

**CITY OF WEST MELBOURNE  
POLICE OFFICERS' RETIREMENT BOARD  
QUARTERLY MEETING AGENDA**

City Hall Conference Room  
Second Floor  
2240 Minton Road  
West Melbourne FL 32904  
Wednesday, August 3, 2016  
9 a.m.

|                        |                            |                          |                          |                             |
|------------------------|----------------------------|--------------------------|--------------------------|-----------------------------|
| Pat Bentley<br>Trustee | Richard Cordeau<br>Trustee | James Parsons<br>Trustee | Scott Morgan<br>Chairman | Jennifer Bruno<br>Secretary |
|------------------------|----------------------------|--------------------------|--------------------------|-----------------------------|

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**Disability Information:** In accordance with the Americans with Disabilities Act and F.S.S. 286.26, persons with disabilities needing special accommodation to participate in this meeting should contact the City Clerk's Office, no later than seven days in advance of the proceeding at 321-727-7700 for assistance. If hearing impaired, please call the Florida Relay Service Numbers at 800-955-8771 (TDD) or 800-955-8770 (VOICE) for assistance.

**Appeal Notice:** If a person decides to appeal any decision made by the Board with respect to any matter considered at such meeting or hearing, that person will need to ensure that a verbatim record of the proceedings is made which record includes the testimony and evidence upon which appeal is to be based.

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**1. CALL TO ORDER**

**2. DETERMINATION OF A QUORUM**

**3. APPROVAL OF MINUTES**

- A. Approve the minutes of quarterly meeting May 4, 2016

**4. OFFICER AND TRUSTEE REPORTS**

**5. PROCESSED DISBURSEMENTS/DEPOSITS**

- A. Approve plan expenditures and acknowledge receipt of contributions for the third fiscal quarter of 2015/2016

**6. CONSULTANT REPORTS**

- A. Tony Kay - The Bogdahn Group (Performance Monitor & Investment Advisory Services)
- Performance Report for quarter ended June 30, 2016
- B. Pedro Herrera – Sugarman & Susskind (Attorney)
- C. Karan Rounsavall – Plan Administrator
- Educational Opportunities:
    - ✓ Florida Public Pension Trustees' Association (FPPTA) Fall Trustees School in Bonita Springs (September 25 – 28, 2016)
    - ✓ Florida Division of Retirement Annual Police Officers' & Firefighters' Pension Conference in Kissimmee (November 2-4, 2016)

- Acknowledge refund of member contribution for Sean Cronin (partially vested member) in the amount of \$31,231.73
- Acknowledge Sgt. David Grenier's exit from DROP and start of monthly benefits as of July 1, 2016
- Acknowledge Sgt. Roy Black's exit from DROP and start of monthly benefits as of August 1, 2016

**7. OLD BUSINESS**

**8. NEW BUSINESS**

- A. Discussion and possible action to lower assumed annual investment rate of return from 7.2 percent to 7.1 percent for the 2016 valuation
- B. Approval of administrative expense budget for Plan Year 2016/2017 in accordance with *Florida Statutes 185.05(8)*
- C. Direction to Salem Trust Company to pay invoices submitted directly by the following professional service providers: Sugarman & Susskind, Garcia Hamilton & Associates, The Bogdahn Group, Karan Rounsavall, and Foster & Foster, Inc. from the appropriate accounts.

**9. PUBLIC COMMENT**

**10. ADJOURNMENT**

**CITY OF WEST MELBOURNE  
POLICE OFFICERS' RETIREMENT BOARD  
MAY 4, 2016**

The West Melbourne Police Officers' Retirement Board held its quarterly meeting on Wednesday, May 4, 2016 in the City Hall Conference Room, 2240 Minton Road, West Melbourne, Florida.

MEMBERS PRESENT: Chairman Scott Morgan (resident member)  
Secretary Jennifer Bruno (police member)  
Richard Cordeau (fifth member)  
James Parsons (police member)  
Pat Bentley (resident member)

CONSULTANTS: Pedro Herrera, Board Attorney – Sugarman & Susskind  
Dan Johnson, Investment Consultant – The Bogdahn Group  
Tony Kay, Investment Consultant – The Bogdahn Group  
Karan Rounsavall, Plan Administrator

Chairman Morgan called the meeting to order at 9:04 a.m. A quorum was in attendance.

**APPROVAL OF MINUTES**

*Member Bruno moved to approve the minutes of quarterly meeting February 3, 2016 as submitted. Member Parsons seconded the motion and it carried unanimously.*

**OFFICER AND TRUSTEE REPORTS** – None

**PROCESSED DISBURSEMENTS/RECEIPTS**

*Member Bruno moved to approve plan expenditures for the second quarter of Fiscal Year 2015/2016 (January 1, 2016 through March 31, 2016) in the amount of \$28,651.02 and to acknowledge receipts to the plan for that same fiscal quarter (through March 31, 2016) in the amount of \$157,813.40. (Reference Plan Administrator's memorandum dated April 4, 2016 for detail.) Member Cordeau seconded the motion which carried on an all yes vote.*

Total disbursements during the quarter were \$125,407.72 which included monthly benefit payments to 12 retirees in the amount of \$96,756.72.

**CONSULTANT REPORTS**

- A. Dan Johnson and Tony Kay – The Bogdahn Group (Performance Monitor & Advisory Services)
- Performance Report for quarter ended March 31, 2016

Mr. Johnson began by introducing Tony Kay, a new consultant with The Bogdahn Group who would be involved with day-to-day operations of the West Melbourne Police Retirement Plan and the primary point of contact going forward. Dan Johnson remained involved with the Plan from a director/management standpoint.

