



Firefighters' Retirement Plan Agenda Monday, November 17, 2014

Meeting Information

Contact

Alicia Gaither
Pension Benefits Coordinator
(352) 629-8372

Location

CMO Conference Room
110 SE Watula Avenue (2nd
Floor)
Ocala, Florida

Time

9:00 AM

Board Members

Larry Fagan

Justin Hardy

Randy Griffin

Astrida Trupovnieks

James Williams

WELCOME!

We are very glad you have joined us for today's meeting. If reasonable accommodations are needed for you to participate in this meeting, please call Alicia Gaither at (352) 629-8372, 48 hours in advance so arrangements can be made.

APPEALS

Any person who decides to appeal any decision of the Ocala Firefighters' Retirement Plan with respect to any matter considered at this meeting will need a record of the proceeding, and for such purpose, may need to ensure that a verbatim record of the proceeding is made.

Public Notice

9:00 AM Meeting called to order on November 17, 2014 at CMO Conference Room, 110 SE Watula Avenue (2nd Floor), Ocala, FL.

1. Call to Order

2. Public Comments

3. Consultant's Presentation

4. Minutes Approval

1. Regular Meeting Firefighters' Retirement Plan Minutes for August 18, 2014.

5. Approval of Account Payables

6. Other matters to come before the Board

7. Adjournment

Firefighters' Retirement Plan Minutes



Monday, August 18, 2014

Regular Meeting

110 SE Watula Avenue
Ocala, FL 34471
www.ocalafl.org

Alicia Gaither
(352) 629-8372

Public Notice

9:00 AM Meeting called to order on August 18, 2014 at CMO Conference Room, 110 SE Watula Avenue (2nd Floor), Ocala, FL.

1. Call to Order

The Ocala Firefighters' Retirement Plan held a meeting at the CMO Conference Room, 110 SE Watula Avenue (2nd Floor), on Monday, August 18, 2014 at 9:01 AM.

Attendee Name	Title	Status	Arrived
Astrida Trupovnieks		Excused	
Larry Fagan		Excused	
Randy Griffin		Present	
Justin Hardy		Present	
James Williams		Present	

2. Public Comments

4. Minutes Approval

Approved Regular Meeting Firefighters' Retirement Plan Minutes for May 09, 2014.

RESULT: APPROVED [UNANIMOUS]
MOVER: Justin Hardy
SECONDER: James Williams
AYES: Griffin, Hardy, Williams
EXCUSED: Trupovnieks, Fagan

5. Approval of Account Payables

Approved Accounts Payable for May through August

Minutes Acceptance: Minutes of Aug 18, 2014 9:00 AM (Minutes Approval)

RESULT: **APPROVED [UNANIMOUS]**
MOVER: Justin Hardy
SECONDER: James Williams
AYES: Griffin, Hardy, Williams
EXCUSED: Trupovnieks, Fagan

3. Consultant's Presentation

Mr. West presented the quarterly report and stated the markets increased to the benefit of the portfolio. He explained most returns came from utilities and energy sectors and reported interest rates declined during the quarter causing a slight bond market rally. Mr. West reviewed market performance for the quarter (p.2) and reported in the bond market higher yielding lower quality performed best (p.8). Mr. West explained the re-balancing of the portfolio at the previous meeting benefited the plan (p.12). Mr. Griffin questioned if the re-balancing will reflect positively in the next quarter performance. Mr. West responded in the affirmative.

Mr. West commented the quarter report is wonderful and reviewed the plan's performance verses the benchmark. He reported an increase of 3.35% for the quarter and 11.67% fiscal year-to-date which is on target with the policy. Mr. West discussed Dalton All Cap Value Equity and stated they are bringing value to the portfolio with a positive progression. He reported the Wells Fargo Large Cap Growth Index Fund increased 5% and Vanguard Small Cap Index increased 3.78%. Mr. Griffin questioned the difference in the index. Mr. West responded the timing of cash flow is reflected in the returns. Mr. Griffin asked if Wells Fargo is still using the Russell 1000 Value Index and if it should be reflected in the plan's index. Mr. West responded in the affirmative and stated he believes the Russell 1000 is still being used. He noted Vanguard also changed some of their benchmarks and stated he will confirm the indexes are correct. Mr. Griffin inquired about going directly to Russell as opposed to going through Wells Fargo and Vanguard. Mr. West responded it is not possible to go directly to Russell and pointed out Wells Fargo and Vanguard have provided the best fees.

