FIRE PENSION BOARD

MINUTES

JANUARY 18, 2018

10:30 A.M.

CALL TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL

PRESENT:

Mark Keenan, Secretary
Keith Beattie, Member
Bruno Falkenstein, Member
Michael Terry, Member

ABSENT:

Ryan Holt, Chairman

ALSO PRESENT:

Vince Tenaglia, Administrative Services Director
Mary Jo Murphy, Deputy City Clerk
Lee Dehner, Christansen & Dehner
Tyler Grumbles, AndCo Consulting
Lynn Skinner, Salem Trust

1. Changes to the Agenda

Secretary Keenan informed the board that the Actuarial Valuation Report had not been prepared, and that Patrick Donlan, Foster & Foster, would not be present for the meeting.

Vince Tenaglia, Administrative Services Director, asked to remove the following items from the agenda:

- Item No. 5, "Reports – Foster & Foster"
- Item No. 6, "Actuarial Valuation Report from Foster & Foster"

Member Falkenstein made a motion to remove Foster & Foster from the agenda. The motion was seconded by Secretary Keenan and unanimously approved by a roll call vote, (4 yeses – 0 nos).

2. Audience Comments

There were no audience comments.

3. Approval of Minutes

- August 17, 2017 meeting / September 20, 2017 meeting

Member Falkenstein made a motion to approve the 8/17/2017 minutes and the 9/20/2017 minutes. The motion was seconded by Secretary Keenan and unanimously approved by a roll call vote, (4 yeses – 0 nos).

4. Payment of Invoices

• Christiansen and Dehner	Invoice No. 31387	$ 85.00
• Christiansen and Dehner	Invoice No. 31263	$ 668.27
• AndCo	Invoice No. 23977	$4,500.00
• Salem Trust		$3,190.00
• Anchor		$3,005.65
• Insight	Invoice No. 1079-ISC-TRSA	$2,358.29
• Brown	Invoice No. 20170930-1365-7713-A	$2,815.17

Member Falkenstein made a motion for the payment of invoices. The motion was seconded by Member Beattie and unanimously approved by a roll call vote, (4 yeses – 0 nos).

5. Reports

AndCo Consulting

Tyler Grumbles, AndCo Consulting, informed the board that Ms. Richardville will be the new AndCo Consulting consultant for the Fire Pension Board.

Mr. Grumbles reviewed with the Board a report entitled "City of St. Pete Beach Firefighters' Retirement System, Investment Performance Review Period Ending December 31, 2017."

After reviewing the above-mentioned report, Mr. Grumbles suggested increasing the allocation to real estate and committing $225,000 toward real estate.

Member Terry made a motion to raise the real estate allocation to 10 percent.

Secretary Keenan asked Member Terry to re-word his motion, and Member Terry withdrew his motion.

Member Terry made a motion to commit $225,000.00 into real estate. The motion was seconded by Member Falkenstein and unanimously approved by a roll call vote, (4 yeses – 0 nos).

In regard to Brown Advisory, the following occurred:

- It was the consensus of the Board that Ms. Richardville would research other options for comparison.
- Brown Advisory will be reviewed during the next Board meeting.

In regard to Insight Investment, Mr. Grumbles reviewed with the Board a report entitled: "St. Pete Beach Firefighters' Retirement System." After reviewing the aforementioned report, Mr. Grumbles recommended liquidating the Insight fund and replacing it with either one fund, Metropolitan West, or two funds, Dodge & Cox and Metropolitan West Funds.

Member Beattie made a motion to replace Insight with Dodge & Cox and Metropolitan West, 50/50, per Mr. Grumbles' recommendation. The motion was seconded by Member Terry and unanimously approved by a roll call vote, (4 yeses – 0 nos).

After voting to liquidate Insight Investment, Mr. Grumbles suggested using a transition manager, CAPIS, Capital Institutional Services, Inc.

Member Terry made a motion to use the transition manager, CAPIS, to transition from Insight to the two new bond managers. The motion was seconded by Member Beattie and unanimously approved by a roll call vote, (4 yeses – 0 nos).

<u>Foster & Foster</u>

Item No. 5, "Reports - Foster & Foster," was removed during Item No. 1, "Changes to the Agenda."

<u>Salem Trust</u>

Lynn Skinner, Salem Trust, informed the Board that she was following up on obtaining signatures for the Fee Addendum. Ms. Skinner asked Secretary Keenan for his signature after the meeting and that she will contact Chairman Holt to meet at City Hall to have the document signed.

<u>Christiansen & Dehner</u>

Attorney Dehner discussed the following with the Board:

- legislative update: Senate Bill 900 and Senate Bill 980

6. <u>Actuarial Valuation Report from Foster & Foster</u>

Item No. 6, "Actuarial Valuation Report from Foster & Foster," was removed during Item No. 1, "Changes to the Agenda."

7. New Business

- Set FY 18-19 Earnings Assumption

It was a consensus of the board to hold a special meeting on February 6, 2018 at 11:30 a.m. to meet with Patrick Donlan for the valuation report from Foster & Foster and to determine the expected annual rate of return.

Mr. Grumbles stated that 7.70 percent would be a reasonable amount over the next year, next several years and long-term thereafter. Secretary Keenan added that the board had decided, if needed, to lower it in increments for 5 years if the valuation report dictated. Furthermore, Mr. Grumbles stated he would supply the 60T information.

- Board member Mark Keenan's term expiration

Secretary Keenan informed the Board that his term was expiring in March 2018 and that voting will take place at the firehouse.

- FINRA Requirements

Secretary Keenan stated that the FINRA requirements were not needed due to liquidating Insight Investment, Inc.

8. Adjournment

There being no further business to come before the Board, the meeting was adjourned at 11:41 a.m.

Attest:

Rebecca C. Haynes, City Clerk

Ryan Holt, Chairman

Minutes approved on: 4/19/18