



City of Marco Island Florida

JOINT POLICE AND FIRE PENSION BOARD

MEETING MINUTES

November 2, 2017

Fire Department Training Room

1. CALL TO ORDER

The meeting was called to order at 1:07 PM.

2. ROLL CALL

Fire Trustees Present

Raymond Ladurini, Chairman
Laura Litzan, Secretary
Tim Kirstein

Not Present: Jim Pope

Police Trustees Present

Al Schettino, Chairman
Laura Litzan, Secretary
Glenn Zirgibel
Mark Haueter

Others Present

Pedro Herrera, Sugarman & Susskind, P.A.
Charles Mulfinger, Graystone Consulting
Scott Owens, Graystone Consulting
Amber McNeill, The Resource Centers, LLC
Guillermo Polanco, City of Marco Island
Michael Shore, Clearbridge
Ben Stevens, Renaissance
Chris Greco, Sawgrass

A brief summary of the meeting is as follows:

3. PUBLIC COMMENT

There were no members of the public present.

4. APPROVAL OF MEETING MINUTES

MOTION TO APPROVE THE JOINT FIREFIGHTERS' AND POLICE OFFICERS' BOARD MEETING MINUTES FROM AUGUST 3, 2017 BY MR. HAUETER AND SECONDED BY MR. ZIRGIBEL. MOTION PASSED UNANIMOUSLY.

5. REPORTS

a. Fire Manager Presentations – Michael Shore, Clearbridge

Mr. Shore gave a brief overview of the firm. They currently manage \$131 billion in assets. Mr. Shore explained their selection process and that they focus on high quality businesses. Their returns are down for this year due to an underweight in high growth.

Their fees are 28 basis points.

Mr. Shore left the meeting at 1:43 PM.

a. Fire Manager Presentations – Ben Stevens, Renaissance

Mr. Stevens explained that he works for AMG Funds, who handles the marketing for Renaissance. Renaissance's portfolio managers have an average of 20 years experience. The strategy they use was founded by the current head portfolio manager Michael Schroer. They focus of conservative, high quality growth assets. Mr. Stevens explained the make up of the portfolio and that they do not have any holdings in energy, telecommunications, real estate, or utilities.

Mr. Stevens left the meeting at 2:03 PM.

a. Fire Manager Presentations – Chris Greco, Sawgrass

Mr. Greco gave a brief overview of the firm and explained that it is 100% employee owned. Their strategy is to buy low and sell high and that lower volatility is rewarded over time. They do not have any holdings in energy as it is not part of the growth sector.

Mr. Greco left the meeting at 2:28 PM.

The Board discussed the manager presentations at length.

MOTION TO TERMINATE WEDGEWOOD, HIRE RENAISSANCE, AND MOVE THE MONIES FROM WEDGEWOOD TO RENAISSANCE WAS MADE BY MR. KIRSTEIN AND SECONDED BY MR. LADURINI. MOTION PASSED UNANIMOUSLY.

a. Investment Consultant Report – Charles Mulfinger & Scott Owens, Graystone Consulting

Mr. Owens reviewed the economy in detail. Mr. Owens noted that natural disasters had an impact on the economy during the quarter.

Fire Summary of Relevant Facts

Mr. Owens informed the Board that the current portfolio totaled \$17,797,098.13 with a net rate of return of 2.77%. Mr. Owens reviewed the Plan's managers in detail.

MOTION TO INCREASE THE REAL ESTATE ALLOCATION TO 1.7 MILLION WAS MADE BY MR. KIRSTEIN AND SECONDED BY MS. LITZAN. MOTION PASSED UNANIMOUSLY.

Mr. Owens went over the compliance checklist with the Board. The total portfolio as of 10-30-17 was \$17,994,617 with a net rate of return of 0.7% FYTD.

Police Summary of Relevant Facts

Mr. Owens informed the Board that the current Portfolio totaled \$14,463,486.40 with a net

rate of return of 2.57%.

MOTION TO INCREASE THE REAL ESTATE ALLOCATION AN ADDITIONAL \$300,000 WAS MADE BY MS. LITZAN AND SECONDED BY MR. ZIRGIBEL. MOTION PASSED UNANIMOUSLY.

Mr. Owens went over the compliance checklist with the Board. The total portfolio as of 10-30-17 was \$14,808,059 with a net rate of return of 0.8% FYTD.

b. Attorney Report – Pedro Herrera, Sugarman and Susskind, PA

Mr. Herrera reported that he had spoken to the City Attorney regarding the total compensation issue for Police. The Board discussed the total compensation issue at length. Foster & Foster, the Plan's actuary, will need to include the 10% benefit allowance for actives and retirees. Contributions will be taken out for actives and retirees.

Mr. Mulfinger and Mr. Owens left the meeting at 3:45 PM.

MOTION TO AUTHORIZE FOSTER & FOSTER TO COMPLETE THE NECESSARY CALCULATIONS FOR THE ACTIVE MEMBERS AND RETIREES WAS MADE BY MR. SCHETTINO AND SECONDED BY MR. HAUETER. MOTION PASSED UNANIMOUSLY.

Mr. Herrera informed the Boards of upcoming Trustee educational opportunities.

c. Administrator Report – Amber McNeill, The Resource Centers

Ms. McNeill presented the proposed 2018 meeting schedule to the Board.

MOTION TO APPROVE THE 2018 MEETING SCHEDULE WAS MADE BY MR. SCHETTINO AND SECONDED BY MR. ZIRGIBEL. MOTION PASSED UNANIMOUSLY.

Ms. McNeill presented Foster & Foster's notice for a fee increase for the Police valuation due to new reporting requirements.

MOTION TO APPROVE THE FEE INCREASE FOR FOSTER & FOSTER WAS MADE BY MR. ZIRGIBEL AND SECONDED BY MR. SCHETTINO. MOTION PASSED UNANIMOUSLY.

Ms. McNeill presented GRS's notice for a fee increase for the Fire valuation due to new reporting requirements.

MOTION TO APPROVE THE FEE INCREASE FOR GRS WAS MADE BY MS. LITZAN AND SECONDED BY MR. KIRSTEIN. MOTION PASSED UNANIMOUSLY.

6. PLAN FINANCIALS – Amber McNeill, Resource Centers

Ms. McNeill presented the Resource Centers' Financial Statement Fee proposal to the

Boards'. Both Boards agreed to have the City take over financials for the Plans.

Ms. McNeill presented the Warrants for the Boards' review.

MOTION TO APPROVE THE POLICE WARRANTS AS PRESENTED BY MR. ZIRIGBEL AND SECONDED BY MR. SCHETTINO. MOTION PASSED UNANIMOUSLY.

MOTION TO APPROVE THE FIRE WARRANTS, AS PRESENTED, BY MR. LADURINI AND SECONDED BY MR. KIRSTEIN. MOTION PASSED UNANIMOUSLY.

7. NEW BUSINESS

Mr. Herrera will update the Summary Plan Descriptions for both Plans.

MOTION TO NOMINATE MR. ZIRGIBEL FOR THE 5TH TRUSTEE SEAT MADE BY MR. HAUETER AND SECONDED BY MR. SCHETTINO. MOTION PASSED UNANIMOUSLY.

10. The Next Regular Meeting is scheduled for February 1, 2018 at 1:00 PM

11. ADJOURNMENT

MOTION TO ADJOURN THE MEETING WAS MADE BY MR. KIRSTEIN AND SECONDED BY MS. LITZAN. MOTION PASSED UNANIMOUSLY.

Respectfully submitted,

Al Schettino
Chairman
Police Pension Board

Raymond Ladurini
Chairman
Fire Pension Board