

Minutes 2/3/2016  
Fire Rec 4-18-16

**MINUTES OF THE BOYNTON BEACH FIREFIGHTERS' PENSION FUND  
QUARTERLY BOARD MEETING HELD ON WEDNESDAY, FEBRUARY 3, 2016, AT  
9:00 A.M. AT RENAISSANCE COMMONS EXECUTIVE SUITES, CONFERENCE  
ROOM 1, 1500 GATEWAY BLVD, SUITE 220, BOYNTON BEACH, FLORIDA**

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**PRESENT:**

Luke Henderson, Chair  
Helen "Ginger" Bush  
Matthew Petty  
Jonathan Raybuck  
Robert Taylor  
Interim Fire Chief Greg Hoggatt, Ex-Officio member

Barbara LaDue, Pension Administrator  
Adam Levinson, Board Counsel

**I. CALL TO ORDER – Luke Henderson, Chairman**

Chair Henderson called the meeting to order at 9:08 a.m.

**II. AGENDA APPROVAL**

Chair Henderson moved Item C, IV. Financial Reports, Audit Report, to the beginning of the agenda and announced at 10 a.m., a disability applicant will be present for Item B, VII, New Business, Application for Disability Retirement. When the Trustees finish the item under discussion, they would discuss the disability item.

**Motion**

Mr. Taylor moved to approve the agenda as amended. Mr. Petty seconded the motion that unanimously passed.

**III. APPROVAL OF MINUTES – Quarterly Meeting 11-04-2015**

**Motion**

Mr. Taylor moved to approve the minutes. Mr. Raybuck seconded the motion that unanimously passed.

Chair Henderson explained Chief Carter, the ex officio member retired and Greg Hoggatt, Interim Fire Chief was sitting in his stead.

**IV. Financial Reports**

**C) Davidson, Jamieson & Cristini – Richard Cristini, CPA, CGFM &  
Jeanine Bittinger, CPA**

**1) Audit Report/ Financial Statements for PYE 9-30-2015**

*(Heard out of order)*

**Richard Cristini, Davidson, Jamieson and Cristini, was present with Jeannine Bittinger, CPA.**

Mr. Cristini reviewed the statement of fiduciary net position. Liabilities, accounts payable and broker dealer payables were up about \$2 million from the year before. The net position for pensions was \$80,406,693 versus \$78,279,091 in 2014. Assets working for the Plan to cover costs increased, but not as much as last year. Employer contributions were up and member contributions were the same as last year. Plan member buy backs decreased and rollovers to DROP decreased. Total contributions were \$5.3 million and \$5.1 million the prior year. Excise rebate monies were down slightly. Total investment income was \$571,346 versus \$7.4 million in 2014. Investment expenses were on par, and the net investment income was \$282,853 versus \$7,187,580 in 2014.

Total additions to the Plan were \$13 million in 2014 versus \$6.5 million in 2015. Administrative expenses and operating expenses increased slightly. Total deductions were \$4.4 million in 2014 and nearly the same in 2015. The net increase in net position was \$2.1 million in 2015, down from \$8.8 million in 2014. Mr. Cristini noted the net investment income is what drives much of the Plan.

Attorney Levinson noted the Plan has a new custodian. The contract was signed after the end of the year and next year, since Chair Henderson was able to negotiate a lower fee, the Plan would realize a cost savings.

Mr. Cristini explained the Plan's operations will be weighted towards Government Accounting Standards Board (GASB) 67 requirements and there is a compliance supplement included with the report. He reminded all GASB 68 requirements applied to the City and those provisions went into effect on September 30, 2015, for the year ending September 30, 2014. The auditor had to provide additional information. Attorney Levinson recalled the Board authorized the Actuary to work closely with the City regarding GASB 68. It was noted the GASB 67 provisions are accounting measurements, not the actuarial measurements of the funded status of the Plan, and the provisions are not used to develop employer contribution rates. A second report calculates similar numbers, but not how the Plan is driven.

