



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 April 21, 2017

Trustees

John Lucas, Pro Tem Chairman – Present
Steven Hill, Trustee – Present
Bruce Young, Trustee - Present
James Stevens-absent
Joan Maurice- absent

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 by Pro Tem Chairman Trustee at 2:17 P.M.

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

TRUSTEE COMMENTS

The Pro Tem Chairman welcomed new Trustee Bruce Young to the Board and asked him to give everyone a little background of himself. Trustee Young responded has been with the City of Deerfield Beach Firefighters and now the Broward Sheriff's Office for almost 13 years; he was promoted to Captain as of a year ago; has two children and lives in Lake Worth, Fl. Trustee Young expressed his commitment to serving in the capacity as Board Trustee to the best of his abilities.

No other Trustee comments.

MINUTES

The Pro Tem Chairman asked if anyone had any questions regarding the minutes of the meetings held December 2, 2016 and February 24, 2017, there being no questions,

A motion was made by Trustee Hill seconded by Trustee Young to approve the minutes of the meetings held December 2, 2016 and February 24, 2017 motion passed unanimously.

INVESTMENT

Mr. Chambers discussed in detail the Deerfield Beach Municipal Firemen's Pension Trust Fund Investment Policy Statement. Mr. Chambers explained the changes made to the existing investment policy with the goal in mind to reach the assumed rate of return.

He illustrated the Investment Approach, Target Allocation, Min and Max % and pointed out the changes made in the investment allocation as follows: Domestic Large Cap Core Value Equity they were both 8% and they are now 7% target, 5% Min, 12% Max; a new category (Parametric)

Defensive Equity 50/50 is a new strategy for a 5% target allocation, 3% Min, 7% Max, for this fund he will have to figure out where to obtain the money to allocate to this fund; Hedge Funds were 10% now 5%. Under Real Estate Private and REITs, before there was 8% in all Real Estate, with this change 8% is allocated to Real Estate Private and 2% to Real Estate REITs totaling 10% allocation. Mr. Chambers pointed out the other changes to the investment policy that were illustrated on page 2 & 3 (Items A&B) of the investment policy. The Pro Tem Chairman asked Mr. Chambers if page 5 #8, (g) could be worded to allow the Board to invest in other than index mutual funds and Parametric defensive equity as he would not like to be limited to just these investments. Mr. Chambers said, in that case, he recommends deleting (g) altogether and he would remove that option from the Investment Policy.

A motion was made by Trustee Hill seconded by Trustee Young to adopt the Deerfield Beach Municipal Firemen's Pension Trust Fund Investment Policy Statement removing, Page 5, #8, item (g) as stated above motion passed unanimously.

Attorney Cohen advised the Board that once the investment policy statement is fully executed, the Administrator needs to send the fully executed investment policy to the State, the Actuary, and the City. This policy becomes effective 31 days after the City receives it.

The Pro Tem Chairman asked if Mr. Chambers could bring any one of the investment managers, for example, Collins or Westwood, so that the new Trustees could meet them and benefit from their presentation. Mr. Chambers responded that he would invite two investment managers to the next meeting for a presentation.

ACTUARY

Mr. Little gave the new Trustees a brief explanation as to what his role is for the pension fund. Mr. Little discussed the Deerfield Beach Municipal Firefighters Pension Trust Fund Actuarial Valuation as of October 1, 2016. The report provides a review of the current funded status of the Plan, establishes the minimum funding requirements for the fiscal year ending September 30, 2017, and contains an analysis of experience since the last valuation. In addition to providing the summary and derivation of actuarial findings, this report describes the data, assumptions, and methods used to create these results.

Mr. Little confirmed that the Share Account statements were sent to all active members and retired members who receive distributions. He will be sending the DROP members their statements.

The next item he discussed is an employee who worked 2005-2006 was less than 12 months in the plan and is now requesting a refund of his contributions. Mr. Little verified with the city the amount he contributed to the plan which is a little over \$5,000, however, his office is still in the process of checking with Salem Trust to confirm whether or not he already received a refund of his contributions..

The other item he wanted the Board to be aware of is regarding a member who requested to roll over an amount out of his DROP account. The member is stating they did not receive the payment; he contacted Fifth Third and asked they re-issue the check and send it overnight. Fifth Third was not very cooperative during this process.

A motion is made by Trustee Hill seconded by Trustee Young to accept the Deerfield Beach Municipal Firefighters Pension Trust Fund Actuarial Valuation as of October 1, 2016 motion passed unanimously.

AUDIT – KSDT And Company – Eric Leventhal & Israel Diaz

Mr. Leventhal introduced himself and presented Deerfield Beach Municipal Firefighters’ Pension Trust Fund Financial Statement Year Ended September 30, 2016.

Mr. Leventhal pointed out that in their opinion, the financial statements referred to above present fairly, in all material respects, the fiduciary net position of the Deerfield Beach Municipal Firefighter’s Pension Trust Fund as of September 30, 2016, and the changes in its fiduciary net position for the year ended were in conformity with his accounting.

He pointed out that the only significant difference this year is the new audit requirement GASB72 as an additional new disclosure.

