

**EAST LAKE TARPON SPECIAL
FIRE CONTROL DISTRICT
PENSION BOARD QUARTERLY MEETING
January 15, 2020**

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 January 15, 2020 at 3375 Tarpon Lake Blvd. Palm Harbor, FL 34685.

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

OTHERS PRESENT:

Attorney Kaufman of Klausner, Kaufman ETAL, John Thinnes of AndCo Consulting, Greg Peters via teleconference Retirees James Dalrymple and Tom May, and Pete Prior of Benefits USA, Inc.

Approval of Minutes

October 16, 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:

Mr. James Dalrymple addressed the board regarding the possible increase in benefits and provided a history of the plan and the funding of the plan to make it what it is today. Mr. Tom May also addressed the board noting he also would like to know what the board is going to do as it pertains to the retirees and possibly would like to see past minutes regarding the increase in benefits.

NEW BUSINESS:

Presentation of 9/30/19 Financial Statements

Mr. Cristini addressed the board noting that they have audited the financial statements for the Fund which comprise the statement of fiduciary net position as of September 30, 2019 in accordance with the auditing standards generally accepted in the United States of America. Those standards require that they plan and perform the audit with assurance that the financial statements are free from misstatement. Mr. Cristini gave a clean opinion that the financial statements presented fairly in all material respects. The fiduciary net position, and the changes in the fiduciary net position.

Ms. Bittinger reported that the total receivables for the fiscal year ending September 30, 2019 were \$26,565 vs. \$25,700 from 2018. The prepaid expenses totaled \$1,360 a slight decrease from 2018 of \$1,450. The total assets increased from \$17,045,260 to \$17,847,026. The liabilities increased from \$16,895 to \$75,009. The net amount restricted for pension increased from \$17,028,365 an increase to \$17,772,017. The contributions decreased from \$678,986 to \$676,914. The State revenue increased from \$312,442 to \$322,935. The net investment income decreased from \$1,257,383 to \$625,327. The benefit payments decreased from \$1,333,500 to \$881,524 due to members retiring from the Plan and the Administrative Expenses increased from \$69,555 to \$71,170. Ms. Bittinger reported that as of September 30, 2019 the plan's membership consisted of 18 retirees and beneficiaries currently receiving benefits; 2 DROP participants and 6 vested terminated employees. The current active membership is 37 and consists of 18 vested members and 19 non vested members.

Finally, Ms. Bittinger noted the Plan's Funded ratio decreased from 84.85% to 81.10%. After the presentation, the Chairman stated that if there were no questions or comments, he would entertain a motion to approve the Financial Statements.

Trustee Porch moved to approve the September 30, 2019 Financial Statements as presented and Trustee Handoga seconded the motion and the motion passed.

Presentation of 10/1/19 Actuarial Valuation

Mr. Donlan reported that the required rate of contribution decreased to 35.0% for fiscal year ending 9/30/2019. He noted that as requested by the Division of Retirement, the required contributions from the combination of District and State sources for the year ending 9/30/2021 is 30.0% of the actual non-DROP payroll realized in that year. As a budgeting tool, the district may contribute 20.7% of each members' salary and then make a one-time adjustment for the actual state monies received. The District has a prepaid amount of \$50,271.04 that is available to offset the requirements for the 9/30/2020 fiscal year. Mr. Donlan state that the Plan experience overall was favorable based on the plan's actuarial assumptions. The actuarial gain included an average salary increase of 4.54% which fell short of the 5.13% assumption and an investment return of 8.28% which exceeded the 7.65% assumption. He also noted that there were no significant sources of actuarial loss.

Mr. Donlan reported on the participant data noting that there are currently 38 active members in the plan, 14 service retirees, 2 DROP retirees, 2 disability retirees, 1 beneficiary and 9 vested terminated members. Mr. Donlan reported that there were no plan or assumption changes for this valuation period. The total Actuarial Accrued Liability was \$21,843,609 an increase from 2018 of \$20,747,799. The Unfunded Actuarial Accrued Liability decreased from \$4,625,830 in 2018 to \$4,248,561 and the Funded Ratio is 80.6% vs. 77.7% from 2018. That being said, the Chairman stated that if there were no questions, he would entertain a motion to approve the valuation. Trustee Handoga moved to approve the valuation as presented. Trustee Papes seconded the motion and the motion passed.

