MINUTES
GENERAL EMPLOYEES' PENSION BOARD
POLICE OFFICERS' PENSION BOARD
FIREFIGHTERS' PENSION BOARD
HELD AT CITY HALL

May 11, 2018	**8:30 a.m.**	**Commission Conference Room**

1. CALL TO ORDER

Chairperson Kelly McGuire called the meeting to order at 8:37 a.m.

General Employees' Pension Board members present were Chairperson Kelly McGuire, Secretary Dave Ponitz, Denise Roeper, John Olivari, and Michael Furman.

Police Officers' Pension Board did not have any members present.

Firefighters' Pension Board members present were Chairman David Randall, Tommy Bozeman, Secretary Dominic Morgese, James Shaw, and Mike Scudiero.

Also present were Lee Dehner of Christiansen & Dehner (by phone), Karl R.S. Engelmann, Senior Vice President of Cambiar Investors, Mark S. Harrell of Fiera Capital, and Charles Mulfinger and Scott Owens of Graystone Consulting.

2. APPROVAL OF MINUTES OF FEBRUARY 9, 2018 (FF, GE)

Mr. John Olivari moved, seconded by Mr. Dave Ponitz, to approve the minutes of the February 9, 2018, meeting. The motion passed unanimously.

Mr. David Randall moved, seconded by Mr. Tommy Bozeman, to approve the minutes of the February 9, 2018, meeting. The motion passed unanimously.

3. APPROVAL OF MINUTES OF DECEMBER 15, 2017 (PO)

The Police Officers' Pension Board did not have a quorum present to approve the minutes of the December 15, 2017, meeting.

4. PUBLIC COMMENTS

There were no public comments.

5. BOARD VACANCIES (PO)

Ms. McGuire stated that there was one vacant position on the Police Officers' Pension Board.

6. PRESENTATION OF CAMBIAR INVESTORS

Mr. Karl R.S. Engelmann, Senior Vice President of Sales and Client Services at Cambiar Investors ("Cambiar"), stated that they had done quite well especially in active management, which had been doing well comparatively to the indices across the board. He noted they were participating where they were supposed to be, but also protected the capital on the downside, highlighting that most boards were looking for that protection of the downside. He stated that Cambiar was involved with value proposition, which was purchasing stocks that were slightly devalued. He stated that through the first quarter they were up .68 percent, and that the benchmark, Russell 2500 Value, was down -.265 percent. He noted that since that time, the performance had continued to go up and the benchmark had come back a small amount, with year-to-date up 3.9 percent and .87 percent, respectively. He explained that they continued to take market share where they saw fit, and what they ran was a very concentrated portfolio with balance.

Mr. Engelmann stated there were two items that helped during the quarter; XL Group, a property and casualty group in mid-cap space, and Twitter in technology. He noted that XL Group had done very well and the reason it kick started towards the end of the quarter was due to AIG, a large global insurance company, acquiring it. He explained that Twitter was generating very strong interest from their advertisers, and using better backend engagement and/or backend platforms to prioritize their tweets. He noted they discovered that more people were using Twitter for their news flow due to the quick timing, instead of waiting to get it on their local news station. He stated Twitter also launched a streamlining video that had done very well. He noted that from a sector standpoint, all of the other plans were also in line. He noted they had done very well with financials from a regional perspective, pointing out that they owned Zions Bancorporation in Utah, Axis Capital, and Umpqua Holdings.

Mr. Engelmann stated that on an attribution basis across all constituents, it had been mostly stock selection. He noted they owned REITS, such as MGM Grand, which was a large real estate property, and Invitation Homes, which was a single family home rental place. He explained that in regards to industrials they held Acuity Brands, a lighting solutions business; Alaska Air Group, a large airline group; Dun and Bradstreet, a commercial credit bureau; Hubbell, an electrical components business; and Robert Half, a professional staffing business. He noted that professional staffing was becoming more utilized and brought in a lot of business. He commented that there were many different entities in the way Cambiar looked at the portfolio, compared to most, and that they liked the balance.

