

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

Monday, December 11, 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
Nick Pachota

Members Absent: Shawn Carvey

Plan Attorney: Scott Christiansen

Plan Actuary: Christine O'Neal, Foster & Foster

Plan Consultant: Tim Nash, AndCo Consulting

Plan Administrator: Shelly Baumann

City Staff: City Clerk Lori Stelzer, and City Attorney David Jackson

CALL TO ORDER/ ROLL CALL

The meeting was called to order at 4:05 P.M.; by Chairman Ed Van Deusen who stated that a quorum was present with four (4) members in attendance.

HEAR THE AUDIENCE – No one in the audience spoke.

BOARD TRAINING - Government In The Sunshine Training

City Clerk Lori Stelzer and City Attorney David Jackson addressed the Board to conduct Government In The Sunshine Training which is an annual requirement of the city. All Board members were given a written test to take and then provided their answers orally.

APPROVAL OF MINUTES – Regular meeting of September 26, 2017.

Barbara Fraser made a motion to approve the minutes of the September 26, 2017, quarterly meeting; Rich Lanigan seconded the motion. Motion carried unanimously.

CONSENT AGENDA –

Approval of Payments:
Voucher No.

• 887 – Pension Adm. Services – Postage & printing Aug 2017	\$ 44.11
• 888 – Christiansen & Dehner – Service for August 2017	\$ 128.98
• 889 – Christiansen & Dehner – G. Collins disability work August	\$ 22.90
• 890 – Pension Adm. Services – Service for September 2017	\$ 1,000.00
• 891 – AndCo Consulting (Bogdahn Group) – July-September 2017	\$ 4,375.00
• 892 – Christiansen & Dehner – Service for September 2017	\$ 985.42
• 893 – Salem Trust – Quarterly fee July - September 2017	\$ 3,578.90
• 894 – Pension Adm. Services – Service for October 2017	\$ 1,000.00
• 895 – Great Lakes Advisors – July - September 2017	\$ 2,705.62
• 896 – Garcia Hamilton – Quarterly fee July - September 2017	\$ 4,045.95
• 897 – FPPTA – 2018 Annual Dues	\$ 600.00
• 898 – Pension Adm. Services – Service for November 2017	\$ 1,000.00

2018 MEETING SCHEDULE – all meetings are on Monday at 4:00 p.m.:

- March 12, 2018
- June 11, 2018
- September 10, 2018
- December 10, 2018

Nick Pachota made a motion to approve Consent Agenda vouchers #887-898 and the 2018 Meeting Schedule as presented; Barbara Fraser seconded the motion. Motion carried unanimously.

PLAN ADMINISTRATOR

Plan Administrator – Shelly Baumann

Administrator Baumann then addressed the following:

- The Final FY 2016-2017 Expenditure Report was presented for adoption.

Nick Pachota made a motion to adopt the Final FY 2016-2017 Expenditure Report as presented; Barbara Fraser seconded the motion. Motion carried unanimously.

- Administrator Baumann informed the Board that the 2016 Supplemental State check in the amount of \$9,973.77 was received and deposited into the Plan's account. The amount is much lower than anticipated and the shortfall of \$79,063.42 will be submitted by the city.
- Administrator Baumann notified the Board of an increase in fees from Foster & Foster in order to prepare state mandated reporting of the annual valuation. The fee for the first year will be \$750.00 and will be \$300.00 for subsequent years. Since this is a change to the Board's contract with Foster & Foster it requires Board approval.

PLAN ADMINISTRATOR – Cont.

Barbara Fraser made a motion to approve an increase in fees from Foster and Foster for state mandated reporting of the annual valuation to be \$750.00 for the first year and \$300.00 for subsequent years and to authorize the attorney to update the Board's contract with Foster and Foster; Rich Lanigan seconded the motion. Motion carried unanimously.

- Administrator Baumann informed the Board that Salem Trust received a clean opinion on their "Statement of Standards for Attestation".
- Administrator Baumann notified the Board of Council Resolution No. 2017-26 which suggest that all boards observe the Council's summer schedule of canceling its second regular meeting in July and its first regular meeting in August to give the city council a month-long summer recess. No action is required by the Board since the Board's meeting schedule does not conflict with the council's.
- Administrator Baumann informed the Board that she completed and submitted the 2017 US Census Report. Attorney Christiansen noted that there is no requirement to complete the survey and he recommends not doing so in the future.

Rich Lanigan made a motion that since it is not necessary for the US Census Survey to be completed that Administrator Baumann cease doing the survey; Nick Pachota seconded the motion. Motion carried unanimously.

ACTUARY - 2017 Valuation Report

Christine O'Neal with Foster and Foster addressed the Board to present the 2017 Valuation. The City contribution will be going down from \$2,426,107 to \$2,252,779 which is a reduction of \$173,328. The city has elected to use their pre-paid amount of \$218,843 to pay down the unfunded liability. Ms. O'Neal noted that a revised report showing this will be prepared. The four (4) year smooth is 7.09% which is greater than the 7% assumption. Ms. O'Neal stated that if the Plan meets the 7% assumption next year the four (4) year smooth will be about 6.3% because of the removal of the 09/30/2014 earnings of 10.38%. The funded ratio increased from 52.0% to 55.6%. It was noted that the Plan is now using the state mortality table.

Barbara Fraser moved to accept the 2017 Valuation Report as presented; Nick Pachota seconded the motion. Motion carried unanimously.

