

# City of Miramar Firefighters' Retirement Plan

## MINUTES OF MEETING HELD

July 21, 2009

Alan Park called the meeting to order at 9:12 AM in the Conference Room of Fire Station 100 located at 2800 SW 184<sup>th</sup> Avenue, Miramar, FL. Those persons present were:

### TRUSTEES PRESENT

Alan Park, Chairman  
Noel Marti, Trustee  
Sue Finn, Trustee

James Estep; Advisory Board  
Leo Nunez; Advisory Board

### OTHERS PRESENT

Bonni Jensen; Hanson, Perry & Jensen; Counsel  
Denise McNeill; Resource Center; Administrator  
Greg McNeillie; Dahab Associates; Consultant  
Bob & Dee Dee Rubin  
Doug Classen & Greg Dahlman; Dana Investments  
Degas Wright & Erika McGrew; Decatur  
Joseph Furey & Brian Boyden; Eaton Vance  
John Vann & Jonathan Shiffer; Rushmore Inv

### TRUSTEES ABSENT

Jay Gillette, Secretary  
Carl Lanke, Trustee  
Steve Wells; Advisory Board

Chairman Alan Park presented Bob Rubin with a plaque thanking him for his many years of service and dedication to the pension plan. Mr. Rubin advised that he has enjoyed being a part of the Board.

### LARGE CAP EQUITY PRESENTATION

Greg McNeillie of Dahab explained that as per the Board's previous approval, they are looking to invest approximately \$6M into the new asset class. Upon completion of the agreements, Mr. McNeillie will send funding instructions to the administrator to be processed accordingly.

### DANA INVESTMENT ADVISORS

Doug Classen and Greg Dahlman appeared before the Board to present a proposal on behalf of Dana Investment Advisors. Mr. Classen provided historical information regarding their company. He explained that all companies presenting to the Board are good companies, however the difference will be in the company's process and approach to managing the portfolio. Mr. Dahlman explained the sell discipline separates good managers from great managers and Dana has an extensive process to look for warning signs. He went on to review their stock selection process. He noted that 50-55 stocks are held in the portfolio. Mr. Dahlman explained Dana tends to do well when the market is up as well as when the market is down, and few managers do well in both market environments. He further reported that Dana has been in the top 3% of all managers since inception. Dana currently has fifty public plans in Florida and they pay close attention to State regulations. The fees are 65 BPS on first \$5M and 55 BPS on balance. Mr. Dahlman explained there are 10 portfolio managers who work together as a team on the portfolio however he makes the final decisions. Doug Classen would be the sales contacts for reports and information, while a portfolio manager or the President, Mike Dean, would attend on site meetings annually. Mr. Dahlman explained

that over time, the Board would meet all of the portfolio managers. Doug Classen and Greg Dahlman departed the meeting at 10:04 A.M.

#### DECATUR CAPITAL

Degas Wright and Erika McGrew appeared before the Board to present a proposal on behalf of Decatur Capital. Mr. Wright provided historical information regarding the company advising they are 100% employee owned, with Mr. Wright as the founding principal. He further explained that while their portfolio has not performed well lately, he feels the process is strong and the company plans to hold strong to their disciplined process. Mr. Wright reviewed their company process of stock selection in detail. He advised that as the portfolio manager, he makes all final decisions. Mr. Wright explained approximately fifty stocks are held in the portfolio and they will begin to sell part of the stock when it has reached 3% of the total portfolio, bringing that asset down to only 2%. He explained the earnings growth of the portfolio is typically higher than the market and the price to earnings (PE) is slightly lower. Mr. Wright advised that he has written the programs that produce the models being used. Mr. Wright explained he utilizes an academic advisory board made up of professors in the finance industry. The advisory board reviews Decatur's portfolio and processes regularly. Mr. Wright reported their model has changed twice over the years as they have found the need to adjust the process. Mr. Wright reviewed the list of Decatur's institutional clients. The fees are 75 BPS on the first \$10M, however fees are negotiable and they would accept 60 BPS. When asked of their successor plan, Mr. Wright explained that the necessary models and strategy are in place for Erika McGrew, who would be next in line. Mr. Wright confirmed Decatur will accept fiduciary responsibility to the pension fund. Nannette Hill would be the contact for reports and Mr. Degas would be the person attending meetings. Mr. Wright explained that he is not familiar with the details related to State rules, however would review the information. Mr. Wright and Erika McGrew departed the meeting at 10:48 A.M.