Mr. Engelmann reiterated that Cambiar wanted to protect capital on the downside, they were running a concentrated portfolio, they did not look like the index, and that technology had been a huge outperformer for them, even though it had not been on the large cap size. He asked for any questions and hearing none, concluded his presentation.

7. PRESENTATION OF FIERA CAPITAL

Mr. Mark S. Harrell, Fiera Capital Inc. (formerly APEX), stated that the first quarter of 2018 was up 4.6 percent with the benchmark up 2.3 percent. He noted that in the last year through the end of March, the portfolio was up 24.39 percent, while the benchmark was up 19.9 percent.

Mr. Harrell discussed Fiera's position in that they were looking for companies from the bottom up with fundamental research that met certain criteria. He noted that within the portfolio the holdings were balanced between stable growth and emerging growth, where the most conservative balance would be 80 percent stable/20 percent emerging and the most aggressive would be 60 percent stable/40 percent emerging. He explained they never were carried away with the emerging growth component, but did want it to be present at all times. He discussed driving performance from technology companies such as Arista Networks, Fortinet, Splunk, Veeva Systems, and Nutanix from the emerging growth side. He noted that e-Commerce had done well and that healthcare was an area they would like to add to, but had concerns with biotech companies, noting they would add to healthcare in the near future. He described the distribution as underweight in healthcare, and overweight in technology and consumer discretionary. He noted that Old Dominion Freight had done well, due to being the beneficiaries of a strong economy, but were experiencing a shortage of drivers. He summed it up that they had outperformed in an up market the prior few years and continued to appreciate their position and structure.

Mr. Dominic Morgese, Firefighters' Pension Board, asked if the target audience of the report included all three boards; whereby, Mr. Harrell stated it did and there was very little difference between their performances.

Mr. Michael Furman, General Employees' Pension Board, mentioned the categories that were majorly underweight or overweight, and wondered if that was normal; whereby, Mr. Harrell confirmed that it was because they did not use the benchmark as a point of departure. He noted they had limits on all sectors at 40 percent, so the boards would be comfortable with the distributions.

Mr. Furman asked if they had a certain holding period for stocks in the portfolio; whereby, Mr. Harrell stated they did not have a specific time frame, but would trim a company out of the portfolio once it reached 14 billion in market cap, so they could stay true to their small to mid-cap portfolio. He noted they had let go of a few companies that fit that description, but that stable growth names were typically held for around three years, while emerging growth names were normally held for a little less. He stated their turnover rate was low at only approximately 35 percent. He asked if there were other questions and hearing none, thanked them for their time.

8. INVESTMENT MONITOR REPORT (GRAYSTONE CONSULTING)

Mr. Charles Mulfinger, Graystone Consulting ("Graystone"), stated the first quarter had been very volatile, unlike the prior quarter where there had been big, strong gains. He noted that from a big picture standpoint, the plans lost money but they lost less money, noting the managers delivered and protected, but not to the point where they made money.

Mr. Scott Owens, Graystone, stated the story for the quarter was volatility, noting that the market would be up one day and down the next, and that it was volatile on both an absolute and a relative basis. He stated that normally there were about 70 one percent market moves on average in a year, with about eight the prior year, which meant low volatility. He noted that even though the first quarter seemed a lot worse than the prior year, they were really just above normal and the market was fundamentally sound. He explained that as of the prior week 80 percent of companies had reported earnings and of those, 73 percent had higher than expected revenue, and 78 percent had higher than expected earnings. He noted that unemployment was below 4% which was good news. He stated the PMI was 58 percent and NMI was 60 percent, which was a little higher than the prior quarter, but indicated the economy was expanding. He noted that when fully priced with unpredictability in the market, it would cause volatility.

