



City of Deerfield Beach Municipal Firefighters Pension Fund

Meetings located at: Fire Station #102, 1441 FAU Research Park Blvd,
Deerfield Beach, Florida 33441

Minutes of the meeting held December 1, 2017

Trustees

Robert Weech, Chairman – Present
Dan Frazer, Trustee
Stephen Hill, Trustee - Present
James Stevens, Trustee - Present
Bruce Young, Trustee - Present

Also in Attendance:

Collins Cap – Dorothy Weaver
Eaton Vance – Trevor Harlow & Lewis R. Piantedosi
Fifth Third - Kimberly Kutlenios
Infinity Capital – Milton Williams
Broward Sheriff Fire Rescue - Battalion Chief - Kyle Van Buskirk

Ron Cohen, Rice Pugatch Robinson Storfer & Cohen, PLLC., Fund Counsel
Doug Falcon – FHA-TPA Benefit Administrators, Inc.
Richelle Levy, Rice Pugatch Robinson Storfer & Cohen, PLLC., Fund Counsel
Chad Little – Freiman Little Actuaries, LLC
Yolanda Shea – FHA-TPA Benefit Administrators, Inc.
Frank Wan – Burgess Chambers & Associates, Inc.

Meeting called to order by Chairman at 2:13 P.M.

After the pledge of allegiance, the Chairman asked all in attendance to take a minute of silence to recognize those firefighters who have lost their life in the line of duty.

TRUSTEE COMMENTS

The Chairman welcomed new trustee Dan Frazer to the Board and thanked him for his interest. Both trustee Hill and trustee Young welcomed trustee Frazer to the Board.

The Chairman recognized audience member, Kyle Van Buskirk, Battalion Chief, asked the Board that in the future would it be possible to move up on the agenda the item "Public Forum" perhaps after Trustee Comments. The other item he requested is an email list notifying the members of the plan when the meetings are held. Trustee Young advised the Board that this was one of the items he has been working on as well as the need for Beneficiary Designation forms completed specially for those who have had a family status change. The Chairman asked Mr. Little if he would have email information for all the members of the Plan. Mr. Little advised the Board that he would review his files and see what he has in terms of this request. The Chairman asked Mr. Little to put together a letter to send out to the members of the plan to supply their email address if they are interested in getting meeting notification.

This concluded trustee comments.

INVESTMENT PRESENTATION

Eaton Vance – Trevor Harlow & Lewis R. Piantedosi
Mr. Harlow thanked the Board for having him and Mr. Piantedosi. Mr. Harlow distributed a copy of the Deerfield Firefighters Eaton Vance Large-Cap Growth September 30, 2017. He discussed the firm's overview and culture as well as the firm's updates, initiatives, institutional capabilities and the team involved with the account. Mr. Piantedosi discussed the Market Environment; Portfolio Review, and Portfolio Positioning & Outlook.

Trustee Stevens asked Mr. Piantedosi how many female traders Eaton Vance has in their office and do they have any concerns with inappropriate behavior; Mr. Piantedosi responded that they have two female traders in their Company and have never had any sexual harassment claims.

Collins Cap & Infinity Capital – Dorothy Weaver & Milton Williams

Ms. Weaver thanked the Board for allowing her to present to the Board and expressed it has been wonderful working experience with this Board. She gave a brief background of her experience including working for the Federal Reserve in South Miami.

Ms. Weaver discussed the current market situation and how Collins Capital complements the other investments in the portfolio. She advised the Board that Collins Capital is not intended to be used 100% but be part of a diversification other than just stocks or equity. They specialize in managing diversified multi-manager, multi-strategy portfolios.

Ms. Weaver introduced = Mr. Milton Williams from Infinity Capital to the Board. Mr. Williams is a founder and partner of Infinity as of the year 2000. He is responsible for all facets of business development, marketing, and client relations. She pointed out that Collins Capital is in the process of entering into an agreement with Infinity Capital mostly because of the similarities in their portfolios, heir philosophies, culture and that they are client-centric; they share the same passion.

Mr. Williams expressed he's looking forward to working with the Plan and thinks is a great fit for both companies to work together.

The Chairman asked if they could visit their facility, Mr. Wan advised the Board that Mr. Chambers will be visiting their facility next week and anyone wanting to join Mr. Chambers is welcome.

Burgess Chambers & Associates - Frank Wan

Mr. Wan discussed the Deerfield Beach Municipal Firefighters Pension Trust Fund Investment Performance Period Ending September 30, 2017.

