Mr. Adams, Yea; and Mr. Lancaster, Yea.

**ADOPTION OF MINUTES:**

\*Regular Minutes 18-09

This item was approved under Consent Agenda as presented. Mr. Brock arrived at 9:15 a.m.

**PRESENTATIONS FOR THE FIFTH TRUSTEE POSITION AT 9:30 A.M.:**

1. Ms. Santa Isabel Wright-Ms. Adams said Ms. Wright called this morning to rescind her application. Ms. Wright said she spoke to someone at the Council meeting and understood Mr. Adams was a retired police officer and had been on the Board for a long time. She heard he was doing a good job. She had been and wanted to stay involved in the community but did not want to cause disruption. She wished the Board well.

2, Mr. Richard Burnett Adams-Motion by Mr. Brock, seconded by Mr. Dorey to maintain Mr. Adams as the 5<sup>th</sup> Trustee for the next two-year term. Motion carried with members voting as follows: Mr. Dorey, Yea; Mr. Brock, Yea; and Mr. Lancaster, Yea. Mr. Adams did not vote as Florida State Statutes 175.032 and 185.05 state "The fifth member shall be chosen by a majority of the previous four members..."

**SUNTRUST QUARTERLY REPORT AT 10:30 A.M.:** CONTINUANCE (the Board considered this item out of order at 10:30 A.M. as noticed for time certain):

1. SunTrust Institutional Investment Solutions-Mr. Blake Myton, First Vice President, Investment Manager

a. Quarterly Report-Mr. Myton discussed the trade and settlement process. The Mid-cap Value Fund is billed with SunTrust at 80 basis points. It is the same fee but billed differently under the co-mingled fund. It trades daily but has less reporting than the mutual funds. They bill at 80 basis points, and one-quarter of that goes to Salem. The new switch will be different; SunTrust will have 20 basis points built in and the investor bills at 60 basis points. It does away the other excessive billing product. Mr. Cole arrived at 10:30 a.m. Mr. Myton distributed a document to the Board. Ms. Adams asked Mr. Myton to let Ms. Janes, CPA, know when the transition occurs. He said it will be the same account number under "Virtus", but no longer eighty (80) some accounts. Virtus holds the previous SunTrust boutiques. Motion by Mr. Adams, seconded by Mr. Dorey to move forward with the transition of the Mid-cap Value Fund into the Virtus Collective Investment Trust. Motion carried with members voting as follows: Mr. Dorey, Yea; Mr. Brock, Yea; Mr. Adams, Yea; and Mr. Lancaster, Yea. The Board asked Ms. Adams to send the information to Mr. Klausner, Board Attorney, for review.

Mr. Myton said growth was better than value for the quarter. Domestic stocks were better. The International Fund did poor. The return for June 30<sup>th</sup> for the SunTrust portfolio was 1.05%. He feels stocks will do better than bonds. The SunTrust portfolio market value at June 30<sup>th</sup> was \$73,964,345.

**BURGESS CHAMBERS QUARTERLY REPORT AT 11:00 A.M.:** CONTINUANCE (the Board considered this item out of order at 10:30 A.M. as noticed for time certain):

1. Burgess Chambers & Associates-Mr. Larry Cole, Consultant (Ms. Engard did not attend)
  - a. Quarterly Report-Mr. Cole said it was Burgess Chambers & Associates' 30<sup>th</sup> anniversary. Said the returns net of investment management fees for the quarter was 2.2% with a market value of \$190,297,113 for the entire Fund. He said today the fund was close to the assumed rate of return for the year. Historically September is lower. He does not expect the feds to be overly aggressive. He does not recommend any changes to the asset allocation. The Master Limited Partnership has crept up. The ranking for the quarter is in the top thirteen percentile (13%); fiscal year to date, twenty-two percent (22%). It was not a good quarter for Frontier or Mid-cap growth, but it is good long term. He said the Ceredex Mid-cap Value will change to Virtus. The Convertibles have done well. Over the last decade they have taken bonds from forty percent (40%) to twenty percent (20%) by diversification. We have about fourteen (14) managers and they are doing a good job.