Mr. Kay went on to deliver the Investment Performance Report for the second quarter of Fiscal Year 2015/2016. The quarter proved volatile with broad equity markets declining

during the first half of the period but rebounding through the second half of the quarter to end slightly positive. The equity marketplace was concentrated which made it difficult for active investment managers to outperform the benchmark because of the narrow focus. As to fixed income, it was noted that the U.S. Treasury yield curve flattened throughout the quarter.

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Chairman Morgan noted that the Retirement Board maintained a historically cautious outlook on the economy and return expectations, thus its trend over the past few years to reduce expected rates of return. Mr. Johnson noted that this was a growing portfolio with a positive cash flow. He was comfortable with a return assumption between seven and eight percent; an expected rate of return below seven percent was too conservative.

Member Bentley favored lowering the Board's rate of return assumption from 7.2 percent to 7.1 percent. This was an opportune time to do so as the fund was doing well and the City had been able to contribute excess funds in the past few years. *The Retirement Board directed its plan administrator to place discussion of possibly lowering the assumed investment rate of return to 7.1 percent on its August 3, 2016 quarterly agenda.*

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Total market value as of March 31, 2016 was \$11,179,157 up from \$11,036,023 for the previous quarter ended December 31, 2015. On a percentage basis, the composite portfolio was up 0.99 percent for the quarter (gross) which ranked in the 42<sup>nd</sup> percentile of public plans. Fiscal year to date, the fund was up 4.52 percent (ranking in the 27<sup>th</sup> percentile of public plans). A new chart demonstrated that the Retirement Fund paid an estimated fee of 0.21 percent for investment management (which included mutual funds reported net of fees).

Quarterly performance results (i.e. quarter ending March 31, 2016) for the various investment styles/managers represented in the portfolio were as follows:

*Garcia Hamilton & Associates (domestic fixed income) – positive return of 2.18% (15)\**

*EuroPacific Growth (international) – positive return of 0.59% (74)\**

*Vanguard Total Stock Market Index Fund – positive return of 7.27% (19)\**

*Templeton Global Total Return (global fixed income) – positive return of 2.50% (58)\**

(\*Percentile rankings)

As directed at the previous meeting, the Retirement Fund invested in the BlackRock Multi-Asset Income Fund late in the quarter. Its impact on overall returns for this quarter was negligible. All asset classes were within target ranges. There were no action items.

Chairman Morgan mentioned a large DROP payout (approximately \$250,000) coming up later in the summer. *In anticipation of same, Member Bentley moved to direct The Bogdahn Group to coordinate a one-time rebalance of the portfolio when the timing was appropriate. Member Bruno seconded the motion and it carried on an all yes vote.*

The Board acknowledged receipt of the Investment Performance Report as presented.

- Status report on expected capital call for ASB Allegiance Real Estate Fund

The consultants expected to receive the capital call to fund the ASB Allegiance Real Estate Fund as of July 1, 2016 in the full amount pledged of \$1.1 million.

B. Pedro Herrera – Sugarman & Susskind (Attorney)

- Legal opinion on benefits payable to survivor/beneficiary in the event of a pre-retirement death of an active plan

At its quarterly meeting on February 3, 2016, the Retirement Board requested clarification on benefits payable by the retirement plan to the designated beneficiary for vested plan members who died prior to retirement. It was clear that non-vested members (i.e. less than ten years of credited service) who suffered death prior to retirement were entitled to a refund of that member's accumulated contributions. It was also clear that the beneficiary of a vested plan member who died prior to retirement was entitled to an immediate benefit as if the member had selected a 50 percent joint and survivor optional form of benefit (Reference Section 34-77 of the plan document).

However, the plan document was unclear as to whether this benefit should be paid as normal or early retirement. Attorney Herrera advised that the Retirement Board was charged with interpreting its plan in cases where it was vague or imprecise.

*Member Bruno moved to interpret the plan document in the case of the pre-retirement death of an active member as if it was for normal retirement such that there would be no reduction in the benefit value even if the member was not retirement eligible at the time of death. Member Cordeau seconded the motion.*

Member Bentley disagreed with providing a normal retirement benefit in the event of pre-retirement death of an active member of the plan. He felt this was the purpose of life insurance and that the member who died prematurely should be treated the same as the member who actually elected early retirement.

*Roll call was:*

|                        |            |
|------------------------|------------|
| <i>Member Bruno</i>    | <i>No</i>  |
| <i>Member Cordeau</i>  | <i>Yes</i> |
| <i>Member Parsons</i>  | <i>No</i>  |
| <i>Member Bentley</i>  | <i>No</i>  |
| <i>Chairman Morgan</i> | <i>No</i>  |

*The motion failed.*

*Member Bentley then moved to provide a pre-retirement death benefit based on the 50 percent joint and survivor option as an early retirement election with a reduction not to exceed 15 percent based on the age of the active member at time of death. Chairman Morgan seconded the motion. Roll call was:*

|                        |            |
|------------------------|------------|
| <i>Member Bentley</i>  | <i>Yes</i> |
| <i>Member Parsons</i>  | <i>Yes</i> |
| <i>Member Bruno</i>    | <i>Yes</i> |
| <i>Member Cordeau</i>  | <i>No</i>  |
| <i>Chairman Morgan</i> | <i>Yes</i> |

*The motion passed.*

- Report on Internal Revenue Service regulations relating to normal retirement age

The Retirement Board acknowledged receipt of Special Report issued by Sugarman & Susskind (March 2016) on IRS regulations related to normal retirement age. These regulations did not affect the West Melbourne Police Retirement Plan as it did not allow in-service distributions. This was an informational item; no action required.

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Attorney Herrera went on to mention that the legislative session ended with no bill being adopted which affected local law pension plans.

