



City of Deltona

2345 Providence Blvd.
Deltona, FL 32725

Minutes

Firefighters' Pension Plan Board of Trustees

Tuesday, October 20, 2015

3:00 PM

2nd Floor Conference Room

Quarterly Meeting

1. CALL TO ORDER:

The Firefighters' Pension Board of Trustees Meeting was called to order at 3:11 p.m.

2. ROLL CALL

Present: 5 - Chair James Koczan
Secretary Kurt Vroman
Member Janet Deyette
Member Gene Gizzi
Member John Fleemin III

Also in attendance: Scott Christiansen, Christiansen & Dehner, Dave West, The Bogdahn Group, Lisa Spriggs, Plan Administrator, Jane Shang, City Manager, Susan Helberg, Finance Department and Janet Day, Board Liaison.

3. APPROVAL OF MINUTES & AGENDA:

A. Adoption of September 15, 2015 Minutes

Chairman Koczan noted a typo on Page 2, Item 4 - A, Line 5 should read cannot be paid.

Motion by Member Gizzi, seconded by Member Deyette to adopt the minutes for September 15, 2015 as amended.

B. Additions or Deletions to the Agenda

4. PRESENTATIONS/AWARDS/REPORTS:

A. Consent Approval of Expenditures

Mrs. Spriggs presented the list of the Accounts Payable in the amount of \$17, 832.36 and asked the Board Members to look over the list. Chairman Koczan asked if there

were any questions and there were none.

The Board discussed whether to list the items as an exhibit or cut and paste the list into the minutes. Mr. Christiansen suggested cutting and pasting the approved list. See list as approved below:

Bogdahn				
Lisa Spriggs				
Christiansen & Dehner - Morgan	Aug 15	\$	79.78	\$ 79.78
Foster & Foster				
Sawgrass	Sep-15	\$	3,393.00	
Manning & Napier	Jun-15	\$	7,493.50	
Dana Investments	Sep-15	\$	6,866.08	
ASB Real Estate Investments				
Gibson & Wirt, Inc				
		\$	17,832.36	
Salem (auto deduct from account)	Sep-15			
		\$	17,832.36	

Mrs. Spriggs stated there are a few outstanding submittals for September 30th to be able to close out the year and she listed Manning & Napier, Christiansen & Dehner and ASB Real Estate.

Motion by Member Vroman, seconded by Member Deyette to approve the Accounts Payable in the amount of \$17,832.36 as submitted for payment.

For: 5 - Chair Koczan, Secretary Vroman, Member Deyette, Member Gizzi and Member Fleemin III

B. Other Submissions

Mrs. Spriggs noted there was one (1) retiree Paul Cardini that was in DROP that will be effective November 1, 2015, however, she will read this into the record when his DROP Account is finalized. She stated the Actuary will be finalizing the account based on the returns. She explained his monthly check will start November 1, 2015; she added it is just the DROP Account that has not been settled.

Mr. Christiansen stated he believed his office had sent the billing for September 30th and Mrs. Spriggs replied she believed she had not received it unless she somehow missed it.

Mr. Vroman asked if the Board was approving member retirements prior to them entering the DROP or should we be and Mr. Christiansen replied "yes" because we are

approving the lump sum. Mrs. Spriggs stated we are catching up because of the run since the Ordinance change.

C. Investment Manager - Dave West

Mr. West stated he had two (2) items to present to the Board today; (1) is the Preliminary Final Investment Performance Review for the 3rd Quarter 2015 and the news is not good as the Plan's equities and bonds were both down. He stated the plan has some real estate exposure that continues to perform very well and provided a little bit of an offset. He pointed out since the plan is on a four (4) year smooth basis the plan will have still met its actuarial required rate of return which is how the contribution by the City is being determined so it will not have an impact there. He concluded the plan came up short and ideally it would have liked to come out ahead of that rate of return so we would be logging additional gains to fund the unfunded portion. He gave a summary of the report stating for the fiscal year the plan ended basically even to the fund policy. He reminded the Board this review is preliminary as he is waiting for the numbers and data to populate from the pier groups. He stated he will be running this report again once the numbers are fully populated and will forward the report with the complete set of numbers for the Board to review. Next he went over the individual managers' numbers pointing out that Manning & Napier was down 9.34% for the quarter and for the fiscal Year they were down 6.5% which continues to pull down their three (3) year number. He asked the Board to hold that thought because he is going to make a recommendation to replace Manning & Napier that he would like to talk about today.

