



**CITY OF BOYNTON BEACH
POLICE OFFICERS' PENSION FUND**



Minutes

**July 26, 2016
10:00 A.M.**

The regular meeting of the Board of Trustees of the City of Boynton Beach Police Officers' Pension Fund was called to order at 10:00 A.M. on behalf of the Board of Trustees by the Plan Administrator, Mr. Bob Dorn on July 26, 2016, at 2100 North Florida Mango Road, West Palm Beach, Florida.

TRUSTEE PRESENT:

Mr. Toby Athol – Chairman; Mr. Jason Llopis – Secretary; Mr. Scott Caudell – Trustee; Mr. Russell Faine – Trustee; & Mr. Joseph DeGiulio – Trustee.

OTHERS PRESENT:

Mrs. Bonni Jensen, Board Attorney - Klausner, Kaufman, Jensen & Levinson; Mr. Bob Dorn, Plan Administrator- Precision Pension Administration, Inc.; Ken Kornheisl – Oakwater Technologies, Inc.; Mr. Ronald Davis – City of Boynton Beach Police Officer.

PUBLIC DISCUSSION:

No public comments were presented.

CONSENT AGENDA:

APPROVAL OF WARRANTS:

The Pension Administrator presented Warrants 1-16 to the Board and then read each Warrant for the record. The Board reviewed each of the Warrants.

WARRANT 1

This Warrant is to Precision Pension Administration, Inc. for pension administrative services rendered to the Fund each month. This Warrant is for 08/2016 and will be paid on 08/01/2016. This is a re-occurring Warrant in the same amount each month and the Board approved this re-occurring monthly Warrant. The amount of this Warrant is for \$3,750.00.

WARRANT 2

This Warrant is to Precision Pension Administration, Inc. for office rent rendered to the Fund each month. This Warrant is for 08/2016 and will be paid on 08/01/2016. This is a re-occurring Warrant in the same amount each month and the Board approved this re-occurring monthly Warrant. The amount of this Warrant is for \$500.00.

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WARRANT 3

This Warrant is to Oakwater Technologies, Inc. for pension program and web site maintenance rendered to the Fund each month. This Warrant is for 08/2016 and will be paid on 08/01/2016. This is a re-occurring Warrant in the same amount each month and the Board approved this re-occurring monthly Warrant. The amount of this Warrant is for \$200.00.

WARRANT 4

This Warrant is to Russell Investment for second quarter 2016 investment management fees rendered to the Fund. The invoice number is 53625 and the invoice was shown to the Board. The amount of this Warrant is for \$137,432.00.

WARRANT 5

This Warrant is to Neighborhood Family Doctor of Palm Beach for medical records for the Ronald Davis disability hearing. The invoice was shown to the Board. The amount of this Warrant is for \$40.00.

WARRANT 6

This Warrant is to Beaches Open MRI of Boynton Beach for medical records for the Ronald Davis disability hearing. The invoice was shown to the Board. The amount of this Warrant is for \$100.00.

WARRANT 7

This Warrant is to Ellen Schaffer for programing and conversion of data files from the old pension program to the new administrator. The invoice number is 2938 and was shown to the Board. The amount of this Warrant is for \$1,830.00.

WARRANT 8

This Warrant is to SunTrust Bank for a credit card invoice form Web Network Solutions. The credit card used was with the number ending 8221 and was shown to the Board. This was to stop the internet from the old office on August 1, 2016. The amount of this Warrant is for \$142.50.

WARRANT 9

This Warrant is to Klausner, Kaufman, Jensen & Levinson for legal services rendered to the Fund through 04/30/16. The invoice number is 18144 and the invoice was shown to the Board. The amount of this Warrant is for \$895.25.

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WARRANT 10

This Warrant is to Klausner, Kaufman, Jensen & Levinson for legal services rendered to the Fund through 05/31/16. The invoice number is 18284 and the invoice was shown to the Board. The amount of this Warrant is for \$2,852.75.

WARRANT 11

This Warrant is to Klausner, Kaufman, Jensen & Levinson for legal services rendered to the Fund through 06/29/16. The invoice number is 18434 and the invoice was shown to the Board. The amount of this Warrant is for \$1,583.90.

