

**CITY OF FORT PIERCE RETIREMENT AND BENEFIT SYSTEM
MINUTES OF MEETING HELD
May 18, 2017**

Summarized Minutes of the regular meeting of the City of Fort Pierce Retirement and Benefit System May 18, 2017 2:00 p.m., in the 2nd Floor Conference Room at City Hall.

Present:

Commissioner Tom Perona, Chairperson	City Commission Member
Commissioner Reginald Sessions	City Commission Member
Johnna Morris	Director of Finance
Rodney Nieves	Police Officer Member
Caleta Scott	General Member
Nina Penick	U.A. Board Appointee
Attorney Jim Walker	Attorney for the Retirement Board, Advisory
Christina Paz	Retirement Clerk

Guests:

Cody Chapman	Callan Associates
Cliff Kalish	William Blair
Sean McDermott	Morgan Stanley
David Bernard	Morgan Stanley
Paul Lundmark	Richmond Capital Management

Absent:

Keith Stephens, Vice -Chairperson	U.A. General Member
-----------------------------------	---------------------

Recording:

Queen Thompkins	Executive Assistant to the Director of Finance
-----------------	--

ITEM NO. 1 & 2 ~ ROLL CALL

Comm. Tom Perona called the meeting to order at 2:03 p.m., the first item on the agenda being the “*Roll Call*”.

ITEM NO. 3 ~ COMMENTS FROM THE PUBLIC

Comm. Perona, the next item on the agenda was comments from the public.

**CITY OF FORT PIERCE RETIREMENT AND BENEFIT SYSTEM
MINUTES OF MEETING HELD
May 18, 2017**

Ms. Doty Spence made a comment concerning employees receiving a letter relating to the cost of living adjustment; she acknowledged that her former spouse did not receive the letter. She also commented on a previous Board member speaking to her in regards to part of the reason there's never been able to be an increase on the retirement benefits were some people, years ago, when the City was doing well; that the City did not include their portion into the retirement account. She asked if this could be confirmed. Her last comment was, if someone who is on administrative leave from their job with the City of Fort Pierce, can they still serve on this Board?

Comm. Perona said Ms. Spence comments are duly noted. We will not respond to that at this time. He asked Ms. Morris to respond to Ms. Spence comments at a later date.

ITEM NO. 4 ~ APPROVAL OF SUMMARIZED MINUTES OF MARCH 16, 2017.

Comm. Perona, the next item was the approval of the summarized minutes of March 16, 2017 and April 20, 2017, and asked if there was a motion to approve the minutes.

A motion was made by Ms. Johnna Morris and seconded by Ms. Caleta Scott to approve the summarized minutes of March 16, 2017 and April 29, 2017.

All those in favor of the motion signified by saying aye. A poll was done of each Board member. There was no opposition and the motion was carried unanimously.

ITEM NO. 5 ~ ATTORNEY'S REPORT

Attorney Jim Walker said there is nothing specific to report and is happy to entertain any questions from the Board.

ITEM NO. 6 ~ PUBLIC HEARINGS ON BENEFIT APPLICATIONS

Comm. Perona opened up the public hearing for comments on the request for Retirement from Lu-Ann Lewis with 11 years and 5 months of service with the City of Fort Pierce Police Department (DROP Program). He asked if there was anyone here who would like to publicly comment on this request. Seeing none, Comm. Perona closed the public hearing. Comm. Perona opened up the matter for the Board. **A motion was made Ms. Johnna Morris and seconded by Ms. Nina Penick to approve the request for retirement from Lu-Ann Lewis.** Comm. Perona asked for any questions or comments on this request before the motion was called. **All those in favor of the motion signified by saying aye. A poll was done of each Board member. There was no opposition and the motion was carried unanimously.**

Comm. Perona opened up the public hearing for comments on the request for Deferred Retirement from Daniel J. Gilroy with 9 years and 8 months of service with the City of Fort Pierce Police Department. He asked if there was anyone here who would like to publicly comment on this request. Seeing none, Comm. Perona closed the public hearing. Comm. Perona

**CITY OF FORT PIERCE RETIREMENT AND BENEFIT SYSTEM
MINUTES OF MEETING HELD
May 18, 2017**

opened up the matter for the Board. **A motion was made Comm. Reginald Sessions and seconded by Ms. Nina Penick to approve the request for deferred retirement from Daniel J. Gilroy.** Comm. Perona asked for any questions or comments on this request before the motion was called. **All those in favor of the motion signified by saying aye. A poll was done of each Board member. There was no opposition and the motion was carried unanimously.**

Comm. Perona opened the request for Disability Retirement from William Blue with the City of Fort Pierce. He asked Ms. Morris to give the Board a report on Mr. Blue.

Ms. Morris said included in the confidential packet that was sent over was the cover sheet from the Disability Review Committee. We did meet on this and all of the required criteria were met as to this employee and a recommendation was made that he be retired through non-duty disability retirement.

Comm. Perona opened the public hearing for the request for disability retirement for William Blue. He asked if anyone from the public would like to be heard. Seeing none, Comm. Perona closed the public hearing. Comm. Perona opened up the matter for the Board. **A motion was made Comm. Reginald Sessions and seconded by Ms. Caleta Scott to approve the request for disability retirement from William Blue.** Comm. Perona asked for any questions or comments on this request before the motion was called. **All those in favor of the motion signified by saying aye. A poll was done of each Board member. There was no opposition and the motion was carried unanimously.**

Comm. Perona opened the request for Disability Retirement from Thomas Felner with the City of Fort Pierce. He asked Ms. Morris to give the Board a report on Mr. Felner.

Ms. Morris said the Disability Committee also met concerning Mr. Thomas Felner's application. All criteria were met. I make the recommendation that he be retired through non-duty disability retirement.

Comm. Perona opened the public hearing for the request for disability retirement for Thomas Felner. He asked if anyone would like to publicly comment on this request. Seeing none, Comm. Perona closed the public hearing. Comm. Perona opened up the matter for the Board. **A motion was made Ms. Caleta Scott and seconded by Ms. Johnna Morris to approve the request for disability retirement from Thomas Felner.** Comm. Perona asked for any questions or comments on this request before the motion was called. **All those in favor of the motion signified by saying aye. A poll was done of each Board member. There was no opposition and the motion was carried unanimously.**

ITEM NO. 7 ~ OLD BUSINESS

- a. SECOND READING OF PROPOSED AMENDMENT TO BOARD RULE ONE – MEMBERS ENTERING DROP**

**CITY OF FORT PIERCE RETIREMENT AND BENEFIT SYSTEM
MINUTES OF MEETING HELD
May 18, 2017**

Mr. Walker said this involve the amendment to Board Rule One which clarifies code provisions for as to make it clear that the term Retirement Board member for the purpose of Code Section 13-76 includes employees who are members of the Retirement who are participants in the DROP Program. The Board considered the amendment on this subject at the previous meeting, approved it and now it has come up for a second reading.