Attorney Kaufman noted that a second motion is in order to accept the assumed rate of return now and in the future. Mr. Thinnes noted that the current assumption was 7.65%. Trustee Papes moved to approve the assumed rate of return of 7.65% currently and in the long term and Trustee Bonnem seconded the motion. The motion passed.

Unfinished Business:

Adoption of Operating Rules and Procedures

The Attorney noted that the Board received the operating rules and procedures and the next step is to review and approve them. Seeing and hearing no changes, Trustee Papes moved to approve and Trustee Bonnem seconded the motion and the motion passed.

Megan Gray Disability:

Attorney Kaufman provide the Board with an update of the disability pension process. He noted that Ms. Gray's doctor has to provide medical records for the board's review. Once they receive the medical records, they can send Ms. Gray for an IME. After the IME is performed, they will receive a copy of that report and they can notify the Board as to when they can meet to review the IME. Mr. Kaufman noted that they are working on it as fast as possible. Mr. Kaufman also noted that if the board wishes, they could have a special meeting. Ms. Gray stated that the sooner they can have the meeting, the better as she does not have a paycheck coming in.

Consent Agenda:

For Approval: Warrant #177

Dana Investment Adv. (Q4-19 Mgmt Fee-LC; Invoice #73398 dated 1/8/2020)	\$10,615.94
Dana Investment Adv. (Q3-19 Mgmt Fee-FI; Invoice #73382 dated 1/8/2020)	\$1,855.33
Klausner, Kaufman ETAL (Legal Fees-Bill #25219 dated 12/31/19)	\$1,879.62
Total	\$14,350.89

For Ratification: Warrants #175-176

Benefits USA, Inc. (Administration fee for November 2019)	\$1,250.00
Benefits USA, Inc. (Administration fee for December 2019)	\$1,250.00
FPPTA (CPPT Onsite Certification for Michael Porch)	\$1,030.00
KKJ&L (Legal Fees-Bill #24834 dated 10/31/19)	\$4,901.35
KKJ&L (Legal Fees-Bill #25018 dated 11/30/19)	\$2,954.97
Total	\$11,386.32

AndCo (Q4-19 Consulting Fee-Invoice #33837 dated 12/31/19)	\$4,375.00
Benefits USA, Inc. (Administration fee for January 2020)	\$1,250.00
Foster & Foster (Service Rendered; Invoice #16033 dated 12/23/19)	\$13,179.00
FPPTA (Trustee School Registration for Sharon Bonnem)	\$720.00
FPPTA (Trustee School Registration for Scott Papes)	\$720.00
Sharon Bonnem (Hotel & Per Diem for FPPTA Trustees School)	\$933.51
Scott Papes (Hotel & Per Diem for FPPTA Trustees School)	\$933.51
Saltmarsh, Cleveland & Gund (Progress billing Re: 9/30/19 audit; Inv #592057)	\$5,100.00
Total	\$27,211.02

Pension Payments for Ratification:

James Finley (Monthly Retirement Benefits effective 12/1/19)	\$3,689.07
James Finley (Share Plan Distribution)	\$16,807.87
Joseph Fuller (Monthly Retirements effective 11/1/19)	\$2,066.88
Joseph Fuller (DROP Distribution)	\$142,559.19
Joseph Fuller (Share Plan Distribution)	\$16,807.85
Megan Gray (Share Plan Distribution)	\$16,807.87
Total Pension Payments	\$198,738.73

Trustee Handoga moved to approve the Consent Agenda. Trustee Papes seconded the motion and the motion passed.

Investment Report: Quarter Ending 12/31/19**AndCo Consulting**

Mr. Thinnnes gave a brief report on the fund performance noting that the total fund return for the quarter was 6.39% and 21.53% for the 1-year period vs. the fund policy of 5.46% and 20.06% respectively. The equity fund returned 9.73% and 32.36% vs. the equity policy of 9.08% and 28.77% respectively. The domestic equity returned 9.63% and 33.80% vs. the domestic equity policy of 9.10% and 31.02% respectively. Dana Core equity returned 9.95% and 36.48% outperforming the S&P 500 of 9.07% and 31.49% respectively. Vanguard returned 8.90% and 28.04% vs. the S&P completion index of 8.86% and 27.95%. American Funds Euro Pacific returned 10.09% and 27.40% vs. the MSCI AC World ex USA 8.99% and 22.13% respectively.

