

**PALM BAY POLICE AND FIREFIGHTERS' PENSION PLAN
BOARD OF TRUSTEES
Special Meeting 19-02**

Held on the 18th of January, 2019 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.

Jason Dorey, Vice Chairperson, called the meeting to order at the hour of 9:08 a.m.

ROLL CALL:

PRESENT

Jason Dorey, Vice Chairman, Fire Elected
James W. Brock, Secretary, Trustee,
City Councilmember Appointee
Richard B. Adams, Trustee, Board Appointee

EXCUSED

Timothy W. Lancaster, Chairman, Police Elected
Guillermo William Capote, Sr., Trustee,
City Councilmember Appointee

Also, in attendance was Ms. Kathy Adams, Board Administrator, and Ms. Katie Taglia-Polak, Office Manager, Palm Bay Police & Firefighters' Pension Fund; Ms. Lark Janes, CPA, Board Accountant, and Alison Wester, CPA, CGMA, Partner, Mauldin & Jenkins, CPA, arrived at 10:29 a.m. Mr. Capote telephoned at 9:22 a.m. and his call ended at 10:04 a.m. He telephoned again at 10:30 a.m. and the call ended at adjournment.

Motion by Mr. Brock, seconded by Mr. Adams to excuse Mr. Lancaster and Mr. Capote for personal reasons; however, they might be calling into the meeting. Motion carried with members voting as follows: Mr. Brock, Yea; Mr. Adams, Yea; and Mr. Dorey, Yea.

AGENDA REVISIONS:

Motion by Mr. Brock, seconded by Mr. Adams to add to New Business, Item No. *3. Termination Refund/Rollover/or Vested Termination, If Eligible, Firefighter Michael Hughs. Motion carried with members voting as follows: Mr. Brock, Yea; Mr. Adams, Yea; and Mr. Dorey, Yea.

CONSENT AGENDA:

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

ADOPTION OF MINUTES:

*Regular Minutes 19--01

This item was approved under Consent Agenda as presented.

PRESENTATIONS AT 10:30 A.M.: (The Board considered this item out of order at 10:30 a.m. as noticed for time certain. A copy of the final audit will be posted to the Pension website at www.pbpfpf.org):

1. Ms. Alison N. Wester, CPA, CGMA, Partner and Mr. Daniel Anderson, CPA, Mauldin & Jenkins, CPA-Audit for Fiscal Year Ending 9/30/2018- Ms. Wester and Ms. Janes were in attendance. Mr. Anderson did not attend. Mr. Capote telephoned at 10:30 a.m. Ms. Wester said it was exciting and a pleasure to be at the meeting. The Audit is still pending their representation. The audit is a clean opinion. Ms. Wester said the opening includes a disclosure that they are not responsible for the prior audit. It has some GASB 67 and 68 disclosures, then some supplements that they added. At the back of the audit is the yellow book report, on the last page. It was not there last year and is a GASB requirement. She said pages 4-9 include Management's Discussion and Analysis (MD&A) and is the responsibility of the Board. The other change is that the document referred to the Fund as the Plan, but the Police, Fire, and General Employee Funds is a multi-plan and legally the name of the Plan is the System, so "Plan" was changed to the "System." Pages 12-13 is the Statements of Changes in Fiduciary Net Position. She stated they previously talked about changing this, but it needs to stay "as is" because it is a multi-plan. There are not a lot of significant changes. They were the good effect of the market as far as gain. Page 21 conforms to the City's reporting audit. Page 23 has some significant changes dealing with payroll due to some inconsistencies on pages 35 and 36. The payroll information is not required and was changed from a percent of payroll to a set amount by the Board in 2012-2013. The rest is traditional disclosures and discussions. There was discussion about page 27 listing detailed credit ratings that is cumbersome and not required. Motion by Mr. Brock, seconded by Mr. Adams to approve the simplification of the credit ratings listed on page 17 of the Audit Version 4 for future audits. Motion carried with members voting as follows: Mr. Brock, Yea; Mr. Adams, Yea; Mr. Capote, Yea; and Mr. Dorey, Yea. Page 34 starts the required supplemental information rolling forward for a ten-year period. Nothing came to their attention on the internal control issues. On pages 34 and 35 the headers will change. Page 21 the total lines are missing. Page 36 actuarial is misspelled. A final version will be emailed next week. Motion by Mr. Brock, seconded by Mr. Adams to approve the Management Discussion Analysis. Motion carried with members voting as follows: Mr. Brock, Yea; Mr. Adams, Yea; Mr. Capote, Yea; and Mr. Dorey, Yea. Motion by Mr. Brock, seconded by Mr. Adams to approve the Fiscal Year-End 9/30/2018 and 2017 Audit with Discussed Changes. Motion carried with members voting as follows: Mr. Brock, Yea; Mr. Adams, Yea; Mr. Capote, Yea; and Mr. Dorey, Yea. Motion by Mr. Brock, seconded by Mr. Adams to approve any invoices received related to this audit upon invoicing. Motion carried with members voting as follows: Mr. Brock, Yea; Mr. Adams, Yea; Mr. Capote, Yea; and Mr. Dorey, Yea.