Comm. Perona asked if there were any questions for Mr. Walker. The only comment I will make is it appears that DROP has caused a lot of issues in the Retirement System throughout. St. Lucie County Fire District is dealing with one right now. Some of the senior members who have been in the DROP but then appointed to Fire Chief and because of that and all the succession that follows; the Deputy Chiefs are all in DROP. You can't be a good Chief that exists for more than 3 years. Changes are being made to hopefully accommodate the DROP issue when getting into the higher management of the Fire District. I don't think it affects us here because the City Manager can opt out of the Retirement System. This is just some of the snags that have happened with the DROP in existing Retirement Programs over time, and it seems like Johnna has been pouring them out left and right. **Comm. Perona** asked the Board if there were any further questions or comments before the motion was called. This is a second reading and he would like to entertain a motion. **A motion was made Ms. Nina Penick and seconded by Comm. Reginald Sessions to adopt the Proposed Amendment to Board Rule One. All those in favor of the motion signified by saying aye. A poll was done of each Board member. Mr. Rodney Nieves recused himself from voting. There was no opposition and the motion was carried unanimously.**

b. DISCUSSION ON POLICY FOR REPAYMENT OF RETIREMENT BENEFITS

Ms. Morris said the Board maybe wanted to discuss putting a policy in place moving forward. However we want to structure it, we have had this issue in the past; I was the first to take the step to make sure a promissory note is in place just in case the person reneges later. In the past the prior directors have always done an agreement with anyone to pay back the interest. If we want to put in place as to how we want to administratively moving forward; are we going to allow it; are we not going to allow it; what are the provisions, or if there are going to be set circumstances; what they are. I am open to whatever the Board would want.

Comm. Perona said what Ms. Morris is doing with the promissory note is a move in the right direction. It's the Board fiducial responsibility to have something of a legal contract. If the Board wants to, maybe you can discuss it with Mr. Walker and come up with a proposal on that.

Comm. Sessions asked if this was something utilized quite a bit.

Ms. Morris said no, it's not. We've had circumstances in the past; this one particular gentleman who came in and plead his case as to the issue. We informed him that it had to be repaid.

CITY OF FORT PIERCE RETIREMENT AND BENEFIT SYSTEM
MINUTES OF MEETING HELD
May 18, 2017

ITEM NO. 8 ~ NEW BUSINESS

a. REVIEW OF PERFORMANCE EVALUATIONS FROM CONSULTANT, CALLAN ASSOCIATES

Comm. Perona welcomed Mr. Cody Chapman to give the review of performance evaluations from Callan Associates.

Mr. Chapman thanked Comm. Perona and said Mr. Weston Lewis sent his regards. He said he would like to start with the Executive Summary. On page 2, doing a quick review on the Environment, the first quarter global economy continued to grow; fourth quarter GDP was revised up to +2.1%; advance estimate of 0.7% for the first quarter of 2017; a lot of positive economic data coming out; The Feds raised its Fed Funds target 25 bps to a range of 0.75%-1.0%. They expect two additional hikes in 2017. Inflation fell slightly in March; this being the first decline since February 2016; unemployment fell to 4.5%. According to the Conference Board's Index, consumer confidence hits its highest level since December 2000. Home data continue to show strength; U.S. single family home starts approached a 10-year high. Growth outside of the U.S. was stronger. Eurozone first quarter GDP was up 1.7%; GDP was positive in each country except Greece; down 1.2%. Eurozone unemployment remained high at 9.5% but down from its peak of 12.1% in July 2013. China's first quarter GDP was up 6.9%. Page 3 the U.S Equity Market large stocks outperformed mid and small caps; S&P 500 up 6.1%; Russell Mid Cap up 5.1%; Russell 2000 up 2.5%. On growth outperformed value, Russell 1000 Value up 3.3% vs. Growth +8.9%; Russell 2000 Value down 0.1% vs. Growth +5.3%. Growth was bolstered by Technology sector while value was hurt by energy stocks. Sector returns divergent; best performing sector was Technology, up 12.6%; Healthcare up 8.4%; rebounded after being the worst performer in 2016. Energy down 6.7%; was the worst performer as oil prices fell 7% during first quarter. Outside the U.S. markets were very strong. Developed markets modestly outperformed U.S.; MSCI EAFE up 7.2%; best performer was Spain, up 14.8%. Emerging Markets went up almost 12%. Countries with the top performance included India, up 17.1%, Mexico up 16.0%, Korea up 16.8%, China up 12.9%, and Brazil up 10.4%. Russia performed the worst, down 4.6%, pulling back from a 55% gain in 2016. On Page 4, taking a quick look at the Bonds Market; Bloomberg Barclays U.S. Aggregate Index returned up 0.8% for the quarter; corporate bonds outperformed, with BBB-rated credit, up 1.7%, posting the strongest returns. High yield corporates performed best; Bloomberg Barclays High Yield Index up 2.7%; lower-rated bonds outperformed higher-rated issues. Foreign bonds (unhedged) helped by weaker dollar; Bloomberg Barclays Global Aggregate ex-US (unhedged) up 2.5%; Bloomberg Barclays Global Aggregate ex-US (hedged) up 0.1%; U.S. dollar lost nearly 5% versus the yen and depreciated to a lesser extent versus other developed markets currencies. Emerging markets debt outperformed; Dollar-denominated JPM EMBI Global Diversified Index up 3.9%; Local currency-denominated JPM BGI-EM Global Diversified Index up 6.5%; Country gains were broad-based across both indices. Mr. Chapman asked the Board if they had any questions on the Markets before he moves on to the results. One thing I will add and have been getting a lot of questions from clients is what we expect going forward. We have seen a bit of a slowdown in the

CITY OF FORT PIERCE RETIREMENT AND BENEFIT SYSTEM
MINUTES OF MEETING HELD
May 18, 2017

agenda. Outside of the U.S. it does look like growth is picking up. This is an area where you all have a little bit less exposure than some of your peers. For the past several years you've really benefitted from being overweight to the U.S. If growth does pick up outside of the U.S., I think you see that some of your peers that have more experience outside of the U.S. perform a little bit better. That doesn't necessarily mean we need to make any changes.

Comm. Perona asked the American politics as far as the effect on the Emerging Markets and the European Markets over a long period of time, that's also vulnerability, isn't it?