Mr. Cristini reviewed the investment asset allocations coming from the Investment Policy Statement. The rate of return is the money-weighted rate of return regarding investment performance, net of investment expenses, adjusted for the changing amounts actually invested. This year the rate was .78%. Attorney Levinson commented other plans in the State earned less than the Boynton Plan.

The Plan's realized appreciation/depreciation reflected the Plan made money, but investments on unrealized appreciation/depreciation showed a loss of \$4,559,343 this year. Mr. Cristini noted this decline was across all plans. The Plan would have earned \$7 million if it sold all its remaining securities. Last year, the Plan would have made \$13 million.

Attorney Levinson noted municipal obligations were included as a type of investment.

**Dave West, Bogdahn Consulting**, explained there was a strategic opportunity that arose as a result of the economy. The investment was an active management decision by the bond manager. He saw positive market values there, but it was unlikely they would be included in the portfolio again.

Designated pension benefits showed \$12 million in designated DROP benefits in 2015 compared to \$10 million in 2014, and \$67 million for the rest of the members.

Revisions in actuarial assumptions and methods reflected the investment return was lowered from 7.65% to 7.50% as of September 30, 2015, which caused the employer contribution rate to increase by 1.54% of covered payroll. Mr. Cristini commented most investment return rates ranged from 7.8% to 7.5%, but of all the plans reported on, the Boynton Beach Plan had the lowest investment return rate.

The net position liability for the City of Boynton Beach as calculated by the actuary, and given the GASB 67 assumptions prohibiting smoothing and using the market value only, was \$126,579,666. The City's net pension liability with GASB 67 was \$46 million. GASB 68 requires the City to use the prior year number. GASB 67 requires the Plan to use current numbers, so there would be different numbers in the GASB 68 report. The actuary uses the date of October 1, 2014, and once adopted must use October 1<sup>st</sup> as the date each year thereafter. The City has to record all of the GASB 68 figures and include the GASB 67 reporting requirements to the City's Comprehensive Annual Financial Report (CAFR) which will have two different measurements in its report. Each year, the information will be added to a table, so the report will have the prior 10 years of information.

The assumptions from the actuary for the GASB 67 calculations included inflation and return rates. The long-term real rate of return was 7.5%, and it governed the discount rate calculation. Mr. Cristini reviewed the calculations used and a handout was distributed showing the target allocation by asset class. The expected rates of returns of various plans were about the same, but with inflation, the rates varied. Mr. Cristini explained examples of the City's net pension liability at 1% more and 1% less than the assumed rate of return were included in the report.

The Actuary had determined contributions were nearly the same as last year. In GASB 68, the measurement date is important. One of the plan elements the City will have to add to the CAFR is the amount of contributions from the City measured from the measurement date as a way to calculate a pension plan expense from a City standpoint. It would ensure the City was aware of the liability and the basis for the liability.

Mr. Cristini reviewed the valuation date and methods and assumptions used to determine contribution rates. The schedule of investment returns was .78% in 2015

compared to 9.54% for the prior year and administrative expenses were less than 1%, which was very good.

Mr. Cristini advised the report was an unqualified report. The Statement of Standards for Attestation Engagements (SSAE) 16 Report on a description of a service organization's system and suitability of the design and operating effectiveness of controls related to Salem. The prior report regarding Salem was problematic; however, this year the report said Salem's controls were operating as intended. Ms. LaDue explained she reviews each statement received and all appeared to be in order.

There was brief discussion mortality tables were not favorable to firefighters, but firefighters were living longer. Mr. Raybuck thought tables should be based on private sector populations and if they had a mortality table for firefighters, it would show favorable lifespans.

Attorney Levinson asked the auditors if they received full cooperation from everyone who works for the Pension Board and from the City and Mr. Cristini responded he had. Ms. Bittinger explained the actuary did a great job providing the information. Mr. Cristini also advised he did not see any issues with Regions Bank. The Bank was cooperative and very responsive.

### **Motion**

Mr. Taylor moved to approve the report. Mr. Raybuck seconded the motion that unanimously passed.

