



## *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 September 29, 2017**

#### **Trustees**

Rob Weech, Chairman – Present via Tele-Conference  
Steven Hill, Trustee – Present  
Bruce Young, Trustee - Present  
James Stevens, Trustee - Present

#### **Also in Attendance:**

Richelle Levy, Rice Pugatch Robinson Storfer & Cohen, PLLC - Fund Counsel  
Chad Little – Freiman Little Actuaries, LLC  
Peter Hapgood – Intercontinental Real Estate  
James Kowal – SSI Investments  
Doug Falcon – FHA-TPA Benefit Administrators, Inc.  
Yolanda Shea – FHA-TPA Benefit Administrators, Inc.

#### **Meeting called to order by Trustee Hill at 2:13 P.M.**

After the pledge of allegiance, Trustee Hill asked all in attendance to honor those firefighters who lost their life in the line of duty by observing a moment of silence. Trustee Hill on behalf of the Board expressed condolences to Trustee Stevens who recently lost his son.

#### **TRUSTEE COMMENTS**

Trustee Stevens asked if there were any Trustee comments. There were no Trustee comments.

#### **INVESTMENT**

##### **SSI Investment – James Kowal**

Mr. Kowal provided a brief background of the firm's strategy.

He discussed the performance results specifically as it relates to the City of Deerfield Beach Firefighters Pension Fund. Mr. Kowal addressed the market segments in convertibles. He pointed out that the convertible marker has posted 91% upside capture vs. the S&P 500 through August 2017. The SSI Convertible Investment ex144A Strategy trailed its benchmark year to date through August 2017 and ranked in the 50<sup>th</sup> percentile for the one year period ending August 31, 2017, 7<sup>th</sup> percentile for the three year and 14<sup>th</sup> percentile for the five year period. Trustee Stevens asked if the politically based matters with healthcare reform affect the investments, he said yes it would, but they adjust as those circumstances are present.

This concluded SSI Investment's report.

### ***Intercontinental US Real Estate - Mr. Hapgood***

After introducing himself to the Board, he discussed the company's investment objectives, which are to preserve and protect investor's capital, generate current income on invested capital in the range of 5-8%, and create potential for appreciation with an average annual total return of 10%.

Mr. Hapgood said they had some damage in their property in Houston as well as their Delray Bldg. but nothing significant. Mr. Chambers asked if there was any expected disruption in income and he responded "No". Most of the Houston properties are apartments with leases of an approximately one-year.

He thanked the Board for having him and thanked them for their business.

This concluded Intercontinental Us Real Estate investment report.

Mr. Chambers advised the Board that if they wish to invest additionally into Intercontinental, it is done the first of each quarter, Mr. Chambers said he recommends leaving the asset ratio as is. He when you take the two products together the returns is very good and suggests leaving it alone.

He discussed the Burgess Chambers & Associates, Inc. Institutional Investment Advisors June 30, 2017.

For the quarter, the Trust earned \$2.2 million or +2.3% (+2.1% net) in line with the strategic model. He pointed out that the actual performance includes the impact of necessary periodic cash raising while the model has zero cash.

Mr. Falcon discussed the cash flow right now is not a situation and does not foresee having a problem from now to February. Mr. Falcon observed the Board has done a lot of rebalancing.

Trustee Hill asked that the investment report is sent to them before the meeting.

### **ACTUARY**

Mr. Little discussed a letter from a member which indicates the City will no longer subsidize medical care for those who have Medicare. He also received a letter from the City's HR department confirming new rates. Trustee Stevens asked why is this pension plan's problem this seems to be a City task. Ms. Levy said that our members have the City insurance they have the premium deducted from the pension payment and explained to Trustee Stevens a few details of the process.

***A motion was made by Trustee Young, seconded by Trustee Stevens to have the plan's legal counsel write a letter to the City to put a plan in place for the loss of coverage due to Medicare age motion passed unanimously.***

The next item Mr. Little discussed was the administration of the pension deductions for benefits insurance. The City uses an outside administrator. They get a list from Fifth Third listing the retirees who have premiums deducted for either life medical or dental. They get all of the information that appears on the pay stub, and the City can give that to the administrator. The City asked Fifth Third to revise the report for the Fire retirees to provide only the necessary information and then provide it to outside premium administrator.

Motion made by Trustee young seconded by Stevens to have Trustee Weech as the contact person for Fifth Third to obtain the information the City is requesting motion passed unanimously.

The next item discussed was the Fifth Thirds list of accounts that they plan to close due to inactivity. He will check on the costs to make sure there are none if the accounts would have to be reopened. The Chairman said they could approve the closing of the accounts if there are no costs to reopen.

The next item Mr. Little presented relates to a divorced member who had selected the level income social security option. Ms. Levy said that the marital separation agreement indicates a set amount and in parentheses "50%". In the social security option selected by the member the benefit amount reduces once the member reaches eligibility age for SSI benefits. Ms. Levy will contact the representatives of the members

The next item relates to excess contributions withheld from the member on overtime over 300 hours. The Plan's Tax attorney recommended the Board use the interest rate in the actuarial assumed rate of return of 7.625% when repaying that overpayment.

***A motion was made by Trustee Stevens seconded by Trustee Young to authorize the Actuary to use the actuarial equivalent interest rate of 7.625% motion passed unanimously.***

The annual report was approved.

This year may be last year for any deposits to the member's share accounts. It is a function of declining payroll and declining insurance premium taxes. Mr. Little will inform the beneficiaries of this fact.

He discussed the audit process and encouraged that the process be monitored.

This concludes the actuarial report.

### **NEW BUSINESS**

Trustee Hill said there had been a lot of talk regarding Fifth Third, and how were they hired? Mr. Falcon advised the Board that the last RFP was done by Burgess Chambers. Trustee Stevens asked if is ok to bring Fifth Third in before making a change. Burgess will send a copy of the RFP to Mr. Little for review. They asked the Chairman to discuss with Salem to determine their current status.

### **MINUTES**

Trustee Stevens asked if anyone had any questions regarding the minutes of the meeting held April 21, 2017, and June 9, 2017

***A motion was made by Trustee Stevens seconded by Trustee Young to approve the minutes of the meetings held April 21, 2017, and June 9, 2017, motion passed unanimously.***

### **OLD BUSINESS**

None

**PUBLIC FORUM**

None

**ATTORNEY**

*No attorney report*

**ADMINISTRATOR**

Mr. Falcon discussed the City of Deerfield Beach Firefighters budget. He is recommending they roll forward the budget he is contemplating a realistic budget should you move forward with another custodian. If you do overspend, you can file an amendment. A motion was made by Trustee Young seconded by Trustee Stevens to approve the budget for next year; motion passed unanimously.

***A motion was made by Trustee Young seconded by Trustee Stevens to ratify the City of Deerfield Beach Municipal Firefighters Pension Fund disbursements/ratifications for the period of 6/7/2017-9/26/2017 for \$112,984.69 motion passed unanimously.***

Mr. Falcon discussed the laptop options to ensure the documents are sent via electronically vs. hard copy paper.

The Chairman expressed his appreciation for Joan Maurice who passed away and would like her family to know that the Board is saddened by her loss. Ms. Levy offered to draft a letter advising the family what she meant to the plan on the Board's behalf.

The Chairman apologized for attending by phone.

**OTHER BUSINESS**

None

**ADJOURN**

Next meeting will be December 1, 2017, 2:00 p.m. and do something for John Lucas.

***Motion made by trustee Young seconded by Trustee Stevens to adjourn the meeting at 5:04 p.m. motion passed unanimously.***