

**CITY OF VENICE**  
**MUNICIPAL FIREFIGHTERS' PENSION TRUST FUND**  
**BOARD MEETING**  
***MINUTES***

**Monday, March 13, 2017 - 4:00 P.M.**

**First Floor Meeting Room**  
**5300 East Laurel Road, Venice, FL**

**Members Present:** Ed Van Deusen, Chairman  
Rich Lanigan, Secretary  
Barbara Fraser  
Shawn Carvey  
Nick Pachota

**Members Absent:** None

**Plan Attorney:** Scott Christiansen

**Plan Consultant:** Tim Nash, AndCo Consulting

**Plan Administrator:** Shelly Baumann

**CALL TO ORDER/ ROLL CALL**

The meeting was called to order at 4:00 P.M.; by Chairman Van Deusen who stated that a quorum was present with five (5) members in attendance.

**HEAR THE AUDIENCE** – No one in the audience spoke.

**APPROVAL OF MINUTES** – Regular meeting of December 12, 2016.

***Shawn Carvey made a motion to approve the minutes of the December 12, 2016 quarterly meeting; Rich Lanigan seconded the motion. Motion carried unanimously.***

**CONSENT AGENDA –**

**Approval of Payments:  
Voucher No.**

- 839 – Foster & Foster – Sp. Report, 2016 Valuation GASB 67 & 68 \$15,864.00
- 840 – Pension Adm. Services – Service for December 2016 \$ 1,000.00
- 841 – Rich Lanigan – Hotel & per diem state conference Nov. 2016 \$ 466.14
- 842 – Bogdahn Group – Quarterly fee October-December 2016 \$ 4,375.00
- 843 – Salem Trust – Quarterly fee October-December 2016 \$ 3,858.96
- 844 – Christiansen & Dehner – Services for December 2016 \$ 1,036.67
- 845 – Garcia Hamilton – Quarterly fee October-December 2016 \$ 3,460.29
- 846 – Pension Adm. Services – Service for January 2017 \$ 1,000.00
- 847 – Moore Stephens Lovelace – 1<sup>st</sup> billing FY 16 audit \$ 2,000.00
- 848 – Great Lakes Advisors – October - December 2016 \$ 2,480.13
- 849 – Pension Adm. Services – Misc. Exp. Nov 16- Feb 17 \$ 32.06
- 850 – Dana Investment Advisors – October - December 818ca \$ 4,417.87
- 851 – Dana Investment Advisors – October - December 818cb \$ 2,894.29
- 852 – Moore Stephens Lovelace – 2<sup>nd</sup> billing FY 16 audit \$ 4,000.00
- 853 – Pension Adm. Services – Service for February 2017 \$ 1,000.00
- 854 – Christiansen & Dehner – Services thru January 2017 \$ 245.40
- 855 – Shawn Carvey –hotel, books & per diem state Conf. Nov16 \$ 571.14

***Shawn Carvey made a motion to approve Consent Agenda vouchers #839-855 as presented; Rich Lanigan seconded the motion. Motion carried unanimously.***

**PLAN ADMINISTRATOR**

***Plan Administrator – Shelly Baumann***

Administrator Baumann then addressed the following:

- FY 2015-2016 Detailed Accounting Report was sent to Department of Management Services.
- Pension Letter #2 along with the schedule of investments was sent to the Council and Mayor.
- Fully executed Ordinance No. 2016-23 was sent to Sarah Carr with letter of no impact.
- Fully executed Ordinance No. 2016-23 was sent to Keith Brinkman with letter of no impact
- A Letter to Keith Brinkman declaring expected rate of return was sent.
- She presented the FY 2016-2017 1<sup>st</sup> Quarter Expenditure Report – October-December 2016
- Administrator Baumann asked for approval to renew the Fiduciary Liability Ins policy not to exceed 10% over last year for a maximum amount of \$6,908.00 (last year \$6,280.00)

***Barbara Fraser made a motion to approve the renewal of Fiduciary Liability Insurance not to exceed 10% over last year for a maximum amount of \$6,908.00; Shawn Carvey seconded the motion. Motion carried unanimously.***

Chairman Van Deusen addressed the Board noting that the firefighters' are coming up to negotiations. In order to keep the city from cutting the Pension, Chairman Van Deusen has been looking at ways to cut costs such as reducing membership in the current Plan. Chairman Van Deusen has requested that Foster & Foster do a study for an early buyout. Attorney Christiansen stated that you can do an early buyout; however it is a large cost to the city and costs will go up. Attorney Christiansen asked Chairman Van Deusen to keep him advised on this issue so that they don't agree to something that they are not allowed to do.

***Shawn Carvey made a motion to authorize Foster & Foster to prepare a study for an early buyout of firefighters' in the current Plan showing the cost to implement the buyout and what affect it would have on the city's funding requirement and the unfunded liability; Barbara Fraser seconded the seconded the motion. Motion carried unanimously.***

## **FINANCIAL REPORTS**

The following are portfolio holdings as of 12/31/2016 as presented in the financial reports received by the Board.

