

**PALM BAY POLICE AND FIREFIGHTERS' PENSION PLAN
BOARD OF TRUSTEES
Regular Meeting 13-08**

Held on the 5th day of July 2013 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.

Richard B. Adams, Chairperson, called the meeting to order at the hour of 9:07 a.m.

ROLL CALL:

PRESENT

Richard B. Adams, Chairperson, Board Appointee
Timothy W. Lancaster, Vice Chairman, Police Elected
James W. Brock, Secretary, City Council Appointee
Douglas R. Smith, Trustee, Fire Elected
Guillermo William Capote, Sr., Trustee, City Councilmember Appointee

EXCUSED

Also in attendance were Ms. Kathy Adams, Board Administrator; Ms. Deanna Robertson and Ms. Katie Taglia-Polak, Pension Assistants and Mr. Mark Mageau, Senior IT Specialist, Computer Experts. Mr. Larry Cole, Senior Consultant, Burgess Chambers & Associates was telephoned at 9:16 a.m.

AGENDA REVISIONS:

Motion by Mr. Brock, seconded by Mr. Smith to make the following changes to the Agenda: Pull Regular Minutes 13-07 from Consent as they were not ready for adoption; add Presentation at 9:30 a.m.-Mr. Mark Mageau, Senior IT Specialist, Computer Experts; add under Old Business, Item 1. c. Police and Fire Division of Retirement Letters; and add under New Business, Item *1. a. Burgess Chambers & Associates, Inc.-\$13,750.00-Second Quarter 2013 Fees, Invoice #13-170. Motion carried with members voting as follows: Mr. Lancaster, Yea; Mr. Brock, Yea; Mr. Smith, Yea; Mr. Capote, Yea; and Mr. Adams, Yea.

CONSENT AGENDA:

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

ADOPTION OF MINUTES:

Regular Minutes 13-07

The minutes were pulled from Consent as they were not ready for adoption.

PRESENTATION AT 9:30 A.M.:

1. **Mr. Mark Mageau, Senior IT Specialist, Computer Experts**-Mr. Mageau said Computer Experts will be providing new work stations; a server; and a support services contract. Computer Experts has been in business for twenty-five (25) years and he has been with the company for seventeen (17). It is important that the equipment is monitored and managed. They serve small businesses with websites; calendars; files; intranet; email; is friendly to all sources such as pads and phones. Mr. Smith left the meeting at 9:45 a.m. and did not return. The exchange server is synchronized with all devices. There is a legal hold specific mailbox where you get email and it tracks changes and is audited. Anticipate delivery mid-August. He can conduct Board training as well. Discussion continued with Old Business, Item 4 below.

OLD BUSINESS:

1. **Actuarial Services & Projects: Foster & Foster, Inc.**
 - a. **Senate Bill 1128 for Police & Fire Plans-Proposed Draft Ordinance & Impact Statement**-The draft Ordinance and Impact Statement has been sent to the City Clerk.
 - b. **Police Officers' & Firefighters' Furlough Refund**-This item is pending.
 - c. **Police and Fire Division of Retirement Letters**-Ms. Adams said follow-up requests were being worked on and would be sent today.
2. **Ronald C. Giordano, Jr.-Disability Application-Appeal**- Mr. Adams said Mr. Hammond wrote an excellent response to the appeal.
3. **Contract Approval for Master Limited Partnerships-Soft Dollar Arrangement and Discussion of Tortoise Capital Advisors, LLC**-Mr. Larry Cole, Senior Consultant, Burgess Chambers & Associates, was telephoned at 9:16 a.m. He said there were contractual issues with Tortoise. He has issues on the investment policy and restriction stating the MLP universe is different. There is a ten percent (10%) limit on any one name but they can go to fifteen percent (15%) under certain circumstances. He said servicing is the big issue with Tortoise. They do not want to come to any meetings. Ms. Bieler, Board Attorney, has an issue with proxy voting; Tortoise only wants to give it upon request. There is an issue on soft dollar arrangements, but investments are still under best execution. If they get research and are paid from another company then Mr. Cole is OK with that. He said it is not ready to sign with Tortoise yet and asked that it be tabled until the next meeting. He said there are options. Ms. Smith asked if we were their only plan in Florida and Mr. Cole said they are new to the Florida market. Plant City is considering them, but they also ran into the issue of Tortoise not wanting to attend any meetings. Westwood is a co-mingled fund so soft dollar is not a big issue. Westwood has other products and Mr. Cole has known that firm for a long time and they have no issue with coming to meetings. Mr. Adams asked about proxy voting stating the Board gave that up years ago. Mr. Cole said managers should continue to vote, but the Board should still get a report showing how they voted. He said the Board may want to look at that. There was further discussion. Mr. Cole asked that this be discussed at the August meeting. Perhaps the Board should review the proxy voting on a quarterly basis. Mr. Cole said he will get with Ms. Bieler and he will call Mr. Adams before the August meeting. Motion by Mr. Brock, seconded by Mr. Smith to approve the soft dollar for Westwood Holding pending review and acceptance by the Board Attorney. Motion carried with members voting as follows: Mr. Lancaster, Yea; Mr. Brock, Yea; Mr. Smith, Yea; Mr. Capote, Yea; and Mr. Adams, Yea. Mr. Cole's telephone call ended at 9:33 a.m. The meeting then went to the presentation