Mr. West stated the good news piece is the ASB Real Estate Fund that for the quarter was up 2.69%, for year to date they were up 15.07% and since being hired on January 1, 2014 they have annualized at 14.13%.

Mr. West stated the Total Fund Composite for year to date (YTD) had a beginning balance of \$20,312,949 and an ending balance of \$20,734,749 as of September 30, 2015. He asked if there were any questions on the report. Mr. Gizzi referred to the top of page 18 and plug in the numbers to break down the fund and asked about having the report a couple of days prior to the meeting. Mr. West replied he believes they have flexibility to address that and maybe add the dollars. Mr. Gizzi stated either the percentage or the dollars would give the big picture on that one (1) page. Mr. West stated he would pursue adding the percentage and if that cannot be done he is pretty sure they can add the total dollars invested. Mr. Fleemin stated if Mr. West could add one (1) of the two (2) columns of data on page 10 or 11 with the fund itself it could be a quick reference and Mr. Gizzi agreed that either one (1) would work and he would be okay with that. Mr. West stated there is room to add a column on page 18 but he thinks it will have to be dollars.

Mr. Christiansen stated he had looked at the actuarial valuation and wanted to make a correction that the plan is using the five (5) year average (smoothing system) and not the four (4) year system so, the fund will have to carry that 0.15% loss for Year to Date (YTD) a little longer showing a 2.60% loss. Mr. West stated with that the actuary will be

using the 6.22%. He stated while we are here he wanted to talk about Manning & Napier being an issue that had been discussed a couple of quarters ago and he came prepared to recommend that the plan terminate Manning & Napier and seek a replacement. He stated this has been an ongoing manager watch situation and it goes back to when the fund went public and in Bogdahn's follow-up research on what the firm did with the money when they went public Bogdahn found that personnel and staff and the focus of the firm changed; subsequent to that Manning & Napier has had quarter after quarter of underperformance so, bottom line is Bogdahn's research team is recommending the plan seek better opportunities. He presented a Domestic Equity Review Report to go over with the Board if the Board should accept his recommendation. He stated for the record the Bogdahn Group operates under a completely independent business model and they do not receive any fees from any vendor, any mutual fund, any product that they bring forward for the Board's consideration; the only fee they receive is that fixed quarterly fee that is billed to the plan in arrears. He stated he wanted to hopefully put the best choices in front of the Board. He stated he will give his recommendation and then work backwards; there is a manager and product summary included in this report along with strategy reviews and blended portfolios so the Board can see what each of these managers would look like if they were put together with DANA Investment Advisors. He stated we are basically replacing one (1) of the plan's domestic equity managers and right now you have the S & P 500 Index Fund and DANA as your Core Domestic Equities representation. He stated the S & P 500 Index Fund is kind of the plan's keystone and then there are active managers to add value around that. He stated he had asked to include the S & P 400 Index Fund in this analysis and his recommendation at this time is that the Board not replace Manning & Napier with another complimentary active manager to work with DANA but to consider putting those funds into the S & P 400 Index Fund so we know we have a constant representation in that area. He stated typically the S & P 400 stock area has been one (1) of the more fruitful and most productive areas of the equity markets over time and the return the plan gets for the amount of risk in that investment space represents is higher than the large or small cap funds and it makes sense for a younger system like this one (1) to turn the dial up a little on the domestic equity. He stated another benefit the fund gets with the stock composition is the S & P 500 is mostly large and mega cap stocks with a cap weighted index with a bias towards large cap. He stated also he believed it would be very productive to add Vanguard a mid-cap index fund since the plan is already in there and that fund is at four (4) basis points. He summarized that his recommendation is to terminate Manning & Napier, take those funds and allocate them to the Vanguard S & P 400 Index Fund and then the plan will have a sleeve of indexing from large cap down to mid-cap which will give the plan a more efficient domestic equity allocation and lower the management fees.

