

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

Thursday, April 25, 2019, at 9:00AM

**TRUSTEES PRESENT:** Dan Tackett  
Stewart Moon  
Burdette (Bud) Parent  
Scott Ricci

**TRUSTEES ABSENT:** None

**OTHERS PRESENT:** Scott Christiansen, Christiansen & Dehner  
Ferrell Jenne, Foster & Foster  
Kerry Richardville, AndCo Consulting  
Tom Sousa, Fire Chief  
Patrick Donlan, Foster & Foster  
Greg Peters, Dana Investment Advisors  
Alex Flores, Firefighter  
Members of the Public

1. **Call to Order** – The meeting was called to order at 9:00am by Dan Tackett.
2. **Roll Call** – As reflected above.
3. **Public Comments** – None.
4. **Approval of Minutes**

**The minutes from the January 24, 2019, quarterly meeting were approved, upon motion by Stewart Moon and second by Scott Ricci; motion carried 4-0.**

5. **New Business**
  - a. Certification of election results
    - i. The board opened the ballot boxes and counted the ballots. James Leigh received nine votes and Chad Brunner received twenty-four votes.

**The board certified the member election results with James Leigh receiving nine votes and Chad Brunner receiving twenty-four votes, upon motion by Bud Parent and second by Stewart Moon; motion carried 4-0.**

- b. Election of officers
  - i. Scott Christiansen commented the Chairman and Secretary positions would need to be re-elected, as this should be done every two years. Dan Tackett commented that Jim Davis was the prior Secretary.

**The board re-appointed Dan Tackett as Chairman and appointed Scott Ricci as Secretary, upon motion by Bud Parent and second by Dan Tackett; motion carried 4-0.**

- c. Chief Tom Sousa commented negotiations had been wrapped up. Tom commented the member contributions would be 3.90% starting October 1, 2019, and 5.0% on October 1, 2020. Tom commented the District would cover the cost of drafting the Ordinance. Dan Tackett commented the additional contributions go into a rate stabilization plan. Tom commented the pension board would vote on when to apply the extra contributions. Dan Tackett confirmed the Union had

agreed to the use of the extra contributions. Patrick Donlan recommended the board adopt a policy that outlined when to use the additional contributions.

- d. The board discussed a member terminating employment and getting his/her contributions refunded. Tom Sousa commented the District had made an effort to increase the District's contributions to the plan, when they could. Tom commented they hadn't utilized the prepaid amounts. Patrick Donlan confirmed the District would decide on when to use the additional employer contributions.

**The board authorized Scott Christiansen to draft an Ordinance amendment to add the additional member contribution language as discussed, upon motion by Stewart Moon and second by Bud Parent; motion carried 4-0.**

- e. Ferrell Jenne commented the current proposed Ordinance was scheduled for first reading on May 21, 2019. Tom Sousa commented they could postpone the reading and give Scott Christiansen time to add the additional member contribution language.

6. **Old Business** – None.

7. **Reports**

- a. Dana Investment Advisors, Greg Peters, Investment Manager
  - i. Quarterly report as of March 31, 2019
    1. Greg Peters reviewed the characteristics of the fixed income portfolio and where they were under and over-weighted.
    2. The portfolio value as of March 31, 2019, was \$1,956,889.31, a total gain of \$75,217.68 over the last quarter.
    3. Fixed gross income returns for the quarter were 2.60%, outperforming the Barclays Intermediate Aggregate of 2.28%. Fiscal gross year-to-date returns were 4.00%, underperforming the benchmark of 4.12%.
    4. The board briefly discussed possible rate hikes from the Federal Reserve. Greg Peters reviewed the Gross Domestic Product (GDP) growth and commented it was back to the post-recession levels. Greg briefly reviewed inflation and the portfolio holdings.
    5. The board discussed the bond allocation. Greg Peters commented the board should stay with the current allocation and Kerry Richardville agreed.
- b. AndCo, Kerry Richardville, Investment Consultant
  - i. Quarterly report as of March 31, 2019
    1. Kerry Richardville reviewed the market environment during the first quarter. Kerry commented the markets rebounded strongly during the quarter. Kerry commented the Federal Reserve halted any interest rises and there could possibly be a rate reduction during the year.
    2. The market value of assets as of March 31, 2019, were \$17,314,013.
    3. Kerry Richardville reviewed the current asset allocation classes and commented everything was in-line with the Investment Policy Statement (IPS) and there was no need for rebalancing.
    4. Total fund net returns for the quarter were 9.28%, outperforming the policy index of 8.91%. Total fund net trailing returns for the 1, 3, and 5-year periods were 4.29%, 8.37% and 5.77% respectively. Kerry Richardville reviewed the performance of each manager. Kerry reminded the board that the Dana Large Cap Core portfolio was liquidated, and the plan moved the proceeds to Dodge & Cox and MFS Growth. Kerry commented the report was preliminary, as they were still waiting on the real



