



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 February 24, 2017

Trustees

John Lucas, Trustee – Present

Steven Hill, Trustee - Present

James Stevens, Trustee - Present

Also in Attendance:

Richelle Levy, Rice Pugatch Robinson Storfer & Cohen, PLLC – Fund Counsel

Ron Cohen, Rice Pugatch Robinson Storfer & Cohen, PLLC – Fund Counsel

Chad Little – Freiman Little Actuaries, LLC

Doug Falcon – FHA-TPA Benefit Administrators, Inc.

Yolanda Shea – FHA-TPA Benefit Administrators, Inc.

Meeting called to order at 9:32 a.m.

Attorney Cohen explained to the Board that since there is no Chairman, the normal process would be to vote on a Pro Tem Chairman,

A motion was made by Trustee Hill, seconded by Trustee Stevens to elect Trustee Lucas as the Pro Term Chairman for this meeting and subsequent meetings until a Chairman has been elected, motion passed unanimously.

Attorney Cohen advised the Board they would need to vote on a Vice Chairman as well,

A motion was made by Trustee Hill, seconded by Trustee Stevens to elect Trustee Stevens as the Vice Chairman for this meeting and subsequent meetings until a Chairman has been elected, motion passed unanimously.

After the pledge of allegiance, the Pro Tem 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 Pro-Term Chairman welcomed Trustee Hill to the board and asked him to give everyone a little background of himself. Trustee Hill gave a brief history of his professional experience. He graduated from UCF, has been with the City of Deerfield Beach Firefighters for 14 years, and has a degree in finance.

ATTORNEY

Attorney Cohen advised the Board that the custodian has to send the auditor a categorization of the various assets Fifth Third holds for GASB purposes. Fifth Third has requested a new agreement to do this reporting. Without the consent Fifth Third will not do the report; if the report is not done, the audit is not done. Attorney Cohen said two things are required to move forward since there is not a regular Chairman, one of the Trustees needs to be authorized to sign the Fifth Third Bank agreement as Pro Tem Chairman which is done, and then a motion to authorize the execution of the agreement is required.

A motion was made by Trustee Stevens seconded by Trustee Hill to approve the signing of the Fifth Third Bank agreement motion passed unanimously.

Attorney Cohen advised the Board that another Trustee election needs to run. Ms. Levy said there is a trustee vacancy and gave a brief explanation of the Trustee election process.

Motion made by Trustee Hill seconded by Trustee Stevens to have the nomination on March 31, 2017, at 5:00 p.m. motion passed unanimously.

Trustee Hill asked that a process for future elections be discussed which would provide better notice.

Trustee Lucas commented how pleased he was that Mr. Falcon was able to get the found money from Wells Fargo.

INVESTMENT

Mr. Chambers advised the Board that at the last meeting they recommended terminating Intercontinental. Intercontinental did a great job except for last year but based on the fees, underperformance and unexpected high volatility it was necessary to terminate them.

Mr. Chambers discussed the Deerfield Beach Municipal Firefighters Pension Trust Fund Preliminary Investment Performance Period Ending December 31, 2016.

Mr. Chambers gave the Board an update on the various developments that went on with Miller Howard resulting in negative returns. He is recommending terminating Miller Howard and allocating the investment dollars invested in Miller Howard into an Index.

A motion was made by Trustee Stevens seconded by Trustee Hill to terminate Miller Howard motion passed unanimously.

Mr. Chambers recommended using the money invested in Miller Howard and invest in "AMJ" to ultimately reach the 5% MLP target between the two MLP's.

A motion was made by Trustee Stevens seconded by Trustee Hill to buy AMJ motion passed unanimously.

A motion was made by Trustee Hill seconded by Trustee Stevens to move forward with Mr. Chamber's recommendation to allocate a 50/50 split between Westwood and AMJ motion passed unanimously.

Mr. Chambers advised the Board that he believes the monies will be available for this transaction by July 2017.

Mr. Chambers recommended the board buys into Parametric, this equity index fund product is categorized as a defensive investment, the fees are 35 bps, only 20% of what they were paying Intercontinental. He further added that his firm has a significant number of public plans with Parametric and does not foresee a problem with the agreement.

A motion was made by Trustee Stevens and seconded by Trustee Hill to invest in the Parametric equity index fund motion passed unanimously.

ACTUARY

Mr. Little discussed the money from the State and reminded the Trustee how they are distributed. He said in 2015 the State adopted a law that effective with the next bargaining agreement you have to establish a defined

contribution account which you already have. What makes it unique for this fund is that there was a contract signed before the merger occurred between the then local union and the City of Deerfield Beach. In 2016 the county signed a deal with the union that covers the firefighters a bargaining for which the City is not a party to. Does that then mean that we do not have mutual consent? This question was posed to the State. This City and the membership do not have anything to do with each other from a perspective of ability to enter into "new" agreements. The situation we have is that each member is due approximately \$246 and we have not made the distribution because there are still ongoing discussions regarding this matter. The State has not responded to requests for clarification. Mr. Little said there are two ways of handling this matter. We can retain the money and not count that money at all or pay the monies to the members. Attorney Cohen said worst case scenario is that the State would ask us to pull the money back. Attorney Cohen feels that if the distributions are made they have a well-thought response and have a defensible position if we paid out the distributions. Trustee Stevens asked what happens if they do not pay it out; Attorney Cohen said the money sits there. However, the ordinance dictates payment.

A motion was made by Trustee Stevens seconded by Trustee Hill to treat the State money in the same manner as it has been done in the past and therefore issue the distributions to the retirees for the year 2016 motion passed unanimously.

The other item Mr. Little discussed was the annual report there is no longer signature required however has to show a Chairman and Secretary, he will indicate the pro term chairman and secretary unless the Board has an objection.

OLD BUSINESS

None

PUBLIC FORUM

Mr. Young expressed he was happy to have joined the meeting and has encouraged more firefighters to attend the meetings.

NEW BUSINESS

None

ADMINISTRATOR

Mr. Falcon advised the Board that since the Chairman is no longer on the Board Fifth Third requires two new signers to conduct normal business transactions that require Trustee signature. Mr. Falcon advised the Board the form to sign is The Fifth Third Bank customer Trade Authorization to Offer Account Direction.

A motion was made by Trustee Stevens seconded by Trustee Hill to elect two signatures one from pro tem chairman and pro tem secretary to the Fifth Third Bank Customer Trade Authorization to Offer Account Direction motion passed unanimously.

OTHER BUSINESS

None

ADJOURN

The next meeting will be held April 21, 2017, at 2:00 p.m.

A motion was made by Trustee Stevens seconded by Trustee Hill to adjourn the meeting at 11:05 a.m. motion passed unanimously.