The fixed income fund returned 0.76% for the quarter and 6.51% for the 1-year period vs. the policy of 0.23% and 6.51% respectively. Dana fixed income returned 0.46% and 6.49% vs. the Dana fixed policy of 0.47% and 6.67% respectively.

Dodge & Cox returned 0.85% and 9.73% vs. the Blmbg. Barc. U.S. Aggregate Index of 0.18% and 8.72% respectively. Templeton Global returned 1.88% and 2.12% vs. the Blmbg. Barc. Global Multiverse of 0.64% and 7.13% respectively. Intercontinental returned 3.22% and 9.46% vs. the NCREIF Fund Index of 0.00 and 4.47% respectively. Mr. Thinnnes noted that the Plan is probably at \$19 million at this point, however he does not have the exact amount as of today but the market has been doing very well. Mr. Thinnnes noted that with the election this year and the China Trade deal, the year could be volatile. Mr. Thinnnes had nothing further to report.

Finally, Mr. Thinnis reported on the Investment Policy statement noting that he made a change on page 2 to note that the return of the total portfolio will equal or exceed the actuarial assumption instead of the current 7.65% assumption rate. That being said, Trustee Bonnem moved to approve the IPS as amended and Trustee Papes seconded the motion and the motion passed.

Dana Investments.

Mr. Peters provided the members with a report on the portfolio noting that the market had over 21 new highs during the year. Mr. Peters noted that Dana's investment objective is to outperform the benchmark and exceed the CPI +5% over a three to five-year period and to rank in the top 40% of peer universe. He noted that equity positions must be less than 5% of portfolio, 85% of fixed income holdings must be investment grade or better and corporate bond positions must be less than 10% of portfolio. Treasury Bills of 1, 3, 6, and 12 months lost 18 basis points respectively.

The 2-year Treasury declined 5 basis points and 3-year Treasury rose 5 basis points. The 10 year and 30-year bonds rose 25 and 28 basis points respectively. The 10-year Treasury note traded in a yield range of 1.53% to 1.94% ending the quarter at the higher end.

Mr. Peters reported on the performance noting that the Equity Fund return for the quarter was 9.96% and 36.48% for the year to date period vs. the S&P 500 of 9.07% and 31.49% respectively. For the 3- and 5-year periods the equities returned 16.97% and 11.12% vs. the S&P 500 of 15.27% and 11.70% respectively and since inception the equity fund returned 10.89% vs. 10.05% respectively. The fixed income fund returned 0.46% and 6.60% for the quarter and year to date vs. the Barclay's Aggregate index of 0.47% and 6.67% respectively. For the 3- and 5-year periods the fixed income fund returned 3.13% and 2.64% vs. the Barclays' Aggregate index of 3.26% and 2.59% respectively and since inception the fixed income returned 3.89% vs. 3.78%. Mr. Peters had nothing further to report and thanked the Board for allowing him to present via telephone.

Miscellaneous Correspondence

No Action Required

REPORTS:

Attorney

Attorney Kaufman addressed the Board that his firm provides legal memos regarding important items and there is a memo in the members packets. Attorney Kaufman also commented that his firm's seminar does not have a fee to attend. The Chairman asked if there is any legislature pending to report on. Attorney Kaufman noted that so far there are no issues being presented.

Administrator

Mr. Prior noted the FPPTA Trustee School is at the end of the month and there is still time to attend if anyone wishes to attend. Mr. Prior also noted that the information for the state report is being sent to the actuary as well.

TMI/Salem

Ms. Lynn Skinner commented on the merger noting that they are a part of TMI Trust Company but they are still operating as Salem Trust. Ms. Skinner also provided a letter to the board regarding the change noting that there will be no changes as it pertains to client operation. The clients will continue to receive the best service available that they have been accustomed to receiving.

Trustees

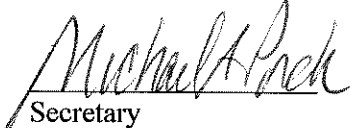
The Trustees had nothing further to report.

NEXT MEETING:

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

ADJOURN:

Trustee Papes moved to adjourn and Trustee Bonnem seconded the motion. The meeting was adjourned at 9:27 a.m.


Secretary