



City of Temple Terrace Fire Department Pension Board

**Ian Kemp, Chairman; Chris Damico, Vice-Chairman; Gerald Terenzi;
Secretary; Frank Chillura, City Mayor; Jerry Seeber, City Manager**

MINUTES OF THE MEETING HELD May 8, 2014

1. CALL TO ORDER

Chairman Ian Kemp called a Meeting of the City of Temple Terrace Fire Department Pension Board of Trustees to order at 9:10 AM at the City Manager's Conference Room located at 11250 N. 56th Street, Temple Terrace, FL 33617.

The Board had a quorum for the quarterly meeting. Those persons present included:

TRUSTEES

Ian Kemp, Chair
Chris Damico, Vice-Chair
Gerald Terenzi, Secretary
Frank Chillura, City Mayor
Jerry Seeber, City Manager

OTHERS

Thel Whitley, Pension Resource Centers, LLC
Bonni Jensen, Attorney
Jon Breth, The Bogdahn Group
John Thinnies, The Bogdahn Group
Angela Atkinson, City Finance Director
Mark Rhein, Salem Trust
Lynn Skinner, Salem Trust

2. PUBLIC COMMENTARY:

No members of the public addressed the Board.

3. SALEM TRUST:

Ms. Lynn Skinner and Mr. Mark Rhein addressed the Board regarding the Salem Trust system transition and system conversion. Mr. Rhein spoke about why Salem Trust needed to make a system transition and the challenges that became evident during the process. Mr. Rhein continued, saying that as Salem Trust recognized the transition was not going as smoothly as planned, the custodian contracted with an outside firm that specializes in system transitions. Mr. Rhein reported that Salem Trust voluntarily discounted their fee 10% for the second quarter as reimbursement to the plan for any difficulty resulting from the process. The transition of the system for processing pension payments, on the other hand, went very smoothly. Mr. Kemp inquired if Salem plans to make any additional changes. Mr. Rhein reported that the plan will see an increase in flexibility with reporting, and the Board will still have a single contact person for the account. Ms. Jensen asked why the retirees received two 1099Rs. Ms. Skinner reported that the two 1099Rs resulted from the benefit payment system transition earlier in 2013. Salem issued two 1099Rs to each retired member, one from the old system and one from the new system. The combination of the two reports showed the total income for the calendar year that the member received. Next year, each retired member will receive only one 1099R.

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4. INVESTMENT PERFORMANCE REPORT:

Mr. Thinnes reviewed the overall market performance for the first quarter of 2014. The first quarter of 2014 has seen more market volatility above what was seen for almost all of 2013. Overall returns for broad based indices ranged from slightly negative to modestly positive. Domestic equities proved resilient during the quarter, overcoming some profit taking in January. Safe haven areas such as Utilities and Consumer Staples fared best during the quarter. The US bond market rebounded from the negative 2013 performance by rising 1.8% in the first quarter of 2014.

The plan's total value increased from \$18.77M on December 31, 2013 to \$19.14M on March 31, 2014. This places the plan in the 75th percentile, with a 1.34% return for the quarter. Mr. Breth briefed the Board on the Non-Core Fixed Income Overview and Manager Evaluation. Mr. Breth spoke about the core bond market being flat for the foreseeable future, and he recommended moving a portion of the fixed income portfolio toward global bonds in order to increase bond potential while minimizing risk. The Investment Policy allocation currently has 30% in the US fixed income market. He recommended moving 5% to the global bond market, thus reducing the US fixed allocation to 25%. Mr. Breth briefed the Board on the profiles of five different global bond managers. Mr. Breth presented the Board with a revised Investment Policy Statement reflecting this recommendation as well.

Mr. Terenzi made a motion to approve the revised Investment Policy Statement to represent a 5% target with a 0% to 10% range to the Non-Core Fixed Income asset class. Mr. Seeber seconded the motion, approved by the Trustees 5-0.

Mr. Terenzi made a motion to approve the 5% Non-Core Fixed Income asset class to be managed by the Templeton Global Fund. Mr. Damico seconded the motion, approved by the Trustees 5-0.

5. APPROVAL MINUTES:

The Trustees reviewed the Minutes for the meeting of February 13, 2014.

Mr. Chillura made a motion to approve the Minutes for the meeting of February 13, 2014 as submitted. Mr. Terenzi seconded the motion, approved by the Trustees 5-0.

6. ATTORNEY REPORT

Ms. Jensen reported that there were no pension legislation issues from the Legislative Session.

Ms. Jensen reminded the Trustees of the July 1st deadline for the Form 1 filing. Ms. Jensen noted that each Trustee must file the form must in their county of residence.

7. ADMINISTRATOR REPORT

Mr. Whitley explained that Mr. Baur was not able to attend due to a death in his family.

Mr. Whitley distributed an updated Trustee contact information list and asked the Trustees to review the document and report any needed corrections. Mr. Whitley also distributed an updated Trustee signature specimen list for Salem Trust.

8. PLAN FINANCIALS

- a. Accounts Payable: The Trustees reviewed the Warrant dated May 8, 2014.

Mr. Terenzi made a motion to approve the Warrant dated May 8, 2014 as submitted. Mr. Chillura seconded the motion, approved by the Trustees 5-0.

- b. Benefit Approvals: The Trustees reviewed the Benefit Approvals for May 8, 2014

Mr. Chillura made a motion to approve the Benefit Approvals dated May 8, 2014 as submitted. Mr. Damico seconded the motion, approved by the Trustees 5-0.

9. OTHER BUSINESS:

The Trustees discussed education and attendance at conferences. Mr. Kemp reported that several Trustees of this board have attended conferences by FPPTA, the Florida Division of Retirement, NCPERS and most recently the workshop sponsored by Ms. Jensen's Law Firm. Mr. Whitley reminded the Board that the Annual FPPTA conference is in Orlando at the end of June and first two days of July. The host hotel is rapidly filling up, so any Trustee planning to attend should contact Mr. Baur as soon as possible.

Mr. Kemp discussed the topic of having the different Fund Managers attend to give a short presentations or update at a Board meeting. The consensus of the Board was that if the meeting had a very light agenda, then the Fund managers could attend and make a presentation to the Trustees, starting with Eagle Asset Management.

10. MEETING SCHEDULE:

The Trustees previously scheduled their next quarterly meeting for August 14, 2014 at 9 am.

11. ADJOURN:

Mr. Terenzi made a motion to adjourn the meeting at 10:45 AM. Mr. Chillura seconded the motion, approved by the Trustees 5-0.

Respectfully submitted,

Gerald Terenzi, Secretary