C. Karan Rounsavall – Plan Administrator

Educational opportunities:

- ✓ Florida Public Pension Trustees' Association (FPPTA) Annual Conference in Orlando (June 26-29, 2016)

Mrs. Rounsavall announced the FPPTA annual conference. No member planned to attend. Accordingly, *Member Bentley moved to authorize Plan Administrator Rounsavall to cast the West Melbourne Police Retirement Board's ballot for the FPPTA board of directors election at her discretion. Member Bruno seconded the motion and it carried unanimously.*

- Acknowledge refund of member contribution for Ron Smith (non-vested member) in the amount of \$771.09

*Member Cordeau moved to acknowledge the refund of member contributions for Ron Smith as stated. Member Bruno seconded the motion which carried on an all yes vote.*

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The meeting recessed briefly at this time and reconvened in a few minutes.

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- Acknowledge receipt and availability of divorce kit for use by plan members and retirees (as approved at February 3, 2016 meeting)

Board members were in receipt of the full "divorce kit" prepared by Sugarman & Susskind for use by plan members upon request. The divorce kit was included in the attorney's monthly retainer. *Member Bruno moved to acknowledge receipt. Member Cordeau seconded the motion and it carried.*

**OLD BUSINESS** - None

**NEW BUSINESS**

A. Review of updated fee quotes and selection of new custodial services provider

At its February 3, 2016 meeting, the Retirement Board voted to give Regions Institutional Services (current fund custodian) a 30-day termination notice (pursuant to its professional service provider agreement) based on ongoing performance issues, etc. The Board further directed The Bogdahn Group and Plan Administrator Rounsavall to ascertain continued interest and to obtain updated quotes from other custodians who submitted proposals in 2014 for consideration at this meeting.

A summary of updated custodial bids was provided. Salem Trust previously served as custodian to the West Melbourne Police Retirement Plan. Salem proposed a flat fee of \$6,000 annually with a two-year guarantee. Other custodial firms confirmed their 2014 fees.

*Member Bentley moved to select Salem Trust to provide custodial services for the West Melbourne Police Retirement Plan at a flat annual fee of \$6,000 guaranteed for three years and requesting that Mindy Johnson serve as the Plan's designated trust officer. Member Parsons seconded the motion and it carried unanimously.*

*Attorney Herrera was further authorized to present the Board's decision to Salem Trust and to prepare the appropriate professional services agreement for execution. The transition date was set for August 1, 2016.*

B. Periodic review of professional service provider agreements

Board members were in receipt of listing of professional service providers and the corresponding agreement dates. Pursuant to the Board's Administrative Rules and Procedures, it was to routinely review these agreements to determine appropriateness and timeliness of the terms. Upon review, the Board could elect to continue with that service provider, solicit bids or issue a request for proposal (RFP) for the professional services subject to review.

Plan Administrator Karan Rounsavall's agreement was up for review at this time. Board members voiced their satisfaction with Mrs. Rounsavall's services. *Member Cordeau moved to continue its agreement with Mrs. Rounsavall providing plan administration services. Member Bentley seconded the motion and it carried on an all yes vote.*

Chairman Morgan noted that Mrs. Rounsavall's current three-year fee guarantee expired later in 2016.

C. Discussion relating to Senate Bill 7012 amending the Florida Retirement System by providing death benefits payable to survivors of law enforcement officers killed in the line of duty (requested by Trustee Jennifer Bruno – April 17, 2016)

Attorney Herrera provided a brief overview of this bill which was recently signed into law by the Governor. In short, the legislation extended certain death benefits to spouses and children (up to age 25 if unmarried and a full-time student). If a member belonged to the Investment Plan (i.e. defined contribution) at the time of death, the assets could be transferred to the Pension Plan (defined benefit) and sponsor contributions would increase to fund the conversion.

**PUBLIC COMMENT** - None

**ADJOURNMENT**

The meeting adjourned at 11:30 a.m.

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Scott Morgan, Chairman

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Karan Rounsavall, Plan Administrator

## MEMORANDUM

July 12, 2016

TO: West Melbourne Police Officers' Retirement Board

FROM: Karan Rounsavall, Retirement Plan Administrator *K Rounsavall*

SUBJECT: Receipts & Administrative Expenses – Third Fiscal Quarter 2015/2016

### Administrative Expenses

| Date      | Payee                   | Purpose  | Amount      |
|-----------|-------------------------|--|-------------|
| 4/01/2016 | Karan Rounsavall        | Plan Administrator – Monthly Fee   | \$1,200.00  |
| 4/12/2016 | Regions Bank            | Quarterly Fee – Based on \$5,000 annual minimum (1/01/2016 thru 3/31/2016) | \$1,250.00  |
| 4/14/2016 | Sugarman & Susskind     | Monthly Retainer Fee – April 2016  | \$1,250.00  |
| 4/29/2016 | Garcia Hamilton & Asso. | Investment Management Fee (1/01/2016 thru 3/31/2016)                       | \$2,151.17  |
| 5/02/2016 | Karan Rounsavall        | Plan Administrator – Monthly Fee   | \$1,200.00  |
| 5/18/2016 | Sugarman & Susskind     | Monthly Retainer Fee – May 2016  | \$1,250.00  |
| 6/01/2016 | Karan Rounsavall        | Plan Administrator – Monthly Fee   | \$1,200.00  |
| 6/28/2016 | Sugarman & Susskind     | Monthly Retainer Fee – June 2016   | \$1,250.00  |
|           |                         |  | \$10,751.17 |

Note: In the second fiscal quarter, Regions Bank paid the quarterly fee for The Bogdahn Group twice. The extra payment of \$4,375 was applied to the second fiscal quarter.

