Chair Dwight Mattingly called the meeting to order at 8:36 AM in Suite 2N at Palm Tran Connection, 50 S. Military Trail, West Palm Beach, Florida. Those persons present included:

TRUSTEES
Dwight Mattingly
Frank Stanzione
Joe Doucette
John Wilson

OTHERS PRESENT
Bonni Jensen, Klausner, Kaufman, Jensen & Levinson
Ken Harrison, Sugarman & Susskind
Frank Wan, Burgess Chambers & Associates
Chad Little, Freiman Little Actuaries
Scott Baur & Pat Holt, Resource Centers
Alyssa Koral, Fisher Investments

PUBLIC COMMENT

No members of the public had any comment.

APPROVAL OF THE AGENDA

The Trustees reviewed the agenda for the meeting, moving Fisher Investments.

John Wilson made a motion to approve the agenda. Joe Doucette seconded the motion, passed by the Trustees 4-0.

APPROVAL OF MINUTES

The Trustees reviewed the Minutes for the Meeting of June 23, 2016.

John Wilson made a motion to approve the Minutes for June 23, 2016 as presented. Frank Stanzione seconded the motion, passed by the Trustees 4-0.

ACTUARY REPORT: CHAD LITTLE

Chad Little had no other report than to note continued delays on production of the annual valuation, benefit statements, an final calculations due to continued delays in receipt of data.

ATTORNEY REPORT: BONNI JENSEN & KEN HARRISON

Bonni Jensen and Ken Harrison addressed collections of overpayments to members.

Ken Harrison reviewed a memo he prepared for the Board to explain options for the Trustees to consider. He stated that the Resource Centers provided a template letter to members with overpayments that included options for repayment, although Mr. Harrison
did not agree with all the options included in the letter. Mr. Baur reviewed a brief summary of the overpayments and amounts.

Dwight Mattingly asked if the Plan could waive interest on repayments, and Mr. Harrison expressed no opinion other than the lost opportunity to the Plan. Mr. Mattingly also considered whether the insurance maintained by the Resource Centers should reimburse the Plan for any overpayments to members, although Mr. Baur objected when the Board has not first attempted any recovery from the members. Bonni Jensen explained that some overpayment issues resulted from actions by the prior administrator, although ASI is no longer in business. Ken Harrison advised that legally the Board must attempt some recovery from the members receiving overpayments. Dwight Mattingly asked to table further discussion until the next meeting of the Board.

The Board further considered ways the Resource Centers might attempt to recover overpayments to members. Ms. Jensen stated that the IRS also permits plans to amend documents allowing members not to repay, while the Pension Rights Center offers guidelines for recovery. The Board reviewed current and past summaries detailing the overpayments. Ken Harrison stated that the Department of Labor issued a “best practices” checklist as well. Mr. Mattingly asked Mr. Harrison to provide the DOL checklist for the next meeting of the Board.

**PLAN FINANCIALS**

The Board received the interim financial statement.

The Trustee reviewed the invoices for expenses detailed on the Warrant dated September 8, 2016.

**John Wilson** made a motion to approve the Warrant dated September 8, 2016 as presented. Joe Doucette seconded the motion, approved by the Trustees 4-0.

The Board considered the approval to Blanche Uzama, a vested deferred member of the Plan. The records for the Plan indicate that she received a prior refund of contributions. When she inquired about a possible benefit from the Plan, she stated that she may have subsequently repaid the refund. She provided no documentation of a repayment, however, and the Plan has no records of any repayment. The Board also considered her Application date, since she failed to apply for benefit timely upon eligibility. Mr. Little stated that he reviewed and certified the calculation of her benefit based on the information available.

Frank Stanzione made a motion to approve a monthly benefit of $83.39 to Blanche Uzama commencing on February 1, 2016, the first of the month following her date of Application. Joe Doucette seconded the motion, approved by the Trustees 4-0.
The Board then considered the definition of payroll in the Plan Document in light of recent issues with the administration and reporting of payroll for pension purposes. Payroll includes W-2 pay with overtime limited to 300 hours per year and accrued time at separation frozen as of April 20, 2014. All hours, however, must count for service. Mr. Baur described the many errors identified with reporting of pension pay and hours since 2014. The Clerk will provide replacement data beginning with 2014, promise within two weeks following the meeting date. The Board weighed the impact created by the delays to receive correct payroll data timely; active members have not received annual benefit statements; retired members continue to receive estimated payments while waiting on final benefit calculations; and the Board has not received the annual valuation or audit.