Mr. Gizzi asked Mr. West to explain his recommendation siting in the review Mr. West had listed three (3) managers that are benchmarked against the S & P 500, Manning & Napier that is benchmarked against the Russel 3000 and we are talking about the S & P 400. Mr. West went over the review, Bogdahn's reasoning and the strategy behind his recommendation. Mr. Gizzi asked if the fund would be moving to less diversification and Mr. West replied that it would result in a smaller small cap allocation. Mr. West went

over the comparisons of the fund's active managers plus the Vanguard (VMCIX) Md-Cp index fund, the results for the cumulative years' returns, the calendar returns, 12 month rolling periods, manager risk/return, 5 and 10 year comparisons, up/down market capture and correlation report. He also went over the blended strategies and the management fees.

Mr. Gizzi stated there are still some missing links that he needs explained; 1) we are talking about going to a mid-cap or S & P 400 fund from an all cap and Mr. West replied correct, 2) we are talking about going from Manning & Napier to DANA who is already one (1) of our fund managers and Mr. West asked Mr. Gizzi if he was suggesting to consolidate and Mr. Gizzi replied he was just trying to absorb Mr. West's recommendation, 3) we are talking about how much being moved and Mr. West replied \$3.6 million would be moved into the S & P 400 if the fund takes that path and the fund would also have 1/3 of the domestic equity portfolio in the Vanguard Institutional Index. Mr. West isolated the transactions for Mr. Gizzi by stating the fund would 1) terminate Manning & Napier, 2) move all of the \$3.6 million in that fund into the S & P 400 managed by Vanguard Index Fund (VMCIX) or looking at it another way you would have 1/3 of the domestic equity managed by DANA and possibly 1/3 managed by the Vanguard Index Fund (S & P 500) and 1/3 being allocated to the Vanguard mid cap fund (S & P 400) and he is open to discussing any variation of that allocation. Mr. West suggested an alternative would be to move the funds to the S & P 500 while the Board decides; there will not be any costs to liquidate and then re-allocate. Mr. Gizzi stated the research is great but he would like to have a clear path on how this is going to be done. Mr. West stated for the next meeting there is separate piece of research available that discusses the benefits of the mid cap asset allocation versus the large cap asset allocation and the Board can make a decision on how to proceed.

Mr. Vroman asked Mr. West to go over what had happened with Manning & Napier and Mr. West went into more detail on why the Bogdahn Group had decided it would be best for the plan to seek other opportunities. Mr. Vroman asked if the money could be moved in the meantime and should the Board consider that. Mr. West replied "yes" and he was going to suggest that an alternative is to liquidate the Manning & Napier portfolio and put that into our existing S & P 500 Index Fund with the simple purchase of a mutual fund share so we would have a place marker in the S & P 500 Index Fund while the Board decides what they want to do. He stated then next quarter the Board can address the issues the way the Board would prefer to address them, make a decision and then liquidate whatever portion whether it be all or a portion of the S & P 500 and reallocate those funds at no cost. He added that way the fund would never be out of the market more than one (1) day. Mr. Gizzi stated he would like to have a more focused report and then make one (1) deliberate move. Chairman Koczan stated he believes everyone is on the same base with what Mr. West is recommending but, it is the enormity of the information that has been provided tonight that Mr. Gizzi is having a problem with. He asked if the Board could get that information and the updated report for the November-December meeting and take the action this calendar year. Mr. West stated he would be happy to attend a special meeting so the Board can go over this again and make a decision prior to the next quarterly meeting (January 2016).

Mr. Fleemin stated he appreciated everything that everyone has said but he does not feel comfortable after losing almost \$400,000 walking out of this room and letting the funds sit there with Manning & Napier; he would rather see it go somewhere else because of their trending. He added we have Mr. West here to analyze the data and to educate the Board and he thinks it is wise to take that in as well.

