

SCANNED

**City of Miami Springs Police and Firefighters'
Retirement System
Minutes of the Meeting Held
February 6, 2014**

The regular meeting of the Board of Trustees of the City of Miami Springs Police and Firefighters' Retirement System was called to order at 8:34 AM by Chairman Peter Baan in the Commission Chambers at the City of Miami Springs City Hall at 201 Westward Drive, Miami Springs, Florida.

TRUSTEES PRESENT

Peter Baan, Chair
Jimmy Deal, Trustee
Jonathan Kahn, Trustee
Robert Gordon, Trustee

OTHERS PRESENT

Audrey Ross, Pension Resource Centers (PRC)
Steve Cypen, Cypen & Cypen
Brendon Vavrica, Thistle Asset Consulting
Anthony Xuereb, Polen Capital
Todd Morris, Polen Capital
William Alonso, City of Miami Springs Finance Director
Moira Ramos, City of Miami Springs Finance Dpt.

PUBLIC COMMENTS

N/A

INVESTMENT MANAGER REPORT: POLEN CAPITAL MANAGEMENT (ANTHONY XUEREB & TODD MORRIS)

Mr. Xuereb introduced himself to the board and stated that he has been with Polen Capital for 3 years now and Mr. Morris joined the team last year. He briefly updated the board on the firm and noted that they have been managing money for 25 years now. At the end of 2013 their firm hit the \$5B mark in assets and they also added 8 new team members back in December 2013. Mr. Xuereb reviewed the plans investment philosophy and he noted that their main goal is to protect investor's capital during the down markets as well as the up markets. He noted that about 40% of the names in the portfolio are international. For the quarter ending December 31, 2013 the fund was up 11.37% net of fees versus the benchmark at 10.44%. Mr. Morris discussed and explained the funds underperformance which happened in the earlier part of 2013. Towards the end of 2013 the market fundamentals started to change and that is when things turned around for their portfolio as well and now they are outperforming. The Trustees compared Polen's growth compared to the S&P500 over the last year and Mr. Xuereb noted that when the markets go down Polen has always gone down less because they offer the downside protection.

INVESTMENT CONSULTANT REPORT: THISTLE ASSET CONSULTING (BRENDON VAVRICA)

Mr. Vavrica stated that overall it was a great quarter for the fund and the market place altogether. All indices were positive during the quarter with the S&P500 leading. He reviewed the plans compliance check list and asset allocation; everything is line compared

to their policies. Mr. Vavrica noted that American Realty had another capital call on January 2, 2014, but it is not reflected in this report (American Realty is not fully funded at this point though). He reviewed each manager's performance for the quarter and noted that ICC has been holding onto more cash than usual because of the low rates in the fixed income market. Mr. Vavrica reported the performance for the quarter and noted that they outperformed the index net of fees at 6.26% versus 6.19%. Overall it was a great quarter and a great start to the new fiscal year.

Mr. Vavrica reminded the Trustees that they had interviewed some International managers a couple of years ago, but they never had moved forward with it at that time. At the last board meeting the board had asked Mr. Vavrica to bring that information back in. Therefore Mr. Vavrica put together the International search that he presented to the board. He reviewed different scenarios with the board, such as taking money from growth to fund international and also taking the money from value. Mr. Vavrica stated that if the board was to move forward with the international, than his recommendation would be to take the money from the large cap value stocks to fund up to 10% in international. He also reviewed and compared the international manager's performance, fees, etc. The Trustees had a very lengthy discussion on active international management and decided that they will wait until the next meeting to review this again and in the meantime the Trustees will do their own research and studying.

MINUTES

The board reviewed the minutes of the November 7, 2013 regular meeting.

MOTION: Mr. Kahn made a motion to approve the minutes of November 7, 2013 regular meeting.

SECOND: Mr. Deal seconded the motion.

CARRIED: The motion carried 4-0.