scheduled for 9:30 a.m. listed above.

4. Review of City Council Pension Workshop-Mr. Capote said the workshop was great. The information was great. The Board agreed that Mr. Heinrichs, Mr. Cole and Mr. Johns did an excellent job. The Board had general comments about the assumption rate of the Florida Retirement System (FRS).

5. Review of the Florida Public Pension Trustees' Association (FPPTA) Conference-Mr. Lancaster said he, Ms. Adams and Ms. Engard with Burgess Chambers & Associates talked to Mr. Falconer with Regions. He stated they have established a committee to discuss improvements and projects such as on-line access for retirees. There was discussion about Foster & Foster, Inc. wanting a different formatted annual report and Ms. Engard had stated before any changes were made she needed to be aware of it. Responses and errors were discussed. Mr. Lancaster said Mr. Falconer discussed comments made at the conference regarding their involvement with the Chamber of Commerce. Mr. Lancaster said he talked to some individuals about the administrator's position. Mr. Brock discussed the retirement course that was offered to a limited number of attendees stating it was a good presentation. Ms. Adams said she talked to Mr. Falconer about providing pocket calendars with retiree pay dates highlighted that could be given to new retirees.

6. Office Computer Purchases and Information Technology Support Services-See the above comments under Computer Experts' presentation.

7. Levi, Ray & Shoup, Inc.-PensionGold Upgrades-We have not been billed yet on the pending projects. Ms. Taglia-Polak has to complete her testing. There was discussion about the back-up proposal with Levi, Ray & Shoup, Inc. and their limited liability. Back-up would be provided with the new server; however, she did request that Ms. Robertson and Ms. Taglia-Polak back-up their computers on a daily basis before leaving each day. They are also supposed to be copying all emails for filing. Motion by Mr. Lancaster, seconded by Mr. Brock to purchase a vault for back-up and disk storage upon Computer Expert's review. Motion carried with members voting as follows: Mr. Lancaster, Yea; Mr. Brock, Yea; Mr. Capote, Yea; and Mr. Adams, Yea.

8. Levi, Ray & Shoup, Inc.-Data Transfer Expenses-Motion by Mr. Brock, seconded by Mr. Capote to approve any expense for the data conversion from Regions Bank through Levi, Ray & Shoup, Inc. Motion carried with members voting as follows: Mr. Lancaster, Yea; Mr. Brock, Yea; Mr. Capote, Yea; and Mr. Adams, Yea. Ms. Taglia-Polak reviewed new report that will be included with the monthly market value report reflecting monthly deductions paid from retirees' pension checks for federal withholding; state withholding; long term coverage; alimony; insurance through AAA; group health paid to the City; group life insurance paid to the City; child support and life insurance through Mutual of Omaha. The report for July 1, 2013 reflected a total of \$74,712.71 in deduction payments with \$47,619.57 paid for Police Retirees and \$25,093.14 for Fire Retirees.

9. Deputy Board Administrator Position-Ms. Adams and Ms. Taglia-Polak will be working on a job description. Upon completion it will be emailed to the Board for review.

10. Palm Bay Storage-Insurance-Palm Bay Storage does not offer insurance on documents and wanted proof of coverage. The Board's carrier stated offsite is covered for fire only, not theft and we can't obtain it. The required form was being completed to send the Palm Bay Storage reflecting this information. Ms. Adams said no CD's; Hard Drives; Tape Recordings or Copier Hard Drives should be stored at that facility and should be kept on site. The vault could be used for those purposes.

11. Annual Affidavits and Annual Employee Benefit Statements-This item is pending final Pension-Gold upgrade testing.

12. Pension Employee Personal Leave Guidelines-Ms. Adams said she is putting this in writing since it appears in various emails.

