

**NORTH RIVER FIRE DISTRICT
FIREFIGHTERS' RETIREMENT TRUST FUND
QUARTERLY MEETING MINUTES**
North River Fire Department, Administration Building, Conference Room
1225 14th Ave West, Palmetto, FL 34221

Wednesday, March 2, 2016, at 8:30AM

TRUSTEES PRESENT: Tim Hadlock
Matt Thornton
Brad Johnson
Rod Griffon

TRUSTEES ABSENT: None

OTHERS PRESENT: Jack Evatt, The Bogdahn Group
Tony Kay, The Bogdahn Group
Scott Christiansen, Christiansen & Dehner
John Hamlin, Dana Investment Advisors
Doug Lozen, Foster & Foster
Ferrell Jenne, Foster & Foster

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 November 5, 2015, quarterly meeting were approved upon motion by Matt Thornton and second by Brad Johnson, motion carried 4-0.

Agenda change: Doug Lozen requested to present his valuation report after Scott Christiansen arrived.

5. **Reports**
 - a. Dana Investment Advisors, John Hamlin, Investment Manager.
 - i. Quarterly update as of December 31, 2015.
 1. John Hamlin gave a brief overview of the market during the quarter.
 2. Portfolio value started the quarter at approximately \$5.2M and ended at approximately \$5.57M for a gain of \$283,863.08.
 3. Returns for the quarter were 5.48%, underperforming the benchmark of 7.04%. The three year average annual returns were 15.14%, slightly exceeding the benchmark of 15.13%.

Note: Scott Christiansen arrived at the meeting at 8:40am.

4. John Hamlin reviewed the equity market and briefly reviewed index and sector returns pointing out the top contributors for the S&P 500.
5. John Hamlin explained his firm's strategy was to stay sector neutral and not take sector bets.
6. John Hamlin reviewed the Dana Large Cap Equity strategy and characteristics.
7. John Hamlin gave a brief economic update including housing starts, vehicle sales, sector earnings forecasts, and GDP growth since the recession ended.

8. John Hamlin reviewed the holdings and commented energy holdings were down to approximately 6.5% from approximately 8.0%.
 9. The board had no questions.
- b. Christiansen & Dehner, Scott Christiansen, Attorney.
- i. Scott Christiansen explained the fifth member election from the last meeting was not valid because Matthew Thornton voted. Scott stated the board could re-elect Matthew Thornton today since there were four members present.

The board nominated Matt Thornton as the fifth trustee upon motion by JD Hadlock and second by Brad Johnson, motion carried 3-0, with Matt Thornton abstaining.

- ii. Legislative update.
 1. House Bill 456 amends section 112 of the Statutes which would expand ILOD disability presumption to include certain types of cancer.
 2. Senate Bill 1186 amends public records exemptions to not only include personal information of active firefighters, but also retired firefighters.
- iii. Scott Christiansen gave an update on Richard Wood and informed the board Richard had retained an attorney. Scott emailed an explanation of the Ordinance to Richard's attorney on November 20, 2015, and to date had not received any correspondence back.
- iv. Scott reminded the trustees to file Form 1, Financial Disclosures by July 1st to avoid fines.
- v. Scott Christiansen recommended the board designate Ferrell Jenne as the records management liaison officer (RMLO) and stated he would prepare a Resolution if the board decided to do so.
- vi. Scott Christiansen informed the board he had reviewed all the GlobeTax documents and recommended the board to participate.
- vii. Scott Christiansen reviewed the proposed Ordinance.
- viii. Rod Griffon asked about allowing members to leave DROP/Share money in the plan after they terminate employment, but should earn 2% less than the plan's net earnings.
- ix. Rod Griffon commented he would like to see the DROP/Share money separated. Scott stated he had them together due to IRS requirements at the time the proposed Ordinance was done, but could now make the change.

Note: Jack Evatt left the meeting at 9:15am.

- x. Doug Lozen recommended the board add a statement that would allow them to make an administrative decision.
- xi. Rod Griffon asked about the 100% vested language in section 3. Scott Christiansen stated this was IRS language which confirmed vesting status.
- xii. Rod Griffon commented that any forfeitures were to go towards the UAAL not the member share accounts.
- xiii. Scott Christiansen stated he would incorporate the changes discussed into the proposed Ordinance.
- xiv. Doug Lozen commented that if the DROP/Share account monies left in the plan becomes a large percentage of the assets he may need to address the board regarding the length of time this balance could be left in the plan.

Note: Scott Christiansen left the meeting at 9:30am.

- c. The Bogdahn Group, Tony Kay, Investment Consultant.
 - i. Quarterly update as of December 31, 2015.

