

**CITY OF DADE CITY
POLICE OFFICERS' PENSION FUND &
FIREFIGHTERS' RELIEF & PENSION FUND
BOARD OF TRUSTEES
QUARTERLY MEETING MINUTES
City Hall, Council Chambers
38020 Meridian Ave, Dade City, FL 33525**

Thursday, December 09, 2021, at 10:00AM

TRUSTEES PRESENT: Joseph Wubbena, Fire Trustee
John Evenhouse, Fire Trustee
Dwight Carson, Fire Trustee
Robert Tungate, Police Trustee
William Rowe, Police Trustee
Richard Griner, Police Trustee

TRUSTEES ABSENT: James Parker, Fire Trustee
Bob Cabot, Fire Trustee

OTHERS PRESENT: Brad Hess, AndCo Consulting
Scott Christiansen, Christiansen & Dehner
Siera Feketa, Foster & Foster (via phone)

1. **Call to Order** – The Meeting was called to order at 10:05AM.
2. **Public Comments** – None.
3. **Approval of Minutes**

The Police Board approved the September 30, 2021, quarterly meeting minutes as presented, upon motion by Richard Griner and second by Robert Tungate; motion carried 3-0.

The Fire Board approved the September 30, 2021 quarterly meeting minutes as presented, upon motion by John Evenhouse and second by Joseph Wubbena; motion carried 3-0.

4. **New Business**
 - a. Upcoming trustee term expirations
 - i. Siera Feketa commented William Rowe's term expired October 1, 2021.
 - ii. Siera Feketa commented Dwight Carson's term expired January 14, 2022 and John Evenhouse's term expired January 14, 2022.
 - iii. Siera Feketa asked each trustee if they wanted to serve another term. Dwight Carson commented he would not serve another term. John Evenhouse and William Rowe commented they would like to serve another term.
 - iv. Scott Christiansen commented William could have continued to serve until he was replaced or reelected.
 - b. Election of officers
 - i. Scott Christiansen commented this had to be done every two years and they could keep the current officers or elect new ones.

The Police Board approved to reselect current officers, upon motion by Richard Griner and second by William Rowe; motion carried 3-0.

The Fire Board approved to reselect current officers, upon motion by John Evenhouse and second by Dwight Carson; motion carried 3-0.

5. **Old Business** – None.

6. **Reports (Attorney/Consultants)**

a. AndCo Consulting, Brad Hess, Investment Consultant

i. Quarterly report as of September 30, 2021

1. Brad Hess reviewed the market environment during the quarter and fiscal year. Brad commented that year had been one of the best fiscal years they had seen in a decade.
2. Brad Hess reviewed the schedule of investable assets. The MVA as of September 30, 2021 was \$12,970,319 for the Police plan and \$7,539,033 for the Fire plan.
3. Brad Hess reviewed the current asset allocations. Brad commented there was an error in the book for the Fire Plan that reflected the fixed income out of range. However, they were within the range. Brad reviewed the ranges for each asset class.
4. Brad Hess reviewed the financial reconciliation. Scott Christiansen asked about the manager fees. Brad Hess reviewed the fees for the mutual funds.
5. For the Police plan, total fund earnings for the quarter and the Fiscal YTD were -0.50% and 17.34% respectively. Total fund trailing returns for the 1-, 3-, 5- and 10-year periods were 17.34%, 8.92%, 8.74% and 8.82%, respectively. Since inception (March 1996), total fund earnings were 6.91%.
6. For the Fire plan, total fund earnings for the quarter and the Fiscal YTD were -0.53% and 17.99% respectively. Total fund trailing returns for the 1-, 3-, 5- and 10-year periods were 17.99%, 9.62%, 9.32% and 9.00%, respectively. Since inception (March 1996), total fund earnings were 6.93%.
7. Brad Hess reviewed the returns of each fund.
8. Brad Hess briefly reviewed the fee analysis commenting they were below fifty basis points, which was below average.
9. Brad Hess commented later he would have a recommendation to approve terminating the Vanguard fund and reallocating the funds into Baird.

ii. Private real estate primer

1. Brad Hess gave a brief overview of private real estate.
2. Brad Hess reviewed the investment challenge to meet targets with a traditional institutional portfolio. Brad reviewed how real estate could help address those challenges. Brad commented the benefits improved the risk-return characteristics of a traditional institutional portfolio, which would have resulted in a more optimal asset allocation for institutional investors. Brad reviewed the liquidity for private real estate.
3. Brad Hess reviewed the four primary property types and specialty/niche property types.
4. Brad Hess commented the real estate funds they would present to the Board were very well established.
5. Brad Hess reviewed the drivers of real estate returns.
6. Brad Hess reviewed the phases of a real estate market cycle.
7. Brad Hess reviewed the benefits of implementing an allocation to real estate. Brad commented they could generate bond-like cash flows.
8. Brad Hess reviewed the risk-adjusted return potential.
9. Brad Hess commented it could help improve diversification commenting private real estate had a low correlation with equities and fixed income.

