

**FIRE PENSION BOARD MINUTES**  
**Wednesday, November 21, 2019 - 10:00 a.m.**  
**City Hall, Council Chambers, Vero Beach, Florida**

**PRESENT:** Terry Zokvic, Chairman; Henry Losey, Secretary/Treasurer; Member: Kent Middleton  
Also Present: Records Retention Specialist, Heather McCarty

**1. CALL TO ORDER**

The Chairman called the meeting to order at 10:00 a.m.

**2. AGENDA ADDITIONS AND DELETIONS**

The agenda was unanimously approved.

**3. ELECTION OF OFFICERS**

**A) Chairman**

Mr. Losey nominated Mr. Zokvic to remain Chairman. Mr. Middleton seconded the motion and it passed unanimously.

**B) Secretary/Treasurer**

Mr. Losey nominated Mr. Middleton to remain Secretary/Treasurer. Mr. Zokvic seconded the motion and it passed unanimously.

**4. Approval of Minutes**

**A) August 15, 2018**

Mr. Losey made a motion to approve the August 15, 2018 minutes. Mr. Middleton seconded the motion and it passed unanimously.

**5. Public Comment**

None

**6. Quarterly Reports**

**A) Highland Capital**

Mr. Grant McMurry, of Highland Capital Management, talked about some of the things that have been going on in the market and with their portfolio. He briefly went over page three (3), 2018 Care Value Equity Portfolio Manager Commentary, of the Investment Review Period Ending September 30, 2018 report with the Board members (report on file in the City Clerk's office).

**B) Salem trust**

**1. Class Action report**

Mrs. Karen Russo, with Salem Trust, went over their Class Action report for the period July 1, 2018 through September 30, 2018 (on file in the City Clerk's office). She reported that the class actions filed on behalf of the plan during the period were Yahoo and Citigroup Fair Fund. She also reported that the plan received a class action settlement in the amount of \$123.84 from AIG Securities Litigation.

**2. STC Information Technology Security document**

Mrs. Russo said she discussed this item at a previous meeting.

**3. Certificate of Liability Insurance**

Mrs. Russo said she discussed this item at a previous meeting.

**4. Electronic Communication Acknowledgement**

Mrs. Russo discussed the language that was added to their custody agreement (on file in the City Clerk's office).

**5. STC Quarterly Service Report Summary**

Mrs. Russo went over their Quarterly Service Report (on file in the City Clerk's office).

Mrs. Russo referred to the Authorized Signor form that they currently have on file. She said that she brought a blank form to have them update it (updated authorization form on file in the City Clerk's office).

**C) AndCo Consulting**

**1. Quarterly Report**

Mr. Dave West, of AndCo Consulting, reported that the system had another very strong year with investments and had no manager issues. He went over the bottom right chart on page two (2) – Major Market Index Performance, of the Investment Performance Review Report for the period ending September 30, 2018, with the Board members (on file in the City Clerk's office). He talked about the chart on page 12, Asset Allocation vs. Target Allocation. He reviewed the bottom line, Comparative performance Trialing Returns, on page 19. He reported the Total fund, net of all their fees, returned 7.9% for the fiscal year to date (FYTD). He said the Total Fund (Gross) was 8.39% (44<sup>th</sup> percentile), which was below the benchmark of 8.54%. He pointed out that Highland equity had a great year with returns of 11.9% for the FYTD. He went over the returns for their managers. He reviewed the cash flow shown on page 16. He reported they opened the fiscal year on October 1, 2017 with a market value of \$7,854,406 and ended on September 30, 2018 with \$7,943,359. He

briefly went over page 24, Performance Review Total Fund. He reviewed the fees shown on page 38, Fee Analysis.

Mr. West said that at their next meeting, they might want to revisit their Investment Policy Statement (IPS). He said they should look at their policy and update their asset allocation. He said he would bring more information to their next meeting.

**7. NEW BUSINESS**

**A) Approval of 2019 meeting dates**

Mr. Middleton made a motion to approve the 2019 meeting dates as presented. Mr. Losey seconded the motion and it passed unanimously.

**8. OLD BUSINESS**

None

**9. CHAIRMANS MATTERS**

**A) Discussion of 5<sup>th</sup> Board member**

Mr. Zokvic said that after their last meeting, he contacted their Attorney, Mr. Adam Levinson, to discuss their problem of finding a fifth Board member. He said they called Tallahassee and spoke with them and they would not budge from the requirement that the Board member be a City resident.

The Board had a discussion about having Mr. Middleton's wife sit on the Board. Mr. Zokvic said that their Attorney advised that it would be very conflicting to have a husband and wife on the same Board. He said that Mr. Levinson mentioned that the Finance Director, Ms. Cindy Lawson, might like to appoint someone from her department. He said that was discussed years ago and it was said that would be a conflict of interest. He explained that only having four (4) members is a problem because with Mr. Bluemke not always attending their meetings, if one of them got sick or was unable to attend, then they wouldn't have a quorum. He added that a problem with some candidates has been because of having to fill out financial disclosure forms.

**10. MEMBERS MATTERS**

None

**11. ADJOURNMENT**

Today's meeting adjourned at 11:15 a.m.

/hm