Mr. Chapman said it is. Thankfully that has not been a big driver recently for us. It's a little more common outside of the U.S. Moving on to Page 5, summarizes your Asset Allocation; fairly close to in line with your policy; a little bit underweight to your International Equity. If anything, this is not a bad time to rebalance more toward International just to tope that off. A little bit overweight to U.S. Equity and a little bit underweight to International, so that's something to certainly keep in mind for potential rebalancing as opportunities arises. On Page 6; just a quick summary of your assets; \$185.6 million as of March 31; that was about \$1.7 million increase from December 31; strong results there. On Page 7, taking a look at your performance of the Total Fund; good quarter in absolute terms; up almost 4%, which was right in line with the policy benchmark; 75th percentile relative to peers, and again, that was mostly driven by the fact that you all have a little bit less International Equity exposure than your peers. You also have the real estate allocation. The real estate was not up quite as much as some of the other asset classes. Over the last year, 11.2% for the Total Fund; right in line with peers; just a little behind the total fund benchmark. Johnna and I were talking before the meeting; 9% for the last 5 years and better than that over the last 7 years is very good. Mr. Chapman asked if there were any questions on performance before moving on to the money managers. We have William Blair, Morgan Stanley, and Richmond Capital here today so I'll be very brief on the performance on those.

Comm. Perona asked concerning the rebalancing, it's our obligation that we balance to our expectations.

Mr. Chapman said Page 6 is the best reference there. The S&P 500 Index is at 34% with target at 33%; that's about \$2 million overweight, which accounts for some of the underweights you see there with International Equity. All three of your in actual equity money managers are a little bit under target.

Comm. Perona asked is that an agenda item that we have to bring up, maybe in the next meeting or what's the protocol on that? I know we identified the fund source that we liquefy to be able to do that. I remember we did that for real estate. Is this something we do at the next meeting?

Ms. Morris said yes. In the past we worked with Cody and Weston and they identified what we are going to rebalance and bring it back to the Board.

Comm. Perona asked if she would make a recommendation for us to do that.

Ms. Morris said yes.

CITY OF FORT PIERCE RETIREMENT AND BENEFIT SYSTEM
MINUTES OF MEETING HELD
May 18, 2017

Mr. Chapman said through March 31, we'll take April values, put them in a spreadsheet and submit them to Ms. Morris.

Comm. Perona thanked Mr. Chapman.

Mr. Chapman said on Page 9 is Emerald Advisors. They are your Small Cap Growth Manager. Emerald underperformed the benchmark y 0.34% during the quarter and outperformed by 0.42% over the last year; strong long-term returns well above the benchmark over longer time frames; primary detractors was the portfolio's underweight to Health Care, which as a sector strongly outperformed the Russell 2000 Growth Index. Moving to Page 10, Ceredex is the Small Cap Value manager that is paired with Emerald; very strong quarter for them; outperformed the benchmark by 1.70% for the quarter and underperformed by 6.76% over the last year; long-term results are strong and the fund has outperformed the benchmark for all periods greater than one year; underweight positions in Energy and Financial Services and stock selection from Consumer Staples contributed positively to performance. Anytime you can get nearly 23% out of your Small Cap managers over the last year, I think that's a pretty good result and especially when you take into account the longer type performance they've had; 3-, 5-, 10-, 15-year numbers all way ahead of the benchmark. Pages 11 and 12; these are your Mid Cap and Large Cap Index funds. These funds continue to be in alignment with their benchmark. Outside of the U.S., on Page 14, this is the first Morgan Stanley strategy. Morgan Stanley is here so I will let them speak to the drivers of performance, but a very good quarter for them; 8.6% which was well ahead of the benchmark; outperformed by 1.38% for the quarter and underperformed the index by 1.59% over the last year. They have about a 30% weight to Consumer Staples, which is a pretty significant overweight. It's nice to see them in keeping up in a strong upward Market. The Emerging Market strategy for Morgan Stanley is on Page 15; underperformed the index by 0.16% for the quarter and underperformed by 3.64% over the last year; log-term results remain above median; outperforming the index and peers over the past 19³/₄ years; an underweight to South Korea and poor stock election within the country was the primary driver of poor performance. William Blair is your last International manager; a little bit of a tough quarter for them; underperformed by 0.85% for the quarter and underperformed by 5.33% over the last year; three and five year results remain strong relative to the benchmark and in line with peers; stock selection in Consumer Discretionary and Financials drive underperformance for the quarter. Last year has been fairly tough for them; 7.8% versus the benchmark; up more than 13%. Stock selection in Consumer Discretionary and Financials drove underperformance for the quarter; underweight to the Emerging Market, which is a strong performer over the past six months. Next is Richmond Capital, which is your Bond manager and they are here as well; in line with the benchmark for the quarter and led by 0.59% over the last year; long-term performance remains strong as the fund has outperformed by 0.71% over the last 10 years. Richmond is generally overweight to Corporate Bond and that has been favorable for them over the last 1, 3, and 5 years. They have been a strong performer for you all for a long time and they've done a good job. The last thing is real estate on Page 20. We talked about this earlier; a little bit more moderate increase for real estate. This quarter Heitman was a little bit behind the benchmark. The fund underperformed the index by 0.04% over the last year. The portfolio's properties appreciated at a slightly slower pace than the index during the quarter, accounting for the

CITY OF FORT PIERCE RETIREMENT AND BENEFIT SYSTEM
MINUTES OF MEETING HELD
May 18, 2017

majority of underperformance relative to the benchmark; better than 10.4% since you all hired them a little bit over 2 years ago. Interestingly with real estate, this is a 33rd straight quarter that real estate has printed a positive return. It's been quite a while since we have not seen a positive number from real estate. Mr. Chapman asked if there were any questions before he bring in the money managers. He said this concludes his remarks.

Comm. Perona said to Mr. Chapman he doesn't have any major concerns with any of the managers.

Mr. Chapman said they do not.

Comm. Perona said you just explained why that quarter happened the way that it did. I just want to make sure we understand. You look at these all the time and we get the chance to look at the every couple of months.

Mr. Chapman said your results have been very good and I think it's always good to step back and think about the goals. As long as your portfolio is kind of hitting that expected rate of return, at the end of the day that is all that matters. It's nice to outperform your peers; it's nice to outperform your benchmark. Obviously, that's what we are paying our managers for is to give you return above and beyond. I'm proud and I hope you all are proud. For the last 5 and 7 years you've done so well relative to your peers. I think we would all feel not quite as good about it if we ranked in the 10th percentile but we only had 1% return for the last five years and you weren't getting what you needed out of the portfolio.

Comm. Perona asked if there were any questions or Mr. Chapman.

Mr. Chapman said we will have William Blair present first.