2. Ms. Lark Janes, CPA, LLC-Audit Progress Review and Accounting Updates-Ms. Janes said all went well with the audit. She was very impressed. She was surprised with the few questions they had, but they were legitimate. She stated the draft looks really good. The meeting was adjourned.

OLD BUSINESS:

1. Discussion of Long Range Projects Established in 2018 and New Projects for 2019-Ms. Adams reviewed the bulleted Long Range Planning Goals for 2019 as follows: Planning Strategy for \$250 Million Fund; Legislative Issues: LRS Upgrades & Development; Member Communications & Education; Office

Location; Staffing & Education; Records Retention & Retrieval; and Disaster Recovery. Mr. Capote telephone at 9:22 a.m. She reviewed the achievements accomplished during 2018 as follows: Conversion of Investments to Reduce Investment Expenses; Streamlined the Warrant Process; Implemented Procedures on Share Plan Refunds; Updated Summary Plan Description for Distribution; Selected a New Audit Firm; Revised the Quarterly DROP Statement; Upgraded the In-house Processing of Fire Holiday Pay; Upgraded the Website; Implemented a Handyman Service; Increased Trustee and Staff Out-of-State Training; Trustees Achieved Their National Accredited Fiduciary Status through NCPERS; Upgraded Adobe Acrobat; Member File Back-up More Than 50% Complete with Temporary Staffing; Improved the Off-site Storage Back-up Process; and Installed a New Server. Ms. Adams said the market value at 12/31/2018 was \$177 Million versus \$188 Million as of 1/1/2019. Administrative expenses have remained stable at around 9-10% for the last three years. The Fire Fund has 14 DROP participants with the following scheduled exit dates: 2019-2; 2020-2; 2021-0; 2022-6; and 2023-4. The Police Fund has 10 DROP participants with the following scheduled exit dates: 2019-1; 2020-2; 2021-3; 2022-3; and 2023-1. There are 18 firefighters eligible to retire over the next 5 years. There are 13 police officers eligible to retire over the next 5 years. We are averaging 3-4 retirees per year. Under Legislative Issues, follow-up will be made with the Board's attorney about Qualified Domestic Relations Orders and any upgrade required with documentation or procedures. Ms. Adams said it is critical that when staff and trustees attend conferences that she be made aware of any legislative changes. She said Mr. Klausner, Board Attorney; provides memos for any required changes. Under LRS Upgrades and Development, we are starting to implement a disability tracking program with auto-fill documentation. We will look specifically at medical record and employment document tracking and auto-fill for some generalized letters. We want to set up auto-fill letters for routine letters that we do for members such as mortgage verification requests. As well as any upgrades that could help with daily tasks or with member reference questions. Under Member Communication & Education, further research and implementation of E-Signature availability (VeriSign) for certain documents. Ms. Adams is still working on the Frequently Ask Question section of the website and should have that completed soon. It is being set up under various member categories. She said more members are reaching the age of Medicare which eliminates their supplemental benefit and usually results in a change in their City insurance at times other than the annual enrollment period. We are seeing an increase in the number of orientations and terminations, but they are manageable. We need to address the TV and video conference set-up in the boardroom that can help with this process, quarterly meeting attendance of guests, disability hearings, and other presentations. Under Office Location, the lease agreement is good through 2020. We have been seeing Mr. Warner lately and he was proactive in dealing with a recent ant issue. Mr. Capote said more office space will become available on the East side of the City as well as along the Heritage Parkway. Under Staffing & Education, we are using temporary staff and have completed more than 50% of the scanning of member files through 9/30/2016. We plan to utilize her to scan this year's boxes for archiving and to start scanning the contract files. This has freed up a substantial amount of staff's time, which has saved the Fund money in the long-run. We are looking at available Records Management Classes through the State and training on the upgraded Adobe Acrobat program. Under Records Retention & Retrieval, need to complete a written records management procedure manual with a records log to include a disposal schedule. Under Disaster Recovery, need a written procedure on the encryption drive. Mr. Adams suggested testing it when completed with Computer Experts. We revise the hurricane procedures each time we anticipate having one. We enhanced the off-site drive back-up and had a new server installed. New workstations are scheduled around July. Ms. Adams asked if there were any