Mr. Wan advised the Board that aside from Mr. Chambers doing an on-site visit to Infinity Capital he will be requesting a due diligence report which he will be reviewing. He said Collins is to be merged under the Infinity umbrella and nothing is going to change in the portfolio, the plan will still invest in the Collins fund. They are going to see what Infinity has to offer. Ms. Levy advised the Board that there is Consent to Substitution of the Investment Advisor to be signed and they are pending that consent until the due diligence is done and the consent is recommended by Mr. Chambers.

A motion was made by trustee Hill, seconded by trustee Young to authorize the Chairman to sign the Consent to Substitution of the Investment Advisor contingent on the Investment Consultant and Attorney's review and approval, motion passed unanimously.

This concluded the investment report.

CUSTODIAN PRESENTATION

Fifth Third – Kimberly Kutlenios

Ms. Kutlenios thanked the Board for inviting her to the meeting. The Chairman advised Ms. Kutlenios that the Board is not happy with certain aspects of Fifth Third. custodial services. He advised Ms. Kutlenios that when they transitioned from a custodian trust to a bank, they realized that the services did not meet all of the Boards expectations. Mr. Falcon advised the Board that he has been speaking with Ms. Kutlenios regarding what the Board expected regarding flexibility. He also advised the Board that the pricing from Fifth Third is reasonable. Mr. Falcon advised the Board that Ms. Kutlenios has been reliable but understands that she has limitations as a result of the Bank's compliance guidelines.

Ms. Kutlenios advised the Board that Fifth Third is about 142 billion in assets the custodial is worth over \$350,000 billion. She is limited in the services that the bank can offer because of regulations designed to prevent fraud. AS an example , when the Board asks for a report in Excel vs. PDF, she cannot get it to the board in excel format; all she can do in this situation is advice Fifth Third upper management of the board's concern; she said they do over 28,000 checks

with an accuracy of over 99%. Concerning Ms. Freiman's and Mr. Falcon's requests she makes sure those requests are followed through until they are finalized. Concerning ETF's, she advised the Board that her job is to entirely act at the Board's direction, she cannot assume any part of the process and it has to be all written out. The Chairman advised Ms. Kutlenios the concern is matters such as investment directions and specific requests. Mr. Falcon said in the past the board would say buy 1MM dollars of the S&P 500 ETF, and that would be it. Now Ms. Damiano from Burgess Chambers' office has to calculate how many shares that is; in this situation you will never get the exact amount because price goes up, so instead she says buy 10,000 shares.

Mr. Little said one of the items they are not able to execute is for example where the Board would give direction to sell this and use half for this and half for that and they are no longer allowed to give direction like that. Mr. Wan advised Ms. Kutlenios that Fifth Third's requirement requires various letters and this entails having to get the Chairman to sign each letter, sometimes they cannot get a signature from the Chairman immediately, and by then the investment results could change.

The Chairman advised Ms. Kutlenios the Board expects the custodian to work with them. We have had to deal with some of issues and problems that we never dealt with the prior custodian who was a trust company. He wants her to have in mind that maybe the match is not good. The Chairman said they would be considered in the future to move with other custodians if the situation continues. Ms. Kutlenios advised the Board that they have other pension clients and they are happy with Fifth Third and is surprising to her that the Board is not satisfied with Fifth Third. They have a lot of national capabilities and local services they offer. She has to take direction from the bank. If EFT is the main concern, there will be no changes. The Chairman advised Ms. Kutlenios that the Board will send you Fifth Third clear messages regarding their position. Ms. Kutlenios said their goal is to make the Board happy within the constraints she has.

Ms. Levy pointed out that at the last meeting Mr. Chambers was asked to put together the RFP and send the RFP to Mr. Little for review to ensure the RFP states all the needs of the Plan. Mr. Little has reviewed the RFP and is ready if the Board decides to move forward.

Trustee Young advised the Board that one of the members asked to review the investment policy and when he looked at the Web Site he noticed is a little outdated. Mr. Falcon advised the Board that he is working with a new Web Site representative as the one he was working with is no longer available and that has been a part of the situation he has been dealing with in terms of updating the web site. Also, trustee Young informed the Board that the room needs to be reserved as soon as a date is picked because the room gets filled rather quickly. The Chairman advised Mr. Falcon that he is disappointed that the Web Site is not updated and asked him to confirm whether or not the Board can expect to have the web site issues addressed and fixed by the next meeting, Mr. Falcon said it would be done accordingly.