Note: \$1.1 million was wired from the Retirement Fund's R&D account on June 28, 2016 to Chevy Chase Trust to fund the ASB Allegiance Real Estate Portfolio

### Receipts

| Date      | Source                                       | Amount       |
|-----------|--|--------------|
| 4/04/2016 | Employer Contribution (#7 ending 3/24/2016)  | \$20,155.15  |
| 4/05/2016 | Employee Contribution (#7 ending 3/24/2016)  | \$5,701.01   |
| 4/18/2016 | Employer Contribution (#8 ending 4/07/2016)  | \$21,406.51  |
| 4/19/2016 | Employee Contribution (#8 ending 4/07/2016)  | \$6,054.94   |
| 4/29/2016 | Employer Contribution (#9 ending 4/21/2016)  | \$20,628.90  |
| 5/02/2016 | Employee Contribution (#9 ending 4/21/2016)  | \$5,835.74   |
| 5/16/2016 | Employer Contribution (#10 ending 5/05/2016) | \$19,902.51  |
| 5/26/2016 | Employee Contribution (#10 ending 5/05/2016) | \$5,630.58   |
| 5/31/2016 | Employer Contribution (#11 ending 5/19/2016) | \$20,807.63  |
| 6/01/2016 | Employee Contribution (#11 ending 5/19/2016) | \$5,886.23   |
| 6/15/2016 | Employer Contribution (#12 ending 6/02/2016) | \$21,263.71  |
| 6/16/2016 | Employee Contribution (#12 ending 6/02/2016) | \$6,014.56   |
| 6/27/2016 | Employer Contribution (#13 ending 6/16/2016) | \$21,677.89  |
| 6/29/2016 | Employee Contribution (#13 ending 6/16/2016) | \$6,131.90   |
|           |  | \$187,097.26 |

Monthly Benefit Payments

**April 2016** - \$32,252.24 to 12 retirees and/or beneficiaries

**May 2016** - \$32,252.24 to 12 retirees and/or beneficiaries

**June 2016** - \$32,252.24 to 12 retirees and/or beneficiaries

Refund of Contributions:        \$ 771.09 + \$11,231.73 + \$20,000 (rollover)

DROP Distributions:            \$ 0.00

|                      |                      |
|----------------------|----------------------|
| Total Disbursements: | <u>\$ 139,510.71</u> |
| Expenses:            | \$ 10,751.17         |
| Benefit Payments     | \$ 96,756.72         |
| DROP Payouts         | \$       0.00        |
| Refunds:             | \$ 32,002.82         |

If there are questions or you require additional information, please contact me at 321-537-6007.

Attachments – various invoices

# SUGARMAN & SUSSKIND

100 Miracle Mile

Suite 300

Coral Gables, Florida 33134

Telephone: 305-529-2801

Fax: 305-447-8115

www.sugarmansusskind.com

RECEIVED  
4/12/2016

City of West Melbourne Police Officer's Retirement Plan  
c/o Karen Rounsavall, Plan  
Administrator  
3695 Indian River Drive  
Cocoa, FL 32926

April 11, 2016

Invoice # 112555

Client: Matter WMPP

|   | <u>Hours</u> | <u>Amount</u>     |
|---|--------------|-------------------|
| For professional services rendered              | 0.00         | \$1,250.00        |
| Retainer for the month.                         |              |                   |
| Previous balance                                |              | \$1,250.00        |
| 3/10/2016 Payment - Thank You. Check No. 527043 |              | (\$1,250.00)      |
| Total payments and adjustments                  |              | (\$1,250.00)      |
| Balance due                                     |              | <u>\$1,250.00</u> |

Client: Matter WMPP: FORMS

In Reference To: Pension Fund Forms

## Professional Services

|  | <u>Hrs/Rate</u>     | <u>Amount</u> |
|--|---------------------|---------------|
| 3/11/2016 Review and edit "divorce kit". | 2.20<br>\$250.00/hr | NO CHARGE     |
| For professional services rendered       | 2.20                | \$0.00        |

*Emailed revised invoice to Regions for payments - 4/12/2016  
/s/*

Balance due

Amount

\$0.00

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Client: Matter WMPP: MISC

In Reference To: Miscellaneous

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Professional Services

|   | <u>Hrs/Rate</u>     | <u>Amount</u> |
|---|---------------------|---------------|
| 3/15/2016 PH Receipt and review of annual DOR state report. | 0.60<br>\$250.00/hr | NO CHARGE     |
| For professional services rendered                          | 0.60                | \$0.00        |
| Balance due   |                     | <u>\$0.00</u> |

# SUGARMAN & SUSSKIND

100 Miracle Mile

Suite 300

Coral Gables, Florida 33134

Telephone: 305-529-2801

Fax: 305-447-8115

www.sugarmanusskind.com

City of West Melbourne Police Officer's Retirement Plan  
c/o Karen Rounsavall, Plan  
Administrator  
3695 Indian River Drive  
Cocoa, FL 32926

May 09, 2016

Invoice # 113043

RECEIVED  
5/10/2016

Client: Matter WMPP

|   | <u>Hours</u> | <u>Amount</u> |
|---|--------------|---------------|
| For professional services rendered              | 0.00         | \$1,250.00    |
| Retainer for the month.                         |              |               |
| Previous balance                                |              | \$1,250.00    |
| 4/22/2016 Payment - Thank You. Check No. 537016 |              | (\$1,250.00)  |
| Total payments and adjustments                  |              | (\$1,250.00)  |
| Balance due                                     |              | \$1,250.00    |

Client: Matter WMPP: MISC

In Reference To: Miscellaneous

## Professional Services

|  | <u>Hrs/Rate</u>     | <u>Amount</u> |
|--|---------------------|---------------|
| 4/29/2016 PH Telephone conference with Karan regarding rollover. Telephone conference with Mass Mutual regarding same. Legal research. | 0.90<br>\$250.00/hr | NO CHARGE     |
| For professional services rendered   | 0.90                | \$0.00        |