#### EATON VANCE

Joseph Furey and Brian Boyden appeared before the Board to present a proposal on behalf of Eaton Vance. Mr. Furey provided historical information regarding the company noting they are one of the oldest and fully independent investment firms with seasoned professionals. He explained that in the past year when faced with economic challenges in their own company, they empowered employees to help cut costs which alleviated the need to lay off any employees. Mr. Furey advised they have several Florida clients and are well aware of the Florida Statutes. Mr. Furey explained that in 2001, Eaton Vance acquired Atlanta Capital and Fox Asset Management and later acquired Eagle Global and Parametric Portfolio Associates, however each company acts autonomous with their own management structure. Mr. McNeillie noted that he has worked with Mr. Furey in past employment. Mr. Boyden reviewed their investment philosophy and stock review process in detail. He explained they have 18 analysts, 13 of which are dedicated to large cap. Mr. Boyden advised that they have constant formal and informal meetings with the managers listening carefully to the research analysts. Mr. Boyden explained that according to an independent manager, their returns in the large cap growth universe have been consistently in the top 25%. The fees are not negotiable as this is a comingled fund. Mr. Furey is not certain if they will agree to be a fiduciary and he will have to inquire into that matter. Joseph Furey and Brian Boyden departed the meeting at 11:30 A.M.

#### RUSHMORE INVESTMENT ADVISORS

John Vann and Jonathan Shiffer appeared before the Board to present a proposal on behalf of Rushmore Investment Advisors. Mr. Vann provided historical information regarding the company noting he is the founder. Mr. Vann explained the company is 100% employee owned with 15 people in the company. He noted they do not currently

have any police or fire pension clients in Florida. Mr. Vann reviewed their stock selection process in detail noting they typically own a company for six or seven quarters before Wall Street recognizes and invests in that same company. Approximately 40 stocks are held in the portfolio. He noted that once a stock is purchased, they begin monitoring for the opportunity to sell. Mr. Vann then reviewed their sell discipline in detail. He reviewed their quantitative analysis noting that it is an on-going process. Mr. Vann confirmed they will accept fiduciary responsibility to the Pension Fund. Todd Bullod would be the Fund's primary contact for questions. Mr. Vann and Mr. Shiffer would attend meetings for the first few visits and the following visits would include other team members. Mr. Vann confirmed the fees are negotiable and 60 BPS for the \$6M would be acceptable. Mr. Vann and Mr. Shiffer departed the meeting at 12:15 P.M.

Lengthy discussion followed regarding the presentations.

- Noel Marti made a motion to enter into an agreement with Rushmore Investment Advisors for a maximum fee of 60 BPS. The motion received a second by Sue Finn and was approved by the Trustees 3-0.

### **DISBURSEMENTS**

Denise McNeill presented a disbursement report for approval. Mr. Park requested the addition of an expense item from this morning's meeting.

- Noel Marti made a motion to approve the disbursements as amended. The motion received a second by Sue Finn and was approved by the Trustees 3-0.

### **OTHER BUSINESS**

The Trustees discussed the status of the pending disability application. As of this time, the employee has not been terminated. Bonni Jensen presented the disability review packets to the Board. The Trustees instructed the administrator to set the disability hearing as the first item on the August 20, 2009 meeting agenda.

Alan Park explained the administrator is handling the process to initiate benefit payments effective September 1, 2009 for Jack Taylor and Dennis Matty.

### **ADJOURNMENT**

There being no further business,

- Noel Marti made a motion to adjourn the meeting at 12:50 P.M. The motion received a second by Sue Finn and was approved by the Trustees 3-0.

Respectfully submitted,

Jay Gillette, Secretary