Mr. Leventhal advised the Board that the audit process was not as smooth based on Fifth Third not providing exactly what they needed. They encountered a few difficulties due to the change in custodians from Salem to Fifth Third. The reports they received from Fifth Third were not the reports they needed in order to complete the GASB 72, and this required them to go to each investment manager to obtain the information they needed.

The Pro Tem Chairman asked Mr. Leventhal and Mr. Little to send the administrator an email or letter highlighting their experience with Fifth Third.

A motion is made by Trustee Hill seconded by Trustee Young to accept the Deerfield Beach Municipal Firefighters Pension Trust Fund Financial Statements Year Ended September 30, 2016, issued by Kabat Schertzer De La Torre Taraboulos & Company motion passed unanimously.

Mr. Leventhal asked if the Board could sign the representation letter, Mr. Falcon advised Mr. Leventhal that he would email it to the Pro Tem Chairman for signature as he did not bring it to the meeting.

OLD BUSINESS

Mr. Falcon discussed the public records request he received from the City of Deerfield; the records request requested a copy of the statement which shows the R&D account. Attorney Cohen said he could send the request and redact the account number.

PUBLIC FORUM

None

NEW BUSINESS

The Pro Tem Chairman asked Mr. Falcon if the cash flow problem has been solved. Mr. Falcon said he still needs to transfer money from time to time, and it usually happens in the third month of the quarter. There were some DROP withdrawals, he contacted Mr. Chambers and was able to transfer enough funds to carry the account for May and June. Mr. Falcon said there was a delay from the time he sent the letter to Fifth Third to the time the money is posted, so he generally prefers to have a few days to make a transfer. The Pro Tem Chairman asked Mr. Falcon that if this continues to be an issue to let him know. Furthermore, he asked Mr. Falcon to bring to the next meeting the minimum amount he thinks should be in the R&D account.

The Pro Tem Chairman asked Mr. Chambers why the accrued investment was down by \$50,000. Mr. Chambers replied it is timing on the receivables. It does not mean that the investments were down it.

The Pro Tem Chairman asked what the conference fees listed on the Disbursement Report consisted of, for example, what conferences were these and what the costs entail. Ms. Shea discussed the annual costs associated with the FPPTA conference as well as the State Conference. Mr. Falcon said there is annual dues, registration, and travel fees. Mr. Falcon said this plan's travel expenses are in line with other pension plans which they administer.

The Pro Tem Chairman asked if the Board feels Fifth Third should attend a meeting. Mr. Cohen discussed his interactions with Fifth Third while working on the separate agreement they required in order for the auditor to obtain the necessary information for GASB 72.; The Pro Tem Chairman directed Mr. Falcon to ask the representative from Fifth Third come to a meeting and put a list of items together for discussion.

ATTORNEY

Attorney Cohen discussed with the Trustees some important information on the laws governing the Fund. He spoke about some aspects of their fiduciary responsibilities as Trustees of the Plan and encouraged them to become familiar with their Trustee responsibility. He pointed out that while ERISA does not govern this fund, the Trustees could find valuable direction in some of its provisions regarding fiduciary duty. He also discussed Chapter 112 part VII regarding the Actuarial Soundness of Retirement Systems. He emphasized the importance of Continuing Education. He advised the Trustees on the Sunshine Law and specifically that the importance of not discussing amongst themselves any business of this fund outside of the meetings. He advised that if they have questions regarding the fund, they can contact the administrator. They are required to file a Form 1 Disclosure.

Ms. Levy advised the Board that she is currently reviewing the Parametrics agreement which is quite an extensive document. She discussed that while this is a commingled fund and you cannot amend the documents, however you can engage in a side letter. She has been in discussions with counsel for Parametric regarding a few outstanding issues which includes indemnity and limit of liability. She asked the Board for some direction in the event that they cannot come to an agreement on one or more of those issues. She discussed that there were three options with Parametric, one of which was the Mutual Fund. Mr. Chambers discussed the Mutual Fund with the Board and they directed that if Parametric does not agree to amend the terms still at issue, that Mr. Chambers bring the Mutual Fund to the next meeting for the Board to consider.

ADMINISTRATOR

Mr. Falcon gave the new Trustees a brief overview of the FHA-TPA administrative functions.

Mr. Falcon asked the Trustees to review the City of Deerfield Beach Municipal Firefighters Pension Fund Disbursements Ratifications for the period of 12/1/2016-4/14/2017.

A motion was made by Trustee Young seconded by Trustee Hill to ratify the City of Deerfield Beach Municipal Firefighters Pension Fund Disbursements Ratifications for the period of the 12/1/2016-4/14/2017 motion passed unanimously.

Mr. Falcon advised the Board that Fifth Third requires a new signature form be signed for Fifth Third to receive letters of instructions. The Pro Tem Chairman signed the form.

The Pro tem Chairman brought to the attention of the Board that a Chairman would have to be elected and he would like to have a full board to make the election. The Trustees agreed to make the election when there is a full board.

OTHER BUSINESS

None

ADJOURN

Next meeting will be June 9, 2017 8:30 a.m.

A motion was made by Trustee Hill seconded by Trustee Young and passed unanimously to adjourn the meeting at 5:04 p.m.

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