

**NORTH RIVER FIRE DISTRICT
FIREFIGHTERS' RETIREMENT TRUST FUND
QUARTERLY MEETING MINUTES**
North River Fire Department, Station 2, Training Room
823 49th Street East, Palmetto, FL 34221

Wednesday, March 1, 2017, at 8:30AM

TRUSTEES PRESENT: Joel Baker
Matt Thornton
Brad Johnson
Mary Egan
Rod Griffon

TRUSTEES ABSENT: None

OTHERS PRESENT: Tony Kay, AndCo Consulting
Kerry Richardville, AndCo Consulting
Ferrell Jenne, Foster & Foster
Doug Lozen, Foster & Foster
Scott Christiansen, Christensen & Dehner

1. **Call to Order** Rod Griffon called the meeting to order at 8:30AM.
2. **Roll Call** As reflected above.
3. **Public Comments** None.
4. **Approval of Minutes**

The minutes from the December 7, 2016, quarterly meeting were approved upon motion by Matt Thornton and second by Brad Johnson, motion carried 5-0.

Note: Rod Griffon introduced Joel Baker as the new member elected Trustee.

5. **Reports**
 - a. Foster & Foster, Doug Lozen, Board Actuary.
 - i. October 1, 2016, Actuarial Valuation Report.
 1. Doug Lozen reminded the board that the valuation sets the contribution requirement for fiscal year ending September 30, 2018.
 2. The total required contribution from the District for fiscal year ending September 30, 2018 is \$1,219,945, up from \$1,120,919 for fiscal year ending September 30, 2017.
 3. Doug Lozen commented that experience during the last 12 months has been less favorable than expected, due to no employee terminations and a 7.15% investment return, falling short of the 7.75% assumption. These losses are partially offset by interest adjustments made to prior year Share Account balances.
 4. Doug Lozen commented that the contribution requirement would increase due to the FRS mortality tables having to be used in the valuation and payroll growth. The FRS mortality tables are more conservative than the RP2000 mortality tables that have been used in prior valuations.
 5. Doug Lozen commented that the funded ratio increased from 74.6% to 75.4%.

6. Doug Lozen reviewed the UAAL Schedule and stated that approximately 30% of the District's current funding would drop off over the next five years.
7. Doug Lozen commented that there would be a small tweak to the FRS mortality tables but he did not think the adjustment would cause a large impact on the plan.
8. Doug Lozen reviewed the new mortality tables versus the RP2000 tables.

The board approved the October 1, 2016, valuation report as presented upon motion by Mary Egan and second by Matt Thornton, motion carried 5-0.

ii. Cost Study.

1. Doug Lozen reviewed the benefit enhancement study that showed three scenarios to increase the multiplier.
2. Rod Griffon commented that the benefit improvement cost will be bore by the members.
3. Doug Lozen presented the three scenarios: A.) Increase multiplier to 3.5% beginning October 1, 2017, which would increase funding by approximately \$83,000 per year. This would increase the member contributions from 4.5% to 7.5%. B.) Increase multiplier to 3.25%, beginning October 1, 2017, for credited service accrued after October 1, 2017. For each year accrued after October 1, 2017, an additional year prior to October 1, 2017 is also upgraded to 3.25%. Rod Griffon gave a brief history of the multiplier. Doug Lozen commented this would increase the member contributions from 4.5% to approximately 6.8%. C.) Same as option "B", except multiplier would increase to 3.5%. This would increase the member contributions from 4.5% to 9.1%.
4. Rod Griffon commented negotiations were in May to June and the increased multiplier would be discussed at that time.
5. Doug Lozen commented they were updating the Share Plan as of September 30, 2016, and should be done in the next few weeks.
6. Rod Griffon asked about the Share Plan cost. Doug Lozen commented that it is very labor intensive, but Foster & Foster could reduce the cost from \$4,000 to \$3,000 for future Share Plan statements and reconciliations.

b. AndCo Consulting, Tony Kay, Investment Consultant.

i. Quarterly update as of December 31, 2016.

1. Tony Kay introduced Kerry Richardville and gave a brief overview of her experience.
2. Tony Kay explained the name change, commenting that the philosophy behind the name was to always put clients first.
3. Tony Kay gave an overview of the market environment during the quarter.
4. Market value of the fund as of December 31, 2016, was \$16,692,017.
5. Gross earnings for the quarter were 0.39%, underperforming the policy benchmark of 0.53%. Fiscal YTD earnings were 0.39%, underperforming the benchmark of 0.53%. Trailing returns for the 3 and 5 year periods were 4.33% and 8.47%. Since inception (2/1/2001) gross earnings were 5.98%, outperforming the policy benchmark of 4.78%.
6. Tony Kay reviewed the asset allocation and commented that the portfolio was within the IPS ranges.
7. Tony Kay reviewed the performance of each investment manager.