***Investment Manager - Dana Investment Advisors, Inc.*** No one from Dana Investment Advisors was in attendance.

Portfolio Holdings as of 12/31/2016 are summarized as below:

|  |                       |
|--|-----------------------|
| Total Portfolio 12/31/2015                     | \$4,321,697.68        |
| Contributions/Withdrawals                      | ( 28,105.86)          |
| Investment Income                              | 87,540.01             |
| Unrealized Gain/Loss                           | 276,495.88            |
| Realized Gain/Loss                             | (159,270.54)          |
| Change in Accrued Income                       | <u>1,435.48</u>       |
| Total Portfolio with Accruals<br>& Receivables | <u>\$4,499,792.65</u> |

The regular full Fourth Quarter 2016 Report for Dana Investment Advisors, Inc. was included in the Board's agenda packet and a copy of the report is filed with these minutes.

## **FINANCIAL REPORTS Cont.**

***Investment Manager – American Core Realty Fund, LLC.*** No one from American Core Realty Fund was in attendance.

Portfolio Holdings as of 09/30/2016 for Account No. 1151 are summarized as below:

|   |                     |
|---|---------------------|
| Beginning Net Asset Value 09/30/2016    | 2,242,960.48        |
| Contributions                           | -0-                 |
| Withdrawals                             | -0-                 |
| Net Income Before Fees                  | 18,169.94           |
| Distributions Declared                  |                     |
| Asset Management Fees                   | ( 6,242.05)         |
| Available for Reinvestment/Distribution | ( 27,402.36)        |
| Amount Reinvested                       | 27,402.36           |
| Distributions Payable                   | -0-                 |
| Unrealized Gain/(Loss)                  | 13,894.84           |
| Realized Gain/(Loss)                    | ( 5,188.83)         |
| Ending Net Asset Value 12/31/2016       | <u>2,263,594.38</u> |

The regular full Fourth Quarter 2016 Report for American Core Realty Fund was included in the Board's agenda packet and a copy of the report is filed with these minutes.

***Investment Manager – Garcia Hamilton.*** No one from Garcia Hamilton was in attendance.

Portfolio Holdings as of 12/31/2016 are summarized as below:

|                               |                       |
|-------------------------------|-----------------------|
| Portfolio Value on 10/31/2012 | \$4,986,207.85        |
| Accrued Interest              | 37,472.09             |
| Net Additions/Withdrawals     | ( 885,900.55)         |
| Realized Gains/Losses         | ( 115,512.19)         |
| Unrealized Gains/Losses       | ( 67,019.56)          |
| Income Received               | 678,717.54            |
| Change in Accrued Interest    | ( 20,250.28)          |
| Portfolio Value on 12/31/2016 | 4,596,493.09          |
| Accrued Interest              | <u>17,221.81</u>      |
| Total Portfolio on 12/31/2016 | <u>\$4,613,714.89</u> |

The regular full Fourth Quarter 2016 Report for Garcia Hamilton was included in the Board's agenda packet and a copy of the report is filed with these minutes.

## **FINANCIAL REPORTS Cont.**

***Investment Manager – Great Lakes Advisors.*** No one from Great Lakes Advisors was in attendance.

Portfolio Holdings as of 12/31/2016 are summarized as below:

|                               |                    |
|-------------------------------|--------------------|
| Portfolio Value on 02/09/2015 | \$1,600,000        |
| Net Flows                     | ( 25,732)          |
| Appreciation                  | <u>219,659</u>     |
| Ending Value 12/31/2016       | <u>\$1,793,927</u> |

The regular full Fourth Quarter 2016 Report for Great Lakes Advisors was included in the Board's agenda packet and a copy of the report is filed with these minutes.

### ***Performance Monitor – AndCo Consulting***

Tim Nash of AndCo Consulting discussed the change of the company name from The Bogdahn Group to AndCo Consulting. The thought was to move away from a "family" name and to put the clients name first. Attorney Christiansen confirmed that he checked with the state and the name change is the only change at the state so there is no need for a new contract at this time.

Mr. Nash then presented the Investment Performance Review for December 31, 2016. The Plan began with \$20,195,527 and ended with \$20,516,022 for a Total Fund change of \$216,345 for the quarter. Mr. Nash reported gross earnings were .97% for the quarter and for the FYTD. Mr. Nash reported that the market is up 15% since the election.

