



City of Marco Island Florida

JOINT POLICE AND FIRE PENSION BOARD

MEETING MINUTES

May 5, 2016

Fire Department Training Room

1. CALL TO ORDER

The meeting was called to order at 1:04 PM.

2. ROLL CALL

Firefighter's Board of Trustees members present: Raymond Ladurini, Laura Litzan, Tom Kirstein, and Jim Pope. Trustee absent: Mary Husted

Police Pension Board of Trustees members present: Al Schettino, Laura Litzan, Steven Arena, Glen Zirgibel and Mark Haueter.

Others present: Attorney Pedro Herrera, Sugarman and Susskind; Scott Owens, Graystone Consulting; Amber McNeill and Scott Baur, Resource Centers.

A brief summary of the meeting is as follows:

3. PUBLIC COMMENT

No one from the Public spoke.

Mr. Schettino entered the meeting at 1:06 PM.

4. TRUSTEE TERMS

The Trustees discussed the Trustee Terms at length; the issue was tabled until the next meeting.

5. MOTION TO APPROVE MINUTES

MOTION TO APPROVE THE POLICE BOARD AND FIREFIGHTERS BOARDS MINUTES FROM THE FEBRUARY 4, 2016 MEETING BY MR. ZIRGIBEL AND SECONDED BY MS. LITZEN. MOTION PASSED UNANIMOUSLY.

MOTION TO APPROVE THE POLICE BOARD MINUTES FROM THE MARCH 31, 2016 SPECIAL MEETING BY MR. ZIRGIBEL AND SECONDED BY MR. SCHETTINO. MOTION PASSED UNANIMOUSLY.

6. REPORTS

A. Investment Advisor Report – Scott Owens, Graystone Consulting

Mr. Owens reported on the overall market conditions during the previous quarter; January 2016 was the worst January on record. The market continues to be extremely volatile. Interest rates were projected to rise, but actually went down, which impacted the managers that had adjusted for the expected rising interest rates. Internationally – developed markets were -3% and emerging markets were +5.75%. Long bonds for the quarter were +7.3%.

Fire Summary of Relevant Facts

Mr. Owens reported the index performance. The total portfolio as of March 31, 2016 was \$13,694,493.30 with a gain for the quarter of \$28,111.18 (net-of-fees). The asset allocation 64.68% vs. 65%, so everything is a little underweight; at this time, there are no recommendations for change. This leads to an overweight in fixed income of 35.22% vs 35%; currently no recommendations for change. Mr. Owens reported on the performance of the individual managers. Mr. Ladurini asked if Mr. Owens recommended a change from Wells due to its poor performance (-3.84 net-of-fees return). Mr. Owens recommended that the Board re-evaluate after the 2nd quarter, due to its current volatility.

Mr. Herrera entered the meeting at 1:27 PM.

A lengthy discussion ensued regarding the current managers and their contributions to the Plan portfolio. As of April 29, 2016 the total portfolio was \$13,800,164.00 and the fiscal year to date return was +2.3%.

Police Summary of Relevant Facts

Mr. Owens reported the performance of the indexes. The total portfolio as of March 31, 2016 was valued at \$9,215,840.21 with a gain for the quarter of \$1,176.11 (net-of-fees).

Mr. Pope and Mr. Haueter left the meeting at 1:45 PM.

As of April 29, 2016 the total portfolio was \$9,310,293 and the fiscal year to date return was +3.9%.

Mr. Pope returned to the meeting at 1:46 PM.

Mr. Haueter returned at 1:47 PM.

B. Attorney Report - Pedro Herrera, Sugarman and Susskind, PA

Mr. Herrera reported on the IRS regulation special report; it likely won't affect either Board. The current Plan retirement age rules should fall into the possible new guidelines, so both Plans should already be in compliance. A discussion amongst the Trustees ensued regarding the new IRS special report.

Mr. Herrera reminded the Board that the Form 1 has to be returned to the supervisor of elections where they currently reside by July 1st.

Mr. Herrera reminded the Board of the upcoming FPPTA Annual Conference at the end of June and the Division of Retirement Conference in November. The Trustees discussed the importance of Trustee education. Mr. Herrera informed the Board that Trustees should attend at least one educational opportunity per year. Mr. Baur reported that the IFEBP Conference, which is also in November, will be in Orlando this year, making it another possibility.

C. Plan Administration – Scott Baur & Amber McNeill, Resource Center

Mr. Baur presented Expense Reports and Budgets for both Police and Fire. The Trustees discussed the documents and asked Mr. Baur to reformat the Budget, separate the Expense Report and take out investment expenses. The revised documents will be presented at the August meeting.

Mr. Baur also presented the Police 112.664 Compliance Report, which will be placed on the Plan's website.

Mr. Pope informed the Board that Nelson Ramierez and Eric Griffin had recently terminated employment would be contacting the Administrator regarding refunds of contributions and the Share Plan funds.

Mr. Haueter left the meeting at 2:37 PM.

Ms. McNeill reported that less than half of the beneficiary forms from the mailer had been returned. The Trustees authorized Ms. McNeill to send out a second notice to the active members, and send Mr. Ladurini and Mr. Schettino a list of individuals who have not returned their beneficiary forms after the second mailer.

Mr. Baur presented the Fire Annual Report for signatures.

7. Plan Financial Matters – Scott Baur, Resource Center

Mr. Baur presented the Interim Financial Statements of both Plans to the Boards for review (no action is required).

The warrants and invoices were presented to the Police and the Fire Boards for review.

MOTION TO APPROVE THE PAYMENT OF THE WARRANT FOR THE POLICE OFFICERS PLAN AS PRESENTED BY MR. ZIRGIBEL AND SECONDED BY MR. SCHETTINO. MOTION PASSED UNANIMOUSLY.

MOTION TO APPROVE THE PAYMENT OF THE WARRANT FOR THE FIREFIGHTERS PLAN AS PRESENTED BY MR. POPE AND SECONDED BY MR. KIRSTEIN. MOTION PASSED UNANIMOUSLY.

8. Next Regular Meeting is scheduled for August 4, 2016 at 1:00 PM

9. Adjournment

MOTION TO ADJOURN THE MEETING BY MR. POPE AND SECONDED BY MR. KIRSTEIN. MOTION PASSED UNANIMOUSLY.

Respectfully submitted,

Al Schettino
Chairman
Police Pension Board

Ray Ladurini
Chairman
Fire Pension Board