Mr. Owens stated that all the major indices were negative, noting that the Russell 1000 Index was down .69 percent, while the Russell Midcap Index was down .46 percent, and the smaller companies were down .08 percent. He noted that smaller companies did better than larger companies, and that growth out performed value pretty significantly. He explained that the Russell 1000 Growth Index was up 142 and the Russell 1000 Value Index was down 283. He compared the prior quarter where all ten sectors of the S&P 500 were positive, with the first quarter where only two were positive, noting specifically that Consumer Staples and Telecom were down over seven percent, with Information Technology and Consumer Discretionary up over three percent. He noted that international markets were also down, with developed markets down about two percent and emerging markets up 1.33 percent. He indicated that bonds were rising, but that as interest rates rose the value of the bonds decreased, noting that corporate bonds were down over two percent, and government bonds down over one percent.

Portfolios

Mr. Mulfinger stated that even though there was a loss, the General Employees' total portfolio was at 48 million, and that Police and Fire were similar. He stated that General and Fire were fine, because they had a motion to rebalance their funds at the prior meeting and those funds were within the policy limits. He noted that Police was a different story since there was no quorum for a meeting and no motion had been made, noting that the fund was up over 71 percent in equity making it out of line with the range. He was adamant that they were above the limits of the policy and that something had to be done as soon as possible to remedy the situation. He indicated that General Employees' equity was at 69.56 percent with the maximum of 70 percent, while fixed income was at 30.63 percent with a minimum of 30 percent. He noted that being overweight in equity and underweight in fixed income was helping as interest rates were rising and bonds were doing poorly.

Mr. Mulfinger reviewed the breakdown of returns from all groups they managed including HGK Asset Management, Sawgrass Asset Management LLC, Polen Capital, Cambiar, Fiera, Delaware Investments, Renaissance Investment Management, and Garcia Hamilton and Associates. He noted that all funds were in the northwest quadrant in regards to risk and return, which was a good place to be, and they were not recommending any changes at that time.

Mr. Furman asked if the numbers associated with Cambiar were since 2016; whereby, Mr. Mulfinger stated that was correct and they had added value.

Mr. Dave Ponitz, General Employees' Pension Board, wondered about the 1, 3, and 5 year numbers when a company was acquired, like Fiera, asking for clarification if they were from the original company APEX or included the new company's prior numbers; whereby, Mr. Mulfinger stated that it was both numbers from APEX as the original company, and combined with the new company once the change was made. He noted that nothing had changed thus far in regards to people and the process.

Ms. Denise Roeper, General Employees' Pension Board, asked if the numbers for Renaissance were based on their selections; whereby, Mr. Mulfinger stated she was correct.

Mr. Furman commented on the 6.75 actuarial rate over the years; whereby, Mr. Mulfinger noted the boards made the right decisions to try and lower the return.

Mr. Mulfinger reviewed the compliance check lists for General Employees', Fire, and Police. He stated that both General Employees' and Fire were fine, but that the Police had to take action immediately because the equity and fixed income portfolios limits were out of policy limits.

Mr. Mulfinger stated that they preferred stocks over bonds, and that within stocks, the international markets were cheaper than the U.S. market. He noted they were overweight in developed and emerging markets for international, and underweight in both corporate U.S. bonds and international bonds. He stated that they were underweight in private real estate investment trusts, known as REITS, at that time. He noted that they had originally recommended investing in real estate because the values were reasonable and cheap, but that had changed since the original discussion in 2008, and they had become expensive. He stated that after the last meeting they had put together information on it for the boards to review, but were not recommending overweight in real estate at the current time, noting that it still might do better than bonds.

Mr. Morgese asked about the type of real estate they were discussing; whereby, Mr. Mulfinger stated they were commercial institutional type properties.

Mr. Mulfinger discussed the two different indexes of private real estate; the broad large index that owned open ended funds, closed in funds, and all types of private real estate, versus the odyssey index that was an open end real estate program. He noted they recommended the odyssey index.

Mr. Owens added that real estate risk and return profiles were different than other asset classes, and that gave the portfolio diversification benefits, noting that the objective would be to get a higher risk adjusted return. He discussed the various categories in real estate, opportunistic, value add, and core, noting they were specifically referring to core which would be their recommendation if the boards chose to invest that way. He noted that office, multifamily housing, retail, and industrial were property types of core.