Mr. Cliff Kalish said for the Board members that may not know me, I am Cliff Kalish. We are headquartered in Chicago and we managed the International Growth Fund for the City for almost 14 years. We are privately owned; we have about 190 active partners with the firm. There is one regulatory update I wanted to cover. This pertains to our mutual funds, and you are invested in our mutual funds. It does not impact the mutual fund you are invested in but just because of reputation and headline risk, I wanted you make you aware of this. We had an examination with the SEC in 2013; 4 years ago. In that examination a couple of issues came up, one of which we had self-reported. We just recently had a settlement with the SEC for \$4.5 million. I know it sounds like a big number but in the grand scheme of things, it's actually not. Our intent was probably not to settle with the SEC initially. As time goes on and you incur internal legal expenses and they start to accrue those, you start to realize that maybe it's best to have a settlement and have this behind you. That's really what this was. There are two items and let me cover those quickly. With our funds, some of them have an institutional share classes which is what the City is invested in and you have a couple of retail share classes; those are a little more expensive. This has to do with the retail share classes and not even the international growth fund. There had been a question about the way we were paying some of our intermediaries. What happened was starting in 2010 we had an error in the way we were paying. We discovered it and

CITY OF FORT PIERCE RETIREMENT AND BENEFIT SYSTEM
MINUTES OF MEETING HELD
May 18, 2017

corrected it in 2013; we reimbursed our funds with interest. We notified our mutual fund trustees; we notified the SEC; that was one of the items. This is something we discovered and corrected the error and it's not a problem anymore. The other one had to do with what we called administrative fees, again on retail share classes there is an administrative fee of 15 bases points. We had a memo in 2005 that said those fees were being paid to a third party. Those fees are for the operational; the marketing expenses of a mutual fund. Since we were doing that all in-house, those fees were actually being paid to William Blair. Even though that was disclosed in our prospectus, our annual report, our statement of additional information, we have this memo back in 2005 that said they were being paid to a third party, so we had to fix the disclosure on that. It doesn't impact your fund.

Comm. Perona said he appreciates Mr. Kalish letting them know.

Mr. Kalish said moving on to Page 5, almost \$68 billion in assets under management. The fund that year-end has \$2.2 billion in it. The retail classes of that fund have another 3. The fund has been closed to new investors since 2012, meaning that no money is coming in, although we do reserve capacity for existing investors but, you only see a little bit of money coming out. That's it from a firm perspective, unless there are any questions. Moving to Page 7, we have our Global Investment Team. If you recall back in 2013 when we were here, we told you one of the founders in the strategy international team, George Gregg was retiring. When he announced that, the other co-founder, Jeffrey Urbina was put on the strategy that you are invested in. At that time, he gave William Blair a minimum of 5 years that he promised to stick around for before he retired. That was in April 2013. Here we are and it's 4 years later. So that's the William Blair update. Our fund is called international growth. What we do for you is called quality growth investing. I know every manager that comes in here tells you they invest in quality companies. When we say quality, we look for companies that have a higher return in equity, higher forecast in growth rates, historic growth rates as well. We did not perform well on a relative basis in the calendar year of 2016. Two big reasons for that; let's look at Page 16. When I say quality growth for the company, you think of last year. A lot happened last year; Trump won the election in November, at the end of June you had the U.K. voted to leave the EU, and somehow within that, the second half of the year, the markets did really well. When everything does well, there's no differentiation between a higher quality company and a lower quality company. Companies that don't have consistent earnings growth actually did better than companies that do. So, bad environment for us; we still positive overall. If you remember the markets were terrible the first six weeks of the year last year. On a relative basis that's actually a good environment for us. That changed in mid-February and then what we saw, a lot of the sectors that did really well were Energy and Materials. A lot of times historically we have been underweight there. On Page 16; the far right of the column which is the calendar year 2015, looking down at the third rectangular; the box that's growing across by Sectors, you see the Energy in 2015 was down 23%; Materials were down 15%. That's a better environment for us. In 2016 it was the opposite. Energy was up 28%; Materials was up 24%. If you look down further in 2016, you will see Valuation was up 14%. Those three things worked against us last year. If you look in the year-to-date column which is in the middle, you will see Energy is down 6.5% and the Valuation is still the leading contributor but it's coming down; it has come down in March and it has come down

CITY OF FORT PIERCE RETIREMENT AND BENEFIT SYSTEM
MINUTES OF MEETING HELD
May 18, 2017

in April. Technology is doing really well this year. It's up 23% now year-to-date. We're always overweight in Technology. The point is things are changing and we are well position for it. Looking at year performance in Page 18, we were down 2.4% last year; the Index was up 4.4%; terrible year, negative for you; bad relative performance too and that holds down the one year; the three year, and the five year numbers a little bit; the 3 and the 5 are still above Index. For May we are up another 3.5%; the Index is up 2.7%; the year-to-date now 14.6% already and the Index is up 13.4%. This year has been a great year for non-U.S.; great year for Emerging Markets so far. The future for this year looks good. I hope we have a 30% for the calendar year. Page 17 shows the original investment for Fort Pierce; where we are at today. The original investment was \$10.4 million. Today market value is \$12.7 million. That does not seem impressive over a 14-year span but when you think about there's been withdrawals of almost \$15 million over time, you want to look at the last dividend income capital gain distribution and then the market appreciation; both of them are over \$9 million. You add those together it's \$18.7 million we've been able to make for the City since October 2003; we've made of \$1 million a year for you. That's kind of all I have. From a positioning perspective, the Emerging Markets are attractive; we've been adding there. Back in 2015, we were down to 10% of the Fund in Emerging Markets. Over time sometimes you will see us go up to 30%. We are at 23% today. We've been adding to China; been adding to India; with South Korea. It's really been an Emerging Market Asia where we've been adding and it's been doing very well so far this year. China has done very well. A lot of that is technology news. Mr. Kalish finished his presentation and asked if there were any questions.

Comm. Perona thanked Mr. Kalish for coming and Mr. Chapman asked Mr. Sean McDermott and Mr. David Bernard from Morgan Stanley to give their presentation.