DISBURSEMENTS APPROVAL

Ratification of warrants processed since the November 7, 2013 Meeting

Warrant #	Payee	Amount	Invoice Date
286	FPPTA - 2014 Membership Renewal Fee = \$600 & Trustee School Registration Fee for Rob Gordon (2/2/14 - 2/5/14, Jacksonville) = \$450.	\$1,050.00	11/12/13 & 12/4/13
	US Department of Treasury - 2014 IRS Determination Letter user filing fee	\$2,500.00	11/15/13
	Cypen & Cypen Invoices #6786 & #6810 (November & December 2013 Legal Fees)	\$2,500.00	11/1/13 & 12/1/13
	Resource Centers, LLC - Invoice #12875 (December 2013 Admin Fee)	\$900.00	11/27/13
	Salem Trust Company - 7/1/2013 - 9/30/2013 (Custodian Fee)	\$2,824.53	11/20/13
	Hyatt Regency Jacksonville Riverfront - Hotel Reservation for Rob Gordon: 2014 Spring FPPTA Trustee School (2/2/13 - 2/5/13) - Confirmation #327HL9MJ	\$537.00	12/11/13
287	Resource Centers, LLC - Invoice #12928 (January 2014 Admin Fee)	\$907.74	1/2/14
	ICC Capital Management, Inc. Inv #57533493 (1/1/2014 thru 3/31/2014 Quarterly Management Fee)	\$24,139.04	1/6/14
	Cypen & Cypen Invoice #6846 (January 2014 Legal Fee)	\$1,250.00	1/1/14
	Polen Capital Management, Inc. - 10/1/2013 thru 12/31/2013 Quarterly Management Fee	\$9,712.00	1/6/14
	Gabriel Roeder Smith & Company - Inv #405080 for services rendered through 12/31/13 (Current Charges for Preparation of the 10/1/2013 Actuarial Valuation Report = \$1,378 & Preparation of Experience Study to Review Salary Increase Assumptions)	\$3,878.00	1/8/14

MOTION: Mr. Kahn made a motion to approve Warrants 286 through 287.**SECOND: Mr. Deal seconded the motion.****CARRIED: The motion carried 4-0.****FINANCIAL STATEMENTS**

Ms. Ross presented to the board the financial statements through the end of December 2013.

The Board received and filed the financial statements through the end of December 2013.**OLD BUSINESS**

Ms. Ross presented the board with the revised SPD which now reflects the correct DROP language. The Trustees asked that Ms. Ross check with the Actuary's in regards to the death benefit to make sure that it is correct and reflected with the Ordinance says. Ms. Ross stated that she will check with the Actuary and get back to the board.

Ms. Ross presented the board with the GASB 67 implementation package from GRS. She noted that the Trustees tabled this matter last meeting because not enough information was available at that time. Ms. Ross explained that the new GASB requirements are mandatory and that the Actuary will have to complete additional reports next year because of this. Therefore the Actuary is estimating a fee increase in the range of \$1,950 to \$2,950 to complete the reports.

MOTION: Mr. Deal made a motion to approve the proposed GASB No. 67 Implementation Package as presented by the Actuary (fee not to exceed \$2,950).

SECOND: Mr. Kahn seconded the motion.

CARRIED: The motion carried 4-0.

Ms. Ross presented the board with the GRS study regarding the salary increases. The Trustees noted that after they review this study they will get back to the board if there are any changes that need to be made.

NEW BUSINESS

Ms. Ross presented the board with the 9/30/2013 audit engagement letter from Marcum for the next 3 years (2013-2015). She explained that the Auditors are proposing a fee increase in this letter for the last 2 years. The auditors will keep the 2013 fee the same as last year at \$13,500, but they are asking for an increase for 2014 and 2015; \$13,900 and \$14,300 respectively.

MOTION: Mr. Kahn made a motion to approve and accept the 9/30/2013 audit engagement letter as presented.

SECOND: Mr. Deal seconded the motion.

CARRIED: The motion carried 4-0.

OTHER BUSINESS

N/A

REPORTS

- **Administrator: PRC (Audrey Ross)**
 - N/A
- **Attorney: Cypen & Cypen (Alison Bieler)**
 - N/A

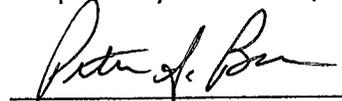
NEXT MEETING DATE

Thursday May 1, 2014 @ 8:30 AM

ADJOURN

There being no further business, a motion was made to adjourn the meeting at 9:49 AM.

Respectfully submitted,



Pete Baan, Chairman