Mr. Vroman asked what the downside would be to moving the funds today and then deciding to move the funds when Mr. West comes back with other information and what it would cost. Mr. Christiansen stated the fund would be going to cash and the cash would go into a Vanguard Fund which does not cost anything and then come out of the Vanguard fund and go into the new manager which does not cost anything. Mr. West stated you would be working with the Vanguard Fund if you decide to allocate the funds to the S & P 400 summarizing that you would be moving \$3.6 million out of Manning & Napier into the Plan's current Vanguard S & P 500 Index Fund and then if you make that decision you would be contacting the Vanguard Fund (S & P 500) and telling them the plan is moving the \$3.6 million out of the S & P 500 Index Fund into the S & P 400 Index Fund. Mr. Gizzi asked how long the funds would have to stay in the fund and Mr. Vroman replied it would depend on the Board. Mr. Gizzi stated by making this a two (2) transaction deal the plan would have \$6.2 million instead of \$3.6 million for an unspecified period of time in the S & P 500 and that is not something you day trade on and the fund will be losing exposure to the small cap funds and parking funds in the S & P 500 the fund may be taking on some additional risk. Mr. Christiansen stated as Mr. Fleemin commented would the Board rather be in Manning & Napier than the S & P. Mr. Fleemin stated that was exactly his point and he would be comfortable explaining why the Board is doing what they are doing. Mr. West stated the S & P Index fund is the most common place marker and our exposure would be if one of the managers does better or worse than our place marker then that would be our exposure but, we are still invested and the fund is in the most broad based fund.

Mr. Vroman stated he would like to make a motion.

Motion by Member Vroman, seconded by Member Deyette to terminate Manning & Napier and allocate the funds to the Vanguard S & P 500 until the Board receives more information from its investment manager.

For: 4 - Chair Koczan, Secretary Vroman, Member Deyette and Member Fleemin III

Against: 1 - Member Gizzi

Chairman Koczan stated the Board should do a consensus vote for Mr. West to put together a focused package on the transfer of funds and Mr. Vroman asked that Ms. Spriggs get some common dates for a meeting.

Mr. West stated there is one (1) administrative piece of the transaction that needs to be addressed and that is we typically do not want a terminated manager liquidating their

own portfolio and not that Manning & Napier would do this but, they could call a broker to liquidate the portfolio and have at it. He would prefer and he recommended as the Board has done in the past to use an independent 3rd party such as CAPAS as a transition manager. He stated Mr. Christiansen would be reviewing a one (1) time transaction agreement with CAPAS to liquidate the Manning & Napier portfolio so the Board would know up front exactly what the commission charge would be and they would work with the custodian to facilitate the purchase of the Vanguard S & P Index Fund. Mr. Christiansen stated CAPAS is also a fiduciary to the plan so they have a fiduciary duty to get the best transaction price they can.

Motion by Member Vroman, seconded by Member Deyette to utilize CAPAS as our 3rd party transition manager to liquidate the Manning & Napier portfolio and to direct Mr. Christiansen to complete and review the one time engagement agreement prior to execution by the Board Chairman.

For: 5 - Chair Koczan, Secretary Vroman, Member Deyette, Member Gizzi and Member Fleemin III

Chairman Koczan stated Ms. Spriggs will need to have an authorization signed by himself and Ms. Spriggs and Mr. West stated he has all the template letters and once Mr. Christiansen has the contract done he will forward the signature ready package to be signed and CAPAS will take over; they will coordinate with the custodian and then they will coordinate the subsequent purchase the custodian will have to make with full transparency. Chairman Koczan stated for full transparency he stated Ms. Spriggs will receive the package, send it to Chairman Koczan, he will sign and then scan it and forward it back or hand deliver it back to Ms. Spriggs. He asked to confirm that once the Board does this transition and the Board makes the final choice if it is to go to the S & P 400 Index Fund, there will not be any other transaction fees. Mr. West replied that is correct, we won't need CAPAS it will just be a fund transfer within Vanguard.

