



# City of Temple Terrace Fire Department Pension Board

**Roger Chewning, Chairman; Gerald Terenzi, Vice-Chairman; Ian Kemp,  
Secretary; Joe Affronti, City Mayor; Kim Leinbach, City Manager**

## **MINUTES OF THE MEETING HELD February 9, 2012**

### **1. CALL TO ORDER**

The City of Temple Terrace Fire Department Pension Board of Trustees and Pension Resource Center joined the Joint Investment Reports meeting with the Police Department Pension Board at 9:01 AM. The regular meeting of the Board of Trustees of the City of Temple Terrace Fire Department was called to order at 09:40 AM at the City Manager's Conference Room located at 11250 N. 56<sup>th</sup> Street, Temple Terrace, FL 33617.

Mr. Baur took a roll call of the Trustees present. The Board had a quorum for the quarterly meeting. Those persons present included:

#### **TRUSTEES**

Roger Chewning, Chair  
Ian Kemp, Secretary (09:05)  
Joe Affronti, City Mayor  
Kim Leinbach, City Manager  
Gerald Terenzi, Vice-Chairman

#### **OTHERS**

Scott Baur, Pension Resource Center  
JC Louissaint, Pension Resource Center  
James Loper, Law Office of James B. Loper  
Joe Bogdahn, Bogdahn Group  
John Brett, Bogdahn Group  
Steve Stack, ICC Capital Management  
Rusty Creighton, Sawgrass Asset Management  
Diane Reichard, Finance Director  
Aleicia Latimer, Human Resources Director

### **2. INVESTMENT REPORTS: Steve Stack, ICC Capital Management**

Mr. Stack appeared before the Board. He reviewed the performance of the portfolio as of December 31, 2011. The total market value of the portfolio as of December 31, 2011 was \$5,306,611. The asset allocation was 61.3% in Equities, 31.8% in ADR's and 6.9% in cash as of December 31, 2011. Mr. Stack discussed the market environment and stated that the plan had a strong 4<sup>th</sup> quarter; stocks started to perform the way they should. There are some good signs that things are improving. Unemployment is coming down and housing stocks will continue to do better. Apple might start paying dividends which would be good for the portfolio. Mr. Stack commented on Europe and stated that news about Greece and EU are not pleasant so they have to be proactive and watch carefully what's happening over there in Europe. Mr. Stack stated that he is very optimistic about Stocks and Bonds.

### **3. INVESTMENT REPORTS: Rusty Creighton, Sawgrass Asset Management**

Mr. Creighton introduced himself and gave a quick overview of the firm. Sawgrass Asset Management is 100 percent employee ownership. They have been serving their clients for 14 years and have no investment manager departures since inception. Mr. Creighton has been

with the firm for 5 years and Sawgrass Asset Management has \$2.9 Billion in assets under management.

Mr. Creighton reviewed the quarterly report. The total market value of the portfolio as of December 31, 2011 was \$2,648,465 and the asset allocation was 96.8% in Equities and 3.2% in Cash. Mr. Creighton commented on the market environment and reported that the stock market had a nice rebound during the 4<sup>th</sup> quarter, 2011 from an ugly selloff from the previous quarter. The portfolio returned 9.8% for the 4<sup>th</sup> quarter, 2011 versus 10.6% for the Russell 1000 Growth.

#### **4. INVESTMENT MONITOR REPORT: John Brett, Bogdahn Group**

Mr. Brett reviewed the market environment as of December 31, 2011 and commented that year 2011 was very volatile but so far we had a nice rebound the beginning of 2012. Mr. Brett reported that the plan had a strong performance with the total fund returned 6.18% versus 6.62% for the fund policy as of December 31, 2011, strong gains driven by the equity portfolio. Mr. Brett then reviewed the individual performance of each manager. The total equity returned 9.64% versus 10.53% for the equity policy. ICC Value equity returned 12.42% versus 11.82% for the S&P 500. Sawgrass held very well and did not give back too much of the gains that they had; the Sawgrass Growth Equity returned 9.83% versus 10.61% for the Russell 1000 Growth Index. ICC did very well on International markets and returned 4.51% versus 3.38% for the MSCI EAFE Index. The Total Fixed Income returned 1.33% versus 0.91% for the Income Policy. Garcia Hamilton returned 1.33% versus 0.91% for the Barclays Capital Intermediate Aggregate. Intercontinental Real Estate returned 4.02% versus 2.97% for NCREIF OEDC.

Mr. Joe Afronti left the meeting.

#### **5. APPROVAL MINUTES**

**A motion was made to approve the minutes for the meeting held on November 10, 2011. The motion was seconded and passed by the Trustees 4-0.**

#### **6. ATTORNEY REPORT: James Loper**

Mr. Loper asked Mr. Baur if he had any feedback on the policy for Timely Calculation of Certain Amounts and Mr. Baur had no feedback, therefore Mr. Loper asked the Board to approve the policy.