13. Consideration of Approval for the Revised Runabout Courier Contract-Motion by Mr. Capote, seconded by Mr. Lancaster to approve the revised Runabout Courier Contract. Motion carried with members voting as follows: Mr. Lancaster, Yea; Mr. Brock, Yea; Mr. Capote, Yea; and Mr. Adams, Yea.

NEW BUSINESS:

***1. Consideration of Warrants for Payment**

***2. Review of Correspondence:**

***a) Market Value of the Fund-5/31/2013-**This item was considered under Consent Agenda as revised and approved as presented. The total market value of the Fund at May 31, 2013 for all investments was \$151,675,427.69.

***b) Letter to the City of Palm Bay-Funding Requirements-**This item was considered under Consent Agenda as revised and approved as presented.

***3. New Plan Member Application, Member Beneficiary Changes, Pre-Retirement Death Benefit Option Selection and Retirement Beneficiary Forms-**There were no beneficiary changes presented. This item was considered under Consent Agenda as revised and approved as presented; however, there were no beneficiary changes presented.

4. Board Business-Ms. Adams said the Recapture Fund balance at April 2013 was \$14,090.53; Ms. Adams discussed the Waiver of Recourse Insurance under the Fiduciary coverage and said it was being researched. Mr. Capote left the meeting at 10:52 a.m. and did not return. Ms. Taglia-Polak said Mr. Lancaster is the only trustee that has turned in his laptop, the rest are pending. Motion by Mr. Brock, seconded by Mr. Lancaster to approve the \$35.00 charge to Mr. Adams' Corporate VISA for air conditioner filters through Publix Supermarket. Motion carried with members voting as follows: Mr. Lancaster, Yea; Mr. Brock, Yea; and Mr. Adams, Yea. Ms. Adams said she received and will be working on a required audit by the previous workers' compensation company, First Comp, for period ending June 5, 2013. That audit is done annually to determine if the correct amount of premiums were paid. The workers' compensation coverage is now through Paychex. Motion by Mr. Brock, seconded by Mr. Lancaster to approve any funds owed to First Comp for last year's workers' compensation premium upon billing. Motion carried with members voting as follows: Mr. Lancaster, Yea; Mr. Brock, Yea; and Mr. Adams, Yea. Motion by Mr. Brock, seconded by Mr. Lancaster to approve the purchase of three (3) boxes of letterhead stationery through PIP Printing on a trustee's Corporate VISA for \$318.00. Motion carried with members voting as follows: Mr. Lancaster, Yea; Mr. Brock, Yea; and Mr. Adams, Yea. Motion by Mr. Brock, seconded by Mr. Lancaster to approve a Reoccurring Warrant for PIP Printing for letterhead stationery; letterhead envelopes; pre-printed address windows and non-window envelopes and any second-page stationery linen paper on any trustees' Corporate VISA. Motion carried with members voting as follows: Mr. Lancaster, Yea; Mr. Brock, Yea; and Mr. Adams, Yea. Mr. Adams discussed long-term office space. Ms. Adams reminded the Board about budget input. Mr. Adams said HP will stop support of XP on August 8, 2014.

5. Upcoming Events-Educational Opportunities-Ms. Taglia-Polak said the Records Training is next week; the Florida Public Pension Trustees' Association Fall School and combined Leadership Boot Camp which is limited to the first seventy-five (75) registrants; PensionGold User Training in October; and the National Association of Public Employee Retirement Systems in October. Motion by Mr. Lancaster,

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seconded by Mr. Brock to authorize Ms. Robertson and Ms. Taglia-Polak to attend the PensionGold Users Meeting in October with routines expenses covered. Motion carried with members voting as follows: Mr. Lancaster, Yea; Mr. Brock, Yea; and Mr. Adams, Yea.

INPUT FROM ACTIVE AND RETIRED PLAN MEMBERS:

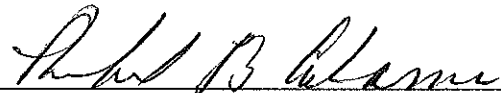
There was no input from any active or retired plan members at this time.

INPUT FROM THE PUBLIC:

There was no input from the public at this time.

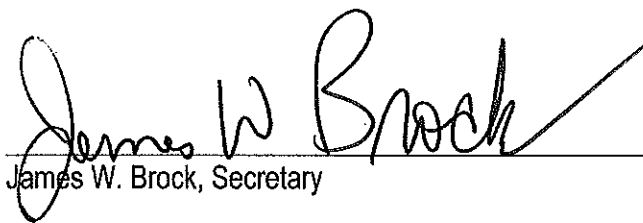
ADJOURNMENT:

There being no further business, the meeting adjourned at 11:16 a.m.



Richard B. Adams, Chairperson

ATTEST:


James W. Brock, Secretary