

# **City of Lauderhill Police Officers' Retirement Plan**

## **Minutes**

June 06, 2018

1:30 P.M.

### **Call to Order / Roll Call:**

Mr. David Hennessy called a workshop meeting of the City of Lauderhill Police Officers' Retirement Plan to order at 1:43 P.M. at the Lauderhill Police Department 6279 West Oakland Park Blvd in Lauderhill Florida.

### **Public Discussion:**

None

### **Members Present:**

Mr. David Hennessy – Chairman; Ms. Andrea Anderson – Secretary (arrived at 1:52 PM), Mr. Kennie Hobbs (arrived at 2:01 PM) and Mr. Sam Smith (left at 2:05 PM) - Board Trustees.

*Note: When Ms. Anderson arrived, we had an official quorum, as such was recalled to order.*

### **Absent:**

Mr. Brad Mitchell

### **OTHERS PRESENT:**

Mr. Paul Daragjati - Board Attorney; Mr. Dave Williams – Plan Administrator; Mrs. Patty Ostrander – Administrative Assistant; Mr. Don Dulaney – Board Actuary, Mr. Jeff Swanson – Board Performance Monitor; Mr. John McCann – AndCo Consulting (left at 3:10 PM) and Ms. Lea Planakis – Fast Forward Bookkeeping (left at 3:25 PM).

### **Consent Agenda: Warrant Ratification / Approval:**

#### **Approval of Minutes:**

The Board of Trustees reviewed the minutes for the April 04, 2018 meeting. Mr. Mitchell made a motion to approve the minutes, seconded by Ms. Anderson. The motion passed 3-0. (Mr. Hobbs was not present for this vote).

### **Consent Agenda: Warrant Ratification / Approval:**

#### **Warrant 735**

Payment of \$4,990.00 to Dulaney & Company for Actuarial Services through February 2018. Motion by Ms. Anderson to approve as outlined, seconded by Mr. Smith. Motion passed 3-0. (Mr. Hobbs was not present for this vote).

#### **Warrant 736**

Payment of \$4,790.00 to Dulaney & Company for Actuarial Services through March 2018. Motion by Ms. Anderson to approve as outlined, seconded by Mr. Smith. Motion passed 3-0. (Mr. Hobbs was not present for this vote).

#### **Warrant 737**

Payment of \$8,860.21 to Highland Capital for Quarterly Management fees for the first quarter of 2018. Motion by Mr. Smith to approve as outlined, seconded by Ms. Anderson. Motion passed 3-0. (Mr. Hobbs was not present for this vote).

**Warrant 738**

Payment of \$8,204.69 to New Amsterdam Partners, LLC for Quarterly Management fees for the second quarter of 2018. Motion by Mr. Smith to approve as outlined, seconded by Ms. Anderson. Motion passed 3-0. (Mr. Hobbs was not present for this vote).

**Warrant 739**

Payment of \$3,381.24 to Fifth Third Bank for Quarterly Custodial fees for the first quarter of 2018. Motion by Ms. Anderson to approve as outlined, seconded by Mr. Smith. Motion passed 3-0. (Mr. Hobbs was not present for this vote).

**Warrant 740**

Payment of \$309.12 to Fifth Third Bank for Office Supplies and Education. Motion by Mr. Smith to approve as outlined, seconded by Ms. Anderson. Motion passed 3-0. (Mr. Hobbs was not present for this vote).

**Warrant 741**

Payment of \$2,138.79 to Brown & Brown of Florida, Inc for Cyber Liability Policy Renewal. Motion by Ms. Anderson to approve as outlined, seconded by Mr. Smith. Motion passed 3-0. (Mr. Hobbs was not present for this vote).

**Warrant 742**

Payment of \$1,295.00 to Klausner, Kaufman, Jensen & Levinson for Attorney services through April 2018. Motion by Mr. Smith to approve as outlined, seconded by Ms. Anderson. Motion passed 3-0. (Mr. Hobbs was not present for this vote).