Mr. Cole talked to the Convertible Bond managers and the restriction is twenty-five percent (25%) on 144A securities. They are unregistered securities that come to the market). They asked if it could be revisited. He recommends we go up to thirty-five percent (35%) on 144A securities. He said the 144A market is about twenty-three percent (23%) of the Convertible index. Mr. Cole provided an investment policy change on Advent and SSI. Motion by Mr. Adams, seconded by Mr. Brock to approve the changes to the Addendum to Statement of Investment Policy for Advent and SSI from 25% to 35% for 144A securities; #2, add "Bank of America" to Merrill Lynch All U.S. Convertible Index. Motion carried with members voting as follows: Mr. Dorey, Yea; Mr. Brock, Yea; Mr. Adams, Yea; and Mr. Lancaster, Yea. Motion by Mr. Adams, seconded by Mr. Brock to approve the changes to the Statement of Investment Policy for August 3, 2018 as presented: page 2, add Bank of America to Merrill Lynch All U.S. Convertible Index; page 3, from Barclays Capital to Bloomberg Barclays U.S. Aggregate Bond Index; and add infrastructure target at 5%; page 3 & 5, adding infrastructure to Master Limited Partnerships; and change Barclays Capital U.S. Aggregate Bond Index to Bloomberg Barclays U.S. Aggregate Bond Index. Motion carried with members voting as follows: Mr. Dorey, Yea; Mr. Brock, Yea; Mr. Adams, Yea; and Mr. Lancaster, Yea.

**OLD BUSINESS:**

1. Actuarial Services & Projects: Foster & Foster, Inc.
  - a. FOP Negotiations-Mr. Lancaster said the contract is done and will be presented to City Council on August 14<sup>th</sup>. The only change is allowing the payment of small amounts without the member's consent. This item is pending.
  - b. Annual Required City Contributions-Motion by Mr. Dorey, seconded by Mr. Adams to authorize sending the year-end compensation report to Foster & Foster for an employer contribution analysis and to approve the invoice for this service. Motion carried with members

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voting as follows: Mr. Dorey, Yea; Mr. Brock, Yea; Mr. Adams, Yea; and Mr. Lancaster, Yea.

c. State Funding for Police Officers-Ms. Adams said the money had not arrived yet. Motion by Mr. Adams, seconded by Mr. Brock to authorize sending the Police state fund amount to Foster & Foster to determine how much money was available for the Share Plan and to approve the invoice for this service. Motion carried with members voting as follows: Mr. Dorey, Yea; Mr. Brock, Yea; Mr. Adams, Yea; and Mr. Lancaster, Yea.

d. State Funding for Firefighters-Ms. Adams said the money had not arrived yet. Motion by Mr. Dorey, seconded by Mr. Adams to authorize sending the Fire state fund amount, to include the Supplemental Check to be received in October, to Foster & Foster to determine how much money was available for the Share Plan and to approve the invoice for this service. Motion carried with members voting as follows: Mr. Dorey, Yea; Mr. Brock, Yea; Mr. Adams, Yea; and Mr. Lancaster, Yea.

e. Reinstatement Police Officer Robert Vickers-Ms. Adams said she received a spreadsheet from the City regarding the reinstatement of Officer Vickers. She would be meeting with Ms. Lindsay to review it to forward it to Foster & Foster for a statement on monies owed to the Fund. She would notify the City about remittance of Foster's invoice as discussed in the June meeting. Motion by Mr. Dorey, seconded by Mr. Adams to move forward with processing the analysis with Foster & Foster and Officer Vickers's reinstatement upon receipt of all monies. Motion carried with members voting as follows: Mr. Dorey, Yea; Mr. Brock, Yea; Mr. Adams, Yea; and Mr. Lancaster, Yea.

\*2. DROP Returns for June 30, 2018-Gross returns for June 30, 2018 were 2.32% and 2.16% net of fees. This item was considered under Consent Agenda and approved as presented.

