

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

Thursday, January 28, 2021, at 9:00AM

TRUSTEES PRESENT: Dan Tackett
Chad Brunner
Burdette "Bud" Parent

TRUSTEES ABSENT: Stewart Moon
Scott Ricci

OTHERS PRESENT: Scott Christiansen, Christiansen & Dehner
Ferrell Jenne, Foster & Foster
Chrissy Stoker, Foster & Foster
Drew Ballard, Foster & Foster
Braeleen Scott, Foster & Foster
Kerry Richardville, AndCo Consulting (via phone)
Ben Rigney, Fire Chief
Members of the Public

1. **Call to Order** – Dan Tackett called the meeting to order at 9:06AM.
2. **Roll Call** – As reflected above.
3. **Public Comments** – None.
4. **Approval of Minutes**

The October 22, 2020, quarterly meeting minutes were approved, upon motion by Bud Parent and second by Dan Tackett; motion carried 3-0.

5. **New Business**
 - a. Actual expenses as of September 30, 2020
 - i. Ferrell Jenne reviewed the budget requirement and the filing requirement with the District and the State.

The Board approved the actual expenses as of September 30, 2020, as presented, upon motion by Chad Brunner and second by Bud Parent; motion carried 3-0.

- b. Portal Demo
 - i. Braeleen Scott introduced herself and gave a live Portal demonstration. Braeleen reviewed the Portal features, customization options, and showed how members could run unlimited benefit estimates. Braeleen confirmed the plan's actuarial team would code the Portal and keep it updated with any plan provision changes for no additional cost. Braeleen reviewed the security features that were in place to ensure all personal information stayed secure.
 - ii. Braeleen Scott stated there was a one-time \$2,500 implementation fee and an annual subscription fee of \$5,000 for biweekly payroll updates or \$3,500 for annual updates. Braeleen commented this fee included trainings for members to learn how to use the Portal.

The Board voted to approve purchasing the Foster & Foster Portal with biweekly updates and authorized Scott Christiansen to write an addendum to the plan administration contract, upon motion by Dan Tackett and second by Chad Brunner; motion carried 3-0.

6. **Old Business** – None.

7. **Reports**

a. Foster & Foster, Drew Ballard, Plan Actuary

i. October 1, 2020, actuarial valuation report

1. Drew Ballard introduced himself and stated he would be attending future meetings. Drew commented the purpose of the valuation was to determine the District's required contribution amount. Drew reminded the Board the contributions set forth in the valuation report were applicable to the plan year ending 9/30/2022.
2. The District's required contribution as a percentage of annual payroll decreased from 28.6% to 25.3%.
3. Plan experience was favorable overall on the basis of the plan's actuarial assumptions. Sources of actuarial gain included an average salary increase of 3.42% which fell short of the 4.98% assumption, fewer retirements than expected, and an investment return of 8.75 (Actuarial Asset Basis) which exceeded the 7.50% assumption. These gains were offset in part by a loss associated with unfavorable turnover experience.
4. Drew Ballard stated there had been no changes in benefits since the prior valuation. Drew informed the Board the Florida Retirement System (FRS) recently reduced their investment return assumption to 7.0% so there would likely be pressure from the State for public pension plans to reduce their investment return assumptions as well.
5. Drew Ballard commented there was a state law that the normal cost plus administrative expenses must at least be paid. Chief Rigney asked about the additional \$5,000 that the District contributed. Drew confirmed this was not factored into the numbers shown in the 10/1/2020 valuation report.
6. Drew Ballard reviewed the member contribution reserve. Drew commented the contribution balance was \$30,687.41. Drew asked if the contribution reserve should accrue interest. Dan Tackett commented since it was commingled with plan assets, his understanding was that it earned what the plan earned.
7. Drew Ballard reviewed the difference between the Market Value of Assets (MVA) and the Actuarial Value of Assets (AVA). Drew explained since the AVA was less than the MVA, there was a deferred gain.
8. Drew Ballard commented the funded ratio as of 9/30/2020 was 102.6%.
9. Drew Ballard reviewed the current investment return assumption of 7.50% and encouraged the Board to look at a future reduction prior to the 10/1/2021 valuation report. Kerry Richardville stated she agreed that the plan should look to reduce their investment return assumption due to pressure from the State. The Board discussed setting a glidepath to reduce the investment return assumption. Drew stated the general rule was lowering the investment return assumption by 10BPS, which would cause the District's required contribution to increase by 1.0%.

The Board approved the October 1, 2020, actuarial valuation as presented, upon motion by Dan Tackett and second by Bud Parent; motion carried 3-0.

b. AndCo, Kerry Richardville, Investment Consultant

i. Quarterly report as of December 31, 2020

1. Kerry Richardville informed the Board she was in quarantine due to a possible COVID exposure at a previous client meeting.