### **VII. B. Application for Disability Retirement:**

- 1) Rani DeMarco- Application, HIPPA form & MMI paper from Doctor

Attorney Levinson explained Ms. DeMarco's application was forwarded to the Board by Ms. LaDue and another Trustee. Two doctors were listed on the application and letters were sent to them asking for the records and the cost, but there has not yet been a response. They sent an email and letter to Human Resources regarding Workers' Compensation records and staff was putting together a CD. Once the Trustees have all those records, the Board will send Ms. DeMarco for an Independent Medical Exam (IME) with an orthopedist, and the Board will receive the IME report. The Board will select a hearing date and would review the records and report from the doctor(s) regarding a Functional Capacity Evaluation (FCE). Interim Chief Hoggatt asked if the doctor used for the FCE used the National Fire Protection Association (NFPA) requirements and Attorney Levinson thought he/she would, but was unsure. Ms. DeMarco explained she only listed the doctors involved with her condition and no other doctor has treated her for this condition. Attorney Levinson explained she has the right to monitor the process and noted Ms. DeMarco had obtained counsel.

Ms. DeMarco had questions about NFPA 1582. She was having surgery on February 12 and would be in a wheelchair for six weeks followed by seven months of therapy. Attorney Levinson thought the doctor may wait until after the procedure and/or rehab. He clarified the Pension Board follows the Ordinance and grants or denies requests for benefits. The Pension Board does not make Human Resource decisions or hiring or accommodation decisions. During the Workers' Compensation period, Ms. DeMarco will either be on no duty or modified duty. She was currently on modified duty. The department gave her a place to work performing tasks she does not normally handle.

1) Investment Performance Review for Quarter December 31, 2015

**Dave West, Bogdahn Consulting**, advised the portfolio had a good quarter. The average return for developed countries foreign stock was 4.7%. The S&P 500 returned 7%. The bond market benchmark for the US aggregate was down 6% because the Federal Reserve raised rates. The Plan was invested in a less interest-rate sensitive benchmark so returns were not as affected by the aggregate bond market.

*(Chair Henderson left the meeting at 10:29 a.m.)*

The total fund was up 4.35% for the quarter. For the one-year period, the fund earned 2.27%. The fund earned slightly over 9% during the three-year annualized period and for five years, it annualized at 7.67%. The fund finished ahead of the passive policy benchmark and ranked in the top third percentile in its public peer group universe for the quarter. For the one-year period, the Plan ranked in the top fourth percentile. For the three-year period, the fund ranked in the top 8<sup>th</sup> percentile and for the five-year period, the fund ranked in the top fifteenth percentile. Mr. West noted all the changes they made over the past few years paid off. Real estate was fully funded and Middle Market Debt was doing well.

Bogdahn Consulting had been tracking Anchor during the bull market and they outperformed in November and December when the market was down. The fund was ahead of the benchmark of 6.53%. For the one-year period it was slightly under the benchmark; for the three-year period was about even to the benchmark and then slipped, and for the five-year period, it was above the benchmark ranking in the 45<sup>th</sup> percentile.

*(Chair Henderson returned to the meeting at 10:32 p.m.)*

The S&P 500 was up about 7%. On the growth side, DSM was up 8.53% ahead of the benchmark and 3%, 1.58%, and 1.43% for the one, three and five-year periods, ranking in the 19<sup>th</sup>, 22<sup>nd</sup> and 17<sup>th</sup> percentile respectively for the same time periods.

The second index component emphasized domestic mid cap equities which the fund captured through Vanguard. It was not up as much for the quarter, but it still was up 3.44%.

WCM, the international equity manager that was hired in April 2015, was up half a percent versus a benchmark that was down 8.54%. The Euro Pacific Fund, since April 1<sup>st</sup> was down 6% versus the benchmark that was down 8%.

Schroders was down less than the benchmark for the quarter and for the three and five year periods was ahead of the benchmark. Treasury Inflation Protection Securities was underweight and did not fare well, experiencing a slight loss.

