



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



### **Minutes**

**May 8, 2018  
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 10:03 A.M. on behalf of the Board of Trustees by the Plan Administrator, Mr. Robert Dorn on May 8, 2018, at 2100 North Florida Mango Road, West Palm Beach, Florida.

#### **TRUSTEES PRESENT:**

Mr. Toby Athol – Chairman; Mr. Jason Llopis – Secretary; Mr. Russell Faine – Trustee; & Mr. Brian McDeavitt – Trustee.

#### **ABSENT:**

Mr. Scott Caudell- Trustee.

#### **OTHERS PRESENT:**

Ms. Bonni Jensen Klausner, Kaufman, Jensen & Levinson; Mr. Robert Dorn, Plan Administrator- Precision Pension Administration, Inc.; Mr. Frank Wan – Burgess Chambers - & Amy Hoffman – Vested Retired Member.

It should be noted that there was a quorum for the Board to have an official meeting.

#### **PUBLIC DISCUSSION:**

No public comments were presented.

#### **CONSENT AGENDA:**

#### **APPROVAL OF THE MINUTES:**

The Board reviewed the March 6, 2018 meeting minutes. Trustee Llopis made a Motion to approve the March 6, 2018 City of Boynton Beach Police Officers' Pension Fund's Meeting Minutes. Trustee McDeavitt seconded the Motion. The Motion passed 4-0.

#### **APPROVAL OF WARRANTS:**

The Board reviewed and discussed Warrants 167 through 181. Trustee Llopis made a Motion to approve Warrants 167 through 180. Trustee Faine seconded the Motion. The Motion passed 4-0.

#### **WARRANT 167**

This Warrant is for Professional Indemnity Insurance Company for the renewal of fiduciary liability insurance for the Fund from 4/10/2018 to 4/19/2019. The policy number is U716-52137. The amount of this Warrant is for \$16,445.00

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**WARRANT 168**

This Warrant is for Gabriel, Roeder, Smith & Company for actuarial services rendered from 10/1/2017 through 03/06/2018. The invoice number is 436946. The amount of this Warrant is for \$8,701.00

**WARRANT 169**

This Warrant is for Steven Schoenfeld for a DROP disbursement. The amount of this Warrant is for \$7,000.00.

**WARRANT 170**

This Warrant is for Frank Danysh DROP loan from his DROP account. The amount of this loan is for \$11,693.00. The loan is for five years

**WARRANT 171**

This Warrant is for Klausner, Kaufman, Jensen & Levinson for legal services rendered through 03/31/2018. The invoice number is 21436. The amount of this Warrant is for \$2,024.75

**WARRANT 172**

This Warrant is for Anthony Magnanti for a re-occurring monthly pension benefit payment of \$5,439.77. Mr. Magnanti retired on 2/28/2018. His benefit selection is a Ten Year Certain and Life Benefit option. This payment will begin in March 1, 2018 and will continue until stopped by the Board of Trustees.

**WARRANT 173**

This Warrant is for Thomas Wallace for a DROP disbursement. The amount of this Warrant is for \$35,000.00.

**WARRANT 174**

This Warrant is for Gabriel, Roeder, Smith & Company for actuarial services rendered through 03/31/2018. The invoice number is 437748. The amount of this Warrant is for \$2,414.00

**WARRANT 175**

This Warrant is for William Muhleisen for a refund of his pension contributions. The amount of pension contributions and 1% contributions is \$84,600.51.

**WARRANT 176**

This Warrant is for Wilmer Rodriguez for a re-occurring monthly pension benefit payment of \$4,660.07. He retired on 5/3/2018. His benefit selection is the 100% Joint and Survivor Annuity benefit option. This payment will begin in June 1, 2018 and will continue until stopped by the Board of Trustees.

**WARRANT 177**

This Warrant is to Russell Investments for investment management services. The amount of this Warrant is for \$169,937.59. The invoice number is 20180331-204-A.