1. Tony Kay briefly reviewed the market environment during the quarter.
 2. Market value of the fund started the quarter at \$15,457,297 and ended at \$16,660,748 as of December 31, 2015.
 3. Rod Griffon asked about District contributions for the year. Tony Kay stated the deposit amount was shown on the reconciliation chart under contributions.
 4. Gross earnings for the quarter were 2.32%, underperforming the policy benchmark of 3.12% by -0.80%. Since inception (2/1/01) gross earnings were 5.98%, outperforming the benchmark of 4.59% by 1.39%.
 5. Rod Griffon asked if any portfolio changes were needed. Tony Kay recommended no changes and made assurances the investment managers were monitored and would inform the board if any needed to be put on watch.
 6. Tony Kay reviewed the compliance checklist with the board.
- d. Foster & Foster, Doug Lozen, Actuary.
- i. Presentation of the October 1, 2015, Valuation report.
 1. Doug Lozen reviewed the report with the board stating the plan had some less than favorable experience largely due to no member turnover and earlier than expected normal retirements. Offsetting these losses were the effects of average increases in pensionable earnings that were less than expected, and a 9.53% investment return which exceeded the assumed rate of 7.75%.
 2. Doug discussed the District's funding requirements for the current fiscal-year ending September 30, 2016, stating the required contribution is \$1,070,563, and looking forward to the fiscal-year ending September 20, 2017, the District's required contribution will be \$1,120,919.
 3. Doug Lozen reminded the board they were on a dollar funding method.
 4. Doug reminded the board that any State money over the \$180,072 contribution would go to the share plan.
 5. Doug Lozen commented the funded ratio was up from 71.9% as of October 1, 2014, to 74.6% as of October 1, 2015.
 6. Doug briefly reviewed the total share plan balance, stating it had grown from approximately \$998,000 as of October 1, 2014, to approximately \$1.2M as of October 1, 2015.
 7. The board discussed preliminary tax dollars and Doug commented that fire plans across the State received less money this year. Doug reviewed the history of the premium tax refund and stated the 10 year average was approximately 10%.
 8. Doug Lozen commented the plan was dropping off a large investment return and reminded the board that the FRS mortality table will have to be utilized in the October 1, 2016 valuation which will likely increase funding requirements since the table is more conservative.

The board voted to approve the October 1, 2015, valuation report as presented upon motion by Mathew Thornton and second by Brad Johnson, motion carried 4-0.

The board voted to declare the expected rate of investment returns 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 Brad Johnson and second by JD Hadlock, motion carried 4-0.

6. **New Business**
 - a. RMLO Discussion.

The board voted to name Ferrell Jenne as the records management liaison officer (RMLO) upon motion by Mathew Thornton and second by JD Hadlock, motion carried 4-0.

- b. FPPTA 2016 Membership.
 - i. Ferrell Jenne informed the board that the annual board membership fee is \$600.

The board voted to renew the FPPTA membership for 2016 upon motion by Mathew Thornton and second by Brad Johnson, motion carried 4-0.

7. **Old Business**

- a. Further discussion of participation in GlobeTax.

The board voted to participate in GlobeTax upon motion by Mathew Thornton and second by Brad Johnson, motion carried 4-0.

- b. Commission appointed trustee seat.
 - i. Rod Griffon informed the board that the Fire Chief was recommending a candidate to the Commission at the next Council meeting.

8. **Consent Agenda**

- a. The board reviewed the items on the consent agenda.

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

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

- a. Update on confirmation of receipt of benefit forms sent out to Plan retirees.
 - i. Ferrell Jenne informed the board that there were retirees that did not return the confirmation form by the deadline. A certified follow-up letter will now be sent to these retirees.
- b. Plan administration website portal.
 - i. Ferrell Jenne informed the board that a portal could be set-up for the plan on the Foster & Foster website for a one-time fee of \$600. The portal would contain all relevant plan documents such as member forms, reports, summary plan description, investment policy statement, meeting minutes, trustee information, etc.

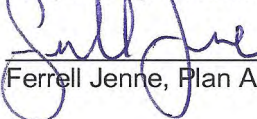
The board voted to approve the plan administration website portal and one time set-up fee of \$600 upon motion by Mathew Thornton and second by Brad Johnson, motion carried 4-0.

- 10. **Trustee Reports, Discussion, and Action** None.

- 11. **Adjournment** The meeting adjourned at 10:30am.


- 12. **Next Meeting** June 1, 2016 at 8:30am.

Respectfully submitted by:



Ferrell Jenne, Plan Administrator

Approved by:



Tim Hadlock, Chairman

Date Approved by the Pension Board:

JUNE 1, 2016