Global fixed income reflected PIMCO was up .87% and for the one-year period was up 1.25% versus the benchmark of -.2. Since inception PIMCO was on track. The Templeton Global Bond fund was at 2.29% versus a negative benchmark of -1.23%

Real estate reflected Intercontinental was up 5.85%. ASB was up 5.62%. For the one-year period, Intercontinental was at about 15% and ASB was at 17%. Intercontinental for the three and five-year periods earned 15% respectively.

Mr. Taylor thought real estate was one of the best vehicles going forward and wondered if they could change the allocated percentage to it. Mr. West agreed, but commented he would draw a different conclusion. He explained the asset allocation had a natural increase. The outlook from the managers was still positive and he likened the cycle of the fund as being in the 6<sup>th</sup> inning for real estate pointing out the middle to end part of the cycle is when real estate best performs. Real Estate was now experiencing increases in rents and there should be less appreciation from the funds, but they would capture its value from increased rents. He explained that trend will continue.

As to money flow, there was still money going into real estate. There are still capital queues ranging from a year to a year and a half and both managers have a value added sleeve. If they allocated more to the fund, it would have to be to the value portion of real estate as a specialty focus. Mr. West explained most value-end funds are closed-end funds and the Board would have to lock up capital for a seven to eight-year period.

The one-year internal rate of return for Middle Market Debt reflected Crescent Direct Leveraged Fund earned 6.82% for the year. LBC earned 10.54%. Since inception, including the capital call and fees, Crescent earned 3.75% and LBC, because they were buying into an existing portfolio, earned 11.37%. Domestic fixed income was the source of funds that provided substantial returns.

Attorney Levinson inquired why they could not compare Crescent Direct and LBC. Mr. West explained there was no apples-to-apples comparison. They were dependent on the due diligence efforts of the Bogdahn Research Team.

The fund opened with \$80,429,680. Contributions totaled \$4,619,027. Distributions were \$1,278,627. Investment management fees as invoiced and paid by the custodian totaled \$73,632. Other expenses for administration were \$7,655. Bogdahn Consulting aggregated all the income earned with appreciation and advised the fund earned \$3,545,237. As of December 31, 2015, the fund had \$87,234,030.

Since the fund was so well diversified against the equity market and because the fund was gaining so much income as a percentage of return contributions, Mr. West anticipated the fund would weather the downturn well. Several managers should provide good downside protection. Mr. West thought the Plan may have a total return retracement of about 3%.

The investment manager fees reflected the Plan pays five basis points for the S&P 500 index fund. The DSM fund, which was a separate fund, cost 86 basis points. The total fund with the dollar weight of each investment times the annualized fees yielded an operating expense ratio totaling 59 basis points which was good.

Mr. Petty commented he logged into the Regions Bank account and all the money was there except for real estate and private equity. Mr. West explained those assets were custodied externally, and Salem would provide a shadow account. Mr. West explained they were receiving four additional statements for any asset housed outside of Regions Bank and Mr. West and the auditors aggregate those statements.

Mr. West requested a standing letter of direction for balances and distributions to send to Regions Bank. They had a letter for Salem Trust which could be updated and sent to Regions Bank to complete the transition. He requested sending all communications directly to him.

Interim Fire Chief Hoggatt inquired how the upcoming election would affect the market. Mr. West thought it may have a modest influence. One thing that would positively impact the market was if there was an active effort with fiscal policy regarding spending to stimulate the economy by making it more tax and regulatory-friendly.

**B) Gabriel, Roeder, Smith & Co –**

- 1) Actuarial Valuation PYE 9-30-2015 – Special meeting or May quarterly meeting date of May 4<sup>th</sup>.
- 2) Updated GASB No. 67 Disclosure Information dated 1-22-16

Chair Henderson explained Pete Strong, Plan Actuary, was not able to attend the meeting. He and Ms. LaDue spoke with him several times and Mr. Strong commented he would have the Actuarial Report finished by the next quarterly meeting. Additionally, Mr. Raybuck would not be able to attend the next meeting and Mr. Taylor also may not be able to attend. He requested moving the meeting date. After brief discussion, there was agreement to meet on April 29<sup>th</sup> at 9 a.m. Mr. West explained he would not have the estimated real estate values, mid-market debt or peer groups populated by the next quarterly meeting, but he could provide a summary report and update for the following quarterly meeting. There was agreement if Mr. Strong could not attend, he could send a representative.

