

**EAST LAKE TARPON SPECIAL
FIRE CONTROL DISTRICT
PENSION BOARD QUARTERLY MEETING
October 16, 2019**

Mr. Prior called the meeting of the Board of Trustees of the East Lake Fire Rescue Pension Plan to order at 7:30 a.m. on October 16, 2019 at 3375 Tarpon Lake Blvd. Palm Harbor, FL 34685.

TRUSTEES PRESENT: Chairman Doug Stryjewski, Mike Porch, Michael Handoga and Scott Papes

ABSENT AND EXCUSED: Sharon Bonnem

OTHERS PRESENT:

Attorney Adam Levinson of Klausner, Kaufman ETAL, John Thinnes of AndCo Consulting, and Pete Prior of Benefits USA, Inc.

Approval of Minutes

JULY 17, 2019 Quarterly Meeting

Chairman Stryjewski asked if there were any changes or corrections to the minutes. Hearing and seeing none, the Chairman said he would entertain a motion. Trustee Handoga moved to approve the minutes as submitted. Trustee Papes seconded the motion and the motion passed.

Public Comments:

Member Jeff Jackson attended the meeting representing the membership and presented the Board with a request for an increase in benefits. The members were requesting an increase in the multiplier with a buy up option, an increase in the current multiplier and a COLA. It was noted that the members would like to see an increase in the current multiplier with a buy up option and 3 different COLA and 3 different multipliers. Mr. Prior noted that if the Board would like to see the costs for a 4%, 3.5%, and 3.25% they can have it all put the same study to see what the cost is. The Board would also like to see an increase in the current multiplier by 1% to 1.35%, 1.35% to 1.65% and 2% to 2.65% for 1,3.5 years excluding retirees and deferred vested members. A discussion ensued and it was noted that the Board directed the Administrator to contact the Actuary regarding the changes. The Board also asked that the actuary prepare the impact statement for the presumption of Cancer Ordinance. It was noted that the cost of the impact statement and the benefit study should not exceed \$10,000 however, the impact statement for the Cancer Bill should be a separate line item. Mr. Prior said he would contact Foster and Foster for these requests. Trustee Porch moved to have the studies prepared and Trustee Handoga seconded the motion and it passed.

Consent Agenda:

For Approval: Warrant #174

AndCo (Q3-19 Consulting Fee-Invoice #33029 dated 9/27/19)	\$4,375.00
Benefits USA, Inc. (Administration fee for October 2019)	\$1,250.00
Benefits USA, Inc. (UPS Charges for Summary Plan Description)	\$240.62
Dana Investment Adv. (Q3-19 Mgmt. Fee-LC; Invoice #71076 dated 10/7/19)	\$9,670.47
Dana Investment Adv. (Q3-19 Mgmt. Fee-FI; Invoice #71059 dated 10/7/19)	\$1,847.86
KKJ&L (Legal Fees-Bill #24646 dated 9/30/19)	\$88.40
Michael Porch (Mileage Expense from FPPTA FTS)	\$230.26
Foster & Foster (Services Rendered Invoice #15525 dated 10/10/19)	\$445.00
Salem Trust Company (Q3-19 Custodian Fee-Invoice dated 10/10/19)	\$1,625.00
Total	\$19,994.61

For Ratification: Warrants #172-173

Benefits USA, Inc. (Administration fee for August 2019)	\$1,250.00
FPPTA (Registration fee for Scott Papes)	\$670.00
FPPTA (Registration fee for Michael Porch)	\$670.00
KKJ&L (Legal Fees-Bill #24247dated 7/31/19)	\$5,852.19

Scott Papes (Hotel and Per Diem for FPPTA Trustees School-10/6-10/9-2019)	\$674.00
Michael Porch (Hotel and Per Diem for FPPTA Trustees School-10/6-10/9-2019)	\$674.00
Total	\$9,790.19
Benefits USA, Inc. (Administration fee for September 2019)	\$1,250.00
KKJ&L (Legal Fees-Bill #24438 dated 8/31/19)	\$442.00
Total	\$1,692.00

Pension Payments for Ratification:

Charlene West (Beneficiary of William West Monthly benefit payments eff 9/1/19)	\$2,530.02
COLA Increases effective 10/1/19	\$16,848.14

Trustee Handoga moved to approve the consent agenda as presented. Trustee Papes seconded the motion and the motion passed.

UNFINISHED BUSINESS:

Adoption of Operating Rules and Procedures

Due to the changes being requested, Trustee Porch moved to table the item until next meeting. Trustee Handoga seconded the motion and the motion passed.

NEW BUSINESS

Megan Gray Disability

Chief Jamison spoke on the issue noting the member was hurt on the job years ago and her workers comp doctor advised that the member has reached MMI and can no longer perform the duties of a firefighter. That being said, Ms. Gray has applied for a disability from the Fund. Attorney Levinson reviewed what the terms of the disability are and the process of the disability noting that the employee must be actively employed and they must be permanently and totally disabled. Attorney Levinson noted they are currently working on this disability and will have more of a report at the next meeting. It was noted that the Administrator should request both service and non-service incurred disability calculations from the actuary.

175 Distribution List

This item was for distribution only. No action was taken.

FPPTA Membership

Mr. Prior noted that the annual membership dues are due on 12/31/19 and needs approval from the Board. Trustee Handoga moved to approve the FPPTA membership dues. Trustee Papes seconded the motion and the motion passed.