estate returns. The real estate returns were expected to be approximately 1.74%.

5. Kerry Richardville made no recommendation for changes to the portfolio.
6. The board briefly discussed Brexit and the possibility of a re-vote. Kerry Richardville and Greg Peters briefly reviewed the opportunities Brexit could offer.

c. Foster & Foster, Patrick Donlan, Plan Actuary

i. Experience Study

1. Patrick Donlan reminded the board the experience study measured the current assumptions against what was actually occurring in the plan.
2. Patrick Donlan reviewed the seven assumptions and methods that were analyzed.
3. Patrick Donlan commented the plan was currently funded using the Aggregate Actuarial Cost Method. Under this method the development of the annual contribution requirement was somewhat volatile, since gains and losses would require funding over the lifetime of the membership. Patrick reviewed how the normal cost was calculated and funded. Patrick recommended moving to the Entry Age Normal cost method. Patrick stated the change in the cost method simply alters the timing of sponsor contributions and did not affect the plan's ultimate cost. Under the new method, the Unfunded Actuarial Accrued Liability (UAAL) would be amortized over a 15-year period. The funding impact of the assumption change would slightly decrease the contribution requirement. Patrick commented the majority of the plans they provided actuarial services to use the Entry Age Normal cost method.
4. Patrick Donlan reviewed the investment return assumption. Patrick reviewed the historical returns and the averages. The current assumption was 7.70% net of investment related expenses. Patrick reminded the board that they were currently planning to reduce that rate by 0.50% each year thereafter for the next four years to get the 7.50%. Patrick recommended the board continue on the glidepath to reduce the investment return assumption.
5. Patrick Donlan reviewed the salary increase assumption. Patrick commented the assumption was a 6.00% increase each year until a member retires. Patrick reviewed the factors that affect individual salary increases. Patrick reviewed the experience from the last ten years. Patrick commented the average salary increases over the past ten fiscal years were lower than the current assumption and higher for the earlier years of service. Patrick recommended having an increased salary increase assumption during the beginning of a member's career and then decrease the assumption each year of credited service. The assumption would start at 10.00% for the first year of service and decrease to 4.50% for the service years ten and thereafter. The assumption change would decrease the required contributions by 7.20%. Tom Sousa reviewed the current salary increases.
6. Patrick Donlan reviewed the turnover assumption. Patrick reviewed the current retirement provisions and the early retirement penalties. Patrick reviewed the experience and commented only one person in the last ten years retired early and the others waited to defer their retirement until they were closer or at normal retirement eligibility. Patrick proposed to make the assumption that if a member terminated vested prior to age 50, they would wait and begin drawing benefits at the earlier of age 50 or their otherwise normal retirement date. For any

members with at least six years of service and are at least age 50, we would assume they would retire with a 5.00% probability each year until they reached their normal retirement date and 100% probability once they reach their normal retirement date. This assumption change would decrease the required contribution rate by 2.70%.

7. Patrick Donlan reviewed the total impact on the contribution requirements if all assumptions were adopted, as proposed in the experience study. Patrick commented the contribution requirements would not change if the plan went straight to the 7.50% investment return assumption and adopted all the other proposed assumption changes.

