

**CITY OF OAKLAND PARK POLICE & FIREFIGHTERS
PENSION PLAN REGULAR MEETING MINUTES
Tuesday, January 26, 2016**

CALL TO ORDER:

The regular meeting of the Board of Trustees of the City of Oakland Park Police & Firefighters' Pension Plan was called to order by the Fund Administrator at 6:15 pm at the City of Oakland Park, 2nd Floor Conference Room.

ROLL CALL:

TRUSTEES PRESENT: Robert Rogers, James Carroll, Michael Paparella, Bert Wrains and Paul Vanden Berge

OTHERS PRESENT:

Fund Attorney Adam Levinson, Dave West of Bogdahn Consulting, Fund Actuary Don DuLaney, Clement Johns and Rosa Salum of Goldstein Schechter Koch, City Representatives Ming Meyer and Andrew Thompson and Fund Administrator Livia Giuliani.

APPROVAL OF MINUTES:

October 26, 2015 Regular Meeting Minutes

Trustee Wrains moved to approve the minutes and Trustee Paparella seconded the motion. The motion passed 5-0.

PUBLIC COMMENTS:

There were no public comments.

CONSENT AGENDA:

For Approval Warrant #188

Wells Capital Management (4th Qtr. 15 Mgmt Fee-Inv #10217218 dated 1/15/16) \$20,028.63

For Ratification: Warrants #183-187

FPPTA (2016 Annual Membership Dues)	\$600.00
GAMCO (4th Qtr. 15 Mgmt Fee-Invoice dated 10/15/15)	\$21,794.00
KKJ&L (Legal Fees-Bill #17447 dated 10/31/15)	\$2,790.00
Wells Capital Mgmt (3rd Qtr. 15 Mgmt Fee-Inv #10044114 dtd 10/16/15)	\$19,539.02
Total	\$44,732.02
DuLaney & Co. (Services Rendered for October 2015; invoice dtd 11/25/15)	\$4,260.00
KKJ&L (Legal Fees-Bill #17579 dated 11/30/15)	\$1,890.00
Total	\$6,150.00
DuLaney & Co (Services rendered for the month of November 2015)	\$4,860.00
FPPTA (Trustee School Registration for Michael Paparella)	\$450.00
Michael Paparella (Hotel and per diem for FPPTA Trustees School 1/31-2/3/16)	\$1,051.86
Total	\$6,361.86
GSK (Progress Billing; Invoice #20417128 dated 11/19/2015)	\$3,800.00
GSK (Progress Billing; Invoice #20417503 dated 12/14/2015)	\$12,000.00
Total	\$15,800.00
Bogdahn Group (4 th Qtr. 15; Consulting Fee-Invoice #13250 dated 12/24/15)	\$10,000.00
KKJ&L (Legal Fees-Bill #17693 dated 12/31/15)	\$2,730.00
Total	\$12,730.00
Total of Warrants 183-187	\$126,740.57

Auto payments for Ratification:

Benefits USA, Inc. (Administration Services Oct-Dec 2015)	\$3,900.00
Benefits USA, Inc. (Bookkeeping Fee Oct-Dec 2015)	\$825.00
Garcia Hamilton (4 th Qtr. Mgmt Fee-Invoice #26302 dated 10/14/15)	\$7,481.15
Salem Trust Co. (4 th Qtr. 15 Custodian Fee)	\$8,731.91
Total Auto Payments	\$20,938.06

Pension Payments for Ratification:

Chad Bailey (Retired 12/31/15; monthly benefit effective 1/1/16)	\$4,297.00
William Schwartz (Retired 1/4/16; monthly pension effective 2/1/16)	\$4,448.12
Ariel Coll (Terminated 12/25/15-Refund of Contributions)	\$1,721.24
Juan Sanchez (Terminated 8/17/15-Refund of Contributions)	\$3,415.54
Total Pension Payments	\$13,881.90
Grand Total disbursements	\$161,560.53

Trustee Wrains moved to approve the Consent Agenda and Trustee Paparella seconded the motion. The motion passed 5-0.