WARRANT 12

This Warrant is to Gabriel, Roeder, Smith & Company for actuarial services rendered to the Fund through 05/31/16. The invoice number is 422265 and the invoice was shown to the Board. The amount of this Warrant is for \$5,392.00.

WARRANT 13

This Warrant is to Burgess, Chambers & Associates, Inc. for investment and performance monitoring rendered to the Fund through the second quarter of 2016. The invoice number is 16-175 and the invoice was shown to the Board. The amount of this Warrant is for \$6,250.00.

WARRANT 14

This Warrant is to Robert Dorn for reimbursement for postage and envelopes used for the Fund through 07/26/16. The receipts were shown to the Board. The amount of this Warrant is for \$230.39.

WARRANT 15

This Warrant is to Mr. Steven Schoenfeld for a partial one-time DROP disbursement. The forms used for this request were shown to the Board. The amount of this Warrant is for \$12,000.00.

WARRANT 16

This Warrant is to Mr. Frank Danysh for a partial one-time DROP disbursement. The forms used for this request were shown to the Board. The amount of this Warrant is for \$62,500.00.

Mr. Llopis made a Motion to approve the aforementioned Warrants (1-16) for payment by the Fund. Mr. Caudell seconded the Motion. The Motion passed 5-0. Mr. Dorn advised that he will process these Warrants for payments with Russell Investments.

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NEW/UNFINISHED BUSINESS:

Mr. Dorn presented to the Board the proposed 2016/2017 Administrative Expense Budget. Mr. Dorn also gave the Board various documents including the previous year's Administrative Expense Budget. The Board reviewed the aforementioned items and discussed the budget. Mr. Llopis made a Motion to accept the 2016/2017 Administrative Expense Budget as presented. Mr. Caudell seconded the Motion. The Motion passed 5-0. Mr. Dorn advised that he would send a copy of the Administrative Expense Budget to the City of Boynton Beach Finance Department and Clerk's Office. Mr. Dorn advised that he would also have the Administrative Expense Budget put on the Fund's web site under the disclosure section.

Mr. Dorn advised that Mr. Ronald Davis has requested to terminate his Buy-back along with requesting a full refund of all monies paid into the Fund. Mr. Dorn requested that the Board move this item to the Plan Administrator Section of the Agenda under the Buy-Back Refund Procedures. The Board agreed to this request.

Mr. Dorn presented to the Board a corporate resolution and certificate of incumbency regarding the SunTrust credit cards which also contained the signature cards for the account. Mr. Dorn advised that Barbara La Due is currently the program manager for the SunTrust credit card account and the corporate resolution would be for Mr. Dorn to be the new program manager and have Barbara La Due removed from the account. Mr. Dorn also provided to the Board a letter which contained (1) authority to Mr. Dorn to have on-line access to the SunTrust Credit Card account, (2) change the billing address to the new pension office, and (3) authorizing Mr. Dorn a credit card on the SunTrust account for office supplies and misc. items. Mrs. Jensen reviewed the corporate resolution and letter for the Board. The Board discussed the two items and agreed to them. Mr. Caudell made Motion to approve the corporate resolution that allows Mr. Dorn to become the program manager for the SunTrust credit card account, change of billing address, giving on-line access to Mr. Dorn of the account, and authorizing a credit card for him in this account. Mr. Faine seconded the Motion. The Motion passed 5-0. Mr. Dorn suggested to the Board that there should be an Administrative Policy on the use of the credit cards. The Board discussed this and agreed to develop an Administrative Policy on the use of the Fund's credit cards. Mrs. Jensen advised that she would draft a proposed policy.

