

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

**Monday, December 12, 2016 - 4:00 P.M.**  
**First Floor Meeting Room**  
**5300 East Laurel Road, Venice, FL**

<b>Members Present:</b>	Ed Van Deusen, Chairman Rich Lanigan, Secretary Barbara Fraser Shawn Carvey
<b>Members Absent:</b>	Nick Pachota
<b>Plan Attorney:</b>	Scott Christiansen
<b>Plan Consultant:</b>	Tim Nash, The Bogdahn Group
<b>Investment Managers:</b>	Greg Peters, Dana Investment Advisors
<b>Plan Actuary:</b>	Doug Lozen, Foster & Foster
<b>Plan Administrator:</b>	Shelly Baumann
<b>City Staff:</b>	Assistant City Attorney R. David Jackson and City Clerk Lori Stelzer

**CALL TO ORDER/ ROLL CALL**

The meeting was called to order at 4:15 P.M.; by Chairman Van Deusen who stated that a quorum was present with four (4) members in attendance.

**HEAR THE AUDIENCE**

Assistant City Attorney R. David Jackson and City Clerk Lori Stelzer addressed the Board to present a Government In The Sunshine Law training program. All Board members were previously given a handout on Sunshine Law, Public Records and Florida's Ethics Code. Mr. Jackson then presented the Board with a four (4) page test. Mr. Jackson read the questions and asked the Board to give the correct answer. The Board has now completed the required Sunshine Law and Public Records training with the exception of member Nick Pachota who was not in attendance. In order to be in compliance Member Pachota will need to schedule training with the clerk's office.

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

***Shawn Carvey made a motion to approve the minutes of the September 12, 2016 quarterly meeting; Barbara Fraser seconded the motion. Motion carried unanimously.***

**CONSENT AGENDA –**

Approval of Payments:  
Voucher No.

• 823 – Pension Adm. Services – postage & copies May-Sept. 2016	\$ 60.34
• 824 – Pension Adm. Services – Service for September 2016	\$ 1,000.00
• 825 – Bogdahn Group – July-September 2016	\$ 4,375.00
• 826 – Christiansen & Dehner – Services for August 2016	\$ 39.40
• 827 – Christiansen & Dehner – Services for September 2016	\$ 1,063.97
• 828 – FPPTA 2017 Annual Dues	\$ 600.00
• 829 – Pension Adm. Services – Service for October 2016	\$ 1,000.00
• 830 – Dana Investment Advisors – July - September 818ca	\$ 4,232.89
• 831 – Dana Investment Advisors – July - September 818cb	\$ 2,912.62
• 832 – Garcia Hamilton & Assoc. – Quarterly Fees July-Sept. 2016	\$ 3,510.76
• 833 – Salem Trust – July - September 2016	\$ 4,194.72
• 834 – Great Lakes Advisors – July - September 2016	\$ 2,338.80
• 835 – Foster & Foster – O'Connor, review Ord, COLA schedule	\$ 1,415.00
• 836 – Christiansen & Dehner – Services thru October 2016	\$ 211.01
• 837 – Pension Adm. Services – Service for November 2016	\$ 1,000.00
• 838 - Ed Van Deusen –Hotel, mileage & per diem St conf. Nov. 2016	\$ 613.56

***Shawn Carvey made a motion to approve Consent Agenda vouchers #823-838 as presented; Barbara Fraser seconded the motion. Motion carried unanimously.***

**PLAN ADMINISTRATOR**

***Plan Administrator – Shelly Baumann***

Administrator Baumann then addressed the following:

1. Administrator Baumann presented the 4<sup>th</sup> Quarter FY 2015-2016 July-September Expenditure Report noting that a copy of the Final FY 2015-2016 report will be sent to the Department of Management Services.

***Barbara Fraser moved to approve the FY 2015-2016 Final Budget report and to send it to the state; Shawn Carvey seconded the motion. Motion carried unanimously.***

**PLAN ADMINISTRATOR Cont.**

2. The Board acknowledged the receipt of additional state fire funds in the amount of \$49,554.52.

**ACTUARY – 2016 Valuation Report**

Mr. Doug Lozen with Foster & Foster addressed the Board to present the 2016 Valuation Report. Mr. Lozen noted that the city is projected to owe \$2,373,121 for FY 2017-2018. They can use \$295,941 of state contributions and they have a pre-paid contribution of \$271,729 which can also be used. Mr. Lozen reported that the unfunded liability went down due to favorable actuarial experience of a 7.22% as compared to the Plan's assumption of 7%.

Mr. Lozen then reported that Finance Director Linda Senne is suggesting putting in place a "funding floor" rather than just paying the amount due. Mr. Lozen said that if this is done then the Plan could be 90% funded within 10 years.

Mr. Lozen suggested that the Board consider lowering the investment assumption below 7% within the next five (5) years. After additional discussion the Board decided they would like to leave the assumption at 7% until the funding status goes up.

Mr. Lozen explained the effect the new required mortality table had on the Plan noting that the funding status went up to 52.0% from 49.1% as shown at October 1, 2015. Mr. Lozen does not expect any significant gains or losses to occur over the next couple of years. Chairman Van Deusen asked Mr. Lozen if he knew why the state money had decreased over the last two (2) years to which Mr. Lozen stated that he did not know what caused the decrease; however most fire plans have decreased as well.

***Shawn Carvey moved to accept the 2016 Valuation Report as presented; Rich Lanigan 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 09/30/2016 as presented in the financial reports received by the Board.

