

**SANFORD FIREFIGHTERS' RETIREMENT SYSTEM
PENSION BOARD MEETING MINUTES
Thursday, February 2, 2017 – 9:30 A.M.**

1. Call to Order and Roll Call

The meeting was called to order at 9:30 a.m. by the Chairman, Tom Hickson. The following members were present: Aaron Hinson, Josh Milian, Craig Radzak, and Rick Russi. The following service providers were also in attendance: Scott Christiansen, Plan Counsel, Tom Donegan, Investment Consultant, Clyde Robinson and Peter Hapgood, Investment Managers, and Patrick Donlan, Plan Actuary. Also present was Finance Director Cynthia Lindsay.

2. Approval of Minutes

A motion was made by Rick Russi to approve the minutes from the regular meeting held November 3, 2016. Seconded by Aaron Hinson, the motion carried unanimously.

3. Approval of Disbursement Report

A motion was made by Craig Radzak to approve the disbursement report as presented. Seconded by Rick Russi, the motion carried unanimously. *(Copy is attached for the record.)*

4. Actuarial Valuation Report

Patrick Donlan presented the Actuarial Valuation Report as of October 1, 2016. Following the review, and a lengthy discussion, a motion was made by Aaron Hinson to approve the report as presented. Seconded by Josh Milian, the motion carried unanimously.

During the presentation, a number of assumptions were discussed and Patrick recommended that the Trustees consider an Experience Study (the last one was done 10 years ago.) Following some discussion, a motion was made by Aaron Hinson to authorize the Actuary to perform the Experience Study at a not-to-exceed cost of \$6,000 and to present it to the Board at the August 3rd meeting. Seconded by Rick Russi, the motion carried unanimously.

A discussion took place regarding the annual Declaration of Returns letter. Following input from the investment professionals, attorney, and the Trustees, a motion was made by Rick Russi to submit the annual letter to the Division of Retirement stating that the total expected annual rate of investment return for the fund for the next year, the next several years, and the long-term thereafter, shall be 8%, net of investment expenses. Seconded by Craig Radzak, the motion carried unanimously.

5. Investment Manager's Report

Clyde Robinson presented the **ASB Real Estate** management report as of December 31, 2016. Ending market value was \$1,422,648.

Peter Hapgood presented the **Intercontinental Real Estate** management report as of December 31, 2016. Ending market value was \$2,825,934.

6. Investment Consultant's Report – Dahab Associates

Tom Donegan reviewed the Plan's performance as of December 31, 2016. Asset allocation for the period: Large Cap Equity – 3%, Mid Cap Equities – 11.8%, Small Cap Equities – 10.1%, International Equity – 9.4%, Real Estate – 14.5%, Fixed Income – 21.1% and Cash – 1.6%. Total portfolio value was \$29,380,879.

Tom concluded his report to the Board by informing the Trustees that Greg McNeillie is working on the updated Investment Policy which will include the recent Brandywine investment allocation. He will plan to bring it to the next meeting for review and approval by the Board.

7. Attorney's Report

Scott Christiansen began his report by discussing the current status of the Union negotiations. The City Commission will be meeting on February 13th to confirm the new CBA and it is expected that they will approve of the closing the plan for new hires after 10/01/17 (who will be placed in FRS) and to allow the City to take possession of future State Monies as well as all the funds that are in reserve (estimated at \$1.2MM). As soon as the contract is ratified, Scott will need to prepare an Ordinance detailing the changes to the Plan and another regarding the required Share Plan Language required by the State. Following some discussion, a motion was made by Craig Radzak to authorize the Attorney to proceed with the Ordinance upon notification by the Plan Administrator and to allow the Actuary to prepare the required impact statement. Seconded by Aaron Hinson, the motion carried unanimously.

At the last meeting Scott briefly discussed the Securities Monitoring services provided by the law firm of Kessler Topaz Meltzer & Check ("KTMC"). Attorney Jonathan Davis sent the Plan Administrator a packet of information that was handed out to the Trustees at today's meeting. Following a lengthy explanation of the services included in the agreement by Scott, and some additional discussion, a motion was made by Aaron Hinson to adopt the Securities Monitoring Agreement with KTMC. Seconded by Josh Milian, the motion carried unanimously. The Plan Administrator will see to the execution of the Agreement and the proper distribution.

Scott continued his report to the Board under agenda items requiring his input.

8. Old Business

At the last meeting the Trustees agreed to the new fee proposal from Salem Trust. The Plan Administrator brought the new agreement to today's meeting for execution by the Chairman and Secretary.

9. New Business

(a) A motion was made by Craig Radzak to approve of the DROP entry for Webb Epperson, effective 10/01/16. Seconded by Aaron Hinson, the motion carried unanimously.

(b) A motion was made by Craig Radzak to approve of the DROP exit/retirement for John Smith, effective 01/21/17 and Dave Copeland, effective 11/02/16. Seconded by Aaron Hinson, the motion carried unanimously.

10. Public Comments

There were none.

11. Next Meeting Date

The next regular meeting date was set for Thursday, May 4, 2017 at 9:00 a.m.

12. Adjournment

The meeting ended at 10:45 a.m.

For the Board _____