Mr. Sean McDermott introduced himself to the Board as a Portfolio Specialist from Morgan Stanley as well as Mr. David Bernard who is also a Portfolio Specialist. In terms of International Equity, I will remind you of what we do and how we manage the money. We are high quality bias, meaning we focus on companies with sustainable high returns on operating capital employee. We focus on cash flow rather than accounting metrics and we are absolutely risk driven. The output of our strategy is on Page 8. Looking at the information on the left; you may remember seeing the slide on the left from past presentation when I've been here. The diagonal one represents the market bases index. Each portfolio may differ due to specific investment restrictions and guidelines; individual results will vary; performance returns reflect the average annual rates of return. The chart on the right shows that we've compounded at twice the rate of the market and we've generated or delivered four times the value. In terms of the business itself, just a quick update on that; the column on the left; Assets under Management, International Equity is at \$14.2 billion and the team also manages two other strategies, Global Franchise and Global Quality. Global Franchise is at \$14.8 billion and Global Quality is at \$7.6 billion. Overall we have a total of \$36.6 billion. In 2016 we underperformed for the year by 182 bps. The first half of the year, we outperformed pretty strongly and the second half of the year was one of the strongest Values since 1989. That's the type of market you typically see as underperforming. Looking at the year-to-date, the year-to-date performance is quite strong. Through April it is showing up 9 bps; year-to-date the portfolio is up 16.6% vs. 13.5% for the Index. Page 23 shows

CITY OF FORT PIERCE RETIREMENT AND BENEFIT SYSTEM
MINUTES OF MEETING HELD
May 18, 2017

the annual performance. In 2008 the Market is down 43%; we were down 32% but outperformed by 11%. In 2009, coming out of the crisis, the market shot straight up and that's the type of market that we will underperform. This gives you an idea how this strategy perform. I will skip these slides in the interest of time, if you have any questions; it just shows you the different Markets from a regional basis and a sector basis. For the interest of time, I will go to the Attributions; moving to the slide on Page 31, the first half of 2016 we outperformed by 205 bps. That was a difficult challenge; more challenging market; before it was down 1.4%; the market was down by 4.4%; all high quality names; the names that help preserve capital; those performed quite well. On the flip side, Financials hurt; Energy did quite well; strongest performing Sector last year. You can see it's a very good demonstration of how the year shaped out. Going to Page 32, the second half of 2016, this is where we took it on the chin. We were defensively in position throughout the year. We were given valuations and what we perceived as an increased risk within the market; we were defensively positioned throughout the year. We reduced our exposure to banks; we thought that the risk of the banks had gone up. As you can see, the Market seemed to shake off all the noise and just continued to go straight up and Financials became the worst performing Sector in the first half of 2016 and the best performing Sector in the second half of 2016. We reduced our weight from 16% to 11% in Financials and that really hurt by performance. On the flip side Consumer Staples where we were very overweight and Health Care, the other high quality Sector; those were to two worst performers in the second half of the year. Based on that, should we have taken that risk off the table in terms of our weighting in Financials? That's not how we manage money. We thought that's rich reward trade-off given the increase in the Market; valuations were already accepted. That's the story behind 2016. Page 33 shows you the full picture of sector Attribution; first half vs. the second half. I'm happy to report that we are back on track; next slide you can see we have performed at 138% bps. At the top of that Sector where particularly the overweight; Consumer Staples is the largest contributing Sector. Unilever and British American Tobacco are the large Consumer Staples Holdings of ours. Unilever performed quite well. Mr. Kalish asked if there were any questions on the portfolio in 2016. Moving to Page 36 shows you how the portfolio is positioned. We are overweight in Consumer Staples and in Health Care; we are typically underweight in Financials. At 31%, that's towards the higher end of where we would be in terms of overweight in Consumer Staples; that plus Health Care at 16.4 which is 10.7%; you add those two together we have 50% of the portfolio including Consumer Staples and Health Care an again, that's toward the higher end you will see from us. That's just based on what we've seen in the Market.

Comm. Perona said it's obvious we have no portfolio holding in utilities, is it just that unstable or high risk, or what's going on?

Mr. Kalish said utilities, particular in Europe, are not good business; highly regulated; things like that, we just don't like that aspect of it. We would look at utilities and think of it as a defensive. Due to that regulation and government comes in and play around with pricing; it's just not an attractive investment in our view. The last time we had a utilities was about 4 years ago and it was a very small position; we haven't had one since. Looking at slide 37 and 38; speaks about our Financials positioning; remain heavily underweight banks; our strategy remains choosy and opportunistic; few bank franchises can beat their cost of capital, delivering and forced

CITY OF FORT PIERCE RETIREMENT AND BENEFIT SYSTEM
MINUTES OF MEETING HELD
May 18, 2017

alterations to the business model require a heavy discount to account for the considerable risks; strongly overweight insurers given their limited solvency, liquidity and regulatory risks; wary of exposure to vulnerable sovereigns and low long-run interest rates. We have been consistently overweight Insurers for the past 5 years and that's been a play that has worked for the past 4-5 years. Second half of this year, it didn't work so well and if you look on Page 38 you will see all of that explained. For the interest of time, I will turn it over to David Bernard.

Mr. David Bernard said this is the 20th anniversary for the EM Equity portion of the portfolio. We appreciate your continued faith in us. Starting on Page 6, we currently manage about \$23 billion in Emerging Market Equity Assets. The white center is our core Global Emerging Markets Flagship Strategy. That is the Strategy you all are invested in. Good news; last year we actually forward the expenses, the fee on the fund that you all invested by 15 bps. Your fee went from a 120 bps to 105 bps September 30 last year. Investment team on Page 7, Ruchir Sharma is head of our investment team; we have a 24-person investment team, with investors in New York, Singapore, Hong Kong, and Mumbai. We believe that structure gives the benefit of both boots on the ground with some of the largest, most complex Markets as well as the context of sitting in New York and allocating objectives across all regions; across all countries. One change to be aware of on this page; Sam Reed is no longer on this page. He departed in the first quarter of this year. Singh was responsible for stock selection within the Korea and Taiwan Markets. Ruchir as head of the team made the decision to replace Sam; stock selection in Korea and Taiwan had been a detractor for several years now to performance. Ruchir thought it made sense to restructure the way we are looking at the two countries. We hired two people; Jay Shin and Gunawan Wijaya. Instead of having Sam look at both countries, Jay is focused solely on Korea and Gunawan is focused on solely on Taiwan. They are both in Singapore and are in the process of re-rationalizing those countries of our portfolio. Other than that, no changes since the last time I was here a year ago. Our Global Macro team on the left spends all day, every day thinking about what the big Macro themes are impacting the Markets; where its growth is accelerating or decelerating on a country basis. Our investment process combines an active, top down country allocation; relative to the Index that Ruchir is responsible for, with bottom up stock selection in each individual country that our regional PMs are responsible for. Moving to Page 10, we will touch on performance. Last year, the good news is we had a strong year for Emerging Markets with the Market up about 11%; good news as an asset class. Unfortunately, we underperformed by 400 bps last year. All of that underperformance came in the fourth quarter last year. What we saw happen was a very sharp rotation out of growth and into value. We do have a growth bias so we tend to underperform when value rallies. We are of the belief that value rallies particularly Emerging Markets tend to be very sharp but very short live. They don't tend to last. We've already seen that reversal this year; year-to-date through yesterday, another excellent year for Emerging Markets; so far the Index Market is up 17%; we are up over 18.5%. Again, starting to outperform again as growth once again outperform its value. The reason we don't think these values are sustainable in the Emerging Markets is when you look at what actually makes up the value sector in EM, they tend to be a lot of commodities is a lot of state own enterprises. State own companies aren't necessarily run for the benefit of minority shareholders. From a Sector perspective last year Energy and Materials were the top two performing Sectors; we're underweight both of those Sectors. Russia was the best performing country last year; we were