3. Review of Annual Joint City Council/Pension Workshop-Mr. Lancaster said it went very well and appreciated the speakers.

4. Mauldin & Jenkins, CPA, Letter of Engagement and Follow-up-Motion by Mr. Adams, seconded by Mr. Brock to approve the Letter of Engagement and Addendum with Mauldin & Jenkins, CPA, and to approve any expenses incurred in the transition from BDO or other agencies. Motion carried with members voting as follows: Mr. Dorey, Yea; Mr. Brock, Yea; Mr. Adams, Yea; and Mr. Lancaster, Yea.

5. Proposed Budget FYE 2018-2019-Ms. Adams said Ms. Taglia-Polack attended a conference where Cyber Insurance was discussed. Ms. Adams contacted Arthur J. Gallaher and they sent information on various coverages and premiums. She recommended the highest coverage at \$5 Million as most of the coverage is for attorney fees. Motion by Mr. Adams, seconded by Mr. Brock to approve Cyber Insurance at the maximum, to have it reviewed by Mr. Klausner, Board Attorney, and Computer Experts, an upon written agreement of the amount of coverage by Mr. Klausner. Motion carried with members voting as follows: Mr. Dorey, Yea; Mr. Brock, Yea; Mr. Adams, Yea; and Mr. Lancaster, Yea. Ms. Adams reviewed the proposed budget. Motion by Mr. Adams, seconded by Mr. Brock to approve the proposed 2018-2019 budget in the amount of \$735,000. Motion carried with members voting as follows: Mr. Dorey, Yea; Mr. Brock, Yea; Mr. Adams, Yea; and Mr. Lancaster, Yea. Ms. Adams said the upgrades for all three workstations would be needed in 2019; however, Surface Pro's should be replaced as they come up for upgrades. Motion by Mr. Brock, seconded by Mr. Adams to approve the workstation upgrades through Computer Experts. Motion carried with members voting as follows: Mr. Dorey, Yea; Mr. Brock, Yea; Mr. Adams, Yea; and Mr. Lancaster, Yea. Ms. Adams said there are five (5) chairs in the boardroom that need replaced. Motion by Mr. Brock, seconded by Mr. Dorey to replace five (5) executive chairs in the boardroom to be expensed in

the 2017-2018 budget. Motion carried with members voting as follows: Mr. Dorey, Yea; Mr. Brock, Yea; Mr. Adams, Yea; and Mr. Lancaster, Yea. Mr. Dorey said his phone needs replaced. Motion by Mr. Brock, seconded by Mr. Adams to authorize Mr. Dorey to upgrade his phone with accessories through Sprint to be expensed in the 2017-2018 budget. Motion carried with members voting as follows: Mr. Dorey, Yea; Mr. Brock, Yea; Mr. Adams, Yea; and Mr. Lancaster, Yea.

6. Follow-up Items from Ms. Taglia-Polak

a. Handyman Services with Gregory Jeffcoat-Ms. Adams said Mr. Jeffcoat was willing to provide the necessary paperwork and would meet our needs. He would come in once a month to change the filters, but we would continue to have Mr. Dorey purchase them on his Corporate VISA. Motion by Mr. Brock, seconded by Mr. Dorey to approve the contract with Mr. Jeffcoat. Motion carried with members voting as follows: Mr. Dorey, Yea; Mr. Brock, Yea; Mr. Adams, Yea; and Mr. Lancaster, Yea.

b. Upcoming Events-Educational Opportunities-There was discussion about the New York CPPT School for 2019 and that Trustees Lancaster, Brock, Adams, and Capote were eligible to attend. The Board requested the hotel reservations be made for four (4) due to availability, but to hold off on registration and per diem expenses.

c. PensionGold Upgrades Ms. Adams said there were various upgrades that would enhance the office workflow with PensionGold. She would be meeting with Ms. Taglia-Polak to review those upgrades. Motion by Mr. Brock, seconded by Mr. Adams to approve the PensionGold upgrades. Motion carried with members voting as follows: Mr. Dorey, Yea; Mr. Brock, Yea; Mr. Adams, Yea; and Mr. Lancaster, Yea.

d. Police Disability Robert Rama, Share Money-Motion by Mr. Brock, seconded by Mr. Dorey to authorize the payment of Share monies to Police Disability Robert Rama. Motion carried with members voting as follows: Mr. Dorey, Yea; Mr. Brock, Yea; Mr. Adams, Yea; and Mr. Lancaster, Yea.