D. Portfolio Monitoring and Securities Litigation Counsel - Scott Christiansen

Mr. Scott went over the function of a portfolio monitor litigation counsel firm; there were two (2) firms that sent information; Kessler Topaz and Hagens Berman. He stated they work with class action suits like with big corporations when they do something like shareholders losing value in their shares; they make a deal or a merger and it is perceived that there was a deterioration in the value of the shares. He stated what they do is they tap in and monitor all of the securities that the plan owns through the custodial reports every quarter so that they know when every security was bought and sold keeping a database of the holdings along with many other pension plans. He stated with this database if a situation comes up they will know who owned the shares and will be able to see who had losses and they may want to file a class action suit. He stated they will also report monthly or quarterly to the plans if there is any class action litigation that is proposed or identified not only by them but by other firms and if they or another firm

are about to file a claim and this fund is a potential claimant they may ask the plan to be the lead plaintiff. He added there are some down sides to being the lead plaintiff and if asked the plan can say it does not want to be the lead plaintiff but still be part of the litigation. He stated the last action these firms would do is actually do the class action suit and of the two (2) firms that sent information only one Kessler Topaz has done litigation from what he sees in the information and he has had experience with Kessler Topaz. He stated typically it would be the custodian if they have been notified but it could be a prior custodian and he is not sure they would get the paperwork but Kessler Topaz actually files the claims paperwork so that when the claim is settled the plan will receive its portion. He stated these firms do not charge anything because they want to build these big databases of all the securities that the clients own so that they know if there is a claim against say General Motors for example they can identify all the different clients who actually own General Motors during that period of time because they know that they can find a client and can file a suit. He stated bottom line is these firms make a lot of money when they settle a lawsuit. He stated there is no reason why you cannot have two (2) of these firms if you want to but it would be a duplication of effort and once they are set up they pretty much run themselves. He stated if the Board wants to utilize these services the Board will need to direct him to enter into a contract with one (1) or both of these firms; he will need to review the contract however he is familiar with Kessler Topaz's contract as he has several clients that use them.

Mr. Vroman asked if the firms would come in and make presentations and Mr. Christiansen replied "yes".

After discussion it was the consensus of the Board to have Mr. Christiansen contact Kessler Topaz and Hegens Bermin and set them up to make presentations at the January 19, 2016 Quarterly Meeting.

5. PUBLIC FORUM:

Ms. Shang stated she wanted to mention in the event the Board was not aware that the City of Deltona and the Firefighters Union were able to come to agreement on a three (3) year collective bargaining agreement. The Union voted on Friday and the City Commission voted to approve the agreement on Monday. She stated the Union President John Vaccaro was in her office today at 1:00 p.m. and the agreement was signed. She stated she was very happy that they were able to reach an agreement and she was grateful for the cooperation she received from the firefighters and the Union and she looks forward to a very productive period together. She stated that coming to an agreement considering some of the past history she looked it this as a new beginning and she looked forward to also working with this Board. She stated one (1) other thing she wanted to mention with the pension revisions regarding the premium tax dollars in the agreement reached there is a balance of \$280,000 that will be a 50/50 split and all additional dollars coming in will be a 50/50 split plus we raised the frozen amount from \$422,000 to \$450,000 before the 50/50 split.

Mr. Christiansen introduced himself as the Board Attorney and asked for a copy of that

agreement to use as a reference when he is doing the Share Plan Ordinance and the Internal Revenue Updates Ordinance.

Mr. Vroman commented that the share is slightly different because someone brought it to his attention that the DROP participants are not included and Mr. Christiansen replied that DROP participants have to be included per the State Law. Mr. Vroman asked if that was with the share cut and Mr. Christiansen replied "yes". Mr. Vroman responded that is what the severability clause is for. Mr. Christiansen asked what he meant and Mr. Vroman responded in the contract; whatever State Law says has to go; that is why they lifted the language from Palm Bay as he thought Palm Bay already had approval from the Division of Retirement. Mr. Christiansen stated he will forward the provision that is in the Statute. Ms. Shang asked how that affects the various agreements and Mr. Christiansen replied if he could get a copy of the agreement he will look at it but all it will do is divide the money up between more people in regards to the Share Plan; it won't impact the City; it is just how the money gets split up in the share plan.

