

**FIRE PENSION BOARD MINUTES**  
**Wednesday, August 15, 2018 - 10:00 a.m.**  
**City Hall, Council Chambers, Vero Beach, Florida**

**PRESENT:** Terry Zokvic, Chairman; Henry Losey, Secretary/Treasurer; Member: Kent Middleton **Also Present:** Sherri Philo, Deputy City Clerk

**Excused Absence:** Duane Bluemke

**1. CALL TO ORDER**

Today's meeting was called to order at 10:02 a.m.

**2. AGENDA ADDITIONS, DELETIONS AND ADOPTION**

Mr. Zokvic added to the agenda under New Business, item 6-B) Discuss Appointing County Residents to the Board.

Mr. Losey questioned the State meeting that is being held in Orlando in November, 2018.

Mr. Zokvic said that he would discuss this under Chairman's Matters.

The Board members unanimously agreed to the additions to today's agenda.

**3. APPROVAL OF MINUTES**

**A) May 16, 2018 Regular Meeting Minutes**

**Mr. Losey made a motion to approve the minutes of the May 16, 2018 Fire Pension Board meeting. Mr. Middleton seconded the motion and it passed unanimously.**

**4. PUBLIC COMMENTS**

None

**5. QUARTERLY REPORTS**

**A) Highland Capital Management**

Mr. Todd Wishnia, of Highland Capital Management, briefly went over page eight (8), *Performance Returns for Various Periods*, of the Investment Review Period Ending June 30, 2018, report with the Board members (report on file in the City Clerk's office).

Mr. Grant McMurry, of Highland Capital Management, briefly went over page three (3), *2018 Care Value Equity Portfolio Manager Commentary*, of the report with the Board members.

**B) Salem Trust**

- 1. Class Action Report**
- 2. Annual Verification Letter Update**

Mr. Zokvic reported that Salem Trust was unable to attend today's meeting, so they will receive the Class Action Report at their next meeting. He reported that the Annual verification letter was mailed out at the beginning of August and the deadline for submittal is September 3<sup>rd</sup> or 4<sup>th</sup>.

### **C) AndCo Consulting**

Mr. Dave West, of AndCo Consulting, briefly went over page eight (8) - *The Market Environment Domestic Bond Sector & Broad/Global Bond Market Performance (Duration)*, page two (2) - *The Market Environment Major Market Index Performance*, page nine (9) - *The Market Environment Market Rate & Yield Curve Comparison*, of the Investment Performance Review Period Ending June 30, 2018, with the Board members (on file in the City Clerk's office).

Mr. Zokvic referred to page 10 - *Asset Allocation Summary Total Fund*. He asked if this was prior to or after their adjustment.

Mr. West referred to page 15 - *Financial Reconciliation Quarter to Date Total Fund*. He explained that the adjustments that were made during the quarter is shown in the net transfer line for the cash flow. The later pie chart is reflective of the net transfer activity so there was \$296,000 removed from equities and \$301,000 was put into the fixed income component. In short, the answer is yes.

Mr. Zokvic referred to page 11 - *Asset Allocation Summary Total Fund*. He said the reflection in some of these accounts is higher after the adjustment.

Mr. West said that is a function of how the cash gets allocated. He explained that the pie chart located on page 10 shows 8.9% of the total assets in cash and the pie chart on page 11 is basically taking that cash and allocating it to the various accounts that are holding it.

Mr. West then went over page 19 - *Comparative Performance Trailing Returns Total Fund*, page 20 - *Comparative Performance Trailing Returns Total Fund*, page 16 - *Financial Reconciliation Fiscal Year to Date Total Fund*, and page 12 - *Asset Allocation vs. Target Allocation Total Fund* with the Board members.

Mr. West reported that they are still showing residual shares of the Templeton Global Bond Fund so he will be making an administrative note sending direction to completely close out all ownership of that Fund, which they did close some time ago so they just need to clear the balance sheet of that very small residual.

## **6. NEW BUSINESS**

### **A) Annual Budget for FY 2018/2019**

Ms. Cindy Lawson, Finance Director, reported that as a compliance item for Florida Statutes they have to adopt a budget every year. She recommended that they adopt the budget at \$70,000 for 2018/2019.

**Mr. Losey made a motion to adopt the budget at \$70,000. Mr. Middleton seconded the motion and it passed unanimously.**

**B) Add on item - Discuss County member for Board**

Mr. Zokvic said they have a hard time finding people to sit on this Board and he would like the Board's approval to request that Mr. Adam Levinson, Board Attorney, write a letter to the State requesting that they approve the City using County residents to sit on the Board. He said he would like to have a citizen sit on the Board who is not a Fire Fighter in that they would have a different point of view. He said if they can get the State to approve this then the City Council can appoint someone from the County. Mr. Zokvic said they need to try to find another member because currently they only have four (4) members and one (1) of them is not present today. If one (1) other member was unable to attend the meeting they would not have a quorum and would not be able to meet.

**Mr. Losey made a motion that Mr. Zokvic contacts Mr. Levinson to write a letter to the State. Mr. Middleton seconded the motion and it passed unanimously.**

**7. OLD BUSINESS**

None

**8. CHAIRMAN'S MATTERS**

Mr. Zokvic reported that the State Conference is scheduled for November 14<sup>th</sup> through November 16<sup>th</sup> in Orlando. He asked the City Clerk's office to resend to the members the information on the Conference.

**9. MEMBER'S MATTERS**

None

**10. ADJOURNMENT**

Today's meeting adjourned at 10:51 a.m.

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