

**SANFORD FIREFIGHTERS' RETIREMENT SYSTEM  
PENSION BOARD MEETING MINUTES  
Thursday, November 3, 2016 – 10:30 A.M.**

**1. Call to Order and Roll Call**

The meeting was called to order at 10:30 a.m. by the Chairman, Tom Hickson. The following members were present: Aaron Hinson, Craig Radzak, Rick Russi, and new Trustee, Josh Milian. The following service providers were also in attendance: Scott Christiansen, Plan Counsel, Tom Donegan, Investment Consultant, Jana Hamilton, Investment Manager, and Lynn Skinner from Salem Trust. Also present was Peter Staffieri, from the Finance Department.

**2. Approval of Minutes**

A motion was made by Craig Radzak to approve the minutes from the regular meeting held August 4, 2016. Seconded by Aaron Hinson, the motion carried unanimously.

**3. Approval of Disbursement Report**

The Plan Administrator reviewed the new Disbursement Report layout with the Trustees. A motion was then made by Rick Russi to approve the disbursement report as presented. Seconded by Aaron Hinson, the motion carried unanimously. *(Copy is attached for the record.)*

**4. Large Cap Value Manager Interviews**

Steven Tonkovich and Michael Daly presented the **Brandywine Global** investment strategy and firm overview. They closed their presentation with a fee review and thanked the Board for the opportunity to present to them today.

Keri Hepburn and Clint Harris presented the **Invesco** performance philosophy and process and discussed the characteristics of the firm and the team that would be assigned to the fund portfolio. They discussed their fee proposal and thanked the Board for their consideration. Charles Webb and Ann Roberts presented and overview of **Weaver Barksdale & Associates** and discussed their investment strategy and processes. They closed their presentation with a fee review and thanked the Board for their time and consideration.

Tom Donegan led a lengthy discussion regarding the presentations. Following the discussion, a motion was made by Rick Russi to hire Weaver Barksdale. The motion died for lack of a second. Another motion was made by Aaron Hinson to hire Brandywine and to terminate Herndon pending the review and approval of the new agreement by the Board Attorney. Seconded by Rick Russi the motion carried 3-2 with Craig Radzak and Tom Hickson opposing.

**5. Investment Manager's Report**

Jana Hamilton presented the Garcia Hamilton & Associates Investment Management report as of September 30, 2016. Ending market value was \$6,339,599.16.

**6. Investment Consultant's Report – Dahab Associates**

Tom Donegan reviewed the Plan's performance as of September 30, 2016. Asset allocation for the period: Large Cap Equity – 33.3%, Mid Cap Equities – 11.6%, Small Cap Equities – 9.7%, International Equity – 8.2%, Real Estate – 14.3%, Fixed Income – 22.0% and Cash – 0.9%. Total portfolio value was \$28,795,700.

Tom concluded his report to the Board by recommending an asset reallocation. Following some discussion, a motion was made by Rick Russi to transfer \$500,000 from the Polen Large Cap Growth Fund to the Manning & Napier International Fund (as soon as administratively possible) and to invest the State Monies in the Manning & Napier International Fund upon receipt. Seconded by Craig Radzak, the motion carried unanimously.

**7. Custodian's Report**

Lynn Skinner, from Salem Trust Company, handed out and reviewed a proposal from Globe Tax Services. This agency provides tax reclamation services to custodial banks. As a result, the Plan has an opportunity to recover taxes paid on overseas investments. Scott Christiansen recommended that the Trustees accept this opportunity to claim additional funds for the Plan. Following a brief discussion, a motion was made by Craig Radzak to proceed with a services agreement. Seconded by Aaron Hinson, the motion carried unanimously.

Lynn concluded her report to the Board by reviewing a proposed fee increase. Following some discussion, a motion was made by Craig Radzak to approve of the new fee structure of 6 basis points, guaranteed for 3 years, upon review and approval of the contract addendum by the Attorney. Seconded by Aaron Hinson the motion carried unanimously.

**8. Attorney's Report**

Scott Christiansen began his report by reminding the Plan Administrator to send the Annual Report of Investment Activity letter to the City. He also stated that, upon the completion of Union Negotiations, the Mutual Consent Agreement will need to be executed.

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

**9. Old Business**

Tom Donegan reviewed the revised Investment Policy Statement (approved by the Trustees at the last meeting) and the Chairman affixed his signature. The Plan Administrator will see to the proper distribution.

**10. New Business**

(a) The Plan Administrator presented and reviewed the Annual Expense Report for the FYE 09/30/16. Following a brief discussion, a motion was made by Rick Russi to adopt the report and to distribute it and post it as required. Seconded by Craig Radzak, the motion carried unanimously.

(b) The Trustees reviewed and approved the 2017 meeting schedule.

**11. Public Comments**

There were none.

**12. Next Meeting Date**

The next regular meeting date was set for Thursday, February 2, 2017 at 9:00 a.m.

**13. Adjournment**

The meeting ended at 1:00 p.m.

For the Board \_\_\_\_\_