

**WEST MANATEE FIRE & RESCUE DISTRICT  
FIREFIGHTERS' RETIREMENT PLAN BOARD OF TRUSTEES  
QUARTERLY MEETING MINUTES  
6510 3<sup>rd</sup> Avenue West, Bradenton, FL 34209**

Wednesday, October 24, 2019, at 9:00AM

**TRUSTEES PRESENT:** Dan Tackett  
Stewart Moon  
Chad Brunner  
Burdette (Bud) Parent  
Scott Ricci

**TRUSTEES ABSENT:** None

**OTHERS PRESENT:** Scott Christiansen, Christiansen & Dehner  
Siera Feketa, Foster & Foster  
Kerry Richardville, AndCo Consulting  
Ben Rigney, Fire Chief  
Members of the Plan

1. **Call to Order** – The meeting was called to order at 9:00am by Dan Tackett.
2. **Roll Call** – As reflected above.
3. **Public Comments** – None.
4. **Approval of Minutes**

**The minutes from the July 31, 2019, quarterly meeting were approved, upon motion by Stewart Moon and second by Chad Brunner; motion carried 5-0.**

5. **New Business**
  - a. Actual Expenses as of September 30, 2019
    - i. Siera Feketa reviewed the requirement to prepare the actual expenses as of September 30, 2019.
    - ii. Scott Christiansen commented this was required by the State.

**The board voted to approve the Actual Expenses as of September 30, 2019 as presented, upon motion by Stewart Moon and second by Scott Ricci; motion carried 5-0.**

6. **Old Business** – None.
7. **Reports**
  - a. AndCo, Kerry Richardville, Investment Consultant
    - i. Quarterly report as of September 30, 2019
      1. Kerry Richardville reviewed the market environment during the quarter, commenting it had been a somewhat volatile quarter.
      2. The preliminary market value of assets as of September 30, 2019, were \$18,633,940.
      3. Kerry Richardville reviewed the current asset allocation. Kerry further reviewed the asset allocation in comparison to the Investment Policy Statement (IPS), commenting everything was in line with the IPS and very close to targets and no changes needed to be made at this time.
      4. Total fund gross returns for the quarter were 0.50% underperforming the policy index of 1.08%. Total fund gross trailing returns for the 1, 3, and 5-year periods were 4.31%, 8.52%

and 6.42%, respectively. Since inception (01/01/1999), total fund gross returns were 6.10%.

5. Kerry Richardville briefly reviewed the performance of each investment manager. Kerry commented she was not recommending any changes at this time.
  6. Scott Christiansen commented because they use a four-year smoothing technique, the negative return would be dropping off and therefore the four-year average should be increasing.
  7. Dan Tackett asked how long before they needed to start putting Templeton on watch. Kerry Richardville commented they still like them and their strategy made sense. Kerry commented they jump off the page because they look so different than the benchmark. Kerry commented that was a contrarian strategy and if there was a large political or economic event, this strategy would likely perform well. Dan commented they did not have a large allocation committed to Templeton.
  8. Stewart Moon asked Kerry Richardville if she was expecting the economy to slow in 2020. Kerry Richardville commented she thought it would continue to slow but did not know if they would see a recession. Stewart commented that would make the bonds improve. Kerry Richardville commented Templeton was keeping a lot of cash on hand, and she was happy to bring a search if the board would like.
  9. Stewart Moon asked what another drop in the interest rates would do. Kerry Richardville commented it would flatten things out.
  10. Stewart Moon asked Kerry Richardville if she thought the returns would be a challenge next year. Kerry Richardville commented it could be a challenging couple of years, but because they were long-term focused, there was nothing she would change at this point.
- ii. Asset allocation study
1. Kerry Richardville commented the purpose behind this was to look at the asset allocation, which drove about 90% of the performance.
  2. Kerry Richardville commented the return, risk, and correlation forecasts utilized in this report were developed by JP Morgan Asset Management. Kerry commented this was an estimate and the figures may not be correct but were reasonable.
  3. Kerry Richardville reviewed the long-term asset allocation model inputs.
  4. Kerry Richardville reviewed the asset class historical performance versus assumptions. Kerry reviewed the returns for the current mix and commented the one-year forecast was 5.76%, with a standard deviation of 9.27%.
  5. Kerry Richardville reviewed the model asset allocation and commented after 10-15 years the current mix would return to 5.26%. Kerry reviewed how the other mixes would perform in comparison to the current mix.
  6. Kerry Richardville commented there were changes that could be made, however, there was nothing that jumped out as the changes were incremental.
  7. The board discussed their current allocation and the changes they could make. Kerry Richardville commented they could comfortably increase real estate by 5.0%.
  8. Scott Christiansen commented it would require a policy change. Kerry Richardville commented if approved, she would prepare the policy change. Kerry reviewed the current IPS.
  9. Scott Christiansen commented the change in the IPS could not be effective until 31 days after it had been provided to the district.