10. Brad Hess commented another benefit was hedging against inflation and reviewed the characteristics that helped real estate hedge against inflation.
 11. Brad Hess reviewed real estate strategies.
 12. Brad Hess reviewed the implementation considerations and what should be considered when selecting the right strategy for the portfolio.
 13. Brad Hess reviewed the risks associated with private real estate.
 14. Brad Hess reviewed what AndCo looked for when evaluating private real estate managers.
 15. Brad Hess briefly reviewed the benefits again commenting he strongly recommended investing in this asset class.
 16. Brad Hess commented he could bring a manager analysis to the next meeting.
 17. The Board and Brad Hess discussed the timing of investing in real estate. Brad Hess commented he thought it was a good time and reviewed the reasons for his opinion. Brad commented this was not a recommendation based on timing, but rather he felt they should have 10.00% of real estate in the portfolio in the long term.
 18. Scott Christiansen asked where the cash would come from. Brad Hess reviewed, commenting they had more cash than he preferred. Brad commented he would use it as an opportunity to rebalance when the board decided which managers to invest with.
 19. The Boards agreed by consensus to see some managers at the next meeting.
- ii. SMID Manager Analysis
1. Brad Hess gave a brief overview of each active manager.
 2. Brad Hess reviewed the management fees commenting they were all below average.
 3. Brad Hess commented all funds had been vetted by the AndCo research team and himself.
 4. Brad Hess commented the Delaware team had been managing this fund since 2004, so they were very well established and well financed. Brad commented all were well established.
 5. Brad Hess reviewed the firm and investment option information. Brad commented he would like a manager that would just do the small cap since he would have been bringing some mid-caps to the next meeting. Brad commented he was in favor of Delaware in terms of how they positioned their portfolio.
 6. Brad Hess reviewed the holding-based style maps.
 7. Brad Hess reviewed the trailing performance of each manager.
 8. Brad Hess reviewed the risk of each manager commenting he did not feel they should take too much risk. Brad reviewed the Modern Portfolio Theory (MPT) statistics commenting they were outperforming net of fees and on a risk-adjusted basis.
 9. Brad Hess commented he liked the Delaware fund even though they were splitting hairs with Delaware and MassMutual.
 10. Brad Hess recommended making 5.00% allocation to Delaware. Brad commented the target was 5.00%. Brad commented the source for that would be a little different.
 11. Brad Hess commented for Fire he recommended moving 5.00% into Delaware with all 5.00% coming from Vanguard growth index fund.
 12. Brad Hess commented for Police his recommendation would be to take 2.50% from Vanguard growth index fund and take 2.50% from Vanguard bond index fund.

The Police Board approved the decision to allocate 5.00% to Delaware with 2.50% coming from Vanguard Growth Index Fund and 2.50% coming from the Vanguard Bond Index Fund, upon motion by Richard Griner and second by Robert Tungate; motion carried 3-0.

The Fire Board approved the decision to allocate 5.00% to Delaware with all 5.00% coming from the Vanguard Growth Index Fund, upon motion by Dwight Carsen and second by John Evenhouse; motion carried 3-0.

13. Brad Hess recommended liquidating the Vanguard bond fund to Baird aggregate fund. Brad commented they would do the prior rebalance and then clean out vanguard, which was why he did not give a specific amount.

The Police Board voted to liquidate the Vanguard bond fund and reallocate the funds into the Baird aggregate fund, upon motion by Richard Griner and second by William Rowe; motion carried 3-0.

The Fire Board voted to liquidate the Vanguard bond fund and reallocate the funds into the Baird aggregate fund, upon motion by John Evenhouse and second by Dwight Carson; motion carried 3-0.

- b. Christiansen & Dehner, Scott Christiansen, Board Attorney
 - i. Scott Christiansen reviewed the requirement to send the investment information to the City on an annual basis commenting the plan administrator would handle that.
 - ii. Scott Christiansen confirmed with Siera the actual expenses would be presented at the next meeting. Siera Feketa commented that was correct.
 - iii. Proposed Ordinance
 1. Scott Christiansen briefly reviewed the ordinance commenting it was an IRS ordinance to change the Required Minimum Distribution (RMD) age as that age had increased.