Rich Lanigan made a motion that based on the advice of the Board's investment professionals and actuary they have determined that the total expected annual rate of investment return for the next year, the next several years, and the long-term thereafter shall be at 7.00% net of investment related expenses; Barbara Fraser seconded the motion, which passed unanimously. Shelly will send the letter to the State.

FINANCIAL REPORTS

The following are portfolio holdings as of 09/30/2017 as presented in the financial reports received by the Board.

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

Portfolio Holdings as of 09/30/2017 for Account No. 1151 are summarized as below:

Beginning Net Asset Value 06/30/2017	2,347,562.94
Contributions	-0-
Withdrawals	-0-
Net Income Before Fees	23,714.17
Distributions Declared	
Asset Management Fees	(6,577.35)
Available for Reinvestment/Distribution	(28,636.09)
Amount Reinvested	28,636.09
Distributions Payable	-0-
Unrealized Gain/(Loss)	(6,541.86)
Realized Gain/(Loss)	27,029.16
Ending Net Asset Value 09/30/2017	<u>2,385,187.06</u>

The regular full Third Quarter 2017 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 09/30/2017 are summarized as below:

Portfolio Value on 10/31/2012	\$4,986,207.85
Accrued Interest	37,472.09
Net Additions/Withdrawals	(217,392.12)
Realized Gains/Losses	(157,876.52)
Unrealized Gains/Losses	(1,001.31)
Income Received	764,978.21
Change in Accrued Interest	(19,791.09)
Portfolio Value on 09/30/2017	5,376,918.73
Accrued Interest	17,680.99
Total Portfolio on 09/30/2017	<u>\$5,394,599.72</u>

The regular full Third Quarter 2017 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 09/30/2017 are summarized as below:

Portfolio Value on 02/09/2015	\$1,600,000
Net Flows	(33,288)
Appreciation	<u>384,967</u>
Ending Value 09/30/2017	<u>\$1,951,679</u>

The regular full Third Quarter 2017 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 with AndCo Consulting addressed the Board to present the Investment Performance Review for September 30, 2017. The Plan began with \$21,967,854 and ended with \$22,981,314 for a Total Fund change of \$635,945 for the quarter. Net earnings as a percentage for the quarter were 3.25% and 11.18% for the FYTD. Mr. Nash reported that the Plan is close to a 2% return for the quarter ending December 31, 2017. He then noted that the Plan increased by \$1,639,705 for the Fiscal Year. Mr. Nash stated that the Plan is now eligible to go to a lower share class with Templeton Global Bond.

Barbara Fraser moved to have the Plan move to a lower share class with Templeton Global Bonds going from .68% to .52%; Nick Pachota seconded the motion. Motion carried unanimously.

All Portfolio Holdings as of 09/30/2017 are summarized as below:

Garcia Hamilton Fixed Income Portfolio	5,394,576
Vanguard Total Stock Market Index (VITSX)	5,271,394
American Funds EuroPacific Gr R5 (RERFX)	3,467,630
Macquarie Large Cap Value (DPDEX)	2,835,586
Great Lakes Equity	1,951,674
American Core Reality Fund (Core Real Estate)	2,385,187
Templeton Global Bond (TGBAX)	1,074,247
R&D Account	<u>601,019</u>
Total Fund at 09/30/2017	<u>\$22,981,314</u>

The regular full Third Quarter 2017 Report for AndCo Consulting was included in the Board's agenda packet and a copy of the report is filed with these minutes.

ATTORNEY'S REPORT

Plan Attorney – Scott Christiansen

1. Attorney Christiansen reported that he has not had any correspondence with Gerald Collins since his eligibility hearing so his disability case is now close and Mr. Collins cannot appeal the Board's decision.
2. Attorney Christiansen asked about the status of union negotiations and was informed that the union and city have reached an agreement. Attorney Christiansen stated that the Plan now must adopt a *Share Plan* which will be done by an Ordinance. Attorney Christiansen needs direction from the union on how to divide up the share plan.

Nick Pachota moved to authorize the Plan attorney to prepare an Ordinance to adopt a "Share Plan" which will be sent to the Board and union to review prior to being on the March agenda for adoption; Barbara Fraser seconded the motion. Motion carried unanimously.


3. Attorney Christiansen informed the Board that Senate Bill (SB) 900 was pre-filed. This is a cancer bill which establishes the presumption for in-line-of-duty for specific types of cancer.
4. Attorney Christiansen stated that Pension Letter No. 2 must be sent to the city. This letter states that the Board is meeting the statutory requirement of Section 112.661(15), Florida Statutes, by sending the city manager, mayor, and council a copy of the Fiscal Year End Report. The report includes investments in the portfolio which are listed by class or type, book value, income earned, and market value as of September 30, 2017. Shelly will send the report and letter.
5. Attorney Christiansen then gave the Board an update on the status of his firm. They are cutting back from 160 plans to 100 plans having terminated about 60 plans. They are keeping to a smaller geographical area. The good news is that they will continue to service the Venice Fire Plan.
6. Attorney Christiansen presented the Board with an updated version of the Operating Rules and stated that due to the lateness of the meeting he asked that this item be placed on the Board's March agenda for review and action.

CHAIR REPORT, OTHER BOARD MEMBERS - None

The next regular meeting will be Monday, March 12, 2018 at 4:00 PM.

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

APPROVED:


ED VAN DEUSEN, CHAIRMAN


RICH LANIGAN, SECRETARY