**C) Davidson, Jamieson & Cristini – Richard Cristini, CPA, CGFM &  
Jeanine Bittinger, CPA**

**2) Audit Report/ Financial Statements for PYE 9-30-2015**

This item was discussed earlier in the meeting.

**VII. B. Application for Disability Retirement:**

**2) Rani DeMarco- Application, HIPPA form & MMI paper from Doctor**

This item was previously discussed.

**Attorney Report – Adam Levinson**

**1) Client Conference March 6 – 9, 2016**

Attorney Levinson announced the Client Conference and requested Ms. LaDue provide dates for the Division of Retirement Trustee Schools and the Florida Public Pension Trustees Association (FPPTA) conference.

**2) DROP loan provision – status**

Attorney Levinson did not have a report to make, but did advise his office was comfortable using the Police Deferred Retirement Option Plan (DROP) for firefighters. He wrote a letter in November about the Chapter 175 monies and pointed out this issue was an example of the City and Union entering into a Memorandum of Understanding (MOU) about premium tax allocations. He asked if there were any other agreements pending between the City and Union on the underlying contract or if the contract was agreed to without any pension changes and learned there were no pension changes. He thought it would be nice if the Union could negotiate the DROP program, but the DROP could be instituted via Ordinance if the City agreed. Attorney Levinson commented the Firefighters' Ordinance did not have as much specificity as the Police DROP Loan program did, so an Ordinance amendment would be required, modeled after the Police Plan. Attorney Levinson would work with Attorney Jensen.

Chair Henderson did not recall if the Board approved Attorney Levinson rewriting the Ordinance and learned they had. He hoped if City Officials understood there was no financial impact, there would usually be no problems. Mike Smollen, former Trustee, expressed this issue was important to retirees and he liked the idea people could access their accounts up to \$50K. Mr. Smollen requested the issue be moved along as quickly as possible.

Attorney Levinson would draft the Ordinance to grant the Board the ability to implement the DROP loan program, cover letter, and send the Ordinance to the City Manager or City Attorney with a copy to the Finance Director. Attorney Levinson would follow up with them and Chair Henderson offered to deliver the information personally.



Interim Chief Hoggatt inquired if they should wait on the matter pending the upcoming City elections. Chair Henderson explained they would get it going as quickly as possible. Attorney Levinson explained the "Whereas" clause would say they would adopt the same program which worked well for the Police. The Board was approached by retirees regarding the provision, and it had no financial impact.

**3) Mutual Consent Agreement – City and Local 1891 – Letter dated 11-20-15**

Attorney Levinson explained this item was a communication to the City relating to Senate Bill (SB) 172 which gave discretion to the parties about how to use the premium taxes. The Board would allocate one third of the unallocated Chapter 175 monies over a three-year period for a total of one million dollars towards the Plan's unfunded liability. This contribution would not reduce the City's contribution, only the unfunded liability, which would save money over time. Mr. Taylor questioned the use of the word "could" and asked if the action was discretionary. Attorney Levinson responded it was and the MOU could permit paying the full million in the first year or in year three. Chair Henderson understood the one third of the unallocated Chapter 175 funds would be paid each year for three years. It was important the Plan Actuary be aware of the allocation made for last year so he could conduct a valuation. By approving the valuation, the Trustees would approve the allocation.

Mr. Raybuck inquired if this item would warrant a press release that firefighters were taking a proactive approach and Attorney Levinson deferred to the Board as not all cities have done so. Some cities made a concerted effort to lower their city's contribution by supplementing the employer's contribution. Boynton Beach was contributing by reducing the unfunded liability saving the City money.

