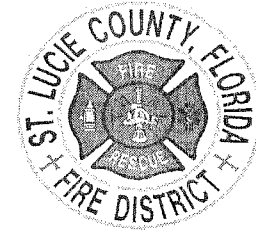


ST. LUCIE COUNTY FIRE DISTRICT FIREFIGHTERS' RETIREMENT FUND



Minutes of Meeting September 21, 2017

Chairman Anthony Napolitano called the meeting to order at 2:19 PM.

Those persons present included:

TRUSTEES PRESENT Anthony (Tony) Napolitano
George (Buddy) Emerson
Jeffery Lee
Brian Blizzard
Anthony Hood

TRUSTEES ABSENT N/A

OTHERS PRESENT Denise McNeill; Resource Centers
Bonni Jensen; Klausner, Kaufman, Jensen & Levinson
Burgess Chambers; Burgess Chambers & Associates
Kim Sabol and Karen Russell; Fire District
Members of the Plan

PUBLIC COMMENTS

There were no public comments.

MINUTES

The Minutes from the July meeting had been presented to the Trustees in their meeting packets.

- Buddy Emerson made a motion to approve the July 2017 minutes as presented. The motion received a second from Brian Blizzard and was approved by the Trustees 5-0.

DISBURSEMENTS

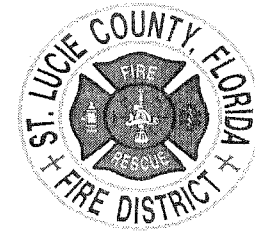
The disbursement listing and financial statements were presented to the Board in their meeting packets.

- Jeff Lee made a motion to approve the disbursements as presented. The motion received a second from Brian Blizzard and was approved by the Trustees 5-0.

INVESTMENT CONSULTANT QUARTERLY REPORT

Burgess Chambers of Burgess Chambers & Associates appeared before the Board to present the quarterly investment performance report for the period ending June 30, 2017. He reported it has been a Bull market since 2009 which is an unusually long time. Mr. Chambers explained they had recently rebalanced; however there was high amount of cash that he will look into. He reported he 60% equities and 40% fixed income model is good and while plans with a 70/30 allocation have done better, he is not certain they are compensated properly for the risk. Mr. Chambers reviewed the Total Funds Investment Summary noting the following details: Plan was up 2.1% beating the model of 2.0%; equities were up 2.7%, domestic equities were up 1.9%, MLP's were down -6.9%, convertibles were up 2.3%, international equities were up 7.3%, REITs were up 2.9%, private real estate was up 1.6%, fixed income was up 0.9% and the hedge fund was up 1.3%. He noted the hedge fund is pending final liquidation. Mr. Chambers went on to review each manager in detail. The Westwood MLP has been out of favor in the recent period. He reported the MLP is the least expensive it has been in 15 years which is a signal to buy. He further explained the debt market reflects MLP's are good and not going anywhere even though they are currently out of favor. He informed the Board he is currently looking at an MLP multi-strategy option. Mr. Chambers reported up until the end of 2016, both real estate firms were up 12% and the recent period

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has been 6-8%. He explained that he expects 8.5-9.5% fiscal year end returns. Discussion followed regarding the assumed rate of return (ARR) and Mr. Chambers noted that he expects pressure from the actuary to lower the ARR; however he feels the program is in line with the ARR. He continued reviewing each manager in detail noting Ceredex, William Blair International and Atlanta had a rough year. He explained he would expect Atlanta to do better than Voya in a down period. Mr. Chambers explained the plain 60/40 allocation has been one of the toughest to beat and all additional diversification in recent years has not done as well. He reported convertibles and International have done very well for the Plan. Mr. Chambers noted they have been doing regular rebalancing as needed and there is no need to adjust the portfolio at this time. Discussion followed regarding the cash availability and quarterly need. Mrs. McNeill reminded them of the DROP withdrawals scheduled for October 1st.

ATTORNEY REPORT

REHIRE AFTER RETIREMENT: Mrs. Jensen reported the Resolution for Rehire After Retirement was passed on September 20th. She explained no action is needed by the Board and confirmed it was sent to the State a few times and they received a response indicating approval of the final language. The actuary's letter of no impact related to the Resolution was included in the packet.

PREMIUM TAX DATABASE UPDATE: Mrs. Jensen reported that the 175 money this year was down \$40,000 less than the prior year's amount and she can request information from the State regarding the matter. Chief Emerson explained there had been much communication with the Department of Revenue and there were 2500 addresses backlogged. Mrs. Jensen explained she had sent notices to make sure they are coding with "73" which is the Fire District's code. She explained the insurance company has an obligation to report the information; however there is no penalty for not doing so.

BERMAN TABACCO PORTFOLIO MONITOR: Mrs. Jensen reported on a notice received from Berman Tabacco regarding a firm name change as one of their partners departed the firm.

SCOTT & SCOTT SOUTHWESTERN ENERGY UPDATE: A case update from Scott & Scott was provided for informational purposes regarding the Southwestern Energy class action case.

LEGAL UPDATES: Mrs. Jensen reported American Realty provided an updated letter clarifying fiduciary to their clients; noting they did not tell the Board to invest in their firm, they did not tell the Board to continue with the asset and they confirmed they are a fiduciary to the Plan in the fund they manage. Discussion followed regarding a true fiduciary and Mr. Chambers noted a true fiduciary would be willing to state on public record that they feel their product would not do as well going forward and recommend the client pull their assets; however no manager has ever been known to report such.