The Fire Board approved to send the ordinance to the City for consideration, upon motion by John Evenhouse and second by Dwight Carson; motion carried 3-0.

The Police Board approved to send the ordinance to the City for consideration, upon motion by Robert Tungate and second by William Rowe; motion carried 3-0.

- iv. Scott Christiansen commented a bill had been pre-filed commenting it was similar to what was presented last year. Scott commented it would add COVID to the list of presumptions for a Line of Duty (LOD) disability. Scott reviewed what the presumptions did. Scott commented he would keep an eye on it.

7. Consent Agenda

a. Payment Ratification

i. Warrant #77 (POLICE BOARD)

1. Foster & Foster, invoice #21382, plan administration, \$900.00
2. Christiansen & Dehner, invoice #34879, legal services, \$382.40
3. AndCo, invoice #39144, investment consulting, \$4,000.00
4. Christiansen & Dehner, invoice #34922, legal services, \$1,737.00
5. Florida Municipal Insurance Trust, invoice #ANC-10060-2122, Fiduciary Liability Policy, \$1,502.50

ii. Warrant #78 (POLICE BOARD)

1. Foster & Foster, invoice #21550, plan administration, \$900.00

iii. Warrant #79 (POLICE BOARD)

1. Christiansen & Dehner, invoice #34982, legal services \$573.60
2. Foster & Foster, invoice #21802, plan administration, \$920.29

iv. Warrant #77 (FIRE BOARD)

1. Foster & Foster, invoice #21381, plan administration, \$864.08
2. Christiansen & Dehner, invoice #34878, legal services, \$382.40
3. AndCo, invoice #39143, investment consulting, \$4,000.00
4. Christiansen & Dehner, invoice #34921, legal services, \$1,928.20
5. Florida Municipal Insurance Trust, invoice #ANC-10060-2122, Fiduciary Liability Policy, \$1,502.50
- v. Warrant #78 (FIRE BOARD)
 1. Foster & Foster, invoice #21549, plan administration, \$840.00
- vi. Warrant #79 (FIRE BOARD)
 1. Christiansen & Dehner, invoice #34981, legal services, \$573.60
 2. Foster & Foster, invoice #21801, plan administration, \$860.29
- b. New invoices for approval
 - i. None (POLICE BOARD)
 - ii. None (FIRE BOARD)
- c. Fund activity report for September 24, 2021, through December 02, 2021 (POLICE)
- d. Fund activity report for September 24, 2021, through December 02, 2021 (FIRE)

The Police Board approved the consent agenda as presented, upon motion by Richard Griner and second by William Rowe; motion carried 3-0.

The Fire Board approved the consent agenda as presented, upon motion by John Evenhouse and second by Dwight Carson; motion carried 3-0.

8. Staff Reports, Discussion and Action

- a. Foster & Foster, Siera Feketa, Plan Administrator
 - i. Renewal of FPPTA board memberships
 1. Siera Feketa reviewed the FPPTA membership renewal fee commenting it was \$750.00 per board.

The Police Board voted to renew their FPPTA membership, upon motion by Richard Griner and second by William Rowe; motion carried 3-0.

The Fire Board voted to renew their FPPTA membership, upon motion by John Evenhouse and second by Dwight Carson; motion carried 3-0.

9. Trustees' Reports, Discussion, and Action

- a. The Fire Chair thanked Dwight Carson for his service on the fire pension board.
- b. The Board, Scott Christiansen and Siera Feketa briefly discussed the vacant seats. Siera gave a brief update commenting Ferrell Jenne had contacted the City, and they still had not had any candidates.

10. **Adjournment** – The meeting adjourned at 11:25AM.

11. **Next Meeting** – March 10, 2022, at 9:30AM, Quarterly Meeting


Joseph P. Wubbena, Fire Chairman

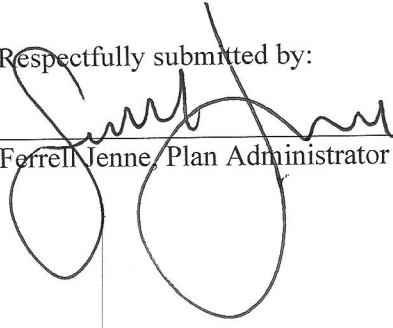
3-10-22
Date


William Rowe, Police Chairman

3-10-22
Date

Date Approved by the Pension Boards: MARCH 10, 2022

Respectfully submitted by:



Ferrell Jenne, Plan Administrator