**NEW BUSINESS:**

\*1. Consideration of Warrants for Payment:

\*a. Foster & Foster, Inc.-\$632.00-Preparation for and Attendance at July 25, 2018 Board Meeting, Invoice No. 12845 (Police Fund Only)-This item was approved under Consent Agenda as presented.

\*b. Foster & Foster, Inc.-\$832.00-Benefit Calculations for Bennett and Preparation for and Attendance at July 25, 2018 Board Meeting, Invoice No. 12846 (Fire Fund Only)-This item was approved under Consent Agenda as presented.

\*c. Burgess Chambers & Associates, Inc.-\$19,021.66-Performance Monitoring & Advisory Fee for Quarter End 6/30/2018; Invoice No. 18-242-This item was approved under Consent Agenda as presented.

\*d. J.P. Morgan Asset Management-\$27,027.67-RE JPMCB Strategic Property Fund Fee for Period Ending 6/30/2018, Invoice No. 20180630-57655-A (Fire Fund Only)-This item was approved under Consent Agenda as presented.

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- \*e. J.P. Morgan Asset Management-\$27,027.67-RE JPMCB Strategic Property Fund Fee for Period Ending 6/30/2018, Invoice No. 20180630-1788-A (Police Fund Only)-This item was approved under Consent Agenda as presented.
- \*f. SSI Investment Management-\$10,892.00-Management Fee 4/1/2018-6/30/2018; Invoice No. 002018-0165 (Police Fund Only)-This item was approved under Consent Agenda as presented.
- \*g. SSI Investment Management-\$10,713.00-Management Fee 4/1/2018-6/30/2018; Invoice No. 002018-0166 (Fire Fund Only)-This item was approved under Consent Agenda as presented.
- \*h. Westwood Trust-\$6,992.29-Investment Management Fees for Quarter End 6/30/2018, Invoice No. 5000680 (Police Fund Only)-This item was approved under Consent Agenda as presented.
- \*i. Westwood Trust-\$6,992.29-Investment Management Fees for Quarter End 6/30/2018, Invoice No. 5000681 (Fire Fund Only)-This item was approved under Consent Agenda as presented.
- \*j. Eagle Asset Investment Management-\$2,290.33-Management Fees for Billing Period 4/1-6/30/2018, Invoice No. 041008401822 (Police Fund Only)-This item was approved under Consent Agenda as presented.
- \*k. Eagle Asset Investment Management-\$922.85-Management Fees for Billing Period 4/1-6/30/2018, Invoice No. 943763801305 (Fire Fund Only)-This item was approved under Consent Agenda as presented.
- \*l. Polen Capital Management-\$15,055.69-Management Fees for Quarter, 4/1-6/30/2018, (Police Fund Only)-This item was approved under Consent Agenda as presented.
- \*m. Polen Capital Management-\$7,816.70-Management Fees for Quarter, 4/1-6/30/2018, (Fire Fund Only)-This item was approved under Consent Agenda as presented.
- \*n. Advent Capital Management-\$10,579.77-Management Fees for Quarter End 6/30/2018 (Police Fund Only)-This item was approved under Consent Agenda as presented.
- \*o. Advent Capital Management-\$10,428.75-Management Fees for Quarter End 6/30/2018 (Fire Fund Only)-This item was approved under Consent Agenda as presented.
- \*p. SunTrust Bank-\$73,759.86-Investment Management Fees for Quarter End 4/1-6/30/2018, Invoice No. 284368-This item was approved under Consent Agenda as presented.
- \*q. Salem Trust-\$14,583.98-Account Management Fee for 4/1-6/30-2018, Fee A/C#M05207-This item was approved under Consent Agenda as presented.
- \*r. City of Palm Bay-\$83.00-Purchase of Supplement No. 30 to the City of Palm Bay Code of Ordinances-This item was approved under Consent Agenda as presented.
- \*s. Wells Capital Management-\$12,452.79-Management Fees for Quarter End 04/01/2018-06/30/2018, Invoice No. 11853206 (Police Fund Only)-This item was approved under Consent Agenda as presented.
- \*t. Wells Capital Management-\$7,149.48-Management Fees for Quarter End 04/01/2018-06/30/2018, Invoice No. 11853213 (Fire Fund Only)-This item was approved under Consent Agenda as presented.

