

# ST. LUCIE COUNTY FIRE DISTRICT FIREFIGHTERS' RETIREMENT FUND



## Minutes of Meeting Held September 20, 2012

The meeting was called to order at 2:06 P.M. by Chairman, Chris Bushman.

Those persons present were:

TRUSTEES PRESENT Chris Bushman  
Paul Raymond  
Ron Parrish  
Buddy (George) Emerson

TRUSTEES ABSENT Tony Napolitano

OTHERS PRESENT Denise McNeill & Rachel Valdez; Resource Center  
Bonni Jensen; Law Office of Perry & Jensen  
Burgess Chambers & Karla Engard; Burgess Chambers & Associates  
Several Members of the Plan

### MINUTES

The minutes from the August 16, 2012 meeting were presented to the Board.

- Ron Parrish made a motion to approve the minutes as presented. The motion received a second from Buddy Emerson and was approved by the Trustees 4-0.

### DISBURSEMENTS

The disbursement listing was included in the Trustee packets for review.

- Buddy Emerson made a motion to approve the disbursements as presented. The motion received a second from Ron Parrish and was approved by the Trustees 4-0.

### PUBLIC COMMENTARY

There were no public comments at this time.

### ATTORNEY REPORT

There were no legal updates at this time.

### INVESTMENT CONSULTANT REPORT

CUSTODIAN REQUEST FOR QUOTE PRESENTATION: Karla Engard presented the results of the request for custody quote conducted by Burgess Chamber's office. She stated they had requested a quote from five firms and a response was received from all five. The firms presented were Fifth Third Bank, Salem Trust Company, Wells Fargo, Regions and SunTrust. The report provided a breakdown of the fees for custodial services with and without benefit payments. Karla Engard reported that her firm does business with each firm any of them would be suitable replacements for SunTrust. Lengthy discussion followed regarding the fee increase notice that the Board had received from SunTrust as well as the fees quoted by the other custodians who responded.

Bonni Jensen stated the General Pension Board of Trustees recommends the Fire Pension Trustees select Fifth Third; however the General Pension Trustees were deferring to the Fire Pension Board's decision.

Karla Engard noted that the date of the custodial transition should be considered. It was discussed that January 1, 2013 is good date to transition so retirees of the plan would only receive one tax form for the 2012 calendar year.

Bonni Jenson asked if SunTrust will charge the October 1, 2012 fee increase. Karla Engard responded that she will ask SunTrust not to increase their fee on the first; however she is not sure of their response. Karla also noted that the Plan can move some of the custody accounts prior to January 1, 2013 if necessary, but not transition the benefit payments until the first of the year.

- Ron Parrish made a motion to accept Fifth Third as the custodian including the processing of benefit payments which shall be effective January 1, 2013. The motion received a second from Buddy Emerson and was approved by the Trustees 4-0.

INVESTMENT CONSULTANT REPORT: Burgess Chambers reported the Plan's return fiscal year to date as 11.7% earning \$15.3M as of the quarter ending June 30, 2012. As of the end of August the return is just shy of 15%. He noted that international was performing well ahead of the benchmark (+13.5 vs. +6.9%). He further reported that convertibles are doing well and that REITS are volatile.

Burgess Chambers reviewed the asset classed in detail and made a recommendation to take 5% from fixed equities and invest in fixed income and to reduce REITS to 2.5%. He further stated he will address the allocation of the state money at the November 15, 2012 meeting.

- Paul Raymond made a motion to accept Burgess Chambers' recommendation for the rebalancing of assets. The motion received a second from Ron Parrish and was approved by the Trustees 4-0.

### **2011 VALUATION REPORT APPROVAL**

Buddy Emerson discussed the contribution rates in reference to the .09% increase. He asked if the State money could be used to fund the .09% increase instead of charging the members. Bonni Jenson explained that would require a vote of the members.

- Buddy Emerson made a motion to use the State 175 funds to pay the .09% additional contribution contingent on the outcome of the vote of the members. The motion received a second from Paul Raymond and was approved by the Trustees 4-0.

Discussion followed regarding the revised valuation report. Mr. Emerson noted the report does not reflect the updated mortality table and the adjustment to the State funds.

- Ron Parrish made a motion to approve the 2011 actuarial valuation report as amended. The motion received a second from Paul Raymond for discussion. The motion was approved by the Trustees 4-0.

The Trustees discussed holding a special meeting next week, before the fiscal year end, to review the vote of the .09% increase. Nate Spera explained they have not had the opportunity to discuss the current matter with the members and their Union attorney and therefore cannot advise whether or not the Union would support using the 175 funds to cover the .09% contribution increase. Bonni Jensen explained the deadline to submit the valuation is approaching.

### **CONTRIBUTION FUNDING**

Chris Bushman explained the Fire District had inquired with the actuary if there would be any savings to the Fire District if they chose to pre-fund the employer contribution amount for the fiscal year. It was noted that no board action is needed on this item.

## **ADMINISTRATIVE REPORT**

The Trustees discussed the recent membership vote regarding utilizing 175 funds to cover the cost of the mortality table change. The language in the vote read: "I authorize the St Lucie County Firefighters Pension Trust to utilize the excess revenue collected from State premium tax dollars to fund the State of Florida's mandated RP 2000 mortality table, rather than increase our member contributions to do so." The results provided state there were 188 affirmative responses and one negative response was received.

**FINANCIAL STATEMENTS:** The financial statements were presented in the Trustee packets for review. Denise McNeill reviewed them briefly with the Board and reminded the Trustees that they may feel free to inquire about any of the financial reports at any time.

**CLASS ACTION REPORT:** Denise McNeill reviewed the current Class Action Report provided by SunTrust which had been provided in the Trustee packets for review.

**BENEFIT APPROVALS:** The benefit approval listing was included in the Trustee packets for review.

- Ron Parrish made a motion to approve the benefits as presented. The motion received a second from Buddy Emerson and was approved by the Trustees 4-0.

Denise McNeill noted she included a handout in the package provided by Foster and Foster which included the 2011 market return data for all of Foster and Foster's clients across the state of Florida.

## **OLD BUSINESS**

Denise McNeill noted a decision needs to be made regarding the renewal of the fiduciary liability insurance. She stated that Travelers would not renew the August 1<sup>st</sup> policy without the audit and actuarial valuation. Travelers did provide a two month extension; however no further renewal has been received from Brown and Brown. Mrs. McNeill explained she did receive a quote from another broker for consideration. Denise McNeill reported that the Health & Welfare Trust board voted to have a separate policy and moved forward with transitioning to a new carrier.

Chris Bushman requested this matter be tabled to next week's special meeting. He will inquire with Brown and Brown and attempt to acquire a renewal quote.

- Paul Raymond made a motion to adjourn at 3:09 PM. The motion received a second from Buddy Emerson and was approved by the Trustees 4-0.

Respectfully submitted,

Ronald Parrish, Secretary