CITY OF HOLLY HILL, FLORIDA

FIREFIGHTERS PENSION FUND BOARD OF TRUSTEES

AGENDA • AUGUST 9, 2018

Large Conference Room	**Firefighters Pension Board Meeting**	**10:00 AM**

CITY HALL
1065 RIDGEWOOD AVENUE
HOLLY HILL, FL 32117

City Clerk's office: (386) 248-9441 - Fax: (386) 248-9448

Large Conference Room
City Hall
1065 Ridgewood Avenue
Holly Hill, FL 32117

1. **CALL TO ORDER**

2. **APPROVAL OF MINUTES**

   1. Minutes - May 10, 2018 - Firefighters Pension Board Meeting
      (Requested by Valerie Manning, City Clerk)

3. **PUBLIC PARTICIPATION**

4. **OLD BUSINESS - NONE**

5. **NEW BUSINESS**

   A. Frank Wan - Financial Advisor/Burgess Chambers - Investment Discussion
   B. David Robinson - Attorney/Sugarman & Susskind - Legal Matters Discussion
   C. Mindy Johnson - Custodian/Salem Trust - Banking News Discussion
   D. David Bridger - Proposed FY2018-2019 Budget - VOTE NEEDED BY THE BOARD

      1. FF Pension Board - Proposed FY2018-2019 Budget
         (Requested by Valerie Manning, City Clerk)

6. **ADJOURNMENT**

STAFF REPORT
CITY OF HOLLY HILL, FLORIDA

Firefighters Pension Board
Agenda Item

MEETING DATE:	**August 9, 2018**
FROM:	**Valerie Manning**
SUBJECT:	**Minutes - May 10, 2018 - Firefighters Pension Board Meeting**
NUMBER:	**(ID # 2151)**
APPLICANT:	
PLANNER:	

DISCUSSION:

Minutes from the May 10, 2018 Firefighters’ Pension Board meeting.

FISCAL ANALYSIS:

N/A

STAFF RECOMMENDATION:

Approve minutes from May 10, 2018 meeting.

MOTION:

Approve minutes as submitted by board secretary.

- May 10, 2018 - Firefighters' Pension Board meeting (PDF)

Pension meeting minutes for:

May 10, 2018

Meeting called to order at 10:04 AM.

In Attendance: Tom Sejnowski (Chairman), Joe Pirtle (Trustee), Debi Snow (Trustee), Frank Wan (Financial adviser), Debi Gutierrez (Finance department), Dave Bridger (Secretary), David Robinson (Attorney, Sugarman & Susskind), John McKinney (for first few minutes of meeting) (Holly Hill Finance director), Valerie Manning (City Clerk), and Lee Ann Luedeke (Firefighter observer).

Approval of minutes from February 8, 2018 meeting. Motion to approve by Dave Bridger; seconded by Tom Sejnowski. Unanimous vote to approve.

Public Participation: Lee Ann Luedeke was given opportunity to ask any questions and she did not have any.

Old Business: Reminder that form 1 needs to be turned in by July 1, 2018. John McKinney stated it could be completed on-line and he would have Debi check the website to see who has completed already.

New Business: Pension audit was completed and the auditor found it to be “Clean”. A bound copy of the report was given to all present at the meeting.

Patrick T. Donlan was called and placed on speaker phone so he could speak about the Actuarial Valuation and report as of October 1, 2017. He highlighted several things in the 53 page report (also a copy supplied to all in attendance) ultimately citing the plan was in good shape

Finance is working to get state funds sent directly to the pension fund instead of to the city first. Expenses vs assets are great.

Motion made by Tom Sejnowski to approve Actuarial report with a second by Joe Pirtle.

Unanimous vote to approve.

David Robinson:

- stated a clean audit report is a great thing to have and we should keep a copy.
- None of the legislative bills he spoke of in February made it through IE the cancer bill fell flat.
- He went through all the pension amendments and made sure the language was correct and he was happy with all.

Frank Wan: Stated the fund was still doing well and better than expected but they want to rebalance the plan by moving 4% from Vanguard S & P 500 to Highland Fixed income.