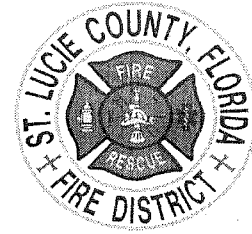
ADMINISTRATORS REPORT

2017-2018 PLAN BUDGET DRAFT: A draft budget had been tabled from the prior meeting and it was included in the Trustee packets for consideration.

- Jeff Lee made a motion to approve the 2017/2018 Draft Budget as presented. The motion received a second from Tony Hood and was approved by the Trustees 5-0.

BENEFIT APPROVALS: Benefit approvals for several members were presented for consideration. Mrs. McNeill explained there was an adjustment on Mincey's 175 Supplemental benefit. She explained it related to the research regarding the service purchases that should have included the 175 supplemental benefit. Upon review, it was determined that Mr. Mincey had been given the service time; however his service purchase had been for the standard pension benefit only. As such, the Benefit Approval was adjusting Mr. Mincey's benefit down to the correct amount. Mrs. McNeill explained that Mr. Mincey was

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aware and had already agreed to a repayment schedule for the Plan to recover the overpayments which are scheduled to be paid in full by September 30, 2018 (the end of the next fiscal year).

- Tony Hood made a motion to approve the benefits as presented. The motion received a second from Brian Blizzard and was approved by the Trustees 5-0.

NEW BUSINESS

FIFTH THIRD GLOBE TAX: Mrs. Jensen explained the custodian still has not provided a response on the inquiry of cyber liability coverage. Mrs. McNeill addressed a new program being implemented by Fifth Third Bank for tax recovery. She explained they are using a third party vendor (Globe Tax) and the vendor will attempt to recover any international taxes paid. She explained there will be a setup fee for the service and the vendor takes a percentage of the taxes recovered. The Board may elect for the full service and they will go back in time to see if any funds can be recovered as far back as the tax can be addressed; noting there is a time limitation which varies from country to country. She explained Globe Tax is a third party vendor engaged by Fifth Third for the service.

- Brian Blizzard made a motion to opt in for the full Globe Tax Recovery service. The Motion received a second from Buddy Emerson and was approved by the Trustees 5-0.

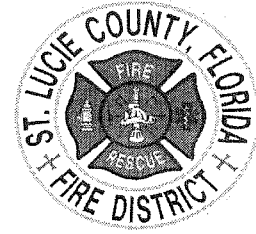
BASE HOURLY RATE OF PAY: Mrs. McNeill explained that they have not been able to confirm the base hourly rate information and the matter was tabled to the next meeting.

FIRE BOARD WORKSHOP REQUEST: Chief Emerson explained the Fire Board chairman had requested to have a pension workshop with the pension boards to address history, investments, actuarial valuations and any pertinent information to educate the Fire Board. He explained the Fire Board is willing to join the pension board meeting if necessary. Discussion followed regarding coordinating with the Trustees of both pension boards, attorney, actuary, administrator and investment consultant. Chief Emerson will try to get a list of questions in advance which would help identify the information to present. Lengthy discussion followed regarding when to schedule. It was agreed to schedule for November 16th, 10:30 AM to 12:00 and to have lunch from Noon to 1:00 PM. Then both pension board meetings will be held at their normal schedule. Mrs. McNeill will reach out to the actuary and the General Employees Pension Board accordingly. Chief Emerson confirmed he will invite the Fire Board.

BUYBACK CALCULATION RATE: Mrs. McNeill explained the matter had been tabled from the prior meeting. She reminded the Trustees that the administrator had reached out to the actuary to confirm the percentage rate being used in the service purchase calculations and the actuary had reported that the new percentages in the recent valuation should be used for the remainder of the year. Discussion followed regarding the timing of the reported information. Mrs. McNeill explained that historically, the rate changed annually on October first in coordination with the new plan year cost so a few members are disputing the change in the middle of the plan year.

- Brian Blizzard made a motion to use the October 1, 2017 date as the change date this year. The Motion received a second from Buddy Emerson for discussion. Buddy Emerson advised he does not feel comfortable making the change on October 1st if the actuary recommended an earlier date. Mrs. Jensen explained if using the actuary's date, then they would need to give members notice since they are changing the process that has been followed previously. The second was rescinded and the motion died for lack of second.
- Buddy Emerson made a motion to follow the actuary's instruction for the new rate to be effective once the actuary report has been approved beginning with the 2017 report approval. The Motion received a second from Brian Blizzard and was approved by the Trustees 4-0. Jeff Lee abstained from the vote as he has a pending service purchase.

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SERVICE PROVIDER REVIEW: Mrs. McNeill explained at the prior meeting, the Board had discussed how long they have had each of their service providers. Mrs. McNeill presented a list of the dates each company was hired. Discussion followed regarding having a regular schedule to review each provider. Tony Napolitano explained if the Board has an issue with a provider it should be addressed at that time and he didn't feel it was necessary to have a specific schedule. Jeff Lee explained he had initially expressed concerns with the Plan's actuary. Chief Emerson explained he has worked with the actuary much over the recent period and found them to be quite responsive. After further discussion it was concluded no further review was necessary for the service providers at this time. Chief Emerson reported of a notice from the actuary of the cost impact to the Plan for the new mortality table change which would result in roughly \$100,000 reduction in cost. The notice had not been sent to the rest of the Board or the administrator so it was not available in the meeting packets.

Mrs. McNeill reported Mr. Sisson had passed away and had selected a life only benefit so no further benefit was to be paid to a beneficiary.

OLD BUSINESS

There were no further Old Business items for discussion.

There being no further business to discuss and with the date for the next regular meeting having been scheduled for November 16, 2017;

- Buddy Emerson made a motion to adjourn the meeting at 4:05 PM. The Motion received a second from Jeff Lee and was approved by the Trustees 5-0.

Respectfully submitted,

Tony Napolitano