Mr. Falcon asked the Board who he should allow access to the website information; the Board said whoever is a member of the pension plan should have access to the web site. Mr. Falcon advised the Board he would use the State report which is active, inactive and vested.

This concluded the custodian report.

MINUTES

The Chairman asked if anyone had any questions regarding the minutes of the meeting held September 21, 2017, Ms. Levy said she needed to review for accuracy changes. The Chairman asked the minutes be tabled for the next agenda and asked Mr. Falcon to distribute the minutes within two weeks after the meeting. Mr. Falcon responded affirmatively.

ACTUARY

Mr. Little advised the Board that the DROP statements as of 10/31/2017 along with the DROP Share Statements as of 9/30/2017, the Active Member Benefit Statements have all gone out as of 9/30/2017. Concerning the overtime refunds based on the Board's direction at the last meeting, this was done and directed to Fifth Third by November 20, 2017. He discussed the city's insurance deduction issue which is not a Pension Plan issue, but the situation was that the retiree had to complete a form letting them know to have Fifth Third stop taking the insurance deduction. There were 49 retirees having deductions as of November 1, 2017, and as of two hours ago there are four retirees that they have not

received the form of which two are in route. The information needs to be in by December 10th to ensure the deduction is not taken.

Mr. Little advised the Board that next year the valuation has to be filed electronically; that will not happen until 30 to 60 days after the valuation is approved. Mr. Falcon asked Mr. Little if he was charging a fee for the electronic filing and he responded affirmative and believed after the first year is going to be easier.

This concluded the actuary report.

ATTORNEY

Ms. Levy advised the Board that before the meeting she met with trustee Frazer and discussed with him some of the items from the sunshine law and how it pertains to a trustee as well as how the pension meetings are conducted. Ms. Levy advised the Board that retiree Hanley chose the social security level option. Mr. Little's office sends a letter to the retiree six months before the benefit reduction goes in to effect. Retiree Hanley's change will take place September 2018, therefore, the letter will be sent in March 2018. Mr. Hanley has an Income Deduction Order; there is a question as to whether or not the spouse benefit gets reduced or stays at the same amount the spouse is receiving. Ms. Levy contacted the spouse's attorney and Mr. Hanley, who represents himself. Mr. Hanley advised her that as his benefit changes his spouse benefit changes too. Retiree Hanley advised Ms. Levy that he remembers choosing that social security level option, but he thought it would happen when he turned 66 instead of 62. Ms. Levy asked him to supply her with any documentation he may have confirmed his impression. She is still working with Mr. Hanley on this matter. The Chairman asked how many people are in this category, Ms. Levy responded that there are seven retirees remaining in this social security level option category. Of the seven there is one where we do not have a copy of the benefit option. However, Ms. Freiman has contacted the member in the past, and the member confirmed the reduction.

Mr. Cohen discussed some of the items of the Sunshine Law for the benefit of new trustee Frazer. Amongst the items, he discussed with trustee Frazer were some aspects of their fiduciary responsibilities as Trustees of the Plan and encouraged them to become familiar with their Trustee responsibility. He pointed the importance of not discussing amongst themselves any business of this fund outside the meetings. He advised that if they have questions regarding the fund they can contact the administrator. He advised him to complete the required Form 1 Disclosure which is an annual requirement.

This concluded the attorney report.

ADMINISTRATORS

Mr. Falcon advised the Board for the benefit of the new trustee the way the disbursements are processed. The invoices from the various service providers get processed in between meetings, and then at the meetings, the Board reviews the invoices and ratifies them accordingly. Ms. Shea advised trustee Frazer that when she distributes the disbursements before the meeting, she includes the actual copy of the invoices for their review. However, the package distributed at the meeting only includes the itemized page illustrating the disbursements.

A motion was made by trustee Hill seconded by trustee Young to ratify the City of Deerfield Beach Municipal Firefighters Pension Fund Disbursements/Ratifications for the Period of the 9/27/2017-11/28/2017 in the amount of \$119,773.73 motion passed unanimously.

Mr. Falcon distributed a copy of the tentative meeting dates for 2018. The Board requested the next meeting be held **February 23, 2018.**

This concluded the administrator report.

ADJOURN

A motion was made seconded and unanimously passed to adjourn the meeting at 4:55 p.m.