***Investment Manager - Dana Investment Advisors, Inc.*** Greg Peters from Dana was in attendance and he gave his report for quarter ending September 30, 2016. Mr. Peters reported that since September 30, 2015 the Plan has received a total gain of \$332,249.95. He then reviewed several charts and graphs to explain why Dana trained in earnings. Mr. Tim Nash asked Mr. Peters about growth in October 2016 to which Mr. Peters reported that core is up.

Portfolio Holdings as of 09/30/2016 are summarized as below:

Total Portfolio 9/30/2015	\$4,092,599.02
Contributions/Withdrawals	( 27,610.82)
Investment Income	86,344.76
Unrealized Gain/Loss	403,983.06
Realized Gain/Loss	(157,248.90)
Change in Accrued Income	( 828.97)
Total Portfolio with Accruals & Receivables	<u>\$4,397,238.15</u>

The regular full Third 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.

***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 06/30/2016	2,208,701.35
Contributions	-0-
Withdrawals	-0-
Net Income Before Fees	21,845.85
Distributions Declared	
Asset Management Fees	( 6,185.61)
Available for Reinvestment/Distribution	( 26,940.00)
Amount Reinvested	26,940.00
Distributions Payable	-0-
Unrealized Gain/(Loss)	4,628.80
Realized Gain/(Loss)	<u>( 13,970.09)</u>
Ending Net Asset Value 09/30/2016	<u>2,242,960.48</u>

The regular full Third 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.

**FINANCIAL REPORTS Cont.**

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

Portfolio Holdings as of 09/30/2016 are summarized as below:

Portfolio Value on 10/31/2012	\$4,986,207.85
Accrued Interest	37,472.09
Net Additions/Withdrawals	( 882,389.79)
Realized Gains/Losses	( 94,061.96)
Unrealized Gains/Losses	2,710.31
Income Received	652,993.35
Change in Accrued Interest	( 21,917.11)
Portfolio Value on 09/30/2016	4,665,459.76
Accrued Interest	<u>15,554.98</u>
Total Portfolio on 09/30/2016	<u>\$4,681,014.74</u>

The regular full Third 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.

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

Portfolio Holdings as of 09/30/2016 are summarized as below:

Portfolio Value on 02/09/2015	\$1,600,000
Net Flows	( 23,384)
Appreciation	<u>115,082</u>
Ending Value 09/30/2016	<u>\$1,691,699</u>

The regular full Third 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 – The Bogdahn Group***

Tim Nash of The Bogdahn Group presented the Investment Performance Review for September 30, 2016. The Plan began with \$19,091,189 and ended with \$20,195,527 for a Total Fund increase of \$361,087 for the quarter. Mr. Nash reported gross earnings were 2.35% for the quarter and 7.95% for the FYTD which exceeded the Plan's assumption of 7%. Mr. Nash noted that passive investments did better this FY as opposed to active managers which did better last FY. Mr. Nash then reviewed the compliance check list.

## **FINANCIAL REPORTS Cont.**

### ***Performance Monitor – The Bogdahn Group***

All Portfolio Holdings as of 09/30/2016 are summarized as below:

Garcia Hamilton Fixed Income Portfolio	4,681,153
Dana LC Equity Portfolio	2,604,859
Dana Growth Equity Portfolio	1,792,379
American Funds EuroPacific Gr R5 (RERFX)	2,679,961
Delaware Large Cap Value	2,168,663
Great Lakes Equity	1,691,720
American Core Reality Fund (Core Real Estate)	2,242,960
Templeton Global Bond (TGBAX)	842,126
R&D Account	<u>1,491,705</u>
Total Fund at 09/30/2016	<u>\$20,195,527</u>

The regular full Third 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.

## **ATTORNEY'S REPORT**

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

1. Attorney Christiansen then noted 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, 2016. Shelly will send the report and letter.
2. Attorney Christiansen reported that the Ordinance to update IRS language was adopted; however the Plan still needs to have a *Share Plan* which will be done after the new union contract is adopted. Chairman Van Deusen asked how the VEBA Health Trust would be affected by the share plan to which Attorney Christiansen stated that you do not have to fund the share plan, you only need to have it in place.
3. Attorney Christiansen reported that he did finalize the contract with the Plan's auditor. Shelly reported that she did receive a request for information from the auditor and sent everything on to them.

**CHAIR REPORT, OTHER BOARD MEMBERS**

Chairman Van Deusen asked what the Plan would have looked like if it only invested in the S&P to which Mr. Nash stated that the Plan earned 7.95% compared to the Policy of 10.65%.

Mr. Nash noted that he is getting information to present to the Board for a passive investment which would not take on risk and could provide liquidity when needed. He hopes to have something for the Board to review at their next regular meeting.


Shawn Carvey asked Attorney Christiansen about the lack of new developments in the city limits which were not included as being in the city to which Attorney Christiansen stated that the city has an employee who is responsible for updating the state data base. If the data base is not updated then it affects the amount of funds the city receives for fire and also the telecommunications tax. Member Carvey reported that the state will not go back and pay the city a retro amount.

Chairman Van Deusen then asked Attorney Christiansen how much military time a firefighter could receive credit for when he goes away for extended periods of time. Attorney Christiansen said that the Plan allows for five (5) years of credit service and the member must be active duty military and not in the reserves. Chairman Van Deusen said that he was told at the recent state conference that due to the type of service the member provides he would be entitled to additional years of credited service. Attorney Christiansen will contact the attorney with Sugarman Susskind who gave the presentation at the conference and will get back with Chairman Van Deusen on this.

The next regular meeting will be Monday, March 13, 2017 at 4:00 PM.

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

**APPROVED:**

  
ED VAN DEUSEN, CHAIRMAN

  
RICH LANIGAN, SECRETARY