All Portfolio Holdings as of 12/31/2016 are summarized as below:

|   |                     |
|---|---------------------|
| Garcia Hamilton Fixed Income Portfolio        | 4,613,750           |
| Dana LC Equity Portfolio                      | 2,718,690           |
| Dana Growth Equity Portfolio                  | 1,781,105           |
| American Funds EuroPacific Gr R5 (RERFX)      | 2,568,942           |
| Delaware Large Cap Value                      | 2,246,960           |
| Great Lakes Equity                            | 1,793,927           |
| American Core Reality Fund (Core Real Estate) | 2,263,594           |
| Templeton Global Bond (TGBAX)                 | 911,840             |
| R&D Account                                   | <u>1,617,213</u>    |
| Total Fund at 09/30/2016                      | <u>\$20,516,022</u> |

The regular full Fourth Quarter 2016 Report for The Bogdahn Group was included in the Board's agenda packet and a copy of the report is filed with these minutes.

## **FINANCIAL REPORTS Cont.**

Mr. Nash then presented the following reports: Large Cap Growth Manager Analysis, Large Cap Core Manager Analysis and Growth, Value, Index Blend Analysis for the Board to review. Mr. Nash stated that his biggest area of concern is with Dana Growth and Dana Large Core. Mr. Nash also presented a summary showing the current portfolio blend along with the three (3) reports in order for the Board to see what the earnings would have been as of 12/31/2016 for each option. Mr. Nash told the Board that they could do away with an active manager and just use the index which could reduce the management fees from \$43,900 to \$2,640; however you are not protected from any down side in the market. With a closed plan without a lot of contributions going into an index with some funds would allow the Plan to raise cash without taking funds away from an active manager. Mr. Nash prefers the option of an active manager combined with the index option. The Board discussed two (2) specific firms those being Alger at 89 basis points and MFS at 61 basis points. Mr. Nash recommends going with MFS and the Vanguard Index option which was Option No. 4 on the summary sheet. Member Carvey asked Mr. Nash if he has any plans that are all in the index to which he stated he does not because of the lack of protection when there is a downturn in the market. Mr. Nash believes that the market will see more volatility in the future and he would like to see the Plan have some downside protection. Member Fraser stated that she prefers Option No. 3, members Lanigan and Pachota prefer Option No. 4 and members Carvey and Van Deusen prefer Option No. 2. Mr. Nash stated that he does not recommend abandoning Delaware noting that they could keep Delaware at 1/4 and put 3/4 into the index. After additional discussion the Board made the following motion.

***Shawn Carvey made a motion to terminate all of the Plan's investments with Dana Investment Advisors, to keep Delaware funding and take the remainder of the Large Cap Portfolio and put 75% into the Vanguard Index and 25% into Delaware; Barbara Fraser seconded the motion. Motion carried on a 4 to 1 vote. Ayes: Carvey, Van Deusen, Fraser and Lanigan. Nays: Pachota.***

## **ATTORNEY'S REPORT**

### ***Plan Attorney – Scott Christiansen***

1. Attorney Christiansen reminded the Board that the Plan still needs to have a *Share Plan* and he asked if that is part of the current union negotiations to which Chairman Van Deusen stated that it is. Attorney Christiansen reminded the Board that they don't have to fund the share plan they just need to have in place.
2. Attorney Christiansen noted that there are three (3) proposed legislation changes:
  - a. Senate Bill (SB) 158 with companion House Bill (HB) 143 are specific to firefighters and would allow that certain diseases would be presumed to be caused by employment as a firefighter. The proposed bill would add four (4) types of cancer as a presumed disease.

**ATTORNEY'S REPORT Cont.**

- b. Senate Bill (SB) 306 (no companion bill) would change a portion of Chapter 112 regarding voting conflicts. The current law states that you can't vote to if you could receive a private gain. The proposed bill states just a gain of any type, so if the Board wanted to change benefits board members could not vote if they could benefit from the change. Attorney Christiansen noted that there is an exception when voting on something that affects the public as a whole such as increasing taxes; however he does not know if this exemption would apply to pension plans.
- c. Senate Bill (SB) 632 with companion House Bill (HB) 603 has to do with actuarial valuations which would require a report to look back 30 years and could require the Plan to reduce the earnings assumption. If this passes it would be effective in 2021.

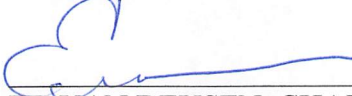
**CHAIR REPORT, OTHER BOARD MEMBERS**

Chairman Van Deusen asked Attorney Christiansen about former Plan member Jerry Collins who left the current Plan and went into FRS. He now wants to file for a disability from the Plan. Attorney Christiansen stated that since he is no longer a member of the Plan he cannot apply to the Plan for a disability. Chairman Van Deusen stated that Mr. Collins is claiming that he was disabled before he went into FRS to which Attorney Christiansen said that does not matter he is *not* a member of the Plan anymore.

The next regular meeting will be Monday, June 12, 2017 at 4:00 PM.

**ADJOURNMENT** - There was no further business, and the meeting was adjourned.

**APPROVED:**

  
ED VAN DEUSEN, CHAIRMAN

  
RICH LANIGAN, SECRETARY