Ms. Shang asked if there were any questions for her and there were none. The Board members congratulated her and thanked her for her efforts. Ms. Shang commented it should be congratulations to everyone, not just the City Government and in the past the Union had been looked at as a distant group and should not have been.

6. OLD BUSINESS:

A. Discussion of Share Plan - Scott Christiansen

Mr. Christiansen stated the Board had just discussed that and the Board Members agreed. He asked to clarify that the only thing he had asked from the union was and he does not know what is in the contract but with regards to the split of the money going into the Share Plan are we going to split it up in accordance with the provisions he drafted with years of credited service. It was determined that the Share Plan provisions had been adopted at the last meeting but Mr. Christiansen stated they also needed to be adopted by the Union because the funds could be split evenly amongst everyone. Mr. Vroman stated he thought the Union said the first allocation of money would be months and then after that it would be full years. Mr. Christiansen asked if that was in the agreement and Mr. Vroman responded he thought so. Mr. Christiansen asked that Mr. Vroman get back with him as he wants to do what was agreed upon.

B. Discussion of Operating Rules & Procedures - Scott Christiansen

This item was tabled by the Board until another time.

7. NEW BUSINESS:

8. STAFF COMMENTS:

A. Plan Attorney Report - Scott Christiansen

Mr. Vroman stated the language for the COLA also came out by being tied to the Premium Tax Dollars so Mr. Christiansen will need a copy of that also. Mr. Christiansen asked to clarify if that meant the members would receive the COLA regardless of the amount of the Premium Tax Dollars received and is that in the agreement. Mr. Vroman responded "yes" because of the shared account, turning over the money and raising the frozen amount. Mr. Christiansen stated it should say in the agreement that the COLA will no longer be subject to the reduction and Mr. Vroman responded there is also a request that a study be done on an increased multiplier to possibly be considered on the next contract.

Mr. Christiansen stated at the last meeting the Board approved the budget with the changes and he asked if that was in his packet; it was determined that it was. He asked if the Board had also done the actual expense report for the previous fiscal year (2014) and Ms. Spriggs stated she was waiting for the final bills as it is based on the accrual. Mrs. Helberg commented the City's auditors use an accrual basis. Mr. Christiansen stated this has nothing to do with the City's books or auditors; it has to do with the actual amount of expenses during the fiscal year. Ms. Spriggs stated she always submits a very detailed report of the expenses to the Board in addition to the annual report. She added that it has never been given to the membership so she will have to post it online. Mr. Christiansen stated the only other thing is the Fiscal Year End report which is the Pension Letter #2 that is the listing of all the assets that the pension plan owns as of the fiscal year that needs to be done and Ms. Spriggs responded she does that when she files the report.

Mr. Christiansen went over the dates for the 2016 Quarterly Meetings listing January 19th, April 19th, July 19th and October 18th and the meetings will begin at 3:00 p.m.

B. Plan Administration Report - Lisa Spriggs

Ms. Spriggs stated the Board has discussed almost everything that she had to talk about but pointed out there is a copy of her Quarterly Report that was submitted to the Commission for the November 2, 2015 meeting agenda that showed the plan had received Premium Tax Dollars in the amount of \$420,000. She stated the adopted Administrative Expense Budget was attached to that report and filed with the City Commission through that agenda item. She stated she had posed a couple of questions via email regarding the COLA to Mr. Christiansen and she asked if he would clarify the COLA in the pension because she has Foster & Foster working on it based on the email and specifically that the COLA begins at the later of three (3) years or age 52. She stated the question came up because there are so many DROP participants now. She asked does the COLA take effect the date of the DROP so if you are in the DROP for five (5) years are they qualified at (3) three years. Mr. Christiansen replied that is how it is typically done and that is what the plan says. Ms. Spriggs stated she was waiting to finalize a couple of statements based on clarifying that because Foster & Foster had done it a couple of different ways. She clarified that the subsidy doesn't actually go into effect until someone leaves employment so it will not be in the DROP account. Mr.