CITY OF FORT PIERCE RETIREMENT AND BENEFIT SYSTEM
MINUTES OF MEETING HELD
May 18, 2017

underweight last year. That impacted performance last year; this year those trends are reversing and we outperformed by 150 bps as of yesterday. On Page 13 you see our active country weights. Giving you two ways to think about this portfolio; one we called a Post-China portfolio and two we called a portfolio designed for a world of de-globalization. Post-China, we are of the view; have been of the view for several years now as top economic line of China is slowing. They are making this transition from a fixed investment or into the economy into more of a consumer or into the economy. That is implication across Emerging Markets; that is implication for commodities; we've long been underweight. The second theme we are talking about is de-globalization. What we are referring to is declining trade, decreasing cross boarder banking in capital flows, and declining immigration. All of those trends are really starting to keep growth lower throughout the Emerging world and the develop world as well. The real shift for Emerging Market is the fundamental model for success for Emerging Market countries in the last decade was really to rid the wave of globalization. Countries like Korea, Taiwan, China; all of them benefited from 2003, 2007 by rising global trade, by globalization increasing. China is our number one underweight; over 800 bps; we're concern about the amount of debt in the Chinese system. We think that's a risk for the global economy. Also underweight is Taiwan, South Korea; countries that are more sensitive to that global trade decline that we talked about. From a Sector perspective on Page 14, the Sector allocation is an output of the process, so while we actively target those country allocation, these are really your reflection of both the top down country and the bottom up stock selection. Not surprisingly you will see that we tend to be overweight; Consumers, Financials in the Emerging Markets. The big underweights IT; IT is sort of split; we are underweight; the old IT Sector; hardware; IT outsourcing, and we are overweight; what we call the new IT which is more internet related companies, social media cloud infrastructure; there is a bit of nuance within the IT underweight. We remain underweight Energy, Materials as well. Moving to Page 18, this chart highlights that massive rotation of value outperforming growth and you see post-election Trump in the U.S.; that really accelerated. The good news for the EM as an Asset Class on Page 19 is, we really believe the stage is set now for EM to outperform develop market; it's looking out over the next 3 to 5 period and what's really driving that in our view is the relative growth differential. So that's the green line we plot and what our Macro team has found is most important for EM, Equity is outperforming; it's not sufficient just that the economy is going faster than development market economy because that's nearly always the case, it's that gap in growth; between EM an DM. For five years that gap was shrinking and that coincide with five years of EM outperforming; we think that gap is in the process of stabilizing and should once again expand from here. EM Current Account on Surplus on Page 20; this is just something that we think about as rates do rise in the U.S.; is EM well position to handle that. You can see after 2013, the taper tantrum; the EM has improved their credit account dramatically and in our view, they are well position to withstand any gradual rate hike here in the U.S. Mr. Bernard asked the Board if they had any questions concerning the EM portfolio. There being none, Mr. Bernard thanked the Board for their support.

Mr. Kalish said he wanted to mention that they did lower the fee schedule of the International Trust in which you invested in this February 2017; you will see your fees reduced. I wanted to make that known.

CITY OF FORT PIERCE RETIREMENT AND BENEFIT SYSTEM
MINUTES OF MEETING HELD
May 18, 2017

Mr. Paul Lundmark from Richmond Capital thanked the Board for allowing him to come and for 27 years of business. In August it will be 28 years Richmond Capital has been managing money of the City. I want to start off by talking a little bit about organization for some people who don't know us that well. We are independently owned since 1987. We have 10 shareholders and we just had our 30 year party, so it was good to see some people who had retired coming back. We have a very experienced team with 27 years of bond experience. We are well diversified by client-type and by benchmark. On Page 4, showing our investment professionals, the only change we have is we've added on a new person, Dave Schultz who just started here several weeks ago; but the core investment team has been together for 14 years. I think the important thing to know as far as with the investment team is that we don't have a star system. Each of the 7 portfolio managers has an equal vote when it comes to what kind of interest rate sensitivity we want to have for the portfolio, which is measured by duration; what the yield curb exposure is going to be; where we are going to overweight, underweight Sectors; treasuries, agencies, corporates; mortgages; and then for what particular securities we are going to have in the portfolio. Each of us has an equal vote. I think it has worked out very well for us. You can see too, that the operation on the right hand side; very experienced team. Looking at the portfolio review, you can see the market value when we started off was \$12.8 million August 1, 1989. You can see right now as of March 31, it's \$45 million. It's interesting in the interim seeing where the change in value has come from; when you look at one thing I do for FPPTA is I do the intro to bonds and one thing I always talk about the big difference between equity's fixed income is the majority of your return from fixed income. It's not going to come from changes in market value; it's going to come from the interest and the reinvestment of interest. You can see from your plan the 95% comes from the interest, which means primarily, you are not going to see the same volatility as you would over equities. Equities are probably going to be 80% changes in value and 20% of the dividends and reinvestment of dividends. The main thing to focus on is the portfolio duration. We've increased the duration; we are still underweight vs. the Index, but last year we were .65 year short; we are .3 year short, especially as short-term yield have gone up. The economy is definitely doing better. We have seen employment as 4.4%; we seen inflation starting to go up. We are definitely seeing a higher yield out there. Even though we are defensive, we still have a higher yield and that's with overweighting as far as the non-treasuries Sectors. Going to the Returns, for the quarter, it's basically flat to the Index. If you look at April, we outperformed by 3 bps. For the year-to-date we are ahead by a couple vs. the Index. One thing we always look for; we feel we are very opportunistic when we see value out there. Right now we have taken some of the risk off the table just because corporate spreads have definitely tightened in here so we don't have as big of an overweight. We're always going to be overweight on a percentage basis. We've talked about duration before and duration contribution which sums up all the durations of the individual corporates that we have. We've definitely taken that off the table. We just don't see a lot of value out there. We've taken risk off as far as the ratio. When short-term rates were much lower, that's where our biggest underweight was, with the Feds starting to increase rates; treasury yields on the short end; like the 1 to 5 year part of the curb is definitely gone up, so we've added duration there. I think what's important to know here, if you look at the 1, 3, 5, and 10 year, we really feel we have values through overweighting and underweighting parts of the different Sectors. Really where you see the value here over the