*Emailed invoice to Regions for payment - 5/16/2016  
v/lsj*

Amount

Balance due

\$0.00

Client: Matter WMPP: PLAN

In Reference To: Plan

Professional Services

|  | <u>Hrs/Rate</u>     | <u>Amount</u> |
|--|---------------------|---------------|
| 4/20/2016 Email opinion regarding pre-retirement death benefits. Review ordinance. | 1.80<br>\$250.00/hr | NO CHARGE     |
| For professional services rendered   | 1.80                | \$0.00        |
| Balance due  |                     | <u>\$0.00</u> |

# SUGARMAN & SUSSKIND

100 Miracle Mile

Suite 300

Coral Gables, Florida 33134

Telephone: 305-529-2801

Fax: 305-447-8115

www.sugarmansusskind.com

RECEIVED  
6/8/2016

City of West Melbourne Police Officer's Retirement Plan  
c/o Karen Rounsavall, Plan  
Administrator  
3695 Indian River Drive  
Cocoa, FL 32926

June 06, 2016

Invoice # 113745

Client: Matter WMPP

|   | Hours | Amount       |
|---|-------|--------------|
| For professional services rendered              | 0.00  | \$1,250.00   |
| Retainer for the month.                         |       |              |
| Previous balance                                |       | \$1,250.00   |
| 5/23/2016 Payment - Thank You. Check No. 544862 |       | (\$1,250.00) |
| Total payments and adjustments                  |       | (\$1,250.00) |
| Balance due                                     |       | \$1,250.00   |

Client: Matter WMPP:CUST

In Reference To: Custodial Agreement

## Professional Services

|  | Hours/Rate          | Amount    |
|--|---------------------|-----------|
| 5/17/2016 Draft custodial agreement with Salem.      | 1.20<br>\$250.00/hr | NO CHARGE |
| 5/19/2016 Draft custodial agreement with Salem Trust | 1.20<br>\$250.00/hr | NO CHARGE |

*Emailed invoice to Regina for payment - 6/15/2016  
✓ 1/2*

|  | <u>Hrs/Rate</u>     | <u>Amount</u> |
|--|---------------------|---------------|
| 5/25/2016 Telephone conference with plan administrator regarding custodial agreement; review STC proposal received from administrator, Draft custodial agreement | 0.80<br>\$250.00/hr | NO CHARGE     |
| 5/27/2016 Review and edit custodial agreement, email same to PH  | 0.60<br>\$250.00/hr | NO CHARGE     |
| For professional services rendered   | 3.80                | \$0.00        |
| Balance due  |                     | \$0.00        |

Client: Matter WMPP:MEET

In Reference To: Meeting

Professional Services

|   | <u>Hrs/Rate</u>     | <u>Amount</u> |
|---|---------------------|---------------|
| 5/4/2016 Attend meeting. Prepare for meeting. Travel. | 8.60<br>\$250.00/hr | NO CHARGE     |
| For professional services rendered                    | 8.60                | \$0.00        |
| Balance due   |                     | \$0.00        |

Client: Matter WMPP:PLAN

In Reference To: Plan

Professional Services

|  | <u>Hrs/Rate</u>     | <u>Amount</u> |
|--|---------------------|---------------|
| 5/3/2016 Review new state law regarding FRS death benefits to determine whether there is any affect on 175/185 plans | 1.40<br>\$250.00/hr | NO CHARGE     |
| For professional services rendered   | 1.40                | \$0.00        |

INVOICE # 26962

**GHA**  
GARCIA HAMILTON & ASSOCIATES, L.P.

April 17, 2016

BOARD OF TRUSTEES CITY OF WEST MELBOURNE POLICE OFFICERS'  
PENSION FUND (3250000963) westmp  
Via email: Dawn.blaeuer@regions.com; rounsavall@earthlink.net  
dave.smeltzer@regions.com

\*, \* \*

5 HOUSTON CENTER  
1401 MCKINNEY, SUITE 1600  
HOUSTON, TX 77010  
TEL: (713) 853-2322  
FAX: (713) 853-2308  
WWW.GARCHAMILTONASSOCIATES.COM

RECEIVED  
4/25/16

GARCIA HAMILTON & ASSOCIATES  
STATEMENT OF MANAGEMENT FEES

|  |                    |
|--|--------------------|
| For The Period January 1, 2016 through March 31, 2016    |                    |
| Portfolio Valuation with Accrued Interest as of 03-31-16 | \$ 2,868,226.92    |
| 2,868,227 @ 0.300% per annum                             | 2,151.17           |
| Quarterly Management Fee                                 | \$ 2,151.17        |
| <b>TOTAL DUE AND PAYABLE</b>                             | <b>\$ 2,151.17</b> |

*Per telephone conversation with Dawn Blauer, this invoice was  
paid on April 29, 2016 from the GHA (0963) accounts.  
✓Kj*



Post Office Box 12385  
 Birmingham, Alabama 35202-2385

STATEMENT OF TRUSTEES FEES  
 DATED 04/06/2016

1

\*\*\*THIS IS NOT A BILL\*\*\*

M84301

WEST MELB MST

RECEIVED  
 4/15/16  
 v kj

KAREN ROUNSAVALL  
 3695 INDIAN RIVER DRIVE  
 COCOA FL 32926

\$ 1,250.00

FEE CALCULATION DETAIL 01/01/2016 - 03/31/2016

\*\*\*\*\*

| BASIS | ITEM                     | AMOUNT      |
|-------|--------------------------|-------------|
|       | FLAT FEE:                |             |
|       | PERIOD ENDING 03/31/2016 | 1,250.00    |
|       | TOTAL                    | \$ 1,250.00 |

SUMMARY OF FEE CALCULATION DETAIL

\*\*\*\*\*

| BASIS | ITEM                                | AMOUNT      |
|-------|-------------------------------------|-------------|
|       | FLAT FEE                            | 1,250.00    |
|       | TOTAL AMOUNT DUE FOR CURRENT PERIOD | \$ 1,250.00 |