**Mr. Ian Kemp made a motion for the Board to approve the Policy on Timely Calculation of Benefit as presented. Mr. Terenzi seconded the motion, passed by the Trustees 4-0.**

Mr. Loper informed the Board that Ordinance No. 1305 was passed on January 3<sup>rd</sup>, 2012.

Mayor Afronti returned to the meeting at 9:45 AM.

#### **7. ADMINISTRATOR REPORT: Scott Baur**

**FIDUCIARY LIABILITY INSURANCE RENEWAL:** Mr. Baur discussed the Fiduciary Liability Insurance and reported that he received a tentative quote on a higher deductible on the insurance and the difference is very nominal. Mr. Baur stated that he accepted the original proposal that United Members offered for the fiduciary liability insurance for the next year and if at some point the Board feels that it doesn't need it then the Board can decide not to renew the policy. Travelers Insurance had extended the policy for November and December.

SUMMARY PLAN DESCRIPTION: Mr. Baur reported that a copy of the final Summary Plan Description is included in the meeting packet and it includes all the corrections to the ordinance.

Mr. Baur told the Board that a copy of the SPD must be distributed to the members of the plan and Mr. Ian Kemp stated that he will put the SPD in the members' mail box. Mr. Baur also offered to do a workshop for the members if the Board can coordinate for it.

DMS PLAN SUMMARY: Mr. Baur reported that the DMS Plan Summary is not 100% accurate. There is a slight error made on the Social security benefit but there may not be any consequence to this.

PLAN SURVEY: Mr. Baur reported that Resource Center conducted an exhaustive plan survey and the detailed result (good and bad) is in the packet for them to review. Overwhelmingly, the result was fairly positive and in cases where the result is not as positive, Mr. Baur stated that Resource Center actually takes the feedback very seriously. On a scale of 1 to 5, the overall result was about 4.8 out of 5 for the people that we work for. The area that appeared to be needing improvement was the area of communication and Mr. Baur stated that Resource Center takes the Board feedback seriously. Mr. Baur thanked the Board for taking their time to respond to the client survey.

SSAE-16 TYPE II AUDIT: Mr. Baur reported that his office just completed and updated what's known as SSAE-16 audit which used to be the SAS 70 audit and as soon as he has the final document Mr. Baur will forward it to the board.

## **8. PLAN FINANCIALS**

The Board reviewed the invoices and Ms. Reichard asked if the Board looked at the invoices before they are paid. Mr. Baur stated that Resource Center has full authorization to pay the invoices but always copied the Board on all disbursements.

Ms. Reichard wanted to know who pays for the buybacks. Mr. Baur stated that the participant writes a check and send it with the application.

**Ian Kemp made a motion to approve the Warrants dated February 9, 2012 for payment of invoices. Mr. Terenzi seconded the motion, passed by the Trustees 5-0**

**Ian Kemp made a motion to approve the Benefit Approvals. Mr. Terenzi seconded the motion, passed by the Trustees 5-0**

## **9. OTHER BUSINESS:**

Mr. Bogdhan presented the Investment Policy for approval.

**Ian Kemp made a motion to approve the Investment Policy as presented. Mr. Terenzi seconded the motion, passed by the Trustees 5-0**

## **10. NEW BUSINESS:**

Mr. Ian Kemp discussed the idea of getting quotes from different attorneys for legal services for the plan and asked the Board for their comments and suggestions on the subject. Mr. Baur stated that he had done an RFP for a counsel in the last month for another Board and he has the hourly rates for some attorneys that he can share with the Board, but if the Board is interested for a retainer base fee then they would have to get quotes from these attorneys. After a lengthy discussion it was concluded that RFP's will need to be prepared and Mr. Baur will look into the Hourly Rates and Retainers. Mr. Baur stated that he will prepare the RFP and once he

gets all the information from the attorneys he will prepare a comparison for the Board to review before the next Board meeting.

**Ian Kemp made a motion for Mr. Baur to prepare a formal RPF for legal services for the plan and send the comparison to the Board for their review. The motion was seconded, passed by the Trustees 5-0**

Ms. Aleicia Latimer requested a copy of the Fiduciary Liability policy. Mr. Baur stated that the Policy took effect December 29, 2011 and he has not received the policy certificate yet.

#### **11. NEXT MEETING DATE**

The Trustees previously scheduled their next quarterly meeting for May 10, 2012 at 9:00 AM for Joint Investment Reports and 9:30 AM for the Regular Meeting.

#### **12. ADJOURN**

There being no further business, a motion was made to adjourn the meeting at 10:00 AM.

Respectfully submitted,

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Ian Kemp, Secretary