The Board returned to the discussion of overpayments to some retired members. Chair Dwight Mattingly believes the Board should recover amounts from the Resource Centers where possible, waiving any repayment by members or leaving the administrator to attempt recovery of amounts overpaid. Joe Doucette noted that in situations where the Plan underpaid a member, the Plan would correct the underpayments by paying any additional amounts due. He therefore stated the Board should treat members consistently by correcting any inadvertent overpayments as well. The Trustees considered possible repayment periods and terms, since any repayments may pose a hardship to members previously overpaid. Ken Harrison advised the Board may have a responsibility to at least attempt recovery of overpayments to members, while the actuary noted that the recent Policy adopted by the Board addressing overpayments already included guidelines for repayment. Frank Stanzione suggested that the Board could offer to reduce future death benefits as a means to recover overpaid amounts. Mr. Mattingly requested the original paperwork and documents executed by each member, since forms in use by the Plan may not make the $200 supplement and payment end date absolutely clear to the member.

John Wilson departed the meeting early due to a scheduling conflict.

INVESTMENT MANAGER REPORT: ALYSSA KORAL, FISHER INVESTMENTS

Alyssa Koral provided an update on the company, the investment management team, the process used by the team to manage the portfolio on behalf of the Plan, and Fisher’s outlook on the market. Ken Fisher stepped down as CEO as he prepares to retire, but he remains actively involved with the Investment Policy committee for the firm and continues to serve as Chair for the company. The manager currently oversees $6.9 Billion in assets, starting with a top down approach to identify themes in the market. The manager then applies fundamental research to the individual securities selection for the portfolio with a focus on risk management. Ms. Koral reviewed the characteristics for typical holdings in the portfolio.
Ms. Koral reported that Fisher outperformed the market since the 2006 portfolio inception, although the mandate trailed the market performance more recently. For the 2016 calendar year to date, the portfolio gained 2.8% gross of fees and 2.0% net of fees, compared to a gain of 4.5% for the benchmark. The portfolio gained 5.5% gross and 4.8% net on average over the trailing 5 years, compared to a gain of 3.3% for the benchmark. Fisher agreed that the MSCI ACWI ex-US Index remained an appropriate benchmark for the portfolio.

Alyssa Koral explained that lack of exposure to recent gains in Japan contributed most to the underperformance of the portfolio. Fisher avoided investment in Japan due to perceived chronic structural issues with that market. Frank Wan considered whether the unprecedented quantitative easing around the world will ultimately produce positive results. Ms. Koral further reviewed geographic and sector attribution for the portfolio performance, noting that Fisher historically produced returns in excess of the benchmark in a consistent manner. Fisher believes that the current bull market will continue despite the time since the least significant correction. Dwight Mattingly asked Fisher to execute the NCPEERS Code of Conduct, respecting the interests of defined benefit pension plans. Fisher was previously provided the Code for review.

INVESTMENT CONSULTANT REPORT: FRANK WAN, BURGESS CHAMBERS & ASSOC

Frank Wan noted that Fisher gained against the benchmark for the current quarter to date. He further considered the impact of central banks and monetary policy on global markets. The markets now anticipate a rate increase as the United States deviates from trends and monetary policy for much of the rest of the world.

The portfolio gained 1.9% gross of fees and 1.8% net of fees for the quarter ending June 30, 2016, compared to a gain of 2% for the benchmark. Mr. Wan attributed the recent portfolio underperformance to the hedge strategies, the multiple limited partnerships (MLPs), and Vulcan. He explained that Vulcan runs a very concentrated portfolio, and one single issue or holding detracted substantially from overall performance for that manager. For the fiscal year through June 30, the portfolio had a net return of -0.9% compared to 2.4% for the benchmark. The portfolio had total assets of $86,385,387 as of June 30, 2016. BCA has only Intercontinental, one of the hedge fund managers, on watch at this time.