**The board approved to make all the recommended changes from Foster & Foster, including the 7.50% investment return assumption and the entry age normal cost method, in conjunction with the October 1, 2019, valuation report, upon motion by Bud Parent and second by Stewart Moon; motion carried 4-0.**

- d. Christiansen & Dehner, Scott Christiansen, Plan Attorney
  - i. Discussion of future legal representation
    1. Scott Christiansen commented when Lee Dehner passed away, they made the decision to further reduce their client load. Scott commented he would like to continue to represent the board as their legal counsel. Scott commented the contract was with Christiansen & Dehner, so there was no need to change the contract. By consensus, the board agreed to have Scott continue to represent the plan.
  - ii. Legislative update
    1. Scott Christiansen commented there was a proposed bill (SB426/HB857) that would provide firefighters with benefits to those who contract one of the twenty-one types of cancer due to service. The benefits were designed to be taken in lieu of workers' compensation benefits. Scott commented it appeared the bill would pass. Scott commented they may need an Ordinance amendment if the bill was passed. Patrick Donlan commented there would be no initial funding impact to the plan.
    2. Scott Christiansen commented there had been changes to the actuarial contract, due to additional work what was mandated by the State. Scott recommend a contract addendum to reflect all the fees currently being charged by the actuary.

**The board authorized Scott Christansen to amend the Foster & Foster actuarial contract to include all services being provided, upon motion by Scott Ricci and second by Bud Parent; motion carried 4-0.**

- iii. Summary Plan Description (SPD)
  1. Scott Christiansen commented he would update the SPD to incorporate the increased member contributions. Scott commented the last SPD was done almost two years ago, so it was time to update the document.

**The board authorized Scott Christiansen to update the Summary Plan Description, upon motion by Stewart Moon and second by Bud Parent; motion carried 4-0.**

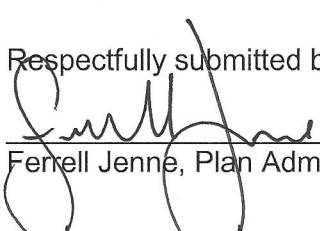
**The board approved the Operating Rules & Procedures as presented, upon motion by Bud Parent and second by Scott Ricci; motion carried 4-0.**



8. **Consent Agenda**
  - a. Payment ratification
    - i. Warrant #50
      1. Foster & Foster, invoice #13759, \$850.00
      2. Dana Investment Advisors, invoice #64969, \$1,192.88
      3. Dana Investment Advisors, invoice #65009, \$4,317.36
      4. Foster & Foster, invoice #13713, \$10,838.00
    - ii. Warrant #51
      1. American Core Realty Fund, auto-deducted (quarterly fee), \$2,470.47
      2. Christiansen & Dehner, invoice #33047, \$3,868.30
      3. Foster & Foster, invoice #13954, \$1,081.92
    - iii. Warrant #52
      1. Christiansen & Dehner, invoice #33121, \$222.64
      2. Dana Investment Advisors, invoice (final) #67298, \$1,969.84
      3. Foster & Foster, invoice #14144, \$1,000.00
      4. Foster & Foster, invoice #14260, \$2,700.00
  - b. New invoices for payment
    - i. Warrant #53
      1. AndCo Consulting, invoice #30349, \$4,164.06
      2. Christiansen & Dehner, invoice #33199, \$88.40
      3. Foster & Foster, invoice #14372, \$1,000.00
  - c. Fund activity report for January 18, 2019 through April 18, 2019.

**The board voted to approve the consent agenda as presented, upon motion by Stewart Moon and second by Bud Parent; motion carried 4-0.**

9. **Staff Reports, Discussion, and Action**
  - a. Foster & Foster, Ferrell Jenne, Plan Administrator
    - i. Update on State Annual Report
      1. Ferrell Jenne commented the State Annual Report had been filed and they would update the board on the distribution amount as soon as it was received.
    - ii. Education Opportunity
      1. Ferrell Jenne reviewed the upcoming Division of Retirement Conference.
10. **Trustees' Reports, Discussion, and Action**
  - a. Alex Flores asked about the seven assumptions that were reviewed in the experience study. Alex asked if all assumptions were approved and Patrick Donlan confirmed they were.
  - b. Scott Christianson reminded the board to file their Financial Disclosure Forms by July 1<sup>st</sup> to avoid fines.
11. **Adjournment** – The meeting adjourned at 10:30am.
12. **Next Meeting** – July 31, 2019, at 9:00am.

Respectfully submitted by:  
  
 \_\_\_\_\_  
 Ferrell Jenne, Plan Administrator

Approved by:  
  
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~~Dan Hackett, Chairman~~  
 SCOTT CICCI, SECRETARY

Date Approved by the Pension Board: JULY 31, 2019