ATTORNEY'S REPORT:

Mr. Dorn advised that as he reviewed the retirees' files, he noticed that at least two retired members have trusts as their beneficiaries. Mr. Dorn advised that he then spoke to Mrs. Bonni Jensen regarding the topic of trusts as beneficiaries. Mrs. Jensen reviewed the City of Boynton Beach Ordinance with the Board which covers pension beneficiaries. Mrs. Jensen advised that a living person must be a beneficiary for the members' monthly benefit payment because it is tied to a "lifetime." A ten-year certain benefit or the balance in the DROP at a member's death can be paid to an estate or a trust. A DROP beneficiary could be a trust. Mrs. Jensen gave the Board several aspects to consider if they are going to allow Trusts as DROP beneficiaries, (1) the Trust could

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have an indefinite time period in which the DROP funds are in the Fund's possession, (2) more than likely the person in charge of the trust is not the spouse of the member, and (3) various persons that the Board deal with in a Trust beneficiary situation. Mrs. Jensen advised that the IRS previously made the non-spouse remove the funds from the various plans but the IRS currently now allows for a non-spouse to keep funds in the plans. Mrs. Jensen advised that the Board that they should consider whether going forward if they want to allow its members to have trusts as its beneficiary with DROP accounts. Mrs. Jensen advised that City and the Fund should probably have this clarified in a future plan amendment.

Mrs. Jensen advised that there are two current disability applications that have been submitted to the Fund. Mrs. Jensen advised the following: (1) In the Mr. Ronald Davis disability case, they are still collecting previous medical records and will be sending Mr. Davis to an independent medical examination (IME) in the near future and (2) in the Mr. Robert Kellman disability case, Mrs. Jensen advised that this case is ready for a hearing and would have been heard today if Mr. Kellman's attorney (Mr. Paul Kelley) could have attended. Mrs. Jensen asked if the Board would like to hear Mr. Kellman's case at the next quarterly meeting. Mr. Athol advised that the next meeting has a full agenda and requested that the Board have a special meeting date for Mr. Kellman's disability case. The Board agreed to this. Mrs. Jensen advised that she would speak to Mr. Kellman's attorney and set up a meeting later this month or in September when we can have all parties present. The Board agreed to this.

PLAN ADMINISTRATOR'S REPORT:

Mr. Dorn gave an update on the transition of the new pension administrator. Mr. Dorn advised that the pension data was transfer from the current payroll and benefit calculator program to the new system. The system shall be up and running within a week. Mr. Dorn advised that the current payroll downloads from the City of Boynton Beach Payroll Department includes the fire and police personnel data combined. Mr. Dorn advised that they are working with the City to stop this process of sending the combined data, but it may take some time on behalf of the City. Mr. Dorn advised that we have stressed to the Payroll Department that we do not want the police payroll data going to any other third party vendor because of security reasons. Our IT person is working on this with the Payroll Department. Mr. Dorn advised that he will keep the Board updated on this issue. We have scanned about 65% of all the files into the new pension program. We currently still have the SunTrust checking account open and we may have to keep this account open in order to maintain the credit card account. We currently have approximately \$3,900 dollars in the checking account. Mr. Dorn advised that he will also keep the Board updated on this issue. Mr. Dorn advised that they have cleared everything out of the old pension office and storage area. Mr. Dorn advised that they have received about 70% of all "Confirmation of Benefit Forms" from the retired members. Mr. Dorn advised that he will keep the Board updated on this. Mr. Dorn advised that they have started to work with the auditors on the up-coming audit. Mr. Ken Kornheisl from Oakwater Technologies, Inc. showed the Board on a TV monitor in the meeting room the new pension web site (bbpdp.org) which included the various different sections on the web site. Mr. Kornheisl requested the Trustee send more photos of various Boynton Beach police equipment, and officer(s) to put on the pension

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web site. The Board all agreed that they like the web site and made no suggestions for changes at this time. Mr. Dorn advised the Board that the secure DROP Box for communication was set up and all of the Trustees are signed into this program. Mr. Dorn advised that this DROP Box will be used to send agenda packets and other communications to the Board.

Mr. Dorn advised that he reviewed the current Administrative Rules, Policies, Statement of Policy, and Operating Procedures that the Board has currently in place. Mr. Dorn advised that he will be presenting various new Administrative Rules in the up-coming meeting to assist the Board in being very consistent on these topics in the future. Mr. Dorn advised that there are currently seven policies that the Board has adopted. Mr. Dorn asked the Board for their approval to have each of the previous policies have each numbered, date enacted, and a date revised section. The Board discussed this issue and agreed to this. Mrs. Jensen and Mr. Dorn advised that they would work on this issue.