additions and the Board said they were OK with the existing items. Motion by Mr. Brock, seconded by Mr. Adams to adopt the Long Range Planning Goals for 2019. Motion carried with members voting as follows: Mr. Brock, Yea; Mr. Adams, Yea; Mr. Capote, Yea; and Mr. Dorey, Yea.

Mr. Capote's telephone call ended at 10:04 a.m. The Board called a recessed at 10:05 a.m. and reconvened at 10:29 a.m. Discussion continued with the Audit Presentation above.

NEW BUSINESS:

- *1. Consideration of Warrants for Payment:
 - *a. Burgess Chambers & Associates, Inc.-\$17,766.50-Performance Monitoring & Advisory Fee for Quarter End 12/31/2018; Invoice No. 19-11-This item was approved under Consent Agenda as presented.
 - *b. Foster & Foster, Inc.-\$2,000.00-Preparation of GASB 67 & 68 Statements, Invoice No. 13725 (General Employee Fund Only)-This item was approved under Consent Agenda as presented.
 - *c. Foster & Foster, Inc.-\$12,925.00-Various Correspondence Related to the Audit: Preparation of GASB 67 & 68 Statements and Share Plan, Invoice No. 13711 (Fire Fund Only)-This item was approved under Consent Agenda as presented.
 - *d. Foster & Foster, Inc.-\$12,925.00-Various Correspondence Related to the Audit: Preparation of GASB 67 & 68 Statements and Share Plan, Invoice No. 13712 (Police Fund Only)-This item was approved under Consent Agenda as presented.
 - *e. Salem Trust-\$13,479.26-Account Management Fee for 10/1-12/31/2018, Fee A/C#M05207-This item was approved under Consent Agenda as presented.
- *2. New Plan Member Applications; Member Beneficiary Changes; Pre-Retirement Death Benefit Option Selection Forms; Member Retirement Beneficiary Forms; and DROP Beneficiary Designations-A member beneficiary form was accepted for Police Officer Justin Hill and Firefighter Robert William Randolph, Jr. These items were approved under Consent Agenda as presented.
- *3. Termination Refund/Rollover/or Vested Termination, If Eligible, Firefighter Michael Hughs-This item was approved under Consent Agenda as presented)-This item was approved under Consent Agenda as presented.

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 11:09 a.m.

PBP&F Pension Fund
Special Minutes 19-02
January 18, 2019



Jason Dorey, Vice Chairperson

ATTEST:



James W. Brock, Secretary