2. Kerry Richardville gave a firm update and reviewed the market environment during the quarter, commenting the market was in a strong position as of 12/31/20 and there was a huge economic recovery from the pandemic. Kerry commented the investment market index returns were broadly positive during the fourth quarter of 2020 except for the US Government bond benchmark.
3. The Market Value of Assets as of 12/31/20 was \$24,203,126.
4. Total fund gross returns for the quarter were 10.95%, outperforming the policy index of 9.55%. Total fund gross trailing returns for the 1, 3, and 5-year periods were 15.57%, 9.91% and 10.33%, respectively. Since inception (01/01/1999), total fund gross returns were 6.73%.
5. Kerry Richardville reviewed the current asset allocations and stated she had no recommendations to rebalance at this time.
6. Kerry Richardville reviewed the performance of each manager, commenting the plan was in very good shape from a manager and allocation standpoint moving forward in the fiscal year.
7. Kerry Richardville reminded the Board the numbers were preliminary, as they did not have the real estate returns when the books were produced. Kerry stated they subsequently received the return information for American Realty which had a 1.40% gross return.
8. Kerry Richardville reminded the Board they terminated Templeton and hired PIMCO. Kerry stated since the plan was not invested in PIMCO for the entire quarter, they were not shown in the report. Kerry stated PIMCO returned approximately 4.50% for the quarter.
9. Scott Christiansen commented a declared rate of return must be determined, and Kerry Richardville stated 7.50% was reasonable.

The Board voted the declaration of returns of the plan would be 7.50% for the next year, the next several years, and the long-term thereafter net of investment related expenses, upon motion by Dan Tackett and second by Chad Brunner; motion carried 3-0.

- c. Christiansen & Dehner, Scott Christiansen, Plan Attorney
 - i. New Florida E-Verify Law
 1. Scott Christiansen reminded the Board the election of officers would need to be done at the next meeting.
 2. Scott Christiansen reviewed a new law that would require the pension plan to register with and use the E-Verify system to verify the employment eligibility of any employees hired on or after 1/1/2021. Scott commented all new contracts and addendums to existing contracts after 1/1/2021 would need to include the E-Verify System requirement language.

8. **Consent Agenda**

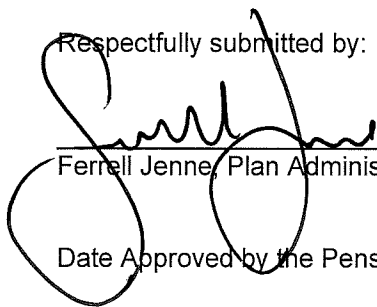
- a. Payment ratification
 - i. Warrant #71
 1. Foster & Foster, invoice #18291, \$1,000.00
 2. Salem Trust, 3rd Quarter Fees, \$1,958.22
 3. Dana Investment Advisors, invoice #78620, \$1,656.05
 4. Christiansen & Dehner, invoice #34315, \$368.00
 5. Foster & Foster, invoice #18452, \$1,000.00
 - ii. Warrant #72
 1. Foster & Foster, invoice #180645, \$1,000.00
 2. AndCo, invoice #37262, \$4,374.87
 3. Foster & Foster, invoice #18761, \$1000.00
- b. New invoices for payment
 - i. None

c. Fund activity report for October 16, 2020 through January 21, 2021.

The Board voted to approve the consent agenda as presented, upon motion by Bud Parent and second by Chad Brunner; motion carried 3-0.

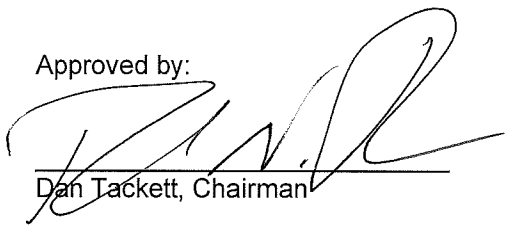
9. **Staff Reports, Discussion, and Action**
 - a. Foster & Foster, Ferrell Jenne, Plan Administrator
 - i. Ferrell Jenne introduced Chrissy Stoker and commented she would be attending future meetings. Ferrell informed the Board Chrissy would be administering the Holmes Beach Police plan and would also be another administrator assigned to the West Manatee Fire plan.
10. **Trustees' Reports, Discussion, and Action** – None.
11. **Adjournment** – The meeting adjourned at 10:15AM.
12. **Next Meeting** – April 22, 2021, at 9:00AM.

Respectfully submitted by:



Ferrell Jenne, Plan Administrator

Approved by:



Dan Tackett, Chairman

Date Approved by the Pension Board:

APRIL 22, 2021