INVESTMENT REPORTS: period ending 12/31/2015

Mr. West reported on the economy noting that the 4th quarter of 2015 saw broad equity markets recover some of the losses experienced during the previous quarter. The majority of the 4th quarter's returns were generated during the month of October as markets reacted positively to news that several major central banks, notably Europe and China, would inject additional stimulus into their economies. Domestic equity market indices all posted positive results for the 4th quarter. U.S. fixed income indices tracked on the chart were all modestly negative for the 4th quarter. Large cap sector performance was broadly positive for the 4th quarter as every sector within the Russell 1000 Index, Similar to large cap indices, small cap index performance was largely positive for the quarter with only the consumer discretionary -3.1% and energy -8.0% posting negative returns.

Mr. West reported on the performance noting that the total fund had a 2.55% return vs. the fund slightly under the fund policy of 3.16%; the domestic equity returned 3.99% vs. the equity policy of 5.53%. The Vanguard mid cap returned 3.45% vs. the mid cap policy of 3.46%. Wells large cap earned 6.17% vs. the Russell 1000 Growth index of 7.32%. GAMCO all cap value returned 2.61% vs. the Russell 3000 index of 6.27%. The Euro Pacific returned 2.97% for the quarter and -0.48% for the 1-year period vs. the MSCI AC World ex USA of 3.30 and -5.25% respectively. Garcia Hamilton declined -0.19% vs. -0.57%; Pimco was up 0.87% ahead of benchmark of 0.00%; Templeton Global Bond Fund returned 2.20% vs. the Citigroup World Government Bond index of -1.23%. The Morgan Stanley real estate market has been returning positive returns at 3.39% for the quarter and 15.91% for the 1-year period outperforming the benchmark of 3.39% and 10.12% respectively.

Mr. West cash flow on the cash flow noting that the market value at the beginning of the quarter was \$56,360,117; the contributions were \$1,331,321; the distributions were \$1,301,198; the management fees totaled 67,491; the other expenses totaled \$41,346; the income generated was \$586,074 and the appreciation totaled \$920,365 resulting in the ending market value of \$57,787,843. Mr. West reported that the asset allocation is close to the target so no recommendation to rebalance is required at this time.

ACTUARY'S REPORT:

Mr. DuLaney reported on the share plan noting that there were 26 active members that would share the base amount of the 185 money. If the member is retired they get a check; if they are active they get a share account. Mr. DuLaney also prepared share plan statements. The share plan distributions of \$55,843.37 for Chad Bailey and William Schwartz can be paid out at this time.

Mr. DuLaney reported on the GASB 67 noting that the total pension liability is \$71,184,117 minus the plan fiduciary net position of (\$57,128,245) resulting in the City's net pension liability of \$14,055,872. Mr. DuLaney also reported on the GASB disclosure summary noting that the projected long term real rate of return for the plan net of investment expenses is 5.90% which consisted of 3.38% in Domestic Equity; 1.28% in International Equity, 0.63% in Domestic Bonds, 0.18% in International Bonds and 0.45% in Real Estate. This return was projected using the long term Investment rate of return of 8.40% less the long term inflation assumption of 2.5%. Mr. DuLaney said that he calculated the City's net pension liability at 1% higher and 1% lower than the current assumption. The pension liability using 7.40% is \$20,161,909 and using the 9.40%, the pension liability was \$8,829,974.

ATTORNEY'S REPORT:

Attorney Levinson reported on Senate bill 172 noting that he provided a letter that was prepared by the City regarding the share plan distributions. The letter maintains the status of the share plan. The same methodology was used as last year.

Attorney Levinson reported that there is a mechanism is built in to the plan for a 13th check. If the plan has a cumulative gain, a 13th check will be paid at year end. Mr. DuLaney said that this was implemented in 1998 and there was an actuarial gain in 1998 and 1999. Unfortunately, the plan has not had a gain since then. Trustee Paparella noted that there is \$998,000 for police and \$730,000 for firefighters sitting in the Plan and asked if there was a way to distribute these funds to the members. Attorney Levinson said that it would require an Ordinance change and the State would need to be contacted for their opinion on whether or not this can be done. Attorney Levinson said a special meeting will need to be set up in order to discuss this issue further.