Mr. Dorn presented to the Board a proposed Administrative Rules Governing Public Participation at Board meeting which Mr. Dorn numbered Administrative Rule 8 (Note- there are currently 7 previous Administrative Rules adopted by the Board). Mr. Dorn gave a brief background on Senate Bill 50 and F.S. 286.0114(4) which caused most Boards to have some type of policy in place for public discussion and participation at these meeting. The proposed Administrative Rule governs public participation, time limits, and topics at all Board meeting. This rule was reviewed and approved by Mrs. Jensen. The Board then agreed to enact this rule. Mr. Llopis made a Motion to adopt the proposed Administrative Rule numbered 8 regarding the "Governing Public Participation at Board meeting. The Motion was seconded by Mr. DeGiulio. The Motion passed 5-0. Mr. Dorn advised that he will have Administrative Rule 8 put on the web site.

Mr. Dorn presented to the Board a proposed Administrative Rule Governing Refunds of Buy-Back of Service Time. Mr. Dorn advised that currently there is no procedure or policy in place that would give guidance to this matter. Mr. Dorn advised that under City Ordinance 18-172(b) (2), "No credit shall be given for any service until all years of service which are to be repurchased, have been repurchased." Mr. Dorn advised that there are at least two current members and four retired members who have claimed personal hardship conditions and had their buy-back terminated. All of these members also had their entire monies paid back to them. Mrs. Jensen reviewed the City Ordinance that covers this topic with the Board. Mr. Dorn proposed that if a member wants to terminate his Buy-Back, then the member would get whatever credit for the amount of money he paid into the Fund and the actuary will determine the amount of credited time which will be paid by the member. Mr. Dorn advised that this proposed rule would have a hardship condition for a full refund. Mrs. Jensen agreed to the hardship provision. Ms. Jensen advised that in her opinion when a member terminates his/her Buy-Back payment, the Board would have to give a full refund when a member terminates his buy-back payments prior to making a full payment for service time. Mrs. Jensen advised that this issue could also be a clarified in future Fund amendments. The Board discussed this issue. Mr. Dorn advised that he would draft a new proposed rule for the Board to consider based on this discussion for the next meeting.

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Mr. Dorn advised the Board that Mr. Ronald Davis want to terminate his Buy-Back purchase and he is requesting a full refund of all his money he paid into the Fund for his Buy-Back. Mr. Dorn advised that Mr. Davis has applied for a disability and the City of Boynton Beach has given Mr. Davis a termination of employment letter for the end of September/2016. Mr. Dorn advised that Mr. Davis will not have completed his entire Buy-Back payments at the September/2016 date. Mr. Llopis asked Mr. Davis what he wanted to do regarding this matter. Mr. Davis advised that he wanted a full refund of all his money he paid into the Fund for his Buy-Back. Mr. Dorn advised that he has an e-mail from Mr. Davis regarding this request. The Board discussed this issue and requested that Mr. Dorn provide Mr. Davis with a hardship form to request a refund of his Buy-Back funds. The Board agreed to review this issue at the next meeting for Mr. Davis after he has submitted his hardship request. Mr. Dorn advised that Mr. Davis is currently continuing his payroll deduction payments into the Fund for his Buy-Back.

Mr. Dorn outlined the new payment procedures that will be used to pay for vendor invoices, trustee reimbursement, DROP disbursements, DROP Loans, refunds, and all other type of Fund payments. Mr. Dorn advised that the current system for paying vendors is by the Fund's SunTrust Bank checking account. Mr. Dorn explained the "Warrant" system to the Trustees that Precision Pension Administration Inc., (PPA) uses with other pension plans. Mr. Dorn advised that the Plan Administrator signs the Warrant along with two Trustees before any invoice or disbursement is paid. All of the Trustees will review and approve the Warrants at a Board meeting. Mr. Dorn advised that the payments will no longer be paid from the SunTrust checking account. Mr. Dorn advised that the payments will come from the Russell Investment account at State Street. Mr. Dorn reviewed with the Board the Vendor Payment form that has to be submitted to Russell Investment for payment. Mr. Dorn advised that this procedure will allow for a better audit process and give more accountability for the Fund instead of the previous check writing method. The Board agreed to the procedures.

