

Chairman Gary Wise called the meeting to order. In attendance were Pension Attorney Ron Cohen, Trustee Steve Futch, Trustee Dr. Pete Gianas, Trustee Bryan Stephens, Brendon Vavrica representing AndCo and Chairman Gary Wise.

Chairman Wise entertained a motion to accept the minutes from the July 25, 2018 meeting. Trustee Futch made a motion to accept the minutes. It was seconded by Trustee Stephens. The motion passed 5-0.

Chairman Wise entertained a motion to approve the warrants for July 2018, August 2018 and September 2018. Trustee Futch made a motion to approve the warrants. The motion was seconded by Trustee Gianas. The motion passed 5-0.

Chairman Wise asked if there was any citizen participation. There was none.

Chairman Wise asked Mr. Vavrica representing AndCo to give the Investment Performance Review. Mr. Vavrica said this is the most important performance review of the year because these are the numbers the actuary will use. Mr. Vavrica said the red bars on page 2 are the international stocks which were up slightly for the quarter. He said the blue bars are where the majority of the money is and the S & P 500 was up 7.7 percent making a fantastic close to the fiscal year. Mr. Vavrica said the green bars represent fixed income and they were flat to slightly negative due to the Fed raising rates. He said on page 3 the blue bars are value stocks and the red bars are growth stocks with growth stocks being at 8.9 percent versus 5.4 percent for value stocks for the quarter. Mr. Vavrica said growth outperformed value 25.9 percent versus 9.5 percent for the year. Mr. Vavrica said the Treasury Yield Curve on page 9 shows how the bond market feels about the future. He said we don't want the Treasury Yield Curve to be flat and it moved up this quarter. He said the asset allocation of the fund is on page 10. We have just under the maximum equity of 75 percent at 73.8 percent, fixed income at 16 percent and cash at 10.2 percent. Mr. Vavrica said we ended the fiscal year at \$3,865,489 and started the quarter at \$3,587,011. Trustee Futch asked if having so much money in equity is good. Mr. Vavrica said it is good over time. He said page 15 shows a summary of all the bank statements. He said the top half of the page shows the quarter and the bottom half of the page shows the fiscal year. Mr. Vavrica said we started the quarter with \$3,587,011 and had contributions of \$57,268 and distributions of \$27,832 with other expenses of \$10,763 and income of \$15,183 and appreciation of assets at \$244,623 for a total of \$3,865,489. Mr. Vavrica said on page 16 we are at 7.23 percent versus the benchmark of 3.7 percent. Mr. Vavrica said we placed number 4 beating 96 percent of public funds in the country. Mr. Vavrica said for the fiscal year we are at 12.33 percent which is fantastic. He said we had a phenomenal fiscal year. Chairman Wise entertained a motion to accept the Investment Performance Review. Trustee Gianas made a motion to accept the review. It was seconded by Trustee Starling. The motion passed 5-0.

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Chairman Wise called for the Attorney's Report. Attorney Cohen said he just received an email from Julie Browning with the State Division of Retirement asking for a copy of the audited financial statement. He said they are withholding 2017 premium tax monies pending resolution of the outstanding issue. Attorney Cohen said he believes the city will be short \$35,000 which the city will have to contribute. He suggested that we look into this and make sure it doesn't happen again.

Attorney Cohen said he wants to talk about Amendment 6 to the Florida Constitution. It is known as the crime victim's amendment. Attorney Cohen said it also allows judges to serve until age 75 instead of 70. He said it has a statement about judicial deference that has some pension funds concerned. Attorney Cohen said we have state agencies to carry out statutes. Judicial deference means that the courts will rely on the expertise of agencies to determine what the law means. Attorney Cohen said our pensions are determined by ordinance so this amendment won't affect us. Amendment 6 would limit the amount of deference the court uses.

Chairman Wise called for new business. There was none.

The date for the next meeting was set for January 23, 2019 at 10:30 pm.

Chairman Wise entertained a motion to adjourn. Trustee Gianas made a motion to adjourn. It was seconded by Trustee Stephens. The motion passed 5-0.