**Warrant 743**

Payment of \$3,510.00 to Dulaney & Company for Actuarial Services through April 2018. Motion by Ms. Anderson to approve as outlined, seconded by Mr. Smith. Motion passed 4-0.

**Warrant 744**

Payment of \$262.65 to Fifth Third Bank for Office Supplies and Education. Motion by Mr. Hobbs to approve as outlined, seconded by Mr. Smith. Motion passed 4-0.

**Warrant 745**

Payment of \$385.00 to Klausner, Kaufman, Jensen & Levinson for Attorney services through May 2018. Motion by Mr. Smith to approve as outlined, seconded by Mr. Hobbs. Motion passed 4-0.

**OLD BUSINESS:**

Bookkeeper – Ms. Lea Planakis presented her proposal to the Board. After Board discussion, Mr. Hobbs made a motion to hire First Forward Bookkeeping, seconded by Ms. Anderson. Motion passed 3-0. (Mr. Smith was not present for this vote). Mr. Daragjati reviewed the contract and suggested two changes. Mr. Hobbs made a motion to accept and execute the contract with the changes noted, seconded by Ms. Anderson. Motion passed 3-0. (Mr. Smith was not present for this vote).

Assumption Report Review – The Board of Trustees asked for an independent review of the projected rate of returns.

Mr. John McCann from AndCo presented his review of the assumption rate. Mr. McCann stated that he reached the same returns as Mr. Swanson did based on the (JP Morgan Assumptions). The Board thanked Mr. McCann for his time and effort in this matter of due diligence.

Mr. Swanson recommended that the Board lower the assumption rate gradually. Mr. Hobbs made a motion to reduce the assumption rate from 7.5% to 7.4% effective October 01, 2017, seconded by Ms. Anderson. Motion passed 3-0. (Mr. Smith was not present for this vote). Mr. Hennessy would like the Board to revisit this in one year.

**ATTORNEY'S REPORT:**

SPD – Mr. Daragjati presented the Summary Plan Description to the Board for approval. Mr. Williams suggested minor changes to the SPD. Motion to accept the SPD with the changes noted by Mr. Hobbs, seconded by Ms. Anderson. Motion passed 3-0. (Mr. Smith was not present for this vote).

**ACTUARY'S REPORT:**

Actuarial Valuation Report - Table for the July meeting.

**Performance Monitor Report – Jeff Swanson, Southeastern Advisory**

Mr. Swanson advised the Board that the total fund was valued at \$67,711,019 as of March 31, 2018.

He indicated the total asset allocation for the portfolio as of March 31, 2018 was 42.3% in Domestic Equities, 15.61% in International Equities, 8.8% in Absolute Returns, 15.6% in Fixed Income, 15.9% in Real Estate and 1.8% in Cash.

**Equity Portfolio:**

Vanguard 500 Index returned -0.5% for the quarter vs. -0.8%, placing it in the 29<sup>th</sup> percentile. On a one-year basis that portion of the portfolio returned 14.3% vs. 14.0% for the benchmark, placing it in the 35<sup>th</sup> percentile.

Highland Capital returned -2.3% for the quarter vs. -0.7% for the benchmark, placing it in the 94<sup>th</sup> percentile. On a one-year basis, that portion of the portfolio returned 11.4% vs. 14.0% for the benchmark, placing it in the 84<sup>th</sup> percentile.

New Amsterdam returned -2.0% for the quarter vs. -0.2% for the benchmark, placing it in the 65<sup>th</sup> percentile. On a one-year basis that portion of the portfolio returned 8.7% vs. 12.3% for the benchmark, placing it in the 68<sup>th</sup> percentile.

Euro Pacific Growth returned 0.8% for the quarter vs. -1.5% for the benchmark, placing it in the 39<sup>th</sup> percentile. On a one-year basis that portion of the portfolio returned 20.9% vs. 14.8% for the benchmark, placing it in the 40<sup>th</sup> percentile.