The Union and the membership of the fund agreed to take some of the 175 monies and reallocate it to paying down the unfunded liability by \$333K each year over the next three years. Attorney Levinson explained the mutual consent letter involved multiple conversations between the City and actuary and Chair Henderson played a big role.

Chair Henderson asked if a motion was needed to reallocate the \$333K and Attorney Levinson responded a motion was not needed, but they could motion to carry out and effectuate the agreement to ensure the actuary does what needed to be done.

**Motion**

Ms. Bush so moved. Mr. Raybuck seconded the motion that unanimously passed.

**4) Insurance Premium Tax Database – Chapter 175/185 –Memo 12-5-2015**

Attorney Levinson noted the memo dated December 5, 2015, and advised Boynton Beach was the first City on the firefighters' side to have interlocal agreements for contract areas. He noted there was a PointMatch website where addresses are

entered, allowing the City to collect the excise taxes for contract areas. Each city is supposed to have a contact person and Attorney Levinson noted John McNally and Terry Owens are the City's contacts. They update the information each year. It is important addresses are entered for any new construction in Ocean Ridge or Hypoluxo. Attorney Levinson thought someone should contact those cities to update the database and to ensure other municipalities were not claiming Boynton Beach addresses. He pointed out it is the same database used for the Communications Service Tax. Mr. Raybuck asked about mutual aid areas. Attorney Levinson clarified they could only collect funds from a municipality and the addresses had to be in the contract areas. The City's contract areas included Briny Breezes, Ocean Ridge, Golf and Hypoluxo.

**5) Ordinance 10-016 – Ad Hoc Supplemental Benefit and Administrative Rules**

Chair Henderson read the Ordinance and advised it gives the Board decision making authority to determine how the Ad Hoc Supplemental benefit is allocated and spent. He noted it did not affect last year. Mr. Petty indicated it will affect the Annual Required Contribution for 2017 and the City would have to pay it a year ahead. The Trustees would discuss the pay down with Mr. Strong during the Annual Report to determine if there would be any funds left over. Mr. Petty emphasized it was important to have factual information. It was noted Mr. Strong would be present at the April 29<sup>th</sup> meeting, per an email from Mr. Strong sent during the meeting.

Attorney Levinson noted the Board may need to give direction to Ms. LaDue or the Chair to allow Bernstein Litowitz Berger & Grossmann LLP, or any other law firm the Board would want, to have access to the portfolio. Authorization would be read only access because the Plan was using Regions Bank.

**Motion**

Mr. Taylor so moved. Ms. Bush seconded the motion that unanimously passed.

**V. CORRESPONDENCE –**

- 1) Notice of Security Interest, 11-16-15 – Crescent Direct Lending

Ms. LaDue explained Crescent Direct Lending switched from Deutsche Bank to Wells Fargo. Mr. West had reviewed the notice and was fine with the change.

**VI. OLD BUSINESS –**

- 1) Deputy Chief Hoggatt – Transfer of contributions – status

Chair Henderson explained Deputy Chief Hoggatt was given the option to go into one of two retirement plans when he was first hired and chose the General Employees (GE) Plan. Later, he learned he could not be in it and had to pay about \$3,000 to calculate the

payments he had to make to the Firefighters' Plan. Attorney Levinson clarified going forward, Interim Chief Hoggatt would be contributing to the Firefighters' Plan. The GE Board wanted to give the City a credit to pay the extra amount to the Firefighters' Plan. Ms. LaDue asked how the employee contributions would be moved over and learned it was to be a plan-to-plan transfer, but it had not yet occurred.

Interim Chief Hoggatt explained he chose the Plan for the five-year vesting. He has yet to receive anything regarding the amount of money that was supposed to be transferred and the difference of five percent between the GE Plan and the Firefighters' Plan that he had to pay. Discussion followed only the Fire Chief can be in the General Employees' Plan, and Mr. Hoggatt was now the Interim Chief. Chair Henderson understood, but pointed out they are non-compliant. The Firefighters' Pension contribution from his date of hire and check date of November 9, 2012, through August 14, 2015, would be \$37,075.46 and the difference between the GE Plan and the Firefighters' Plan was \$15,448.21. Ms. LaDue explained this information came from the Finance Department. Attorney Levinson advised this should be forwarded to the Chief. Interim Chief Hoggatt was given slightly less than three years to pay the employee contributions as opposed to issuing a lump sum check. Mr. Petty recalled Mr. Strong had provided a calculation. Ms. LaDue reiterated she had not received any money from the General Employees and the contributions had not been moved over.

