



City of Temple Terrace Fire Department Pension Board

**Ian Kemp, Chairman; Chris Damico, Vice-Chairman; Gerald Terenzi;
Secretary, Mel Jurado, City Mayor; Charles Stephenson, City Manager**

MINUTES OF THE MEETING HELD November 14, 2019

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 9:30 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, Chairman
Chris Damico, Vice-Chair
Gerald Terenzi, Secretary
Mayor Mel Jurado, Trustee
Charles Stephenson, Trustee

OTHERS

Amanda Kish, Resource Centers
Bonnie Jensen, Klausner, Kaufman, Jensen & Levinson
Kerry Richardville, AndCo Consulting
Lyn Boswell Finance Director
Roger Chewning, Union President
Patrick Donlan, Foster & Foster

2. PUBLIC COMMENTARY

3. ACTUARY: Foster & Foster (Patrick Donlan)

Patrick Donlan presented the actuarial valuation as of October 1, 2019. Mr. Donlan reviewed the summary of plan assets. He stated that the City has a prepaid contribution in the amount of \$186,770.27 available to offset the required contribution amount. The City's required contribution is \$1,799,661.00. The City's funding requirements increased due to increasing salaries and an increase in payroll. The increase was offset by the favorable experience. The Plan experience was favorable overall due actuarial gain and investment return of 8.51% which exceeded the plan's rate of return of 7.50%. Mr. Dolan reviewed the attribution of experience gains and losses from the prior year. He reviewed the annualized rate of return for prior four years. The annualized four year return was 7.87%. This year the state money amount was \$156,898.00, therefore no money went into the share plan. Mr. Donlan stated that the supplemental share plan amount is \$19,841.000. Mr. Donlan stated that. The Actuarial accrued funded ratio had a slight decrease from 73.8% to 70.3%.

Christopher Damico made a motion to approve the Annual Valuation for October 1, 2019. Mel Jurado, City Mayor seconded the motion, approved by the Trustees 5-0.

3. INVESTMENT REPORTS

AndCo: (Kerry Richardville)

Ms. Richardville reviewed the market environment and returns. There was volatility in the market during the 3rd quarter due to political uncertainty. The Federal Reserve has cut back on raising interest rates. Fixed income outperformed Equity. The total asset allocation as of the quarter end September 30, 2019 was \$28,216,127.00. Ms. Richardville reviewed the asset allocation compliance report and stated that there is no need to rebalance at this time. The total net return for the quarter was 0.00% below the benchmark of 0.82%. The fiscal year return was 3.67% slightly below the benchmark. Mrs. Richardville reviewed the sector performance stating that total equity return was -0.06 compared to the benchmark of 1.16%. Total fixed return was 0.57% compared to the benchmark of 1.38%. The return on Real-Estate was 2.50% compared to the benchmark of 1.38%. Total International return for the quarter was -2.48%. Mrs. Richardville reviewed the individual manager performance.

Mrs. Richardville presented the SMID Cap manager search. She reviewed the managers and their experience and performance. SMID Cap Core is place that could add positive returns for the portfolio in addition to diversification. She recommended having the managers come in to present. The Board held a discussion regarding the SMID Cap space.

4. APPROVAL MINUTES:

The Trustees reviewed the Minutes for the meeting of August 8, 2019

Gerald Terenzi, made a motion to approve the Minutes for the meeting held on August 8, 2019 Christopher Damico seconded the motion, approved by the Trustees 5-0.

5. ATTORNEY REPORT

USERRA MEMO

Mrs. Jensen presented the USERRA Memo to the Board explaining that the law is intended to protect those rights who served in the United States Armed Forces, Reserve or National Guard. She reviewed the three main objectives of the Memo. All members should receive credit for time spent on duty as if they continued to work for the department. While members are away serving they can still be eligible for incremental pay increase. She continued to review the memo

Cancer Presumption:

Mrs. Jensen presented the Cancer Presumption Ordinance that will be added to the plan document. The Board will need to make a motion for the Ordinance to be presented to the commission.

Christopher Damico, made a motion to present the Cancer Assumption Ordinance to commission. Gerald Terenzi, seconded the motion, approved by the Trustees 5-0.

Ordinance for DROP Extension:

Mrs. Jensen presented the draft ordinances for the DROP extension. She stated that one ordinance has a sunset date and the other does not. The Board held a lengthy discussion regarding which ordinance should be presented to the Board.

Christopher Damico, made a motion to present the draft ordinance for the DROP Extension without the sunset date to the Commission. Gerald Terenzi, seconded the motion, approved by the Trustees 5-0.

6. ADMINISTRATOR REPORT

Fiduciary Liability Insurance Renewal:

Mrs. Kish informed the Trustees that the Plan's fiduciary liability insurance will be expiring December 17, 2019. The renewal policy is \$144.00 higher than the current policy. The premium increase is due to an increase in the assets. The renewal policy has a cyber liability endorsement as well.

Chris Damico made a motion to renew the current Fiduciary Liability Policy. Gerald Terenzi seconded the motion, approved by the Trustees 5-0.

Fiduciary Liability Insurance Renewal

Mrs. Kish presented the Cyber Deception Coverage policy to the Board. She compared the differences to the current policy the Board holds. The policy covers breach notification, media liability and privacy liability. The liability amount is \$250,000 and the cost for the additional policy is \$650.00. The Board held a lengthy discussion regarding the policy. They recommended looking into the City policy before purchasing.

AUDIT AND CYBER MEMO

Ms. Kish presented the memo regarding the Resource Centers SSAE18. She stated that the audit had an unqualified opinion. She briefly reviewed the cyber security measure for the Resource Centers. The firm has updated all there computer system with windows 10 which is less of a risk of getting viruses. Resource Centers is currently looking into increasing their cyber liability policy. She stated that our IT department is committed to making our clients feel safe and secure and is doing everything to be proactive against cyber hacks and ransom ware

2020 MEETING DATES

Mrs. Kish presented the proposed 2020 meeting dates to the Board.

7. PLAN FINANCIALS

The Trustees reviewed the Warrant dated November 14, 2019 for payment of routine Plan expenses.

Christopher Damico made a motion to approve the Warrant dated November 14, 2019. Gerald Terenzi seconded the motion, approved 5-0.

The Board reviewed the Benefit Approval for Scott Murley

Christopher Damico made a motion to approve Scott Murley to Enter the DROP. Charles Stephenson seconded the motion, approved 5-0.

Mrs. Kish presented to COLA increase for the Retirees. The COLA's were affective October 1, 2019.

Christopher Damico made a motion to ratify the COLA Increase to the retirees effective October 1, 2019. Gerald Terenzi seconded the motion, approved 5-0.

9. MEETING SCHEDULE:

9:30 am Thursday, February 13, 2020

10. ADJOURN:

There being no further business, Gerald Terenzi made a motion to adjourn the meeting at 11:35 AM. Ian Kemp seconded the motion, approved by the Trustees 5-0.

Respectfully submitted,

Gerald Terenzi, Secretary