Mr. Mulfinger emphasized that if any real estate was brought to the boards for consideration, they would be careful about the types suggested and would not have much mall exposure, noting that residential real estate was not included. He included that core was the boring category that did not give high returns, but were steady.

Mr. Owens stated that what they were discussing was a direct investment, private real estate as opposed to REITS, noting that REITS traded similar to stocks and bonds making them more highly correlated. He explained the details behind why private real estate had more benefit, and should be considered in a long term portfolio.

Mr. Mulfinger reiterated that the current time was not the best to add it to their portfolios, only because the values were so expensive. He noted they wanted to educate the boards at that time, in case there would be an opportunity down the road to implement them.

Mr. Tommy Bozeman, Firefighters' Pension Board, stated they were not saying they did not want to invest, but wanted to have the ability to be able to invest when the time was right.

Mr. Owens noted that they were looking at options that created stability, had very low volatility, and created some income in the portfolio.

Mr. Morgese asked for clarification on details of buying NCREIF property; whereby, Mr. Owens stated that appraisals were done every quarter on the properties, they would have to wait until a property was purchased with the pension money, but that once that occurred they would be an owner in all properties because it was a partnership.

Mr. Mulfinger added that it was a limited partnership for LLC, and the fee was typically around one percent per year.

Mr. Morgese asked for confirmation that if they chose to put five percent in real estate, or another percent, that they would have to make other changes in the portfolio to accommodate that and asked how would they sell if it was not a liquid asset; whereby, Mr. Mulfinger stated there was a range similar to their other investments that they would use to adjust the amounts. He indicated that the ones they were suggesting were open ended, which meant they could give a 90 day advance notice and if money was available, they could redeem the shares.

Multiple members commented and asked for other details; whereby, Mr. Mulfinger and Mr. Owens clarified everything for them.

Mr. Ponitz asked about a correlation between the S&P and the bond market, and if there were any limitations of who could own how much in real estate; whereby, Mr. Mulfinger noted historically there was a low correlation between stocks and bonds, and there was no stated limitation on real estate, but all were diversified based on the owners involved.

Mr. Bozeman asked what type of liability the board had when owning properties; whereby, Mr. Mulfinger stated they had limited liability and there was insurance within the ownership of the properties from the general partner. He noted that any potential lawsuits would not involve them, but it would affect their value.

Mr. David Randall, Firefighters' Pension Board, asked for confirmation on the time limit for a presentation to the City Commission; whereby, Ms. Kelly McGuire, Finance Director, stated it was typically three minutes.

Mr. Bozeman asked if the potential for investing real estate issue could be added as an agenda item to a Commission meeting, so it would be legitimized and not limited to three minutes.

Ms. McGuire clarified that it would have to be on the agenda to be discussed, and the Mayor would ask that presentations be limited to three minutes, noting that it was not exactly the same as public comments.

Mr. Ponitz added that if the background information were added with the agenda item, the Commission would have time to review it before a meeting. He stated that if they wanted to move forward in bringing it to the Commission, they would need to give guidance on policy, range, and to the percentages of the funds.

Mr. Bozeman noted they could include examples of what an investment would look like at that time, if they had invested in it five years prior.

Mr. Furman noted there was a real estate person as part of the Commission.

Mr. Mike Scudiero, Firefighters' Pension Board, stated he would make a motion to make a recommendation to the City Commission to adopt a 0 to 10 range; whereby, Ms. McGuire stated that was not part of what the Commission decided, but was part of the board's purview. She clarified that an ordinance amendment was needed in order to allow them to invest in real estate, as they were not allowed to at the current time.

Ms. McGuire asked Mr. Dehner if he prepared an ordinance amendment for them; whereby, Mr. Lee Dehner, Christiansen & Dehner, stated that she should have one for each board. He noted it would provide the boards the authority to do what was being recommended.

Ms. McGuire stated the recommendation needed to be that the City Commission adopt the ordinance expanding the investment options.