CITY OF FORT PIERCE RETIREMENT AND BENEFIT SYSTEM
MINUTES OF MEETING HELD
May 18, 2017

longer terms is with the overweight corporates, especially back in 2010-2011. We saw a lot of opportunity and AAA commercial mortgage backed securities. We only buy the highest qualities; all AAA rated. That was when you were benchmarked against the government credit, which had no exposure to commercial mortgages. We were up to about 12%, but very well diversified. We are market weight versus the Index, so we have about 2% in commercial mortgages. That really added value over longer periods of time, overweighting intermediate corporates. You've done very well. Going to the next page shows you the make of the portfolio. If you look at the quality distribution versus the Barclay's Aggregate, our biggest overweight is going to be an A-rated corporate. BBB corporate, we have an overweight on the percentage bases. If you look at the duration contribution, the majority of our overweight is in the short end of the yield curb, so we have a lot of short and intermediate BBB's, but that 18% represents 26 different issuers, so very well diversified. If you look at the bottom here, as far as the Sectors, we are underweight in treasuries. We have added on treasuries; we use treasuries primarily for changing durations. We've been extending our durations a little bit as far as letting our underweight go down. We usually do that through treasuries because treasuries are a very efficient way; very low cost way to do it. We also added treasuries just for dry powder; is that, once we see an opportunity; if we see more volatility in the market, if we see corporate start to widen out again, we'll use those treasuries to add on to our corporate exposure. The corporates represents 56% of the portfolio, 75% of the corporate that we own of the 56% are less than 8 years to maturity. We have an underweight in long corporates right now. When you see us increase our corporates, it will be on the long end of the yield curb where you will see the change. We are mortgage neutral in mortgage pass throughs. You just don't see, with the exception of corporates, a lot of value out there. We are kind of neutral in the other Sectors as far as versus the Index. We are waiting for the opportunities to present itself. As you can see our year-to-date numbers are pretty close to the Index and we are hoping to see opportunities here. Looking at Page 6, it is showing that since yields have gone up since June; you have seen a 67 bps increase in the two year; 10 year, gone up 91 bps, and 73% in 30-year. The economy has definitely improved here with employment; inflation has gone up. The Market is looking at; up until you've seen some volatility in the political situation here, the Market was anticipating 100%, and that was going to increase in June; it's gone down to 80%. I think the Fed is pretty intent on increasing rates in June. As far as after that, it's unknown when they are going to do it. The Market was anticipating December, but now we don't know. The Market is probably looking at June of 2018. The reason rates haven't gone up more; going to the next page, when you look at rates, the 10 at 2.30%; in March it was at 2.39%. Compare it versus the other countries; what I'm showing is the two-year rate and the ten-year rate. What's interesting is nine U.S. Holders are 40% of the corporate credit market right now. Mr. Lundmark finished his presentation.

Comm. Perona asked if there were any questions.

ITEM NO. 9 ~ CONSENT OF AGENDA

Comm. Perona, the next item is the Consent Agenda.

**CITY OF FORT PIERCE RETIREMENT AND BENEFIT SYSTEM
MINUTES OF MEETING HELD
May 18, 2017**

A motion was made by Ms. Morris and seconded by Ms. Scott to approve the refund of member contributions.

All those in favor of the motion signified by saying aye. A roll call was done; there were no oppositions and the motion carried unanimously.

ITEM NO. 10 ~ CONSIDERATION OF ABSENCES

Comm. Perona acknowledged the excused absence of Mr. Keith Stephens. **A motion was made by Comm. Sessions and seconded by Ms. Penick to approve the excused absence of Keith Stephens.**

All those in favor of the motion signified by saying aye. A roll call was done; there were no oppositions and the motion carried unanimously.

ITEM NO. 10 ~ BOARD MEMBER COMMENTS

Ms. Penick asked whatever happened to the Amendments to the 8-year final average instead of the 5-year. Whatever happened?

Ms. Morris said it still hasn't been agreed upon.

Ms. Penick said thank you.

Comm. Perona said we are not going to get into the practice of responding to public comment. Once we start doing that, we walk down a thorny road. We respond formally. This is the moment and time if there is something you'd like to discuss with this group; I will let you do that. Before we go, just to clarify what the Clare Board is considering is, there have been Retirement Systems that have adopted amendments for those particular situations when you elevate to the Executive position and to allow those people more than the remainder of their DROP to extend it two years and there is some penalty that going to go along with that. It probably with interest rate for the DROP; some of that would have to; I think we are looking at the proposed 1%, but it could be an absolute no interest. I've seen those too in different environments. The DROP is a benefit that has been handed to the Retirement Systems and until we are able to get enough time, I really don't know all of the nuances that could cause problems. If we didn't do that at the Fire District, mid-management would have to the best chances in becoming the next Fire Chief. Because everybody that hit their 25 years automatically goes into DROP. They have no idea if they are going to get appointed by the Fire Board to be able to move up into that position.

Comm. Perona asked Mr. Nieves if he had any comments.

**CITY OF FORT PIERCE RETIREMENT AND BENEFIT SYSTEM
MINUTES OF MEETING HELD
May 18, 2017**

Mr. Nieves said Ms. Spence was misinformed. He is not on administrative leave, he is on administrative duty.

Comm. Perona said he just wanted to make that comment about engaging the public. They need to stand up; they can make any comment they want. If it's a question; a simple or technical question they want to ask; if the secretary or Board attorney was to be done with it and get it through, that's fine, but I would rather it be somewhat offered in a formal presentation.

Ms. Penick asked if they should be addressing us questions administratively through you.

Comm. Perona said it goes to the reason for them to do so. Is it to find out an answer or is it to make a statement? My practice is to not engage; give them the opportunity; they have four minutes; they can say whatever they want and then sit down and we go on with our meeting.

Ms. Morris said the June 15 meeting is cancelled. Keith will be deployed and she will be at a conference.

ITEM NO. 12 ~ ADJOURNMENT

The next item was next month's meeting. The next meeting is scheduled for April 20, 2017 at 2:00 p.m.

All those in favor of the motion signified by saying aye. There was no opposition and the motion carried unanimously.

The meeting was adjourned the meeting at 4:22 p.m.

ATTEST:

Secretary/Treasurer

Chairperson

Note: These minutes are not verbatim, only important issues and motions are reproduced in writing for the benefit of the Fort Pierce Retirement and Benefit System members. The recording itself is the official record for the meeting. The meeting tape/cd is available.