A motion was made by Tom Sejnowski to permit this and it was seconded by Joe Pirtle. Unanimous vote to approve

Frank also explained the difference between Public REITS and Private real estate

Frank's main report stated volatility has returned to the equity markets in the first quarter of 2018. January was a strong month as the markets celebrated the passing of the Republican tax plan. However, that celebration turned into concern that the tax reform and the synchronized growth strategies from the central banks would lead to higher inflation and higher interest rates. Combined with a strong wage report, these fears of the economy "overheating" resulted in a major sell off in February as investors believed the Federal Reserve may be forced to raise rates faster and higher than previously anticipated. The volatility continued in March as trade war fears and rising deficits contributed to the uncertainty in the economy. However, these fears were somewhat offset by continued strong earnings. The result was a slightly negative return for the quarter for most of the major stock market indices. The S & P 500 and the FTSE Global (ex. U.S.) indices were down 0.8% and 1.1% respectively.

- For the quarter, the system experienced a market based loss of $19K or -0.4% net, ahead of the strategic model return (-1.0%). The top three performing asset classes were: convertibles (+2.6%), private real estate (+1.9%) and international (+0.6%).
- Fiscal year-to-date, the system earned $135K or +3.1% net, ahead of the strategic model return (+2.3%). The top three performing asset classes were: large-cap (+5.9%), mid-cap (+5.6%) and international (+4.8%).
- For the 12-month period, the system earned $402K or +9.7% net, ahead of the strategic model return (+8.3%). The top three were: international (+19.9%), large-cap (+14.1%) and convertibles (+12.4%).
- For the three and five-year periods, the system earned +6.7% (+6.5% net) and +7.8% (+7.6% net), respectively.

Frank went on to recommend that we re-balance roughly 4% Vanguard S&P 500 and bring it back to bonds. It would be moved to the Highland fixed income.

That concluded Frank's report.

A motion was made by Sejnowski to follow Frank's recommendation of moving 4% from Vanguard S&P to the Highland fixed income. Second by Joe Pirtle. Unanimous vote to approve.

Tom Sejnowski was approached by the city to have Debi Gutierrez sent to the June 3rd through June 5th pension class in Tallahassee and that each pension plan (Fire and Police) pay for half. Overall cost is roughly one thousand dollars.

Vote to approve made by Sejnowski to pay for ½ the bill (could not tell who seconded).

Unanimous vote to approve.

Motion to adjourn by Sejnowski, seconded by Debi @ 10:46 AM.

Board Secretary, Dave Bridger

STAFF REPORT
CITY OF HOLLY HILL, FLORIDA

Firefighters Pension Board
Agenda Item

MEETING DATE:	**August 9, 2018**
FROM:	**Valerie Manning**
SUBJECT:	**FF Pension Board - Proposed FY2018-2019 Budget**
NUMBER:	**(ID # 2154)**
APPLICANT:	
PLANNER:	

DISCUSSION:

Firefighters' Pension Board Proposed FY2018-2019 Budget, including the past two (2) years.

- Proposed FY2018-2019 - Budget Report (PDF)

City of Holly Hill Fire Pension

2019 Estimated Administrative Cost

Payee	Investment Expense	Audit Expense	Admin	Misc.		Balances
Salem Trust - Trustee Fees ICC	6,000.00					6,000.00
Sugarman & Susskind, Attorney-Legal			7,000.00			7,000.00
Highland Capital Management Fees	3,475.00					3,475.00
Foster & Foster			20,000.00			20,000.00
Burgess & Chambers Investment Consultants	17,600.00					17,600.00
Brent Millikan & Company		6,000.00				6,000.00
Lassiter-Ware Insurance			3,800.00			3,800.00
FPPTA Membership				4,800.00		4,800.00
Disability Process				5,000.00		5,000.00
First Tenessee Bank Ckg Acct Inv Mgmt	2,650.00					2,650.00
Miscellaneous Fees				5,000.00		5,000.00
						0.00
						0.00
	29,725.00	6,000.00	30,800.00	14,800.00		81,325.00