

SANFORD FIREFIGHTERS' RETIREMENT SYSTEM
PENSION BOARD MEETING MINUTES
Thursday, February 7, 2019 – 9:00 A.M.

1. Call to Order and Roll Call

The meeting was called to order at 9:00 a.m. by the Chairman, Tom Hickson. The following members were present: Aaron Hinson, Josh Milian, and Craig Radzak. Rick Russi was excused. The following service providers were also in attendance: Scott Christiansen, Plan Counsel, Patrick Donlan, Actuary, and Tom Donegan, Investment Consultant. Also present was Cynthia Lindsay, Finance Director. Karyn Stanley and her husband Bill were in the audience.

2. Approval of Minutes

A motion was made by Aaron Hinson to approve the minutes from the regular meeting held November 1, 2018 and the Special Meeting held on November 1, 2018. Seconded by Craig Radzak, the motion carried unanimously.

3. Approval of Disbursement Report

A motion was made by Aaron Hinson to approve the disbursement report as presented. Seconded by Craig Radzak, 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, 2018. Following the review, and a brief discussion, a motion was made by Aaron Hinson to approve the report as presented. Seconded by Josh Milian, the motion carried unanimously.

A discussion then took place regarding the annual Declaration of Returns letter. Following input from the investment professionals, attorney, and the Trustees, a motion was made by Craig Radzak 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 7.75%, net of investment expenses. Seconded by Aaron Hinson, the motion carried unanimously.

5. Investment Manager's Reports

Elizabeth Stevko presented the Brandywine Investment Report as of December 31, 2018. Total portfolio value was at \$4,627,631.

6. Investment Consultant's Report – Dahab Associates

Tom Donegan reviewed the Plan's performance as of December 31, 2018. Asset allocation for the period: Large Cap Equity – 29.5%, Mid Cap Equities – 9.8%, Small Cap Equities – 9.3%, International Equity – 13.3%, Real Estate – 16.0%, Fixed Income – 21.0% and Cash – 1.1%. Total portfolio value was \$30,805,717.

7. Attorney's Report

Scott Christiansen provided his report under agenda items requiring his input.

8. Old Business

A revised IRC Compliance Ordinance has been sent to the City. As soon as they receive the Actuarial Impact Statement it will be presented to the City Commission for adoption. The Plan Administrator will provide another update for the Trustees at the next meeting.

9. New Business

In the past several weeks there has been an ongoing discussion, and several emails, between

the City Finance Director, the Attorney, and Administrator regarding the Payroll Department's salary reporting procedures. Some of the Trustees have also had one-on-one discussions with the Finance Director regarding the definition of salary in the Plan Ordinance. This has led the Plan Administrator to request that the Finance Department conduct an internal audit of all calculation data and contribution refund information for the past 3 years. She provided Cynthia Lindsay with a detailed report of all potential affected members and they have concluded that there was consistency in the reporting method and that no firefighters have been adversely impacted by any of the past reporting methods.

Patrick Donlan offered to put Cynthia Lindsey in contact with another City to review their methodology and provide additional insight. She stated that she would appreciate that and that she is also very comfortable using the 3,033 (hours worked) methodology that they have been using for many years.

Disability applicant Karyn Stanley and her husband Bill attended today's meeting to get some clarification regarding the issues that they have with the initial salary data that was provided to the Actuary to prepare her calculations. Cynthia Lindsey stated that she has been communicating with the Actuary and will be providing the corrected salary data to them in the coming days. Bill Stanley asked to be provided with the revised salary information prior to it being sent to the Actuary and Cynthia agreed to give him that information.

On a final note of discussion, the definition of educational incentive was briefly reviewed. It was clarified that the State educational incentives are not included in pensionable wages for pension purposes.

10. Public Comments

There were none.

11. Next Meeting Date

The next regular meeting date was set for Thursday, May 2, 2019 at 9:00 a.m.

12. Adjournment

The meeting ended at 10:25 a.m.

For the Board: _____