Investment Report: Quarter Ending 9/30/19

AndCo Consulting

Mr. Thinnes reported on the economy noting that small cap and international indices declined while the US stocks continued to outperform. Large cap stocks outperformed small cap equities for the quarter with the S&P 500 Index returned 1.7% versus a -2.4% return for the small cap Russell 2000 Index. US equity returns over the 1-year period were positive for large and mid-cap stocks, returning 4.3% and 3.2% respectively, but small cap stocks posted a loss of -8.9%. MSCI EAFE Index declined -1.1% versus a -4.2% decline for the MSCI Emerging Markets Index. Both developed and emerging markets posted slight losses over the 1-year period, returning -1.3% and -2.0% respectively. The Bloomberg Barclays Aggregate Index gained 2.3% as interest rates fell following the bank stimulus from the Fed. Corporates were the best performing securities for the third quarter in a row, returning 3.0%, outperforming Treasury. The large cap Russell 1000 Index gained 1.4% during the period versus a -2.4% return for the small cap Russell 2000 Index. For the 1-year period, large cap stocks outperformed small cap stocks with the Russell 1000 posting a 3.9%. The Russell 1000 Growth Index was the best performing index for the period, returning 1.5%, with the small cap growth index posting the lowest return, a loss of -4.2%. Energy stocks fell -6.9%, Health care stocks declined -2.8% and Materials returned -0.2%. Utilities, real estate and consumer staples performed well returning 26.3%, 22.1% and 16.0% respectively.

Mr. Thinnes reported on the cash flow noting that the Market Value at 7/01/2019 was \$17,316,391, the Contributions totaled \$547,162, the Distributions totaled -\$207,648 Management Fees totaled -\$13,684, other expenses totaled -\$14,486, the Income totaled \$97,910 and the Appreciation totaled \$120,745 resulting in the ending market value at 9/30/19 of \$17,846,391.

Mr. Thinnes reported on the performance noting that the total fund net return for the quarter was 1.17% and 3.89% for the 1-year period vs. the policy of 1.04% and 5.17% respectively. The Equity fund returned 1.28% and 2.56% vs. the equity policy of 0.45% and 2.04% respectively. The Domestic equity returned 1.16% and 2.92% vs. the Domestic equity policy of 0.94% and 0.04% respectively. The Dana Core equity returned 3.82% and 6.26% vs. the S&P 500 Index of 1.70% and 4.25% respectively. Vanguard had a negative return in both the quarter and 1-year periods of -1.61% and -3.80% vs. the S&P Completion Index of -1.64% and -3.96% respectively. The American Funds Euro Pacific returned -1.59% and 1.14% vs. the International Equity Policy -1.70% and -0.72% respectively. Fixed income returned 0.83% for the quarter and 7.10% for the 1-year period vs. the Fixed income policy of 2.00% and 9.83% respectively. The Dana Fixed Income returned 1.38% and 7.55% vs. the Dana Fixed Policy 1.38% and 8.08% respectively. Dodge & Cox Income returned 2.09% and 9.13% vs. the Bloomberg Barclays U.S. Aggregate Index of 2.27% and 10.30% respectively. Templeton Global had a negative return for the quarter of -3.09% and returned 2.50% for the 1-year period vs. the Bloomberg Barclays Global Multiverse index of 0.63% and 7.54% respectively. Intercontinental Real Estate returned 2.51% and 8.31% vs. the NCREIF index of 1.38% and 6.16% respectively.

Mr. Thinnes reported on the Compliance report noting that it was mostly yes and he does not have any recommendations at this time.

Miscellaneous Correspondence

No Action Required

REPORTS:

Attorney

Attorney Levinson provided the Board with a copy of an ordinance regarding the presumptive Cancer Bill. It was previously reported that the actuary will have to provide an impact statement before being approved by the District and the Board. The Board additionally noted that the actuary will need to review the Investment Policy Statement with the Consultant for the requested benefit changes as well, as it relates to the overall cost of the Plan.

Regarding the dollar amount for the insurance as it pertains to the Cancer Bill, Chief Jamison noted that the Commission decided to self-insure the policy, as it pertains to the \$25,000 portion of the Bill. This will be tabled until next meeting.

Attorney Levinson reported on the Special tax notice, The Safe Harbor Act noting that this is provided to the members upon retirement. Mr. Prior stated that his office provides the document to the employees when they retire. Trustee Porch moved to approve the tax notice as mentioned by the attorney. Trustee Papes seconded the motion and the motion passed.

Attorney Levinson also spoke on Cyber and Ransom Ware Insurance and suggests the Board consider purchasing a policy as they are relatively inexpensive, approximately \$1,300. Attorney Levinson said his office will provide prices for the Board to consider at the next meeting.

Administrator

Mr. Prior reported that he does have cyber insurance as well. Regarding backing up files, all files are backed up on the server as well as in the cloud.

Trustees

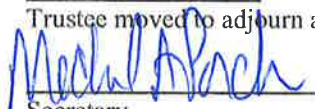
The Trustees had nothing further to report.

NEXT MEETING:

Mr. Prior reported that the next meeting is January 15, 2020 @ 7:30am

ADJOURNMENT:

Trustee moved to adjourn and Trustee seconded the motion. The meeting was adjourned at 9:19 a.m.


Secretary