Mr. Ponitz commented that the draft ordinance did not look the same as the original ordinance, as far as language was concerned, and wondered if the rules had changed in the time between the two; whereby, Mr. Dehner stated it was different, that the current one would leave all investment vehicles and types of investments up to the board through the investment policy statement.

Mr. Mulfinger confirmed it would allow the boards more flexibility to diversify.

Ms. McGuire asked if the ordinance went beyond what the boards were currently discussing; whereby, Mr. Dehner stated that it allowed for what the boards were discussing as far as the real estate vehicle was concerned, and allowed broader authority in place based upon the recommendations from Graystone.

Ms. McGuire noted that meant they were not asking for one change and instead saying the board could do whatever they wanted. She stated that given the difficulty it had been for them to agree to one change, it would be unrealistic for them to agree to allow the boards to invest in whatever they wanted.

Mr. Scudiero asked exactly was needed; whereby, Mr. Mulfinger stated they needed to add in that the boards had the ability to invest in real estate from zero to ten percent maximum.

Mr. Dehner stated what they could do was each time a recommendation was made that was not covered in the ordinance, they could propose an ordinance addressing that particular issue. He noted the amended ordinance would allow the boards a little freedom to not return to the City Commission every time a recommendation was made.

Mr. Morgese wondered about having an education presentation with the City Commission to make them aware of the changes, and why the ordinance amendment was important.

Mr. Shaw wondered if they could strike #4 on the ordinance and readdress it; whereby, Mr. Bozeman clarified that instead of the wholesale changes, they wanted to strike #4 from the ordinance, and change the details that were needed.

Mr. Shaw moved, seconded by Mr. Bozeman, to strike #4 from the ordinance and make it reflective of the original intent. The motion passed unanimously.

Mr. Ponitz moved, seconded by Mr. Olivari, to modify #4 to include the core category of real estate for consideration into the fund for diversification. The motion passed unanimously.

Mr. Bozeman asked if a specific statement was needed for the ordinance change or could he get what was needed from Mr. Mulfinger; whereby, Mr. Dehner noted he would need further language from Mr. Mulfinger to be sure it would be specific on the real estate portion.

Ms. McGuire stated she needed to go to Foster and Foster for a notarized statement from them regarding the language.

Mr. Ponitz asked Mr. Dehner if any other clause needed to be added; whereby, Mr. Dehner stated the reference to internal revenue and group trust would need to be added, if the group trust would be one of the vehicles recommended.

Mr. Bozeman noted that if it were required by the state they should include it at that time. He recommended amending their proposal to include that as well.

Mr. Dehner noted that with internal revenue statement they would essentially expand the types of investments that they could go into, and address the vehicle types that could be used to accomplish that.

Ms. McGuire confirmed that she would get a new ordinance and impact statement together, and add the item on the City Commission agenda as soon as possible. She noted that a workshop with the Commission would be difficult due to their limited time, the Commission would want to discuss all the investments not just the real estate issue, and it might not turn out the way that the boards had hoped.

Mr. Dehner wondered if they should get the Commission's input before doing another ordinance; whereby, Ms. McGuire stated that she would do whatever the boards wanted, but did not think getting their input would change anything.

Mr. Dehner stated that they could get input from the Commission after Mr. Mulfinger explained it and then base any changes on the input, or have the board make changes in accordance with what had been discussed.

Mr. Scudiero asked if pension business was ever mentioned at Commission meetings; whereby, Ms. McGuire stated it was not, unless it was brought to them on the agenda. She noted they were aware and had discussed real estate, but the last conversation was that they were not interested in investing in real estate.

Mr. Bozeman stated he thought they should pull everything together as a package for presentation to the Commission, and if they agreed or did not agree, the boards would move forward accordingly.

Ms. Roeper asked how long it had been since the Commission had the discussions; whereby, Ms. McGuire thought it had been about five years.

Mr. John Olivari, General Employees' Pension Board, noted that when real estate was brought up in regards to investments, it tended to drive people away. He thought the recommendation and backup details should be presented, noting they were in a minority of cities that did not invest in real estate.

Mr. Scudiero asked about the time frame in getting something to the Commission; whereby, Ms. McGuire advised that once she received the information, it took about 30 days to get it on their agenda.