NEW BUSINESS:

Presentation of 10/1/15 Financial Statements

Mr. Johns reported that they rendered a clean opinion in all material aspects in accordance with the auditing standards generally accepted in the United States of America. Mr. Johns introduced Ms. Rosa Salum as the account manager. Ms. Salum reported on the notes to the financial statements stating that this was the first year that GASB 67 was implemented. There were no new policy changes. The plan assets exceed the liabilities at the close of the fiscal years ending 2015 and 2014 by \$57,128,246 and 58,645,609 respectively. The receivables decreased to \$75,092 primarily due to a decrease in securities sold. The receivables increased in 2014 due primarily to an increase of the State contribution receivable. The liabilities increased by \$381,709 due primarily to an increase in payables for securities purchased. In 2014 the liabilities increased by \$55,799 due primarily to an increase in accrued expenses. For the fiscal year 2015, the City and BSO contributions decreased by \$230,526 or 11.2%. For the fiscal year 2014, the City and BSO contributions decreased by \$158,177 or 7.1%. For fiscal years 2015 and 2014, the member contributions decreased by \$9,893 and \$30,762 respectively. The Contributions received were \$1,474,510 from the City; \$353,090 from BSO and \$622,234 from the State of Florida. The member contributions were \$394,574. The net investment income decreased by \$4,539,426 or 79.1%. Investment expenses for 2015 increased by \$6,431 or 1.9%. The benefits payments and refunds of contributions increased by \$346,828 or 6.8% from 2014.

The administrative expenses increased by \$6,512 or 6.4% from 2014. The normal cost to the plan plus interest is \$512,578 which is 11.2% of covered payroll. The amortization of the unfunded liability was \$1,656,634 and is 36.3% of covered payroll. The total required contribution from the City and the State is \$2,169,212 or 47.5% of covered payroll.

Mr. Johns asked about the over payment of contributions for member Robert Crum. Attorney Levinson reported that BSO continued contributing on Mr. Crum's behalf after Mr. Crum retired. As a result, BSO can reduce their future contributions and that Mr. DuLaney will be making an adjustment to the required contribution for the next valuation period. Trustee Wrains moved to authorize a credit to BSO for the Crum overpayment and the motion was seconded by Chairman Rogers and passed 5-0.

Attorney Levinson said that if the trustees had no further questions regarding the audit presentation, that a motion was in order to accept the October 1, 2015 financial statements as presented. Trustee Wrains moved to approve the financial statements and Chairman Rogers seconded the motion. The motion passed 5-0. A second motion was made by Trustee Wrains to authorize the Chairman to sign the management representation letter and the motion was seconded by Trustee Paparella and passed 5-0. The letter was signed and given to Ms. Salum.

UNFINISHED BUSINESS:

There was no unfinished business at this meeting

ADMINISTRATOR'S REPORT:

Retiree William Strachan

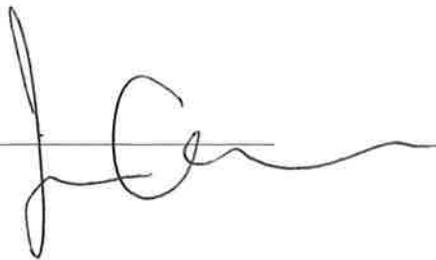
Ms. Giuliani reported that she received a letter from Mr. Strachan requesting a re-calculation of benefits to include his fiancé. It was noted that Mr. Strachan would be paying for the calculation.

MISCELLANEOUS CORRESPONDENCE: (No action required)

NEXT MEETING DATE: It was noted that 6:00 PM meeting time should be changed to 5:00 PM. The next meeting date is April 25, 2016 @ 5:00 PM

ADJOURNMENT: The meeting was adjourned at 9:15 PM.

Secretary

A handwritten signature in black ink, appearing to be 'JG', written over a horizontal line. The signature is cursive and extends to the right of the line.