**The board approved amending the IPS to decrease domestic fixed income from 30% to 25% and increase real estate from 5.0% to 10.0%, upon motion by Dan Tackett and second by Stewart Moon; motion carried 5-0.**

10. Kerry Richardville commented the money will be moved on a pro-rata basis.

**The board approved moving 2.5% from each fixed income manager to real estate after the effective date of the IPS, which would be 31 days following the date in which the IPS had been provided to the District, upon motion by Dan Tackett and second by Stewart Moon; motion carried 5-0.**

- b. Christiansen & Dehner, Scott Christiansen, Plan Attorney
  - i. Proposed 2020 Meeting Dates

**The board approved the 2020 meeting dates as presented, upon motion by Dan Tackett and second by Scott Ricci; motion carried 5-0.**

*Note: Scott Ricci left at 9:45am.*

- ii. Cyberattack and cyber liability memo
  1. Scott Christiansen reviewed the memo that was prepared by Klausner, Kaufman, Jensen, & Levinson. Scott commented he had been looking at this for a couple of years.
  2. Scott Christiansen commented what they were discussing was the plan itself and its various vendors having risk. Scott commented the risk was that some vendors had personal information on the members and the retirees.
  3. Scott Christiansen reviewed the risk of data being held at ransom.
  4. Scott Christiansen commented \$5 million was not necessary for all vendors. Scott commented having the cyber liability insurance was something worth looking into.
  5. The board and the attorney discussed different ransom situations.
- iii. Scott Christiansen commented the Summary Plan Description (SPD) was approved at the last meeting and asked if it was distributed. Siera Feketa stated she would confirm the date it was distributed.
- iv. Scott Christiansen reviewed the State requirement of having the annual report of investment activity sent to the District. Scott commented it needed to be sent once a year per the plan's Operating Rules.
- v. Scott Christiansen reviewed the PF-15, Special Tax Notice, commenting the form had been revised. Scott commented he used the IRS form and removed everything not applicable to the plan.
- vi. Scott Christiansen commented they had a new disability application. Scott reviewed the member and the disability he was claiming. Scott commented they received the application on October 18, 2019 and sent out the necessary forms and interrogatories. Scott commented the member was currently on a leave of absence and should stay on leave if he could.
  1. Scott Christiansen reviewed the disability process.
  2. The board discussed the impact of the disability on the plan. Scott Christiansen commented the actuary makes assumptions as to how many disabilities the plan would have and the applicant was eligible for normal retirement, so there should not be a large impact to the plan.
  3. Ben Rigney commented the member's average final compensation was increasing. Scott Christiansen commented it was only increasing if he continued to get paid. The board discussed the disability applicant's benefit accrual rate as he had earned enough credited service to exceed the minimum percentage for the disability benefit.

4. The board reviewed the eligibility requirements of disability.
- vii. Siera Feketa informed the board the SPD was sent to all the members via email on August 15, 2019.

8. **Consent Agenda**

- a. Payment ratification
  - i. Warrant #56
    1. Foster & Foster, invoice #14908, \$1,000.00
    2. Salem Trust, 2nd quarter fees, \$1722.60
    3. Dana Investment Advisors, invoice #68921, \$1,372.63
  - ii. Warrant #57
    1. Christiansen & Dehner, invoice #33464, \$2,780.90
    2. Foster & Foster, invoice #15047, \$1,000.00
    3. Foster & Foster, invoice #15102, \$700.00
  - iii. Warrant #58
    1. Christiansen & Dehner, invoice #33540, \$44.20
    2. Foster & Foster, invoice #15333, \$1,081.71
    3. AndCo Consulting, invoice #33220, \$4,164.06
  - iv. Warrant #59
    1. Christiansen & Dehner, invoice #33613, \$88.40
    2. Foster & Foster, invoice #15516, \$1,000.00
- b. New invoices for payment
  - i. None.
- c. Fund activity report for July 25, 2019 through October 17, 2019.

**The board voted to approve the consent agenda as presented, upon motion by Bud Parent and second by Stewart Moon; motion carried 4-0.**

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

- a. Foster & Foster, Siera Feketa, Plan Administrator
  - i. Update on State Monies and deposit
    1. Siera Feketa commented the annual report was approved on August 7, 2019.
    2. Siera Feketa commented the distribution of 2018 State Monies was \$289,199.25, which was an increase of \$31,848.71 from 2017. Siera commented the monies were deposited on August 23, 2019.
  - ii. Dan Tackett asked if there would be a supplemental payment. Scott Christiansen commented there would not be a supplemental payment per the Division of Retirement.

10. **Trustees' Reports, Discussion, and Action**

- a. Chad Brunner commented there was a member leaving and asked how his funds would be distributed. Dan Tackett commented the member was a vested member and reviewed the member's distribution options.
- b. Ben Rigney and the board discussed when the vested terminated member would be eligible for a Cost-of-Living Adjustment (COLA).

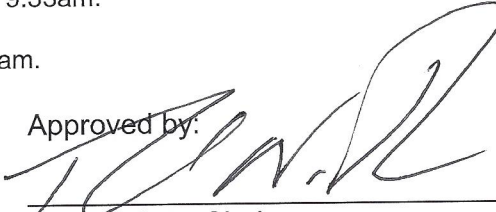
11. **Adjournment** – The meeting adjourned at 9:53am.

12. **Next Meeting** – January 23, 2020, at 9:00am.

Respectfully submitted by:

  
Siera Feketa, Plan Administrator

Approved by:

  
Dan Tackett, Chairman

Date Approved by the Pension Board: JANUARY 23, 2020