FOR FEE CALCULATION PERIOD 01/01/2016 - 03/31/2016  
 CONSOLIDATED ACCOUNT PRORATION FOR MASTER ACCOUNT M84301 WEST MELB MST

| ACCOUNT    | NAME         | PERCENTAGE   | AMOUNT | CHARGE/BILL FEE          |
|------------|--------------|--------------|--------|--------------------------|
| 3250000954 | WEST MEL R&D | 50.00000000% | 625.00 | CHARGE                   |
| 3250000963 | WEST MEL GH  | 50.00000000% | 625.00 | CHARGE TO A/C 3250000954 |

\* THE FEE INDICATED HAS BEEN CHARGED TO THE TRUST \*  
 \* ACCOUNT. NO FEE IS DUE AT THIS TIME. \*

IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT  
 DAVID R. SMELTZER AT 813-639-3359

M84301

WEST MELB MST

04/06/2016

**Subject:** 46th Annual Police Officers' and Firefighters' Pension Conference  
**From:** DivisionOfRetirement@rol.frs.state.fl.us  
**Date:** 7/27/2016 10:17 AM  
**To:** rounsavall@earthlink.net

**TO:** Board of Trustee Members and Other Interested Parties  
**FROM:** Florida Division of Retirement  
Municipal Police Officers' and Firefighters' Pension Office  
**SUBJECT:** 46th Annual Police Officers' & Firefighters' Pension Conference  
November 2-4, 2016 · Orlando, Florida

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Save the Date! Our 46th Annual Police Officers' & Firefighters' Pension Conference is scheduled for November 2-4, 2016, sponsored by the Department of Management Services, Division of Retirement. This program is uniquely designed for pension plans established under Chapters 175 & 185, Florida Statutes.

Wednesday's program, on November 2, is designed specifically for new trustees, for those interested in becoming trustees, or for those who want a basic understanding of the operation of the pension plan. The program will offer a no-nonsense explanation of how the pension plan works and will include lectures from a plan attorney, actuary, and the Division of Retirement on the trustees' responsibilities. Participants will be encouraged to ask questions and participate in group discussions focusing on the fundamentals of pension fund management. If you are a new trustee, we encourage you to participate in this special program.

Thursday and Friday's programs, on November 3 and 4, are designed for both the new and seasoned trustee and will feature presentations on legal, actuarial, investment, administrative, and government in the sunshine issues, as well as an update on any Legislative changes. We will also be discussing new changes to the annual report, so make sure you attend! There will be an opportunity for questions and answers after each speaker to provide you with a chance to address concerns specific to your plan.

**Special Announcement:** Attendees will be given an opportunity to view the new active online annual report submission process, which will be in effect starting with the upcoming 2016 Annual Reports. This will be an exclusive preview of the online submission reporting process prior to submitting your next annual report.

**There is no registration fee to attend!** The program will be held at the Radisson Resort, Orlando Celebration, Florida. The Hotel is located at 2900 Parkway Blvd, Kissimmee, Florida 34747. To book your room please click [here](#). It is important to use this link or state that you are attending the Police Officers' and Firefighters' Pension Conference when booking. This helps us to continue getting facilities to host our Fall conference.

Conference materials will be available for free by download on our website prior to the conference. If a participant prefers to have a hard copy of the materials printed, we are making arrangements for conference books to be available for purchase directly from the printer. Contact information for the printer and the cost for book purchase will be posted to our website and emailed soon. The books will be transported to the hotel and distributed to participants that pre-purchased the materials. **Conference materials must be pre-purchased and will not be available to purchase on-site.**

All police officer and firefighter plan participants, board of trustee members, plan sponsors, administrators, accountants, actuaries, investment advisors, legal counselors, other advisors, and anyone interested in the administration and operation of the Chapters 175 and 185 Pension Plans should take advantage of this unique, insightful, and informative program.

**Please remember, we are only able to continue providing these low cost / no cost conferences for our plans based on satisfactory attendance.** We know that plan participants and board members fulfill a vital role in our communities, and although you may not be able to attend every program, Florida Statutes require that the plan investment policy provide for continuing education of board members. This program will help to satisfy that requirement and educate the attendees on how the plans may be most effectively administered to ensure their continued health. Please consider our program when making your training plans so that we can continue to offer them to you.

In the upcoming months, you will be able to access information and updates about the Fall Conference, including a copy of the program when completed, and links to register at the Radisson Resort, Orlando Celebration, on our website. If you have any questions, you may contact our office toll free at (877) 738-6737, or locally at (850) 922-0667.

I look forward to meeting with you in November, in Kissimmee!

## WEST MELBOURNE POLICE OFFICERS' RETIREMENT PLAN

### REFUND OF CONTRIBUTIONS

**PARTICIPANT'S NAME:** Sean Cronin

Date of Termination: February 9, 2016

Date of Hire: January 9, 2008

Employee Contributions: \$29,537.98

Simple Interest 1.5%: \$ 1,693.75

Type of Distribution: Direct rollover to 457 plan with Brevard County Sheriff's Office and partial taxable distribution

Total Gross Distribution: \$31,231.73

Note: Officer Cronin was 60 percent vested in the Retirement Plan with eight years of service. Upon receiving a refund of his contributions, he is not eligible to receive any future benefits from the West Melbourne Police Retirement Plan

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Refund amounts reported at August 3, 2016 quarterly meeting.

during the first half of the period but rebounding through the second half of the quarter to end slightly positive. The equity marketplace was concentrated which made it difficult for active investment managers to outperform the benchmark because of the narrow focus. As to fixed income, it was noted that the U.S. Treasury yield curve flattened throughout the quarter.