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**WARRANT 178**

This Warrant is for Brian Adams for a monthly re-occurring pension benefit payment in the amount of \$7,086.95. His benefit selection is the 75% Joint and Survivor Annuity benefit Option. This payment will begin in May/2018 and continue until stopped by the Board of Trustees.

**WARRANT 179**

This Warrant is to SunTrust for credit card expenses related to Pension Fund business. The amount of this warrant is \$278.05.

**WARRANT 180**

This Warrant is to Russell Investments for banking and check services. The amount of this Warrant is for \$1,206.44. The invoice number is 1803074706-9996

**WARRANT 181**

This Warrant is for Robert Dorn for reimbursement of office supplies for Pension Fund business. The receipt is attached to this Warrant. The amount of this Warrant is for \$47.99.

**NEW/UNFINISHED BUSINESS:**

Mr. Dorn advised that Ms. Amy Hoffman would like to discuss her vested pension benefit payment date. Mr. Dorn advised that at the last meeting, he gave a brief synopsis of this situation to the Board. Mr. Dorn advised that Ms. Hoffman was hired by the Boynton Beach Police Department on 3/3/2008 (same date she entered the pension fund) and she resigned on 4/24/2016. Mr. Dorn advised that Ms. Hoffman told him that she was told that she could start collecting her vested deferred pension benefit on 3/3/2018 with the understanding that she would have a slight early reduction penalty for collecting earlier than age fifty-five. Mr. Dorn advised that Ms. Hoffman requested a copy of her entire pension file. Mr. Dorn advised that he gave Ms. Hoffman a copy of her entire pension file last month. Ms. Hoffman addressed the Board and stated that she relied upon the information in the pension documents she received and the verbal conversations from the previous pension administrator (Barbara Ladue) regarding her pension dates for when she would receive her monthly benefit payment. Ms. Hoffman advised that she was told that she could leave the Boynton Beach Police Department and start collecting an early pension in two years because she would be fifty years of age and then have ten years (she left with eight years of service). Ms. Hoffman advised that she was given documents from her pension file which shows that her early retirement date would be 3/3/2018. Ms. Hoffman indicated that she left the Police Department for salary and better benefits. The Board reviewed Ms. Hoffman's pension file. Ms. Jensen (the Pension Fund's Attorney) advised the Pension Fund has a provision for early retirement but the person must have completed ten years of service and be fifty-five years of age. Ms. Jensen advised that the early retirement is when a member completed ten years of completed service and is age fifty, but the benefit will be reduced for each year under the age of fifty-five. Ms. Jensen advised that she believes that the proper way to resolve this issue would be to have a hearing on this situation. Ms. Jensen advised that the Board would need to appoint an advocate attorney as well as hearing testimony if possible from the previous administrator and the computer programmer who wrote the computer program that did the benefit calculations for Ms. Hoffman. The Board

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agreed to this. Ms. Jensen advised that at the next meeting, she will have several names for the Board to consider for the advocate position. The Board agreed to this. This issue is pending.

**ACTUARY'S REPORT:**

Mr. Dorn advised that Mr. Strong from Gabriel, Roeder, Smith & Company, prepared and submitted to the Board a 2017 disclosure report to satisfy the requirements set forth Chapter 112.664, F.S. and as further required pursuant to Chapter 60T-1.0035. Mr. Dorn advised that this report is mandated by the State of Florida and has to be posted on the Pension Fund's web site and the link to the posting has to be given to the City. The Board reviewed the report. Trustee Faine made a Motion to accept the disclosure report as presented. Trustee Llopis seconded the Motion. The Motion passed 4-0. Mr. Dorn advised that he would have the report posted on the Pension Fund's web site and also sent to the City Clerk's office along with the web link for disclosure requirements.

**MONITOR'S REPORT**

Mr. Wan made the presentation to the Board for Burgess Chambers & Associates, Inc. Mr. Wan advised that there were no personnel changes to the firm. Mr. Wan advised a corporate history of Burgess Chambers & Associates. Mr. Wan gave an overview of the last quarter in the financial markets.