Christiansen stated for clarification that if you are in the DROP for three (3) years then the next year in DROP you would begin to get the COLA money but it would go into your DROP account because when you go into DROP you are retired for all intents and purposes. He stated also once you receive your first amount into your DROP account that is the commencement of benefits and you cannot change your optional form of benefit. He added if you turn age 52 while in the DROP you would get the benefit then if it is the later of three (3) years. Ms. Spriggs stated some of the members who have gone into DROP selected the fixed interest rate so Foster & Foster is giving them a complete statement. Chairman Koczan pointed out that once you go into DROP and you receive that first check you are no longer eligible for disability if they should get hurt on the job, however, they would still be covered by Workers Comp.

Ms. Helberg stated that she had mailed a check to Salem Trust last week for the City's up front contribution in the amount of \$810,000. Mr. Vroman asked if the contract changed the amount and Ms. Spriggs stated the City is going to do \$180,000 plus whatever comes out of the supplemental going forward.

9. BOARD/COMMITTEE MEMBERS COMMENTS:

Ms. Deyette commented this was a very good meeting.

Mr. Fleemin commented he would see everyone in Orlando next month.

Mr. Vroman commented the Board was going to talk about commission recapture and he asked Mr. West to explain it. Mr. West explained that it is another service provided by a transition broker like CAPPAS which is an independent broker that is available for those managers in place and for now that would only be DANA. He stated when DANA is buying and selling stocks they can go to a wholesale broker to execute the transition or they can use their regular brokers they normally use. He stated the program can be set up so that if DANA was to do a large block of stock they could include Deltona and they can allocate the commission dollars from the trade to CAPPAS who will then allocate those dollars back. He stated if the commission charge is at 7 cents per share and we set up a recapture rule that the broker can't execute for more than 1 cent per share there would be a 6 cent differential so you would use a recapture broker to recoup that 6 cents whatever that amount may be and follow that back into the account. He pointed out that the broker will take 15% of every penny so you would be capturing 85% of every penny that comes back. He stated we would only be talking about \$2,000 if we were to set that up and the bigger issue is most of the brokers are trading at 1 - 2 cents per share and that is where we would set the cap. He added this service is probably going to go away because it is just not needed anymore and would only be worthwhile if there were multi-millions of dollars, however, he will check with CAPPAS and we could authorize CAPPAS to look at custodian statement transactions for DANA for the past year and calculate the dollars.

Mr. Vroman stated one other thing known as PROP (Post Retirement Option Plan)

which is when you retire you would not have to take your money; the fund would be charging a management fee. The retiree could make two (2) pulls a year and once they ask for a 3rd pull in a year the fund would give them all their money. Mr. Christiansen stated he believed this was discussed before and he feels there is a potential liability to the fund if the person becomes unhappy with the way the money is being invested or if there should be a big loss.

Mr. Vroman stated since Mr. Fleemin brought up the training in Orlando next month is a motion to pre-approve it now needed for them to attend and Mr. Christiansen replied that is in the Operating Rules and Procedures and the Board has not discussed them yet.

Motion by Member Vroman, seconded by Member Gizzi to authorize any Board Members and the Plan Administrator to attend the training November 17 - November 19, 2015 and receive reimbursement for costs including mileage, room and per diem.

For: 5 - Chair Koczan, Secretary Vroman, Member Deyette, Member Gizzi and Member Fleemin III

10. ADJOURNMENT:

Motion by Member Vroman, seconded by Member Deyette to adjourn the meeting at 5:56 p.m.

For: 5 - Chair Koczan, Secretary Vroman, Member Deyette, Member Gizzi and Member Fleemin III

James Koczan, Chairman

ATTEST:

Janet Day, Deputy City Clerk