\*2. New Plan Member Applications; Member Beneficiary Changes; Pre-Retirement Death Benefit Option Selection Forms; Member Retirement Beneficiary Forms; and DROP Beneficiary Designations-New Member applications and beneficiary forms were approved and accepted under Consent on Police Officers Matthew J. Arias-Sanchez, Hugh McGillivray, Tyler Riesen, and Firefighter Christopher S. Childs, II; Member beneficiary changes were approved and accepted under Consent on Police Officers Ron Lugo, Samantha Missale; and Firefighter Kaylin Mitchell.

3. Board Business: Ms. Adams said she received a public records request. The Board asked her to quote the expense for staff time in procuring the information and copy charges. The Standard UCC SSL for the Server was up for renewal for \$71.98 for two years. Motion by Mr. Brock, seconded by Mr. Adams to approve the payment by Mr. Adams' Corporate VISA for \$271.98 to GoDaddy for the Standard UCC SSL for up to two years for the server. Motion carried with members voting as follows: Mr. Dorey, Yea; Mr. Brock, Yea; Mr. Adams, Yea; and Mr. Lancaster, Yea. Ms. Adams said the 12b-1 fees accrued through May for Police are \$32,510 and Fire \$27,238. Mr. Lancaster said there was a late payment on the VISA invoices. Late fees were recovered but we were charged additional interest. He spoke to staff about paying invoices if someone is going to be out of the office. Ms. Adams discussed when rolling over funds for members staff was advised to provide them with the Letter of Determination when asking what type of Plan we were. This was recommended by the Board attorney. Ms. Adams said the fire inspection is going to be performed three years now instead of annually that should reduce the fee we pay. Mr. Myton arrived at 10:25 a.m. and discussion moved to his presentation above.

\*4. Letter of Engagement, Lark Janes, CPA LLC for Professional Services-This item was approved under Consent Agenda as presented for a monthly amount of \$3,450.

\*5. Reduction of Monthly Pension Supplemental Benefit Due to Age 65-Police Retiree William Berger-This item was approved under Consent Agenda as presented.

\*6. Reduction of Monthly Pension Supplemental Benefit Due to Age 65-Police Retiree John Sherbert-This item was approved under Consent Agenda as presented.

\*7. Request to Close DROP Account-Police Officer Diana Blackledge-This item was approved under Consent Agenda as presented.

\*8. Request to Close DROP Account-Police Officer Ray Marrs-This item was approved under Consent Agenda as presented.

\*9. Termination Refund/Rollover/or Vested Termination, If Eligible, Police Officer Bailey Ritchie-Sullivan-This item was approved under Consent Agenda as presented.

\*10. Termination Refund/Rollover/or Vested Termination, If Eligible, Police Officer Priscilla King-This item was approved under Consent Agenda as presented.

\*11. Termination Refund/Rollover/or Vested Termination, If Eligible, Police Officer Ron Lugo-This item was approved under Consent Agenda 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.

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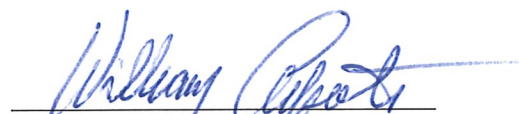
**ADJOURNMENT:**

There being no further business, the meeting adjourned at 11:20 a.m.



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Timothy W. Lancaster, Chairperson

**ATTEST:**



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James W. Brock, Secretary

*William Crupate, trustee*