Through August 31, 2016, Mr. Wan reported that the portfolio gained 2.7% for the quarter compared to 2.6% for the benchmark. The average portfolio return of 7.4% for the trailing 5 years matches the benchmark return. Mr. Wan reviewed compliance with the Investment Policy in detail. Mr. Wan discussed the private real estate allocation, designed to stabilize the portfolio, now 10% of total plan assets. Mr. Wan stated that the portfolio is well balanced and positioned for the current market environment.
Dwight Mattingly questioned if the Plan can expect to meet the 8% earnings assumption used for the annual valuation. Frank Wan explained that many public plans are now taking additional risk to try to achieve return targets. Bonds no longer offer historical yields. The Florida Retirement System, in the meantime, lowered the return assumption to 7.65% for that plan. Mr. Wan believes that an 8% return assumption now falls at the higher end of the typical range for such assumptions by comparable plans. The Board considered the possible impact of a lower return assumption, which increases liabilities in the near term. The Board also considered creating a surplus or internal reserve fund when conditions permit. Chad Little, actuary for the Plan, suggested the Board consider a gradual move to a lower return assumption over a period of years. The Board directed the actuary to consider such a change following completion of the January 1, 2016 annual valuation.

Joe Doucette made a motion to accept the report by the Investment Consultant. Frank Stanzionale seconded the motion, approved by the Board 3-0.

The Board addressed the money market fund currently used by Salem Trust to hold cash, since recent rule changes will allow share values for non-governmental money market funds to fluctuate. Such funds historically maintained a stable net asset value of one dollar. Mr. Wan recommended the Board adopt the Goldman Sachs institutional share class money market fund. The change may further impact revenue to Salem Trust, custodian for the Plan, already expected to increase fees due to high trading volumes at Scout.

Joe Doucette made a motion to adopt the Goldman Sachs institutional share class US Treasury Obligations money market fund based on the advice of the Investment Consultant. Frank Stanzionale seconded the motion, approved by the Board 3-0.

Frank Wan discussed the trading at Scout. Scout continues to perform above the benchmark. The commingled mutual fund portfolio offered by Scout has a fee of 1.04% compared to 80 bp for the separately managed account. The difference, about $24,000 per year, still exceeds the possible cost for the increased trading at the custodian. Frank Wan recommended that the Board keep the separate account with Scout.

**ADMINISTRATOR REPORT: SCOTT BAUR**

Mr. Baur provided the fiduciary liability insurance renewal for Markel through Ulico.

Joe Doucette made a motion to approve the renewal of the fiduciary liability insurance policy, seconded by Frank Stanzionale, and approved by the Board 3-0.
Mr. Mattingly asked to make certain that both Ulico and Markel received the NCPERS Code of Conduct.

**PLAN FINANCIALS**

The Board received and reviewed the interim Plan financial statement through July 31, 2016. The Trustees reviewed the payments of invoices included in the Warrant dated September 8, 2016.

Joe Doucette made a motion to approve the disbursements. Frank Stanzione seconded the motion, passed by the Trustees 3-0.

The Board had no other benefits for approval pending receipt of data from the County Clerk and final calculations for member benefits by the actuary.

**OTHER BUSINESS**

The Board discussed Trustees attending the upcoming annual conference for the International Foundation of Employee Benefit Plans, this year in Orlando in November. Dwight Mattingly indicated that he planned to attend. Trustees also previously scheduled to attend the September FPPTA Trustee School.

The Board discussed and confirmed the regular quarterly meeting schedule for 2017, to remain on the first Thursday of the third month of each quarter. Scott Baur stated that he will conduct a retirement workshop for members on November 15. The Board indicated that the SPD would require updating as well.

**BOARD MEMBER COMMENTS**

There were no additional Board comments by the Trustees.

**ADJOURNMENT**

The Board previously scheduled the next quarterly meeting for Thursday, December 1, 2016, and considered the possible need for a special meeting during the interim.

There being no further business, Frank Stanzione made a motion to adjourn the meeting at 12:17 PM, seconded by Joe Doucette, and approved by the Board 3-0.

[Signature]
Secretary