

**FIREFIGHTERS' PENSION BOARD
MEETING
JUNE 18, 2020**

MEMBERS PRESENT: Bill Albers, Chairman
David Baird, John Briggs,
Holden Gibbs, Justin Gerow

OTHERS PRESENT: Brad Hess, AndCo Consulting
Mindy Johnson, Salem Trust (via phone)
Jerod Jones

CALL TO ORDER/ANNOUNCEMENTS

- Mr. Albers called the meeting to order at 8:30 a.m.
- A. Roll Call
- 1. Holden Gibbs Term Expiring on July 16, 2020.
- Mr. Gibbs announced Mr. Jerod Jones would be replacing him as a new member of the Board once his term ended in July 2020.
- 2. Election of Chairman and Vice Chairman of the Board
- Mr. Albers announced elections were needed for Chairman and Vice Chairman.
- Mr. Baird NOMINATED Mr. Albers for Chairman.
- As there were no other nominations, Mr. Albers was appointed Chairman by acclamation.
- Recording Secretary Pues opened the floor for nominations for Vice Chairman.
- Mr. Gibbs NOMINATED Mr. Baird for Vice Chairman.
- As there were no other nominations, Mr. Baird was appointed Vice Chairman by acclamation.
- B. Next Scheduled Meeting
- 1. September 17, 2020

CITIZEN COMMENTS ON AGENDA ITEMS ONLY

- None.

APPROVAL OF MINUTES

- A. December 19, 2019 and December 30, 2019
- Mr. Baird MOVED, Mr. Briggs SECONDED approval of the December 19, 2019, minutes.
MOTION CARRIED UNANIMOUSLY.
- Mr. Gibbs MOVED, Mr. Briggs SECONDED approval of the December 30, 2019, minutes.
MOTION CARRIED UNANIMOUSLY.

REPORTS

- A. Salem Trust, Mindy Johnson
- 1. Update on Recent Operations Transition and Service Report

- Ms. Mindy Johnson, Salem Trust, reported Salem Trust was purchased by TMI Trust in April 2019. She briefly reviewed some of the changes made internally, speaking in favor of the transition and confirming there would be no change to fees.
2. Update Signature Authorization Form
 - No discussion.
 - B. AndCo Consulting, Brad Hess
 1. December 31, 2019 Performance Report
 - Mr. Brad Hess, AndCo Consulting (ACC), briefly reviewed the December 2019 report from the agenda material, noting significant changes in the market had occurred since the report was generated.
 2. February 28, 2020 Flash Report
 - No discussion.
 3. March 31, 2020 Performance Report
 - Mr. Hess drew members' attention to ACC's Investment Performance Review for the period ending March 31, 2020, noting higher risk investments performed the lowest during this period due to the global shutdowns of large portions of the economy. He explained the data reflected in the report understated the severity of the economic situation, noting from February 19, 2020, to March 24, 2020, the market lowered by almost 34%. He indicated predictions for the second quarter were lower than the first; however, since the Federal Government announced on March 24, 2020, they would be making large, unprecedented accommodations to support the economy, same was beginning to trend upwards. He reviewed asset allocations denoted on page 12, noting the market value of the plan was still in line with investment policy targets and he did not recommend rebalancing at this time. He confirmed the rebalance from fixed income to real estate previously authorized by the Board would be reflected on the second quarter report; summarizing Total Fund Performance denoted on Page 15 was -15.2% (80th percentile) and Fiscal Year to Date (FYTD) was -9.69% (72nd percentile). He pointed out Templeton Global Total Return continued to underperform the index, explaining lowered interest rates during the period and risks associated with primary investments in emerging market bonds and currencies were not favored in the market during the quarter.
 - Discussion ensued regarding Templeton's return on investment strategies, with members expressing uncertainty on whether same was achieving their goals.
 - Mr. Hess opined the investments allocated for Templeton were sized appropriately, acknowledging the volatility of the fund could cause concern for investors and could be taken into consideration by the Board.

- Mr. Gerow questioned whether information on alternatives for the fund could be provided.
 - Mr. Baird requested representatives from Templeton attend a future meeting.
 - Mr. Hess confirmed a manager analysis for alternatives could be provided, and he would contact Templeton regarding the September 2020 meeting. He then continued to review the reports, confirming Ms. Kerry Richardsville, ACC, could provide more information on the Credit Suisse fund at the next meeting. He stated the Intercontinental Real Estate fund had underperformed the index; however, long-term results were forecasted significantly above the benchmark, adding there might be potential impacts to private real estate. He then drew attention to the Compliance Checklist as of March 31, 2020, detailed on pages 47 and 48, pointing out two items which had not met their goals.
 - Mr. Baird questioned whether those two negative items changed in the current quarter.
 - Mr. Hess replied affirmatively, noting the May 2020 Flash Report reflected same.
4. May 31, 2020 Flash Report
- Mr. Hess drew attention to the Investment Performance Review for the period ending May 31, 2020, noting the Total Fund Market Value (Fund) was 15.85 million. He stated FYTD funds increased from -9% in March 31, 2020, to 3.87% in May 31, 2020, concluding there were still uncertainties regarding the future of the market.
 - Mr. Baird questioned the percentage and status of the funds allocated toward infrastructures.
 - Mr. Hess stated he believed 5% was allocated toward same, anticipating a capital call would be received for the funds within the next two quarters and would be invested by the end of this year. He concluded that he would clarify same with Ms. Richardsville.
 - Discussion ensued regarding current and potential investors for infrastructures.
 - Mr. Albers pointed out the Fund had not deviated much from the previous year.

NEW BUSINESS

- A. Fiduciary Insurance, Chair Bill Albers
1. Update and Discussion Regarding Completion of an Application that Asks Several Questions about Trustees Which Needs to be addressed
 - Mr. Albers stated he would move forward with the fiduciary insurance application after he verified the following with Board members: no member had been the subject of any investigation from any regulatory agencies within the past three years or had been notified of the possibility thereof; no member had been accused/found guilty or held liable for a breach of trust or fiduciary duty; no member had been accused or convicted of a criminal act; no member had refused coverage under a fidelity bond.

2. Proposed Ordinance Change Reflecting Compliance with Firefighter Cancer Bill and Impact Statement
 - Mr. Briggs explained the proposed ordinance was from the Board Attorney and reflected the language in the Firefighter Cancer Bill.
 - Mr. Briggs MOVED, Mr. Gerow SECONDED to approve moving the proposed ordinance forward to City Council. MOTION CARRIED UNANIMOUSLY.
3. Secure Act IRS Annual Limits Special Report from Sugarman and Susskind
 - Mr. Briggs explained the Special Report contained limits for pension funds from the Internal Revenue Service, noting the Board Attorney would explain same at the December 2020 meeting.
 - Mr. Albers suggested the experience study from Foster & Foster be presented at the September 2020 meeting to allow additional time for this discussion.

UNFINISHED BUSINESS

- Mr. Briggs noted discussion on the Signature Authorization Form from Salem Trust under reports was missed. He explained members needed to sign the new authorization form, suggesting Mr. Jones sign the document after becoming a member in July 2020.
- Mr. Albers thanked Mr. Gibbs for his service.

STAFF COMMENTS

- None.

COMMITTEE/BOARD COMMENTS

- None.

CITIZENS' COMMENTS

- None.

ADJOURNMENT

- Meeting Adjourned: 9:40 a.m.

Bill Albers, Chairman

Leah Pues, Recording Secretary