8. Rod Griffon asked about managers being in the Top 40th percentile. Tony Kay commented that was the goal for all active managers.
9. Tony Kay reviewed Dana Investment Advisor's performance and commented that they had bounced back. Tony commented that a large part of the portfolio was with Dana Investment Advisors and the Board may want to consider diversifying the portfolio.
10. Rod Griffon asked about the process for hiring a new investment manager. Tony Kay commented that he would bring back a "short list" of managers and review the options with the Board. Scott Christiansen confirmed that an RFP is not needed.
11. Tony Kay reviewed fixed income managers and commented that this was the first quarter in a long time that they had negative returns.

6. **New Business**
 - a. Election of Officers.

The board nominated Joel Baker as Chairman upon motion by Rod Griffon and second by Brad Johnson, motion carried 5-0.

7. **Reports (continued).**
 - a. Christiansen & Dehner, Scott Christiansen, Attorney.
 - i. Legislative update.
 1. SB158/HB143 adds certain types of cancers to the presumptions list for an ILOD disability benefit. Scott Christiansen commented that a similar Bill was filed last year but did not pass.

Note: Brad Johnson left at 9:30AM

2. SB 306 – Presents changes in Chapter 112 on voting conflicts. The bill changes wording from "special situations" to "ANY situation" that would result in a gain/loss.
3. SB 632/HB 603 – Puts collars on the investment return assumption and requires the plan to look at the long range investment assumption. If adopted, Scott Christiansen commented the effective date would be 2021.
4. Rod Griffon briefly reviewed the PRIA and Scott Christiansen commented that set-up forms were done by his office and sent to the administrator.
5. Scott Christiansen commented that Richard Wood had 90 days to appeal and he did not, so his denial was final.

The board voted the declaration of returns for the plan shall be 7.75% for the next year, the next several years, and the long-term thereafter net of investment related expenses, upon motion by Matt Thornton and second by Joel Baker, motion carried 4-0.

8. **New Business (continued).**
 - a. Certification of election results.
 - i. Ferrell Jenne commented that she received a total of 37 votes. 30 votes were for Joel Baker and 7 votes were for Tim Hadlock.

The board voted to certify the member election results upon motion by Mary Egan and second by Matt Thornton, motion carried 4-0.

- b. Updated Summary Plan Description (SPD).
 - i. Scott Christiansen reviewed the updates that were in the Summary Plan Description. Scott commented there were references to a plan administrator along with additions of the PRIA language, IRS limitations on max benefit, and language regarding the SB 172 requirements.

The board voted to approve the Summary Plan Description with changes to "Exhibit A" upon motion by Joel Baker and second by Matt Thornton, motion carried 4-0.

9. **Old Business** None.

10. **Consent Agenda**

- a. Warrant #24 for ratification.
 - i. Christiansen & Dehner, invoice 29778, \$712.55
 - ii. FPPTA, Board membership renewal, \$600.00
 - iii. The Bogdahn Group, invoice 20175, \$4,375.00
 - iv. Foster & Foster, invoice 9866, \$1,271.85
 - v. Salem Trust, 4th quarter fees, \$2,909.66
- b. Warrant #25 for payment approval.
 - i. Dana Investment Advisors, invoice 52978, \$9,627.32
 - ii. Agincourt Capital Management, invoice 6298, \$4,036.50
 - iii. Foster & Foster, invoice 9998, \$1,200.00
- c. Fund activity update from November 29, 2016-February 23, 2017.

The board voted to approve the consent agenda as presented upon motion by Matt Thornton and second by Joel Baker, motion carried 4-0.

11. **Staff Reports, Discussion, and Action**

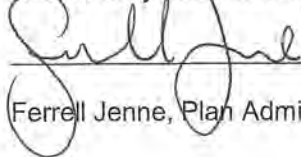
- a. Ferrell Jenne, Plan Administrator
 - i. Discussion of number of calculations covered by the plan.
 - 1. Rod Griffon commented that there should be a rule that allows two calculations, one estimate, and one final calculation. The board agreed by consensus.
 - 2. Scott Christiansen commented that he would update the Operating Rules adding the two calculation rule and allowing the plan administrator to pay contractual invoices.
 - ii. Educational opportunities.
 - 1. Ferrell Jenne reminded the board that per the Operating Rules, each trustee is required to attend a seminar or conference regarding trustee duties and responsibilities relating to the investment program of the plan at least once per term.
 - 2. Mary Egan commented that she would like to attend the Division of Retirement conference in Tallahassee on May 31, 2017-June 2, 2017.

12. **Trustee Reports, Discussion, and Action**

13. **Adjournment** The meeting adjourned at 9:55am.

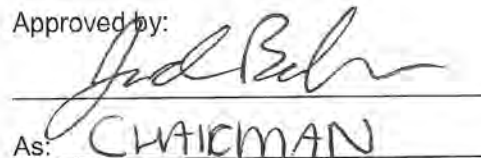
14. **Next Meeting** June 15, 2017 at 10:00am.

Respectfully submitted by:



Ferrell Jenne, Plan Administrator

Approved by:


As: CHAIRMAN

Date Approved by the Pension Board:

JUNE 15, 2017