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Chairman Morgan noted that the Retirement Board maintained a historically cautious outlook on the economy and return expectations, thus its trend over the past few years to reduce expected rates of return. Mr. Johnson noted that this was a growing portfolio with a positive cash flow. He was comfortable with a return assumption between seven and eight percent; an expected rate of return below seven percent was too conservative.

Member Bentley favored lowering the Board's rate of return assumption from 7.2 percent to 7.1 percent. This was an opportune time to do so as the fund was doing well and the City had been able to contribute excess funds in the past few years. *The Retirement Board directed its plan administrator to place discussion of possibly lowering the assumed investment rate of return to 7.1 percent on its August 3, 2016 quarterly agenda.*

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Total market value as of March 31, 2016 was \$11,179,157 up from \$11,036,023 for the previous quarter ended December 31, 2015. On a percentage basis, the composite portfolio was up 0.99 percent for the quarter (gross) which ranked in the 42<sup>nd</sup> percentile of public plans. Fiscal year to date, the fund was up 4.52 percent (ranking in the 27<sup>th</sup> percentile of public plans). A new chart demonstrated that the Retirement Fund paid an estimated fee of 0.21 percent for investment management (which included mutual funds reported net of fees).

Quarterly performance results (i.e. quarter ending March 31, 2016) for the various investment styles/managers represented in the portfolio were as follows:

*Garcia Hamilton & Associates (domestic fixed income) – positive return of 2.18% (15)\**

*EuroPacific Growth (international) – positive return of 0.59% (74)\**

*Vanguard Total Stock Market Index Fund – positive return of 7.27% (19)\**

*Templeton Global Total Return (global fixed income) – positive return of 2.50% (58)\**

(\*Percentile rankings)

As directed at the previous meeting, the Retirement Fund invested in the BlackRock Multi-Asset Income Fund late in the quarter. Its impact on overall returns for this quarter was negligible. All asset classes were within target ranges. There were no action items.

Chairman Morgan mentioned a large DROP payout (approximately \$250,000) coming up later in the summer. *In anticipation of same, Member Bentley moved to direct The Bogdahn Group to coordinate a one-time rebalance of the portfolio when the timing was appropriate. Member Bruno seconded the motion and it carried on an all yes vote.*

The Board acknowledged receipt of the Investment Performance Report as presented.

**MEMORANDUM**

**July 27, 2016**

**TO: West Melbourne Police Officers' Retirement Board**

**FROM: Karan Rounsavall, Retirement Plan Administrator** *K Rounsavall*

**SUBJECT: Administrative Expense Budget for Fiscal Year 2016/2017**

Effective July 1, 2015, *Florida Statutes* §185.05(8) requires that the West Melbourne Police Officers' Retirement Board adopt and operate pursuant to an administrative expense budget each plan/fiscal year. This budget must be provided to the plan sponsor (i.e. City of West Melbourne) and made available to retirement plan members before the beginning of the plan's fiscal year (prior to October 1, 2016 and each year thereafter). Additionally, if the Board amends the administrative expense budget, a copy of the amended budget must be sent to the plan sponsor and a copy made available to plan members.

In accordance with the referenced statute, attached is a proposed budget for Fiscal Year 2016/2017 for your review and consideration. It includes the current fiscal year's (2015/2016) actual/estimated administrative expenses. Also attached is the adopted budget for Fiscal Year 2015/2016 for comparative purposes. The Retirement Plan is under budget for Fiscal Year 2015/2016.

Please note that the proposed budget does not include investment management fees (e.g. Garcia Hamilton and ASB Real Estate) although these are included on the budget worksheet for informational purposes. Mutual funds are reported net of fees.

In accordance with the Board's input and action, I will prepare the final budget for submittal (by October 1, 2016) to the plan sponsor as well as active plan members.

If there are any questions or if additional information is required, please do not hesitate to contact me.

Attachments

**West Melbourne Police Officers' Retirement Plan  
Fiscal Year 2016-17 Budget**

| Account Description    | Prior Year<br>Actual Expense | Next Fiscal<br>Year Budget |
|------------------------|------------------------------|----------------------------|
| <b>Plan Expense:</b>   |                              |                            |
| Service Providers:     |                              |                            |
| Actuary                | 14,325.00                    | 18,092.00                  |
| Administrator          | 14,400.00                    | 16,200.00                  |
| Auditor/ Accounting    | 0.00                         | 0.00                       |
| Attorney/ Legal        | 15,000.00                    | 15,000.00                  |
| Investment Consultant  | 17,500.00                    | 17,500.00                  |
| Custodial Services     | 5,500.00                     | 6,000.00                   |
| <b>Subtotal:</b>       | <b>66,725.00</b>             | <b>72,792.00</b>           |
| Other Plan Expenses:   |                              |                            |
| Dues and Subscriptions | 600.00                       | 600.00                     |
| Insurance              | 2,740.00                     | 3,000.00                   |
| Miscellaneous Expenses | 0.00                         | 200.00                     |
| Travel & Education     | 34.00                        | 2,000.00                   |
| <b>Subtotal:</b>       | <b>3,374.00</b>              | <b>5,800.00</b>            |
| <b>TOTAL:</b>          | <b>70,099.00</b>             | <b>78,592.00</b>           |