Mr. Dorn advised the Board that there are two special check payments each year to the retired members. Mr. Dorn requested that all special check payments have a minimum 20% flat tax for the members. Mr. Dorn advised that the retired members can still chose whatever tax rate the member wants for his/her monthly benefit payments. This proposal will only affect the tax rates for group payments. The Board discussed this issue and agreed to have a uniform rate for the 185 supplemental and 1% payments with the exception that a member would have to complete a separate tax form if he/she wanted a different rate each time for a special payment. Mr. Caudell made a Motion to use a flat 20% tax rate to be used for the group 185 supplemental and 1% payments given to retirees. Mr. Faine seconded the Motion. The Motion passed 5-0.

Mr. Dorn presented to the Board all the new forms that the new administrators will be using to administrator the Fund. The Board reviewed the forms along with Mrs. Jensen. Mrs. Jensen made some suggestions for several forms. Mr. Dorn advised that he would make the necessary changes to the forms. The Board accepted the forms with the suggestions made by Mrs. Jensen.

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Mr. Dorn presented to the Board new signature forms from Russell Investments to give Mr. Dorn authority in disbursing benefit activities, cash flow, trading activity, and authorized to sign legal documents. The Board agreed to this. Mr. Llopis made a Motion to approve having the Russell Investment signature cards executed by all of the Trustees and Mr. Dorn along with the authority for disbursing benefit activities and executing legal documents with Russell Investments and State Street. Mr. Caudell seconded the Motion. The Motion passed 5-0.

Mr. Dorn advised that State Street conducted a death check on all disabled and retired members of the Fund. Mr. Dorn advised that there were no members discovered on the social security death check conducted by State Street in May/2016.

Mr. Dorn advised that the State of Florida Division of Retirement has accepted the 2015 Annual Report.

Mr. Dorn advised that all Trustees have submitted their 2015 Financial Disclosure Form 1 to the State of Florida. Mr. Dorn advised that all Trustees are on-line indicating that they have submitted the form.

Mr. Dorn advised that Precision Pension Administration (PPA) has developed a new survey for services rendered for the Fund's members. Mr. Dorn advised that the survey will be e-mailed to the members after a service is provided to them. Mr. Dorn advised that this is yet another way PPA is trying to improve the service provided to the Fund's members. Mr. Dorn advised that he will be presenting to the Board the results of the surveys at the meeting in the future.

OPEN DISCUSSION:

Mr. Athol advised the Board that he would like to have the August 9, 2016, meeting at the City of Boynton Beach Commission Chambers. Mr. Athol advised the Board that he would attempt to reserve the location for the meeting. Mr. Athol advised that the Board would have the meeting at the new office location if he could not reserve the City Commission Chambers. The Board agreed to this.

Mr. Dorn suggested to the Board that they present Ms. Barbara La Due with a retirement plaque for her long and distinguish service to the Fund. Mrs. Jensen advised that this would be an appropriate expense. The Board discussed this issue and agreed to this. Mr. Dorn suggested that this be presented to Barbara La Due at the next retirement reunion in November/2016. The Board agreed to this. Mr. Llopis made a Motion to spend up to two-hundred dollars for Barbara La Due's retirement plaque. The Motion was seconded by Mr. Caudell. The Motion passed 5-0. Mr. Dorn advised that he would purchase the plaque.

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ADJOURN:

Mr. DeGiulio made a Motion to adjourn the meeting. Mr. Llopis seconded the Motion. The Motion passed 5-0. The meeting was adjourned at 12:15 P.M.

The Board of Trustee's reviewed and approved these minutes at the August, 9, 2016 meeting.



Mr. Toby Athol
FOR THE BOARD

