

**TOWN OF INDIAN SHORES POLICE OFFICERS' PENSION TRUST FUND
PENSION BOARD OF TRUSTEES QUARTERLY MEETING MINUTES
Municipal Center, Fourth Floor, 19305 Gulf Blvd., Indian Shores, FL 33785**

Monday, June 3, 2019 at 2:00PM

TRUSTEES PRESENT: Mark McKee
Justin Guillory
Matt Ehrhart

TRUSTEES ABSENT: Daniel Bauer
Don Vinel

OTHERS PRESENT: Scott Christiansen, Christiansen & Dehner
Bonni Jensen, Klausner, Kaufman, Jensen & Levinson
David Kelly, Bowen, Hanes & Company (via phone)
Ferrell Jenne, Foster & Foster

1. **Call to Order** – Matt Ehrhart called the meeting to order at 3:22PM.
2. **Roll Call** – As reflected above.
3. **Public Comments** – None.
4. **Approval of Minutes**

**The minutes from the January 17, 2019 quarterly meeting were approved upon motion by
Mark McKee and second by Justin Guillory; motion carried 3-0.**

5. **New Business**
 - a. Election of 5th trustee
 - i. Ferrell Jenne commented this was tabled from the last meeting. Don Vinel sat in the 5th trustee seat and his term expired October 1, 2018. Scott Christiansen commented his new term would be four years from the October 1, 2018 expiration date.

**The board voted to reappoint Don Vinel as the 5th trustee upon motion by Mark McKee and
second by Justin Guillory; motion carried 3-0.**

6. **Reports**
 - a. Christiansen & Dehner, Scott Christiansen, Board Attorney
 1. Discussion of future legal representation
 - i. Scott Christiansen introduced himself and reviewed the legal representation letter. Scott commented they were transitioning some clients, due to Lee Dehner's passing. Scott introduced Bonni Jensen and reviewed her experience. Scott commented Bonni Jensen had agreed to the assignability of the current Christiansen & Dehner contract for the next three years. Scott commented the board also had the right to go out for bid for legal services. Bonni introduced herself and the firm's experience with providing legal counsel to pension boards for over forty years. Bonni confirmed she would be in attendance at all meetings. Scott commented there were four or five firms in the state that solely provided counsel to public pension plans. Bonni confirmed that all travel fees would be split amongst clients visited in one trip. Bonni reviewed clients in the area they currently represented.

The board approved the assignment of legal services to Klausner, Kaufman, Jensen & Levinson under the current agreement for the next three years upon motion by Mark McKee and second by Justin Guillory; motion carried 3-0.

2. Proposed Ordinance amendment, IRC updates
 - i. Scott Christiansen reminded the trustees to file their financial disclosure forms prior to July 1st to avoid fines.
 - ii. Scott Christiansen commented no bill passed that affected the Chapter 185 plans.
 - iii. Scott Christiansen reviewed the proposed Ordinance that included Internal Revenue Code (IRC) updates as well as guidance from the Internal Revenue Service (IRS) and recent litigation. Scott commented this Ordinance ensured the plan stayed tax compliant.

The board approved the Internal Revenue Code (IRC) Ordinance as presented and authorized sending it to Town Council for the first reading upon motion by Mark McKee and second by Justin Guillory; motion carried 3-0.

3. Proposed Ordinance, Chief opt-out language
 - i. Scott Christiansen reviewed the proposed Ordinance that included Chief opt-out language. Scott commented the Town requested language be added that allowed the Chief to opt-out of the pension plan. Scott commented the current Chief was in the pension plan, as the opt-out language was not in the plan at the time he was hired.

The board approved the Chief opt-out Ordinance as presented and authorized sending it to Town Council for first reading upon motion by Mark McKee and second by Justin Guillory; motion carried 3-0.

4. Updated Operating Rules & Procedures
 - i. Scott Christiansen commented the document hadn't been updated since 2010. Scott commented references to a plan administrator had been added along with guidelines on what to do if the plan could not find a member who was due a benefit, updated with new laws that had passed, and the allowance of electronic ballots. Scott confirmed all additions were underlined and the strikethroughs represented items that had been removed.

The board approved the Operating Rules & Procedures as presented upon motion by Mark McKee and second by Matt Ehrhart; motion carried 3-0.

- b. Bowen, Hanes & Company, David Kelly, Investment Manager
 1. Quarterly report as of March 31, 2019
 - i. David Kelly gave a brief overview of the market environment over the past two quarters. David commented the trade wars would continue to add volatility to the market.
 - ii. David Kelly reviewed new holdings in the portfolio. David commented they were maxed out on the 70.00% equity target.
 - iii. David Kelly gave an update through May 30, 2019 stating the market value of assets was \$3,509,163.85. The total portfolio net returns fiscal year to date were 1.50% through May 30, 2019. David commented if the plan posted a zero return for the fiscal year, the four-year smoothed return would still be 8.50%-9.00%.
 - iv. David Kelly reviewed the holdings that could be affected due to the trade wars with China. David commented they wanted to stick with the current investment philosophy, as they were investing long-term.
 - v. Scott Christiansen asked David Kelly about being compliant with the Investment Policy Statement (IPS). David confirmed they were in compliance with a 70.00% allocation to equities.

7. **Old Business** – None.
8. **Consent Agenda**
 - a. Payment ratification
 1. Warrant #16, #17
 - b. New invoices for payment approval
 1. None
 - c. Fund Activity Report for January 11, 2019 – May 27, 2019

The board voted to approve the consent agenda as presented upon motion by Mark McKee and second by Matt Ehrhart; motion carried 3-0.

9. **Staff Reports, Discussion, and Action**
 - a. Foster & Foster, Ferrell Jenne, Plan Administrator
 - i. Ferrell Jenne commented the State Annual Report had been filed, they were waiting on the Town's audit in order to get state approval.
 - ii. Ferrell Jenne commented the fiduciary liability policy had been renewed for another three-year period. The premium will be paid annually and went up approximately \$188.00 due to the increase in the plan's assets. Ferrell confirmed the new annual installment payment will be \$2,965.00. Ferrell commented they would send out a letter to the Town asking for reimbursement of the waiver of recourse fee.
 - iii. Ferrell Jenne commented she would work with Bonni Jensen's office to get the remaining 2019 meeting dates changed.
 - iv. Ferrell Jenne informed the board about her pregnancy and her three-week maternity leave. Ferrell reviewed the resources that would be available during leave and commented she would continue to monitor her email.
 - v. Ferrell Jenne commented the board requested her to look into the death audit being done by the board's custodian. Ferrell confirmed the custodian was currently doing a monthly death audit on all retirees who were receiving a pension benefit.
10. **Trustee Reports, Discussion, and Action** – None.
11. **Adjournment** – The meeting adjourned at 4:25PM.
12. **Next Meeting** – September 18, 2019 at 4:30PM, Quarterly Meeting

Respectfully submitted by:

Kim Kilgore

Ferrell Jenne, Plan Administrator

Kim Kilgore

Date Approved by the Pension Board:

Approved by:

M Ehrhart

As: Chair

9/18/19