The following are the investment returns compared to the benchmarks:

|  | <b><u>Quarter</u></b> | <b><u>1-Yea</u></b> | <b><u>3-Year</u></b> |
|--|-----------------------|---------------------|----------------------|
| <b><u>Total Fund</u></b>                                 | <b><u>-0.5%</u></b>   | <b><u>9.0%</u></b>  | <b><u>7.2%</u></b>   |
| <b><u>Policy Benchmark</u></b>                           | <b><u>-1.0%</u></b>   | <b><u>9.1%</u></b>  | <b><u>6.3%</u></b>   |
| <b><u>Russell Large Cap Defensive Equity</u></b>         | <b><u>-0.5%</u></b>   | <b><u>13.4%</u></b> | <b><u>10.5%</u></b>  |
| <b><u>Russell 1000 Defensive Index Bench Mark</u></b>    | <b><u>-0.7%</u></b>   | <b><u>14.0%</u></b> | <b><u>10.4%</u></b>  |
| <b><u>Russell Multi-Asset Core</u></b>                   | <b><u>-0.5%</u></b>   | <b><u>11.7%</u></b> | <b><u>8.1%</u></b>   |
| <b><u>Benchmark-Multi-Asset Core Composite Index</u></b> | <b><u>-1.6%</u></b>   | <b><u>10.5%</u></b> | <b><u>6.2%</u></b>   |
| <b><u>Russell Multi-Manger Bond</u></b>                  | <b><u>-1.1%</u></b>   | <b><u>1.9%</u></b>  | <b><u>2.0%</u></b>   |
| <b><u>Fixed Income Benchmark</u></b>                     | <b><u>-1.5%</u></b>   | <b><u>1.2%</u></b>  | <b><u>1.2%</u></b>   |
| <b><u>Russell Real Estate Equity</u></b>                 | <b><u>2.2%</u></b>    | <b><u>8.2%</u></b>  | <b><u>10.1%</u></b>  |
| <b><u>Real Estate Benchmark</u></b>                      | <b><u>2.2%</u></b>    | <b><u>8.1%</u></b>  | <b><u>10.3%</u></b>  |

Mr. Wan advised that at this time, he recommends no change in asset allocation and no rebalances at this time. The beginning market value of the fund was \$101,992,488 and the ending balance was \$100,365,414. The fund lost money due to benefit payments and investment losses. The portfolio has risk protection which is one of the reasons the portfolio outperformed the benchmark this quarter.

**ATTORNEY'S REPORT:**

Ms. Jensen gave the presentation to the Board for Klausner, Kaufman, Jensen and Levinson.



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Ms. Jensen gave the Board a memo regarding "Government in the Sunshine Law". The memo outlined the case involving city officials from the City of Port St. Lucie. The memo was a reminder for Trustees to be particularly sensitive to Sunshine Law issues. Administrators or other service providers may communicate directly with the Board in a group email, but Trustees should be careful not to respond using "reply all". Trustees should not send emails to each other regarding any potential pension issues. Trustees may always communicate directly with service providers, as long as the communication is not a group basis and the service provider does not act as a conduit between Trustees. Service providers should refrain from polling other Trustees as this behavior can easily lead to Sunshine Law violations. The Supreme Court of Florida has held that "Sunshine Law violations can be cured by 'independent, final action in the sunshine'". Mr. Dorn advised that he will post this memo on the announcement page on the Pension Fund's web site.

Ms. Jensen provided a memo to the Trustees regarding Senate Bill 376. Senate Bill 376 will allow posttraumatic stress disorder (PTSD) as a recognized compensable occupational disease if all of the requirements are met within the bill. There are eleven circumstances or qualifying events that must be present. This bill amends the workers compensation "impact rule". As a result, physical injury is no longer required for a first responder to receive workers' compensation benefits for PTSD. Mr. Dorn advised that he will post this memo on the announcement page on the Pension Fund's web site.