Mr. Mulfinger stated that Police were not just out of the policy, but they were not included in the ordinance since they did not have a quorum and an official meeting; whereby, Ms. McGuire stated they were working on setting up a special meeting with them.

Mr. Olivari asked if they needed to amend the motion made previously to include the IRS issue; whereby, Ms. McGuire stated that Mr. Dehner should be able to do that automatically.

Mr. Dehner confirmed he was on the same page as the boards, noting that Mr. Mulfinger was going to provide the necessary language for the ordinance, he would add that to the existing ordinance as a permitted investment, and include the IRS language; whereby, all Board members agreed that was correct.

Mr. Mulfinger finished up by introducing Mr. Andy McIlvaine as a new member of the team.

9. DISCUSSION OF RFP FOR PENSION BOARD ATTORNEY SERVICES (FIRE, GENERAL, POLICE)

Ms. McGuire stated that two proposals had been received and asked the firms to provide overviews, with questions from the boards at the end of each overview.

Mr. Ronald Cohen, Rice Pugatch Robinson Storfer and Cohen, PLLC, stated he had practiced law in Florida for 40 years with most duties involving public pension work, he was board certified in labor and employment law, he had experience with real estate investments, and had worked with Mr. Mulfinger and Mr. Dehner over the years. He explained that if they were selected, their loyalty would be 100 percent to the boards and that they would not have a relationship with anyone else in the City of Ormond Beach. He noted that even though Mr. Bob Sugarman's firm had been recommended by Mr. Dehner, he believed his firm had the best capacity to take on new clients, and felt they had sufficient attorneys available to circumvent any potential turnaround issues. He felt that he had a good team, since the other attorneys involved with the boards both had ten years of pension work in the state of Florida.

Mr. Ponitz asked for the length of time involved with their longest represented pension client, noting that other clients were in south Florida; whereby, Mr. Cohen stated the client had started with him in 1990.

Mr. Scuidero asked for clarification on billing, noting the boards met quarterly, and asked if they would charge for travel; whereby, Mr. Cohen stated he would charge only for the time at the meeting.

Mr. Furman asked if Mr. Cohen had lost any pension clients in the prior three years; whereby, Mr. Cohen stated they had not lost but in fact added clients in that time.

Mr. Dehner confirmed that Mr. Cohen had a very high level of expertise in public pension work.

Ms. McGuire introduced Mr. Pedro Herrera from Sugarman and Susskind, P.A.

Mr. Pedro Herrera, Sugarman and Susskind, P.A., stated their firm had the requirements to produce for the boards in all respects, including drafting ordinances, as well as investment management including real estate. He noted they would work with the managers to provide added protection for them as clients. He noted that in prior work, he had worked on the opposite side for the hedge fund and real estate companies directly, which made him familiar with the agreements and added value. He stated their goal was to protect the boards in all respects, and indicated they would have ten attorneys to handle any requests by the end of the summer. He noted they also had tax experience, which would save the boards from having to hire a separate tax attorney for issues. He explained that he had over 15 years of experience, would be their contact person, and planned to be available to the boards. He noted the fee would be the same as what they had been paying the previous attorney, and they had only lost three clients over the firm's close to 30 year history.

Ms. McGuire noted that he would be the primary contact and asked how many other clients that he was primary contact for; whereby, Mr. Cohen answered he was primary for approximately 30 other clients.

Mr. Olivari asked if their firm was limited to pension law or if it were a general firm with other experience; whereby, Mr. Herrera stated the firm practiced other law, but his work was dedicated to public pensions and he was the predominate lead.

Mr. Morgese asked Mr. Dehner for a comparison on how their firm handled and split accounts; whereby, Mr. Dehner provided those details to the boards.

Mr. Bozeman asked for a few details on billing charges listed in the proposals; whereby, Mr. Herrera clarified a few changes that could be made to benefit both the boards and his firm.

