

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

Bal Harbour Village Hall, 2<sup>nd</sup> Floor Conference Room  
655 – 96<sup>th</sup> Street, Bal Harbour, Fl 33154  
REGULAR QUARTERLY MEETING – APRIL 30<sup>th</sup>, 2018

**1. Call to Order** – The meeting of the Bal Harbour Village Police Officers' Pension Plan was called to order at 3:10 P.M. to hear the reports from Sawgrass Asset Management and Andco Consulting before Chairman Gold and Vice Chairman Levin arrived due to traffic conditions.

**Roll Call** – Chairman Daniel Gold (arrived at 3:28 P.M.), David Levin (arrived at 3:29 P.M.), Secretary Gregory Matthews, Ronald Smith and Joel R. Mesznik.

**OTHERS PRESENT:** Gregg Gosch from Sawgrass Asset Management, LLP, John McCann from AndCo Consulting, Assistant Village Clerk Stephanie Marquez was present to swear in Joel R. Mesznik, the new trustee appointed by the Village Council, Paul Daragjati, Esq., from Klausner, Kaufman, Jensen & Levinson, Attorneys for the Plan and Joan L. Wall, Clerk to the Board of Trustees.

The meeting went to the reports until the trustees held up in traffic could arrive.

**9. a) Gregg Gosch, Sawgrass Asset Management – Investment Report.** Mr. Gosch reported the stock market experienced its first meaningful volatility in two years as February brought an S&P 500 decline of 10% followed by a 7% decline in March. Despite this news the S&P 500 posted only a marginal negative return for the quarter of -0.8%. Growth stocks continued to lead Value stocks by a significant margin, while the market continued to have a risky tone. Given above average valuations and rising interest rates, stock returns are likely to be more modest and in sync with earnings growth than the outsized returns we have seen for the last nine years. The FOMC committee expects to raise rates three times in 2018 and another three in 2019 given the strong economic growth and improving labor market. Also, balance sheet reduction will continue at an increasing pace. Sawgrass remains at short duration.

**9. b) John McCann, AndCo Consulting – Performance Report for March 31<sup>st</sup>, 2018.** Asset allocation was 59.1% Domestic Equity, 40.0% Domestic Fixed Income and 0.9% Cash for a total market value of 22,263,712, down \$474,624 from the previous quarter. Total net return for the quarter was -.37%, one year 9.38, three years 5.96% and five years 8.16% as compared to the fund policy returns of 0.62%, 10.39%, 7.52% and 8.85% for the same time periods. Fixed Income outperformed for the quarter and the year to date.

Chairman Gold and Vice Chairman Levin arrived.

**2. Introductions of New Trustee** – Joel R. Mesznik had recently been appointed by Village Council. Mr. Mesznik came to the board with a great deal of experience in the public sector pension area in addition to extensive knowledge of the financial world.

**3. Officially elect Daniel Gold to the position of Fifth Trustee** (as requested by the Village Clerk). David Levin moved to appoint Daniel Gold as Fifth Trustees. Joel Mesznik seconded the motion. The motion carried unanimously.

**4. Additions/Deletions to Agenda –**

- An invoice from Fiduciary Trust was received in the amount of \$3,317.05
- A corrected invoice was received from AndCo in the amount of \$4,744.66, bringing the total for Warrant #101 to \$39,652.54.
- Retiree Alvin McFarlane changed the amount of his distributions to his DROP since the agenda had been posted, taking only \$30,193.88 in cash and the balance to one investment vehicle.

**5. Approval of Minutes for March 12<sup>th</sup>, 2018.** Chairman Gold presented the minutes from the previous meeting for approval. Gregory Matthews moved to approve. Ronald Smith seconded the motion. The motion carried unanimously.

**6. Approval of Warrant #101.** Chairman Gold presented the invoices as corrected totaling \$39,652.54 for approval for payment. Gregory Matthews moved to approve payment. David Levin seconded the motion. The motion carried unanimously, approving payment of the following:

Klausner, Kaufman, Jensen & Levinson, April, 2018 Retainers	\$ 2,000.00
Joan L. Wall, 3/5 – 4/18/18, 32 ½ hrs, plus expenses \$122.02	\$ 1,766.85
Sawgrass Asset Management; Investment Fee for Qtr Ending 3/31/18	\$ 27,823.98
Fiduciary Trust International, Custody for Qtr Ending 2/28/18	\$ 3,317.05
AndCo Consulting, Performance Report for Qtr Ending 3/31/18	\$ 4,744.66
<u>TOTAL For Warrant #101</u>	<u>\$ 39,652.54</u>

**7. DROP Distributions**

Alvin McFarlane, Direct Distribution \$30,193.88 (less 20% WH Tax), net check	\$ 24,511.11
UMB Bank (FBO Alvin R. McFarlane) rollover,	\$420,000.00

Gregory Matthews moved to approve payment. Joel R. Mesznik seconded the motion. The motion carried unanimously. Mr. McFarlane had been advised that the rollover would take additional time for Sawgrass to raise the funds.

**8. UNFINISHED BUSINESS – Consideration of revised benefit calculation for widow of Chief Miguel De La Rosa, deceased January 27<sup>th</sup>, 2018.** Attorney Daragjati advised the Village attorney had reviewed and approved of using a three year period. David Levin moved to approve the revised monthly payment of \$1,321.57 retroactive to February 1, 2018 based on a three year period. Ronald Smith seconded the motion. The motion carried unanimously.

**9. c) Review/Accept – Net DROP Return of -0.37% for Quarter Ending March 31<sup>st</sup>, 2018.** Based on the report from AndCo Consulting, David Leven moved to approve. Joel R. Mesznik seconded the motion. The motion carried unanimously.

Mr. McCann inquired about prior interest in a real estate investment that would incrementally lower the risk to fixed income. After discussion, it was decided to hold a special meeting where only the real estate professionals would make their presentations on Monday, June 4<sup>th</sup>, 2018 at 10 A.M. David Levin and Joel Mesznik stated they might have to participate via speakerphone.

**9. d) Schools/Conferences**

- **FPPTA**, 34<sup>th</sup> Annual Conference, 6/24 – 27/18, Rosen Shingle Creek, Orlando..
- **Division of Retirement** – 39<sup>th</sup> Annual Police Officers' & Firefighters' Pension Trustees' School, June 4<sup>th</sup> – 6<sup>th</sup>, 2018, Tallahassee, Fl

**10. Input from Active/Retired Members** – None.

**11. Trustees' Concerns** – None.

**12. Public Comments** - None.

**13. REPORTS**

- **Attorney** – Pending PTSD bill (SB 376) Memorandum. Attorney Daragjati briefly reviewed this with those present.
- **Board Clerk** – None.
- **Other** – None.

**14. Next Meeting Date/Adjournment** – Chairman Gold announced the next quarterly meeting was scheduled for Monday, July 30<sup>th</sup>, 2018 at 3 P.M, with a special meeting to be held on Monday, June 4<sup>th</sup>, 2018 at 10 A.M. There being no further business before the board, the meeting was adjourned at 4:45 P.M.

Respectfully submitted,

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Daniel Gold, Chairman



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Gregory Matthews, Secretary