Ms. Jensen advised that the first step in a forfeiture proceeding is to determine whether there is reason to believe forfeiture should be considered. The Board should hold a formal forfeiture hearing when the Board determines that there is a basis for a forfeiture case against a member. Florida Statutes §112.3173 requires the forfeiture of pension benefits in the event that a member is convicted of a specified offense. Ms. Jensen outlined the facts on the Federal Criminal Indictment against the City of Boynton Beach Police Officers Michael Brown, Justin Harris, Ronald Ryan and Phillip Antico. The case number is 17-80192-CR-Rosenberg/Hopkins. On November 9, 2017, Officers Justin Harris and Ronald Ryan were acquitted of all charges by a jury. The jury found Officer Brown guilty of deprivation of rights under color of law and not guilty to all other offenses. The jury found Officer Antico guilty of obstruction of justice and not guilty to all other offenses. Officers Brown and Antico convictions are currently on appeal. Retirement benefits are subject to forfeiture when the officer has committed a specified offense. The crimes that Officers Brown and Antico were convicted of are not specifically listed in the statute; however, a federal conviction of deprivation of rights under the color of law and obstruction of justice fall within the statute's "catch all" provision. The "catch all" provision is Fl. Stat. §112.3173(2) (e) (6). Mr. Jensen also advised that Fl. Stat. §112.3173(5)(c) provides the following: The payment of retirement benefits ordered forfeited, except payments drawn from non-employer contributions to the retiree's account, shall be stayed pending an appeal on a felony conviction. If such conviction is reversed, no retirement benefits shall be forfeiture as ordered in this section.

Ms. Jensen advised that at this point, the Board needs to determine whether it has reason to believe that the pension rights and privileges of Officers Brown and Antico are required to be forfeited under the Pension Fund. If the Board so finds, the Board shall

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give notice to Officers Brown and Antico. The Board would then hold a hearing in accordance with Chapter 120 of the Florida Statutes. A hearing will also necessitate the Board to hire an attorney to act as an advocate in the forfeiture proceeding. The Trustees directed Ms. Jensen to update them at each meeting on any decision from the appellate court, since Officers Brown and Antico convictions are currently on appeal. The Board advised that they will proceed with the informal part of this forfeiture determination once the appeal is completed. This issue is Pending.

The Board stopped the meeting for a ten minute break at 12:30 P.M. The Board resumed the Board meeting at 12:40 P.M.

**PLAN ADMINISTRATOR'S REPORT:**

Mr. Dorn advised that death checks were completed and no new deaths were reported. The Board acknowledged this.

Mr. Dorn advised that Mr. Aaron Kromrey is doing a bi-weekly payment purchase for 5 years of previous law enforcement experience. Mr. Kromrey submitted all necessary documents and forms for this purchase. The actuary was notified of the transaction. The Board acknowledged this Buy-Back purchase.

Mr. Dorn advised that since the last meeting, one ex-member obtained a refund of his pension contributions and this ex-member was William Muhleisen. See Warrant 175. Mr. Muhleisen submitted all necessary waivers and documents for this withdrawal of pension contributions. The Board acknowledged this.

Mr. Dorn advised that Mr. Brian Adams submitted all of his retirement documents, so that he could retire on 4/30/2018. Mr. Adams selected the 75% Joint and Survivor Annuity Benefit Option. Mr. Adams will start receiving his monthly benefit payment on 5/1/2018. The Board approved his monthly payment amount in Warrant 178. The Board acknowledged this.

Mr. Dorn advised that Mr. Wilmer Rodriguez submitted all of his retirement documents, so that he could retire on 6/1/2018. Mr. Rodriguez selected the 100% Joint and Survivor Annuity Benefit Option. The Board approved his monthly payment amount in Warrant 176. The Board acknowledged this.