Mr. Ponitz stated he was looking for a low and high range retainer amount and hours spent on a client their size; whereby, Mr. Herrera stated for a plan this size he would say $1500 to $2500 on retainer, and four to five hours monthly because they met quarterly.

Mr. Furman asked what was spent the prior year; Ms. McGuire thought the budget was approximately $60,000 annually, based on a few quarterly invoice amounts.

Mr. Randall noted that since the Police Officers' Pension Board was not represented, did the new attorney need to be a majority approval of all the boards; whereby, Ms. McGuire stated each board could select a different attorney if they chose to.

Mr. Bozeman noted that fees would be shared by all three boards.

Mr. Furman asked Mr. Mulfinger if he worked with both firms and what differences there were; whereby, Mr. Mulfinger noted they were both well known, professional firms, and got the work done.

Mr. Randall noted in reviewing both proposals, he was concerned about Sugarman and Susskind's availability due to their case load, but felt that his concerns had been addressed, and both proposals seemed similar. He indicated that he had reached out to other cities that were represented by Sugarman and Susskind, who had only positive things to say about Mr. Herrera.

Mr. Bozeman noted their willingness to negotiate their fees showed that they cared about having Ormond Beach as a client.

Mr. Scudiero noted it made a difference when you had a firm that had plenty of clients in the area, versus a firm that had plenty clients not in the area, indicating it was a plus to have the connection with other local cities.

Mr. Bozeman asked if a new fee schedule was needed from Sugarman and Susskind after the billing discussion; whereby, Ms. McGuire stated Mr. Herrera agreed to $340 per hour with no travel expenses.

The boards made several additional comments about both firms, but leaned more towards Sugarman and Susskind representing them.

Mr. Morgese moved, seconded by Mr. Scudiero, to accept Sugarman and Susskind as attorneys at their revised rate. The motion passed unanimously.

Mr. Furman moved, seconded by Mr. Olivari, to accept Sugarman and Susskind as attorneys at their revised rate. The motion passed unanimously.

Ms. McGuire stated she would notify the attorneys of the decision.

10. DISCUSSION OF UPDATED SUMMARY PLAN DESCRIPTIONS

Ms. McGuire asked whether there was any information for Mr. Dehner on the updated plan description.

Mr. Ponitz stated there were board members changes and they sent a revised version of that.

Ms. McGuire asked Mr. Dehner if he had sent out an update; whereby, Mr. Dehner asked if it involved Exhibit A. He noted that they should email any changes they wanted to him and he would get it back to them. He explained he would also need Exhibit B, which was the summary of the actuarial financial data pertaining to the plan.

Mr. Ponitz noted a few changes on the General Employees' Pension Board trustee list; Ms. Roeper replaced Mr. Sam Butler, who was no longer on the board, and Mr. Ponitz was the secretary; whereby, Mr. Dehner asked that they send an updated list of the trustees.

Ms. McGuire stated that Recording Secretary Lisa Dahme would take care of that. She asked if General Employees' had anything else on that.

Mr. Olivari moved, seconded by Mr. Ponitz, to accept the updated summary plan descriptions with the changes discussed. The motion passed unanimously.

Mr. Bozeman moved, seconded by Mr. Randall, to accept the updated summary plan descriptions with the updated Exhibit A. The motion passed unanimously.

11. DISCUSSION OF SHAREHOLDER LITIGATION COUNSEL (FF)

12. DISCUSSION OF IMPACT CHANGES (FF)

Ms. McGuire thought this item was related to the Foster and Foster letters stating there was no impact if the boards made the changes to add real estate.

13. DISCUSSION OF PD DISABILITY CLAIM

14. DISCUSSION OF REBALANCING LETTER (PO)

15. DISCUSSION OF GE CONFIRMATION OF RETIREMENT BENEFITS – NOT RECEIVED

Ms. McGuire stated that letters were sent every year to confirm whether or not retirees were living or deceased. She noted that responses were not received from a few, after multiple letters were sent to them, and that the city would have to stop benefits on those individuals in order to receive a response.

Ms. Roeper wondered if their checks would be able to start again; whereby, Ms. McGuire stated the checks would start again as soon as a response was received.

