

FIRE FIGHTERES' RETIREMENT SYSTEM

BOARD MEETING

October 26, 2016

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Chairman Wise called the meeting to order. Present were Trustee Greg Starling; Trustee, Trustee Sam Patel, Trustee Steve Futch, Attorney Ron Cohen, Ron Cohen; Brendon Vavrica and Tyler Grumble Bogdahn Consultant Group and Deputy Clerk Brenda Wiggins. Trustee Dr. Pete Gianas was absent.

Chairman Wise entertained a motion to approve the minutes for July 27, 2016. Motion was made by Trustee Futch, second by Trustee Patel; passed 4-0.

Chairman Wise entertained a motion to approve the warrants for July, August, and September 2016.

Trustee Patel made the motion to approve the warrants, second by Trustee Starling; passed 3-0.

Tyler Grumble announced this is his last meeting and introduced Brendon Vavrica who will be taking his place.

Bogdahn acquired Thistle Asset Consulting earlier this year and Brendon is based in Jacksonville which makes more sense for him to take over Starke.

Also the company will be taking on a new name in January 2017.

The asset allocation; the plan is allocated more toward stocks at 74.9% equity and 17.8% fixed income; 7.2% cash. The amount in the account basically stayed the same.

He explained Bowen Hanes is right up against the maximum exposure for equity, but this has been their plan over the year and Bogdahn will continue to watch.

Trustee Futch referenced the 7.2% in cash if it is too much with a target of zero?

Mr. Grumble responded the percentage of cash is all at Salem Trust from the Capital City Bank account.

In dollar terms for the quarter; started with \$3,188,994; contribution in of \$74,467; payments out of \$325,779; management fees \$7,700; expenses \$9,125; net income \$16,195; gain \$54,433; market value \$2,991,485.

Fiscal Year to Date; started with \$2,866,157; contribution in of \$210,734; payments out of \$385,345; management fees \$18,764; expenses \$40,254; net income \$49,732; gain \$309,226; market value \$2,991,485.

Chairman Wise entertained a motion to accept the report as presented.

Trustee Patel made the motion to accept the report, second by Trustee Starling; passed 4-0.

Attorney Cohen presented the Beneficiary Ordinance for approval and to send to the commission for adoption.

The ordinance is to address the issue of beneficiary under 10 years certain benefit option.

He contacted the State and it is their opinion if all the benefit payments are not paid out after the retiree and beneficiary passes the remaining benefit payments would go back to the estate of the retiree.

There are also clarifications to how many beneficiaries you can have. Section B2

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If the member is receiving a pension for ten years certain and life thereafter, the first payment will be made on the first day of the month coincident with or next following the member's actual retirement and the last payment will be the payment due next preceding the member's death; except that in the event the member dies before he has received 120 monthly pension payments, the payments shall be continued for the remainder of the period of 120 months and paid to such person or persons, as the retiree shall have nominated by written designation duly executed and filed with the board. If more than one person is so designated by the retiree, the retiree can designate the percentages that each person is to receive. If no percentages are listed, it will be paid in equal percentages. If no such designated beneficiary survives the retiree such remaining pension payments shall be paid to the estate of the retiree.

In the event the retiree dies and there is more than one named beneficiary and a beneficiary dies before the full 120 payments have been made, each remaining monthly payment will be adjusted pro-rata and paid to the remaining beneficiary or beneficiaries in an amount equal to one full monthly payment. In the event that the retiree dies and subsequently all remaining beneficiaries die before 120 full monthly payments have been made, the remainder of the 120 monthly payments shall be paid to the estate of the retiree.

Chairman Wise entertained a motion to recommend advertising and sending to the commission for approval.

Trustee Futch made the motion to send to the commission and advertise; second by Trustee Patel; 4-0.

Attorney Cohen addressed the question Trustee Starling asked at the last meeting regarding the Summary Plan Description (SPD). The SPD reads;

Your final average salary means the average of the highest annual compensation paid to you during any three consecutive years of credited service contained in your ten years of credited service preceding the date of your termination of employment. Your compensation is your wages or salary paid to you by the City for services rendered. It does not include overtime pay, and does not include allowances for travel, equipment and such other items as the City may determine from time to time. It does not include lump sum payments paid at the time of retirement.

After the research the SPD is correct. If the board would want to change the SPD to read; paid to you during any three consecutive years of credited service contained in your five years of credited service preceding the date of your termination of employment. The last three, you can do that but it could cost money.

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The board received a request to have the payables moved back to within the finance department at City Hall. It will make things easier for Brenda and Sharon.

Trustee Futch made the motion to return the payables back to in house from Salem Trust, second by Trustee Patel; passed 4-0.

Motion was made to have \$75,000 from Salem Trust to Capital City to begin the account.

Trustee Futch made the motion, second by Trustee Patel; passed 4-0.

The 2016-2017 Expense Budget was presented for approval. There were minor adjustments to the postage and advertising accounts, each set at \$250; Money Manager set at \$25,000. For a total of \$92,650.

Trustee Patel made the motion to approve the budget, second by Trustee Futch; passed 4-0.

A discussion to sweep the Capital City account back to \$75,000 quarterly and send to Salem Trust for investing.

Trustee

A request was received from Capital City to come and do a presentation to see if they could do a better job than our current investors.

It was decided if they wish to come under citizen participation they are welcome but there is no interest in switching anything at this time.

Trustee Sam Patel announced he is resigning from the board effective immediately.

Trustee Futch made the motion to accept the resignation, second by Trustee Starling; passed 4-0.

A motion to adjourn the meeting was made by Trustee Futch, seconded by Trustee Starling; motion passed 4-0.

GARY WISE, CHAIRMAN

ATTEST:

RICKY THOMPSON, CITY CLERK/BOARD ADMINISTRATOR