Mr. Dorn advised that Mr. Anthony Magnanti entered the DROP on 2/1/2018. Mr. Dorn advised that Mr. Magnanti submitted his retirement documents on 2/15/2018 so that he could retire at the end of the month to start collecting his pension payment on 3/1/2018. Mr. Magnanti selected the 10 year certain benefit option for \$5,439.77 a month. See Warrant 172. Mr. Dorn advised that Mr. Magnanti has a DROP account with his rollover funds and one month of a benefit deposit. The Board acknowledged this.

Mr. Dorn advised that at the last meeting, the Board directed him to obtain fiduciary insurance for the Board. Mr. Dorn advised that the insurance agent that the Board has been using in previous years obtained three quotes for the Board. The lowest and highest rating of the quotes was U.S. Specialty Insurance Company. The policy is for a limit of liability amount of 2 million and the cost is for \$16,446.00. The policy is from

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4/10/2018 to 4/10/2019. The Board and attorney reviewed the policy. The Board agreed to the Policy. Trustee Llopis made a Motion to accept the new fiduciary insurance from U.S. Specialty Insurance Company for coverage from 4/10/2018 to 4/10/2019. The Motion was seconded by Trustee McDeavitt. The Motion passed 4-0. See Warrant 167.

Mr. Dorn advised that the 2018 Confirmation of Benefits Form was mailed to all current retirees. Mr. Dorn advised that he would keep the Board updated on this.

Mr. Dorn advised that the 2017 Employee Benefit Statements will be sent to the active members before the end of the month.

Mr. Dorn gave each Trustee a copy of the State of Florida Financial Disclosure Form 1. This form must be completed by each Trustee of their financial disclosure and filed with the Supervisor of Elections in the County where the Trustee lives each year. Each Trustee advised that they will complete the form and file it before July 1, 2018. Mr. Dorn advised that he will send a copy of the form to Trustee Caudell via the mail.

Mr. Dorn advised that he obtained fiduciary insurance from all of the vendors that work for the Pension Fund for this fiscal year.

Mr. Dorn advised that the State of Florida Division of Retirement approved the Pension Fund's 2017 Annual Report.

Mr. Dorn submitted to the Board the 2018/2019 Administrative Expense Budget for the Pension Fund. The Administrative Expense Budget was prepared in accordance with F.S. 185.05. Mr. Dorn advised that this document does not include any income for the Fund. The Board must operate the pension fund under this proposed budget if they approve it for the aforementioned time period. The Board reviewed the budget. Trustee Llopis made a Motion to approve the 2018/2019 Administrative Expense Budget for the pension fund. Trustee Faine seconded the Motion. The Motion passed 4-0. Mr. Dorn advised that he will provide a copy to the plan sponsor (City of Boynton Beach) and also post this budget on the Pension Fund's web site.

Mr. Dorn gave each Trustee a copy of State Street's SSAE 16 Report which is the custodian's audit report. The Pension Fund's Auditors advised the Board that the Board should review the report on the custodian bank each year as part of their fiduciary responsibility. There were no issues in this report.

**OPEN DISCUSSION**

Mr. Dorn advised that the Florida Public Pension Trustee Association (FPPTA) is having its annual Board of Directors election at their next pension conference. Mr. Dorn advised that this Fund is part of the FPPTA and has the right to vote for the Board of Directors. Mr. Dorn advised that this Board can cast one vote for this election. Mr. Dorn gave the names of the candidates to the Board. The Board reviewed the candidates. Trustee Llopis advised that he will be attending the next FPPTA conference. The Board directed Trustee Llopis to vote on their behalf for the FPPTA Board of Director's election. Trustee Llopis advised that he would represent the Board by voting.

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**ADJOURN:**

Trustee Faine made a Motion to adjourn the meeting. Trustee McDeavitt seconded the Motion. The Motion passed 4-0. The meeting was adjourned at 1:11 P.M. The next meeting is scheduled for August 14, 2018 at 10:00 A.M.



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Mr. Toby Athol, Chairman

**FOR THE BOARD**