2) Joint Request for Proposals for Pension Administrator – Matt Petty on update/status

A Request for Proposals was issued for a Pension Administrator and five responses were received. Mr. Petty distributed a summary sheet regarding all the responses. Foster and Foster had not responded.

Mr. Petty thought the leading respondent was the Resource Center and discussion followed about office space and fees. Mr. Petty thought the fees for the Resource Center were negotiable; however, Ms. LaDue explained payments to the Resource Center were on hold because prior hardware/software changes they were to provide had not yet taken place. Mr. Petty also reviewed various websites and thought the Resource Center's website was one of the better websites. Precision Pensions was a lot more expensive. Benefits USA was a popular firm, but their website seemed technologically behind, especially with record keeping. The Resource Center proposal included administering the DROP at no additional fee. Benefits USA had a DROP consultant fee paid for by the employee.

Chair Henderson suggested having a joint meeting with the Police to interview respondents. Mr. Petty commented he would interview the Resource Center and Benefits USA. Ms. LaDue was familiar with nearly all the firms. Mr. Petty agreed to talk with the Chair of the Police Pension Plan regarding holding joint meeting. Chair Henderson set a tentative date of Wednesday, March 16<sup>th</sup> at 10:30 a.m. An alternate date of Wednesday March 23<sup>rd</sup> was also set.

**VII. NEW BUSINESS:**

**A. Invoices for review and approval:**

1. Schroder Fixed Income Mgt – Qtry fee -03-31-2016 - \$
2. DSM Capital Partners LLC – Qtry fee 03-31-2016 - \$23,735.95
3. Klausner, Kaufman, Jensen & Levinson – Service Oct, Nov & Dec 2015 - \$9,832.50
4. Bogdahn Group – Consulting Fee 12-31-2015 **withdrawn R&D Account \$8,375**
5. Anchor Capital Advisors – Quarterly fee – 12-31-2015 - \$
6. GRS - Service Nov 2015 - \$5,472 & Dec 2015 - \$3,653
7. Alerus – Qtry DROP Admin Fee - \$500
8. Regions Trust Custodial Fee - 12-31-15 \$5,000
9. Intercontinental- Management Quarterly fee 3rd Qtr 2015 - **\$9039.75 - withheld from dividend reinvestment plan.**
10. Davidson, Jamieson & Cristini – Progress billing Audit - \$6,000

Ms. LaDue reviewed some invoices were not received.

**Motion**

Mr. Taylor moved to approve, and to pay the bills that were not yet received if they were customary charges. Mr. Raybuck seconded the motion that unanimously passed.

**VIII. PENSION ADMINISTRATOR'S REPORT:**

1. Benefits as of 01-01-2016
2. Transition from Salem to Regions – Update

Ms. LaDue explained she was disappointed Salem did not transmit some of the information they should have when Regions Bank became the new custodian and that Bob Smeltzer from Regions Bank would be available at the next meeting.

Chair Henderson distributed a letter stepping down as Board Chairman effective February 3, 2016, and from the Pension Board effective April 30, 2016. Mr. Taylor commented he sits on several boards and Chair Henderson was a fine Chairman, having the ability to move towards consensus in a well thought out way. Serving as Trustee on the Board was one of the most enjoyable jobs he had.

**Motion**

Mr. Raybuck nominated Mr. Petty as Chair. Mr. Taylor seconded the motion that unanimously passed.

**IX. Adjournment**

There being no further business to discuss, Chair Henderson adjourned the meeting at 12:06 p.m.



**Catherine Cherry**  
Minutes Specialist  
020416