

**BAL HARBOUR VILLAGE POLICE OFFICERS'
PENSION PLAN AND TRUST**

Bal Harbour Village Hall, 2nd Floor Conference Room
655 – 96th Street, Bal Harbour, Fl 33154
REGULAR QUARTERLY MEETING – JULY 30TH, 2018

1 Call to Order – The meeting of the Bal Harbour Village Police Officers' Pension Plan was called to order at 3 P.M.

Roll Call – Vice Chairman David Levin, Secretary Gregory Matthews and Joel R. Mesznik.

OTHERS PRESENT: Robert Meyers, Esq., from Weiss Serota, Gregg Gosch from Sawgrass Asset Management, LLC, John McCann from AndCo Consulting, Detective Paul Eppler, Dwight Danie Village Clerk, Adam Levinson, Esq., from Klausner, Kaufman, Jensen & Levinson, Attorneys for the Plan and Joan L. Wall, Clerk to the Board of Trustees.

2. Additions/Deletions to Agenda. After the agenda was posted the invoice from Fiduciary Trust International was received in the amount of \$3,236.98, bringing the total for Warrant #102 to \$49,706.84.

3. Presentation of Sunshine Law Regulations. Robert Meyers, Esq., from Weiss Serota, Village Attorneys, reviewed with those present the current Sunshine Law Regulations, and answered questions, giving examples of various situations.

4. Approval of Minutes for the meetings of April 30th and June 4th, 2018. Vice Chairman Levin presented the minutes from the two previous meetings for approval. Joel Mesznik moved to approve. Gregory Matthews seconded the motion. The motion carried unanimously.

5. Approval of Warrant #102. Vice Chairman Levin presented Warrant #102 for approval. Joel Mesznik moved to approve payment. Gregory Matthews seconded the motion. The motion carried unanimously, authorizing payment of the following:

Klausner, Kaufman, Jensen & Levinson, May, June and July, 2018 Retainers	\$ 6,000.00
Joan L. Wall, 4/23 – 7/24, 2018, 70 ½ hrs, plus expenses of \$98.91	\$ 3,666.92
Sawgrass Asset Management, LLC, Investment Fee Qtr Ending 6/30/18	\$27,623.28
Foster & Foster, Inc., Invoice #12460 dated 5/23/18, Actuarial Services	\$ 4,435.00

Fiduciary Trust International, Custody for Qtr Ending 5/31/18	\$ 3,236.98
AndCo Consulting, Performance Report for Qtr Ending 6/30/18	\$ 4,744.66
<u>TOTAL for Warrant #102</u>	<u>\$49,706.84</u>

6. Approval of Monthly Retirement Benefit and DROP Distributions. Vice Chairman Levin presented the retirement benefit and DROP Distributions for the retirement and completion of the DROP for Paul Eppler. Gregory Matthews moved to approve the retirement benefit and DROP Distributions. Joel Mesznik seconded the motion. The motion carried unanimously, authorizing payment of the follow ing:

Paul Eppler, H/D 9/7/1993, DROP 8/1/2013, Monthly Benefit Effective 8/1/18	\$ 9,586.25
T.D. Ameritrade, Partial Rollover for Paul Eppler (Acct #893045794)	\$ 81,340.83
T.D. Ameritrade, Partial Rollover for Paul Eppler (Acct #893045792)	<u>\$510,000.00</u>
<u>TOTAL DROP DISTRIBUTION</u>	<u>\$591,340.83</u>

7. UNFINISHED BUSINESS – None.

NEW BUSINESS

8. a) Sign Contracts and Side Letter with U.S. Real Estate Investment Fund, LLC. Joel Mesznik moved to authorize the Vice Chairman to execute all the required forms under the DRIP plan, which would allow for reinvested dividends. Gregory Matthews seconded the motion. The motion carried unanimously.

8. b) Review/Adopt Budget for FYE September 30th, 2019. The trustees reviewed the actual expenses estimated to be paid through the end of the fiscal year to be approximately \$215,828.65 with an projected budget for the following year of \$262,000, the same as the prior year. Joel Mesznik moved to approve. Gregory Matthews seconded the motion. The motion carried unanimously.

8. c) Gregg Gosch from Sawgrass Asset Management.

- **Investment/Market Report.** The firm's growth equity alpha thesis was Risk is often mispriced, Consistent growth is underappreciated, Lower volatility rewarded over time and Valuation anomaly persists. During the second quarter the S&P 500 resumed its upward march to post a solid return of 3.4%. Energy stocks posted the strongest returns as oil prices rose with Discretionary and Technology again the largest contributors. Industrials and Financials declined as the yield curve flattened, with Staples being negative and having a big drag on the index for the year. The FAANGs continue to lead the market higher. Mr. Gosch requested the next meeting start at 4 P.M., with an invitation to all trustees and their guest to dinner at the Palm Restaurant in Bay Harbour. He would also invite Peter Mann from Golden Beach to dinner.

- **Notice of Direction: Delivery versus Payment.** Mr. Gosch stated this was a form recommended by a new member of his firm. The plan custodied assets with Fiduciary Trust, so no action on the matter was required.

8. d) John McCann from AndCo Consulting – Performance Report for Quarter Ending June 30th, 2018. Asset allocation was Domestic Equity 59.6%, Domestic Fixed Income 39.0% and Cash Equivalent of 1.4% for a total market value of \$22,101,992, down \$161,720 from the previous quarter. The total net return for the quarter was 2.78%, 9.90% for the one year, 7.29% for the three years and 8.61% for the five years as compared with the fund policy returns of 3.58%, 11.86%, 8.82% and 9.39% for the same time periods. Mr. McCann felt the real estate investment would issue a call for part or all of the \$2,200,000 committed investment amount at the end of September.

8. e) Review/Accept – Net DROP Return of 2.78% for the Quarter Ending June 30th, 2018. Based on the report from the investment consultant, Joel Mesznik moved to approve. Gregory Matthews seconded the motion. The motion carried unanimously.

8. f) Schools/Conferences

- **FPPTA** – Fall Trustee School, 9/30 – 10/3/18, Hyatt Regency Coconut Point, Bonita Springs
- **Division of Retirement** – 48th Annual Police Officers' & Firefighters' Pension Conference, 11/14 – 16/18, Grand Orlando Resort, Kissimmee, Fl

9. Input from Active/Retired Members – None.

10. Trustees' Concerns – Joel Mesznik commented that the current investment earnings assumption remains at 8%, while the state rate was much lower with the ultimate goal of the state to be decreased to 7%. The matter was discussed at length. Gregory Matthews moved to reduce the current assumed rate of investment return from 8% to 7.75%, with the ultimate goal to arrive at 7% in 25% decreases in the following years. Joel Mesznik seconded the motion. The motion carried unanimously. The Finance Director and the actuary would be invited for input at the next meeting, with the actuary attending either in person or via speakerphone.

11. Public Comments – None. Attorney Levinson recommended that this be placed at the beginning of the agenda in the future.

12. REPORTS

- **Attorney** – Reminded all that Financial Disclosures were due July 1st, with penalties assessed after September 1st each year.
- **Board Clerk** – 2017 Annual Report has been filed, awaiting approval.

- **Other** – None.

13. Next Meeting Date/Adjournment. Vice Chairman Levin announced the next regular meeting will be held on Monday, October 29th, 2018 at 4 P.M.

There being no further business before the board, the meeting was adjourned at 5 P.M.

Respectfully submitted,



David Levin, Vice Chairman

Gregory Matthews, Secretary