**West Melbourne Police Officers' Retirement Plan  
Fiscal Year 2015-16 Budget**

| <b>Account Description</b> | <b>Prior Year<br/>Actual Expense</b> | <b>Next Fiscal<br/>Year Budget</b> |
|----------------------------|--------------------------------------|------------------------------------|
| <b>Plan Expense:</b>       |                                      |                                    |
| Service Providers:         |                                      |                                    |
| Actuary                    | 12,628.00                            | 18,412.00                          |
| Administrator              | 14,400.00                            | 14,050.00                          |
| Auditor/ Accounting        | 0.00                                 | 0.00                               |
| Attorney/ Legal            | 15,000.00                            | 15,000.00                          |
| Investment Consultant      | 15,500.00                            | 17,500.00                          |
| Custodial Services         | 5,000.00                             | 6,000.00                           |
| <b>Subtotal:</b>           | <b>62,528.00</b>                     | <b>70,962.00</b>                   |
| Other Plan Expenses:       |                                      |                                    |
| Dues and Subscriptions     | 600.00                               | 600.00                             |
| Insurance                  | 2,776.00                             | 3,000.00                           |
| Miscellaneous Expenses     | 90.00                                | 200.00                             |
| Travel & Education         | 390.00                               | 6,000.00                           |
| <b>Subtotal:</b>           | <b>3,856.00</b>                      | <b>9,800.00</b>                    |
| <b>TOTAL:</b>              | <b>66,384.00</b>                     | <b>80,762.00</b>                   |

**WEST MELBOURNE POLICE OFFICERS' RETIREMENT PLAN  
ADMINISTRATIVE EXPENSE BUDGET  
PLAN YEAR 2016/2017**

FLORIDA STATUTES 185.05(8)

*The Board shall operate under an administrative expense budget each fiscal year. A copy of the budget shall be provided to the plan sponsor and made available to plan members before the beginning of the fiscal year. If the Board amends the administrative expense budget, the Board must provide a copy of the amended budget to the plan sponsor and make available a copy of the amended budget to plan members. The administrative expense budget must be prepared and made available prior to October 1, 2016.*

|    | Line Item Description  | Estimated FY 2015/2016 | Proposed FY 2016/2017 |
|----|--|------------------------|-----------------------|
| 1  | Legal Expenses* (Sugarman & Susskind – \$1,250 monthly retainer)<br>*Includes office work connected with informal and formal disability proceedings.               | \$15,000               | \$15,000              |
| 2  | Actuarial Expenses (Foster & Foster)   | \$0                    | \$0                   |
|    | Annual Valuation & Member Statements - \$7,524 (Note: increases by 5% each year per agreement)   | \$7,524                | \$7,900               |
|    | Annual fee for online benefit calculator - (\$16 x 35 active members in FY 2015/2016) Project 37 active members in FY 2016/2017                                    | \$560                  | \$592                 |
|    | F.S. 112.664 Compliance Disclosures - \$3,500 (Project 10% increase)   | \$3,500                | \$3,675               |
|    | State Monies Determination Calculation - \$1,000 (Project 10% increase)  | \$1,000                | \$1,100               |
|    | Impact Statements/Statements of No Impact (Note: City paid for impact statement for defined contribution ordinance). Project one ordinance in 2016/2017.           | \$0                    | \$500                 |
|    | Benefit Calculations & DROP statements – Project two calculations  | \$200                  | \$500                 |
|    | Other (e.g. travel, special studies, etc.) – Anticipate experience study in FY 2016/2017   | \$291                  | \$2,500               |
|    | GASB 67 Disclosures (City pays for GASB 68 - \$2,000)  | \$1,250                | \$1,325               |
| 3  | Plan Administrator (Rounsavall - \$1,200 monthly retainer) and expenses (e.g. mailings) Project increase in monthly retainer as of January 2017.                   | \$14,400               | \$16,200              |
| 4  | Investment Consultant & Performance Monitor (The Bogdahn Group - \$4,375 quarterly fee in FY 2015/2016) Fee guaranteed through 2018                                | \$17,500               | \$17,500              |
| 5  | Custodial Services (Salem Trust Company - \$6,000 all-inclusive flat fee guaranteed for three years)   | \$5,500                | \$6,000               |
| 6  | Investment Managers - Garcia Hamilton & Associates – domestic fixed income (30 basis points - \$12,000) Allegiance Real Estate Fund (1.25 basis points - \$15,000) | \$12,000               | \$27,000              |
| 7  | Fiduciary Insurance (Florida Municipal Insurance Trust)  | \$2,740                | \$3,000               |
| 8  | Memberships (Florida Public Pension Trustees Association – annual dues for Board)  | \$600                  | \$600                 |
| 9  | Travel & Training  | \$34                   | \$2,000               |
| 10 | Miscellaneous (plaques, court reporter, independent medical exams, donations, etc.)  | \$0                    | \$200                 |
|    | <b>TOTAL</b>   | <b>\$82,099.00</b>     | <b>\$105,592.00</b>   |

# West Melbourne Police Retirement Plan

CHAIRMAN  
Scott Morgan

BOARD MEMBERS

SECRETARY  
Jennifer Brun

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James Parsons • Richard Cordeau • Pat Bentley

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August 3, 2016

Mrs. Mindy Johnson, Relationship Manager  
Salem Trust Company  
1715 N. Westshore Blvd., Suite 750  
Tampa FL 33607

Re: West Melbourne Police Officers' Retirement Plan

Dear Mrs. Johnson:

Please accept this as your direction to pay invoices submitted directly to you by **Sugarman & Susskind, P.A., The Bogdahn Group, Plan Administrator Karan Rounsavall, and Foster & Foster, Inc.** from the Plan's receipts and disbursements (R&D) account (#3040001701). Garcia Hamilton & Associates should be paid from the Plan's Garcia Hamilton account (#3040001716). We understand that in doing so, Salem Trust Company shall not be responsible for verifying the accuracy of the invoices and is performing this service as a convenience to us. This direction will remain in force until revoked by the Retirement Plan in writing.

If there are any questions concerning this direction, please contact Plan Administrator Karan Rounsavall at 321-537-6007.

West Melbourne Police Officers' Retirement Plan

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Scott Morgan, Board Chairman

Date: \_\_\_\_\_

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Karan Rounsavall, Plan Administrator

Date: \_\_\_\_\_