Mr. West reviewed the performance for Manning and Napier and noted most of the under-performance was for this past quarter (p.20). He explained all the primary managers were reviewed a few weeks ago and recommended holding on to Manning and Napier. Mr. Griffin commented he is not pleased with their performance and stated it is acceptable to hold on to them for a bit longer but not significantly longer if they continue to under-perform. Mrs. Reichard questioned the reasoning for holding on to them. Mr. West responded the thought is their past sound performance is repeatable. Mrs. Reichard inquired about the performance of their competitors. Mr. Griffin responded the competitors are not doing well either. Mrs. Reichard suggested lowering the percentage invested with the company. Mr. West responded the company's strategy is struggling a bit because of what is occurring with emerging market volatility. Mr. Hardy opined what is being invested in needs to be looked at and commented the firm appears to be more conservative on the international side. Mr. Griffin questioned the amount invested with the company. Mrs. Reichard responded \$6.6 million. Mr. West suggested keeping the

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company front and center and commented he is confident there will be a comeback. He recommended waiting to close the gap and then going into an index fund. Mr. Hardy remarked he would like to see the 3rd quarter performance. Mr. West recommended reviewing this again next quarter and stated he will provide some index funds to look at. The Board agreed.

Mr. West continued with the report and reviewed global bond market performance. He discussed real estate performance (p. 21) and noted all the managers are being very selective to protect investors. Mr. West reviewed cash flow (p.16 & 17) and noted investments earned \$886,000 in income and \$3.9 million in appreciations totaling \$4.5 million. He commented the portfolio is in a great position from a fiscal year-to-date standpoint and opined it appears the portfolio will come in in excess of the rate of return. Mr. West reported there is no re-balancing necessary. The board members discussed upcoming disbursements. Mrs. Reichard questioned the difference in reporting of total fund net and gross (p.23). Mr. West responded he would have to look back and noted the previous consultant reported differently.

Mr. West discussed a cost saving administrative opportunity to get into a lower cost share class in Templeton Bond Fund which will save 10 basis points. He provided a letter to the board to complete the fund exchange. Mr. Griffin requested a motion to sign the letter to change to the lower fee fund. Mr. Williams motioned to sign the letter and Mr. Hardy seconded the motion. The motion was unanimously approved.

Mr. Griffin questioned the plan's performance as compared to others. Mr. West responded this fund is invested more conservatively in real estate and pointed out many funds are using more aggressive real estate products.

Mr. Griffin inquired about opportunistic real estate. Mr. West responded it is high leverage and stated the Board is comfortable with low leverage funds. Mr. Griffin questioned where the funds would come from. Mr. West responded from real estate.

Approved motion to sign the letter to change to the lower fee fund

RESULT:	APPROVED [UNANIMOUS]
MOVER:	James Williams
SECONDER:	Justin Hardy
AYES:	Griffin, Hardy, Williams
EXCUSED:	Trupovnieks, Fagan

6. Other matters to come before the Board

A. Administrative Agreement

Mr. Griffin asked Mr. West if the date for the meeting works with his schedule. Mr. West responded in the affirmative and thanked Mr. Griffin for his consideration.

Mr. Griffin explained the General, Police and Fire Plan Attorneys reviewed the

Administrative Agreement and recommended the boards sign it. He questioned the effective date of the agreement. Mrs. Reichard responded it is retroactive and stated it will be extended to three years from October 2014.

The motion to accept the agreement was unanimously approved.

Mr. Griffin requested a signed copy of the agreement.

Approved motion to accept the Administrative Services Agreement as agreed to by the attorneys

RESULT:	APPROVED [UNANIMOUS]
MOVER:	James Williams
SECONDER:	Justin Hardy
AYES:	Griffin, Hardy, Williams
EXCUSED:	Trupovnieks, Fagan

B. Travel - FPPTA Oct 5 - 8, Div of Retirement 17 - 19

Mr. Griffin advised the board of upcoming training and stated there is a school conducted by the Division of Retirement in Orlando, November 17-19, 2014. He reported the FPPTA will be held October 5-8, 2014 and requested that any board member interested in attending please notify Ms. Gaither.

Mr. West updated the board on the new GASB 67 & 68 requirements and explained the firm will attempt to provide a quick turnaround on information that is needed from them. Mrs. Reichard noted the City will be implementing GASB 67 this year. Mr. West stated the City can send the questionnaire to the firm indicating the necessary information and noted the questionnaire can be sent in September. Mrs. Reichard pointed out it is not necessary to implement GASB 68 until the following fiscal year and discussed reporting of the GASB 68. Mr. West suggested meeting with the actuary prior to preparations for GASB 68 and discussed provisions of GASB 68. Mr. Griffin asked if the plans are separate in the CAFR. Mrs. Reichard responded in the affirmative.

7. Adjournment

Adjourned at 10:22 a.m.

Minutes Approval

A motion to approve the minutes as printed on this _____ day of _____;
_____ was made by _____, seconded by _____,

votes for _____, votes against _____.

Secretary

Chairman

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