16. DISCUSSION ON INTERVAL OF DROP STATEMENTS (FF)

Mr. Bozeman mentioned Mr. Tom Lachausse's issues in getting his paperwork filled out, thinking there was something irrelevant and discussion of revising it, and wondered if it was used for multiple departments; whereby, Ms. McGuire stated it was and believed that Mr. Dehner's office had drafted it originally.

Ms. McGuire stated that in regards to the paperwork, it made sense to wait until the new attorneys were on board and ask them to update the forms.

Mr. Bozeman wondered if there were any way to have the statements readily available to be viewed, noting that he had heard participants were having to search multiple ways and struggling to find them online.

Ms. McGuire confirmed that he was mentioning rate of return reports from the various investor groups; she noted they could be found on the city's website under Fire Pension Board/Investment Reports/View All.

A board member noted a specific example on the website and that it was only the performance report, not the entire summary and portfolio balance.

Ms. McGuire stated she and Ms. Dahme would work on getting them what they needed.

Mr. Bozeman stated that once the attorney was hired and paperwork was streamlined, he and Mr. Randall wondered if there could be a workshop to discuss the drop options.

Mr. Randall asked about the cost of the statements; whereby, Mr. Bozeman stated they had discussed giving away one free, but having the membership pay for additional copies afterwards.

Mr. Randall and Mr. Bozeman noted they would revisit the subject at the next meeting.

17. DISCUSSION OF ADDING A SURVIVABILITY BENEFIT (FF)

Mr. Randall stated the survivability benefit was passed by the majority of the pension members at a .2 percent increase to their pension contributions, at no cost to the city or state, and would provide a pension for life if one passed away before retiring.

Ms. McGuire asked whether there was an ordinance and impact statement from Mr. Dehner; whereby, Mr. Bozeman noted they had an impact statement but was not sure if it were just a summary of what the plan would do.

Ms. McGuire noted that typically Mr. Dehner did the ordinance first and then Mr. Patrick Dolan completed the impact statement once he had read the ordinance.

Mr. Randall stated all he received from Mr. Dolan was the summary of what the plan would be and the cost.

Ms. McGuire directed Mr. Dehner that the Firefighters' Pension Board would need an ordinance change to include the survivability benefit that was added.

Mr. Randell indicated he would forward information received from Mr. Dolan to Mr. Dehner so an ordinance could be drafted.

Ms. McGuire stated that once the ordinance was received, she would make sure they had what they needed for Foster and Foster, and present it to the Commission for approval.

18. DISCUSSION OF DRAFT ORDINANCE AMENDMENTS

Ms. McGuire noted that both boards in attendance had already discussed the details of the ordinance amendments, but asked Mr. Dehner if he needed anything from the General Employees' Pension Board, as there were a few that needed to leave.

Mr. Dehner stated nothing had been received from Washington or Tallahassee, which was good, and reminded them to file their Form 1 financial disclosures by July 1, 2018.

Mr. Ponitz commented that it had been easy to file recently; he pulled the form from the website, emailed the form directly to Supervisor of Elections Lisa Lewis, and received a stamped copy back. He indicated that email was her preferred method of delivery.

Mr. Ponitz moved, seconded by Mr. Olivari, to adjourn the General Employees' Pension Board meeting. The motion passed unanimously.

19. ATTORNEY COMMENTS

20. OTHER BUSINESS

Mr. Randell asked for other business.

Mr. Bozeman moved, seconded by Mr. Randall, to adjourn the Firefighters' Pension Board meeting. The motion passed unanimously.

21. ADJOURNMENT

The General Employees' Pension Board adjourned at 11:35 a.m.

The Firefighters' Pension Board adjourned at 11:45 a.m.

Respectfully submitted,

Lisa Dahme, City Clerk

Attest:

Kelly A. McGuire, Chairman
General Employees' Pension Plan

~~Ken Artin, Chairman~~
~~Police Officers' Pension Trust Fund~~

David Randall, Chairman
Firefighters' Pension Trust Fund