

**Minutes
Firefighters' Pension Fund Board of Trustees
February 14, 2018
Quarterly Meeting**

Call to Order: Chair Randy Farland called the meeting of the Firefighters' Pension Fund Board of Trustees to order at 8:30 a.m. at the Main Library.

Board Members Present: Randy Farland
Donn Hill
Tyler Stewart

Board Members Absent: Matt McAreavey
Mark Sivertson

Staff Members Present: Bill O'Toole, Director of Human Resources
Tracy Turbak, Director of Finance
Thomas Huber, Assistant Director of Finance
Diane Best, Assistant City Attorney
Angie Uthe, Compensation & Benefits Manager
Kathy Pottebaum, Payroll/Benefits Specialist
Angie Richmond, Paralegal

Others present: Employee's Retirement System Board of Trustees members:
Matthew Adamson, Cathy Bianchi, James Larson, Angeline Lavin, Amy Richardson & Lon Tiggelaar (via phone)
Howard Pohl & Peter Brown, AndCo Consulting

The Firefighters' Pension Fund Board of Trustees and the Employee's Retirement System Board of Trustees met in joint session.

A motion was made by Hill, seconded by Stewart, to approve the November 8, 2017 meeting minutes. Motion carried unanimously.

Brian Monroe and Marty LaPrade from Sawgrass Asset Management, LLC provided a review of the market and portfolio.

Howard Pohl and Peter Brown presented the Board with the 2017 fourth quarter performance report. The performance in the quarter of 3.9% ranked just near the top quartile versus all plans within the AndCo Consulting plan universe, but was just below the policy benchmark. The annual 17.0% return was top quartile and above the policy bogey, while the five year 10.5% ranked in the top decile and beat the policy. The market value of the Fund increased from \$159.8 million to \$162.9 million in the quarter.

Tom Huber reviewed the current Investment Allocations and Manager Structure noting that as of the first of the year the Fund was able to invest ½ of the initial 2% commitment into the Principal Enhanced Property Fund.

As a follow-up to the asset/liability projection study presented by GRS in August and initial asset allocation analysis information presented by AndCo in November; Howard Pohl and

Peter Brown presented additional asset allocation analysis and scenarios as requested by the Board.

A motion was made by Hill, seconded by Stewart, to modify the Investment Policy Asset Allocation Structure to the following allocations and target ranges follows:

- **25% U.S. Fixed Income \pm 10% (22% - 28% target range)**
- **30% U.S. Equity Large Cap \pm 10% (27% - 33% target range)**
- **16% U.S. Equity Mid-Small Cap \pm 10% (14% - 18% range)**
- **22% International Equity \pm 10% (19% - 25% target range)**
- **7% Real Estate (5% - 10% target range)**

Motion passed unanimously.

A motion was made by Hill, seconded by Stewart, to move the assets from the Schroders long-duration bond portfolio to the Schroders intermediate duration portfolio and rebalance any remaining asset category allocations per the new target ranges. Motion passed unanimously.

As the initial term of the Fund's five-year consulting agreement ended, Howard Pohl and Peter Brown presented the Boards with an updated agreement for consulting services with a three-year rate guarantee.

A motion was made by Hill, seconded by Stewart, to approve the new proposed agreement with AndCo Consulting at a rate of \$66,000 per year for full-retainer investment consulting services. Motion passed unanimously.

A motion was made by Hill, seconded by Stewart, to nominate Randy Farland as Board Chairperson and Mark Sivertson as Board Chairperson Pro Tem. Motion carried unanimously.

A motion was made by Hill, seconded by Stewart, to adjourn the meeting. Motion passed unanimously.

The Board adjourned at 11:45 a.m.

Respectfully submitted,

Angie Uthe
Recording Officer