

SANFORD FIREFIGHTERS' RETIREMENT SYSTEM
PENSION BOARD MEETING MINUTES
Thursday, February 7, 2013 – 9:00 A.M.

1. Call to Order and Roll Call

The meeting was called to order at 9:00 a.m. by the Chairman, Thomas Hickson. The following members were present: Sylvester Chang, Craig Radzak, John Smith, and Robert Vaughn. The following service providers were also in attendance: Scott Christiansen, Plan Counsel, David Lee, Investment Consultant and John Gunther and Stephen Atkins, Investment Managers. Also present were Asst. City Manager Tom George, Union Representatives David Frost and Aaron Henson and Cindy Lindsay, from the Finance Department.

2. Approval of Minutes

A motion was made by Sylvester Chang to approve the minutes from the regular meeting held November 8, 2012. Seconded by John Smith, the motion, and it carried unanimously.

3. Disbursements

The Plan Administrator distributed a revised/updated report in an email to the Trustees on February 5th. A motion was made by John Smith to approve the disbursement report as amended on February 5th. Seconded by Craig Radzak, the motion carried unanimously. *(Copy is attached for the record.)*

4. Actuarial Valuation Report

Patrick Donlan presented the Actuarial Valuation Report as of October 1, 2012. Following a brief discussion, a motion was made by Robert Vaughn to approve the report as presented. Seconded by John Smith, the motion carried unanimously.

A discussion then took place regarding the annual Declaration of Returns letter. Following lengthy input from the investment professionals, attorney, and the Trustees, a motion was made by John Smith to submit the annual letter to the Division of Retirement stating that the total expected annual rate of investment return for the fund for the next year, the next several years, and the long-term thereafter, shall be 8%, net of investment expenses. Seconded by Sylvester Chang, the motion carried unanimously.

5. Investment Manager's Report – Polen Capital

John Gunther and Stephen Atkins presented the Polen Capital portfolio results for the period ending December 31, 2012. The total market value of the Plan portfolio was \$4,001,092 with a yield of 0.9%

6. Investment Consultant's Report – Dahab Associates

David Lee began his report by reviewing the Plan's performance as of December 31, 2012. Asset allocation for the period: Large Cap Equities – 35.9%, Mid Cap Equities – 9.5%, Small Cap Equities – 8.8%, International Equity – 10.2%, Fixed Income – 32.1% and Cash – 3.5%. Total portfolio value was \$20,878,282.

David continued his report by reviewing the Real Estate Manager search that the Board requested at their last meeting. Following a lengthy discussion, the consensus was to interview the following four firms at a special meeting as soon as it can be arranged by David: American Realty, ASB Capital Management, Bailard and Intercontinental. David will coordinate this effort with the Plan Administrator.

7. Attorney's Report

Scott began his report by informing the Trustees that a new Ordinance will be required by the end of the 2013 Fiscal Year in order for the Plan to be in compliance with the Internal Revenue Code. A motion was made by Craig Radzak to authorize the Attorney to draft the Ordinance for the Trustee's review at the next meeting. Seconded by John Smith, the motion carried unanimously.

Scott continued his report by discussing the proposed Senate Bill 458 and detailed some of the items contained in that Bill. It has only been through one Committee and there are several weeks left in this legislative period, so we are in a "wait and see" position for now.

8. Old Business

There was none.

9. New Business

(a) A motion was made by Craig Radzak to approve of the DROP entry for Michael Turner effective November 1, 2012. Seconded by Robert Vaughn, the motion carried unanimously.

(b) Davis Frost, Union President, had requested an opportunity to address the Board regarding the possibility of a Stop-Start Study in order to review potential cost savings for the City. Due to the current valuation results and the current events going on in the legislative session, he advised the Trustees that they wished to rescind that request for now.

The Plan Administrator informed the Trustees that Salem Trust is in the process of enhancing some of the services for the Retiree and Beneficiaries. Should any of them hear any concerns expressed, they are encouraged to have the participant contact the Plan Administrator or Salem Trust Company.

10. Next Meeting Date

The next regular meeting date was set for Thursday, May 9, 2013 at 9:00 a.m.

11. Adjournment

The meeting ended at 10:40 a.m.



(for the Board)