**CITY OF FORT PIERCE RETIREMENT AND BENEFIT SYSTEM
MINUTES OF MEETING HELD
May 18, 2017**

**CITY OF FORT PIERCE RETIREMENT AND BENEFIT SYSTEM
MINUTES OF MEETING HELD
May 18, 2017**

FORM 8B MEMORANDUM OF VOTING CONFLICT FOR COUNTY, MUNICIPAL, AND OTHER LOCAL PUBLIC OFFICERS	
LAST NAME—FIRST NAME—MIDDLE NAME <i>NIEVES, Rodney</i>	NAME OF BOARD, COUNCIL, COMMISSION, AUTHORITY, OR COMMITTEE <i>CITY OF FORT PIERCE RETIREMENT Bd</i>
MAILING ADDRESS <i>5908 HICKORY DR</i>	THE BOARD, COUNCIL, COMMISSION, AUTHORITY OR COMMITTEE ON WHICH I SERVE IS A UNIT OF: <input type="checkbox"/> CITY <input type="checkbox"/> COUNTY <input type="checkbox"/> OTHER LOCAL AGENCY
CITY <i>FORT PIERCE</i> COUNTY <i>SAINTE LUCIE</i>	NAME OF POLITICAL SUBDIVISION:
DATE ON WHICH VOTE OCCURRED <i>May 18, 2017</i>	MY POSITION IS: <input checked="" type="checkbox"/> ELECTIVE <input type="checkbox"/> APPOINTIVE

WHO MUST FILE FORM 8B

This form is for use by any person serving at the county, city, or other local level of government on an appointed or elected board, council, commission, authority, or committee. It applies to members of advisory and non-advisory bodies who are presented with a voting conflict of interest under Section 112.3143, Florida Statutes.

Your responsibilities under the law when faced with voting on a measure in which you have a conflict of interest will vary greatly depending on whether you hold an elective or appointive position. For this reason, please pay close attention to the instructions on this form before completing and filing the form.

INSTRUCTIONS FOR COMPLIANCE WITH SECTION 112.3143, FLORIDA STATUTES

A person holding elective or appointive county, municipal, or other local public office **MUST ABSTAIN** from voting on a measure which would inure to his or her special private gain or loss. Each elected or appointed local officer also **MUST ABSTAIN** from knowingly voting on a measure which would inure to the special gain or loss of a principal (other than a government agency) by whom he or she is retained (including the parent, subsidiary, or sibling organization of a principal by which he or she is retained); to the special private gain or loss of a relative; or to the special private gain or loss of a business associate. Commissioners of community redevelopment agencies (CRAs) under Sec. 163.356 or 163.357, F.S., and officers of independent special tax districts elected on a one-acre, one-vote basis are not prohibited from voting in that capacity.

For purposes of this law, a "relative" includes only the officer's father, mother, son, daughter, husband, wife, brother, sister, father-in-law, mother-in-law, son-in-law, and daughter-in-law. A "business associate" means any person or entity engaged in or carrying on a business enterprise with the officer as a partner, joint venturer, coowner of property, or corporate shareholder (where the shares of the corporation are not listed on any national or regional stock exchange).

* * * * *

ELECTED OFFICERS:

In addition to abstaining from voting in the situations described above, you must disclose the conflict:

PRIOR TO THE VOTE BEING TAKEN by publicly stating to the assembly the nature of your interest in the measure on which you are abstaining from voting; *and*

WITHIN 15 DAYS AFTER THE VOTE OCCURS by completing and filing this form with the person responsible for recording the minutes of the meeting, who should incorporate the form in the minutes.

* * * * *

APPOINTED OFFICERS:

Although you must abstain from voting in the situations described above, you are not prohibited by Section 112.3143 from otherwise participating in these matters. However, you must disclose the nature of the conflict before making any attempt to influence the decision, whether orally or in writing and whether made by you or at your direction.

IF YOU INTEND TO MAKE ANY ATTEMPT TO INFLUENCE THE DECISION PRIOR TO THE MEETING AT WHICH THE VOTE WILL BE TAKEN:

- You must complete and file this form (before making any attempt to influence the decision) with the person responsible for recording the minutes of the meeting, who will incorporate the form in the minutes. (Continued on page 2)

**CITY OF FORT PIERCE RETIREMENT AND BENEFIT SYSTEM
MINUTES OF MEETING HELD
May 18, 2017**

APPOINTED OFFICERS (continued)

- A copy of the form must be provided immediately to the other members of the agency.
 - The form must be read publicly at the next meeting after the form is filed.
- IF YOU MAKE NO ATTEMPT TO INFLUENCE THE DECISION EXCEPT BY DISCUSSION AT THE MEETING:
- You must disclose orally the nature of your conflict in the measure before participating.
 - You must complete the form and file it within 15 days after the vote occurs with the person responsible for recording the minutes of the meeting, who must incorporate the form in the minutes. A copy of the form must be provided immediately to the other members of the agency, and the form must be read publicly at the next meeting after the form is filed.

DISCLOSURE OF LOCAL OFFICER'S INTEREST

I, Rodney Nieves, hereby disclose that on May 18, 2017:

(a) A measure came or will come before my agency which (check one or more)

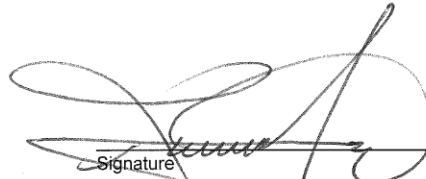
- inured to my special private gain or loss;
- inured to the special gain or loss of my business associate, _____;
- inured to the special gain or loss of my relative, _____;
- inured to the special gain or loss of _____, by whom I am retained; or
- inured to the special gain or loss of _____, which is the parent subsidiary, or sibling organization or subsidiary of a principal which has retained me.

(b) The measure before my agency and the nature of my conflicting interest in the measure is as follows:

a vote regarding membership of this board which read current employee versus an individual that is currently in the D.R.O.P may remain a member of said board. I could not cast a vote due to my status as a D.R.O.P employee.

If disclosure of specific information would violate confidentiality or privilege pursuant to law or rules governing attorneys, a public officer, who is also an attorney, may comply with the disclosure requirements of this section by disclosing the nature of the interest in such a way as to provide the public with notice of the conflict.

June 14, 2017
Date Filed


Signature

NOTICE: UNDER PROVISIONS OF FLORIDA STATUTES §112.317, A FAILURE TO MAKE ANY REQUIRED DISCLOSURE CONSTITUTES GROUNDS FOR AND MAY BE PUNISHED BY ONE OR MORE OF THE FOLLOWING: IMPEACHMENT, REMOVAL OR SUSPENSION FROM OFFICE OR EMPLOYMENT, DEMOTION, REDUCTION IN SALARY, REPRIMAND, OR A CIVIL PENALTY NOT TO EXCEED \$10,000.