Oakmark International returned -2.9% for the quarter vs. -1.5% for the benchmark, placing it in the 94<sup>th</sup> percentile. On a one-year basis that portion of the portfolio returned 15.2% vs. 14.8% for the benchmark, placing it in the 72<sup>nd</sup> percentile.

**Fixed Income Portfolio:**

Dodge & Cox Income returned -0.9% for the quarter vs. -1.5%, placing it in the 6<sup>th</sup> percentile. On a one-year basis that portion of the portfolio returned 2.2% vs. 1.2% for the benchmark, placing it in the 6<sup>th</sup> percentile.

PIMCO Investment Grade Bond returned -1.5% for the quarter vs. -1.5%, placing it in the 45<sup>th</sup> percentile. On a one-year basis that portion of the portfolio returned 3.9% vs. 1.2% for the benchmark, placing it in the 1<sup>st</sup> percentile.

PIMCO Income returned -0.3% for the quarter vs. -1.5%, placing it in the 31<sup>st</sup> percentile. On a one-year basis that portion of the portfolio returned 5.3% vs. 1.2% for the benchmark, placing it in the 9<sup>th</sup> percentile.

Lauderhill Housing Authority Note 1 (2020) returned 1.8% for the quarter vs. 0.4%. On a one-year basis that portion of the portfolio returned 7.3% vs. 1.1% for the benchmark.

Lauderhill Housing Authority Note 2 (2024) returned 1.4% for the quarter vs. 0.4%. On a one-year basis that portion of the portfolio returned 5.9% vs. 1.1% for the benchmark.

Mr. Swanson reflected that his firm continues to monitor the receipt of the bond interest payments.

Real Estate Portfolio:

Principal U.S. Property returned 1.9% for the quarter vs. 1.7%, placing it in the 41<sup>st</sup> percentile. On a one-year basis that portion of the portfolio returned 8.0% vs. 7.1% for the benchmark, placing it in the 35<sup>th</sup> percentile.

JPMCB Strategic Property returned 2.2% for the quarter vs. 1.7%, placing it in the 31<sup>st</sup> percentile. On a one-year basis that portion of the portfolio returned 7.6% vs. 7.1% for the benchmark, placing it in the 383<sup>th</sup> percentile

Absolute Return Portfolio:

Westwood Income Opportunity returned -2.4% for the quarter vs. 2.2%. On a one-year basis that portion of the portfolio returned 4.7% vs. 6.5% for the benchmark.

Mr. Hennessy asked Mr. Swanson how long the board should wait before they put Highland Capital on notice. Mr. Swanson reflected that his position has not changed, and indexing would be prudent at any time for this asset class. After Board discussion, Mr. Hobbs made a motion to liquidate Highland Capital and transfer the funds to the Vanguard 500 Index Account, motion was seconded by Ms. Anderson. Motion passed 3-0. (Mr. Smith was not present for this vote). Mr. Swanson will coordinate with Mr. Williams, and notify all concerned parties, and prepare the required document(s) for the cited transaction(s).

**PLAN ADMINISTRATOR'S REPORT:**

Mr. Williams presented the 2018/19 Administrative Budget to the Plan for approval. After review and consideration, motion by Mr. Hobbs to accept the budget as presented, seconded by Ms. Anderson. Motion passed 3-0. (Mr. Smith was not present for this vote).

**NEW BUSINESS:**


New Membership: Motion by Mr. Hobbs to accept Mr. Eric Brown & Mr. Wilbur Vargas as new members into the Plan, seconded by Ms. Anderson. Motion passed 3-0. (Mr. Smith was not present for this vote).

**OPEN DISCUSSION:**

None.

**ADJOURNMENT:**

Being there was no other business; the meeting was adjourned at 3:50 P.M.

Approved:   
Chairman Hennessy

Date: 07-11-18