NEW PORT RICHEY POLICE PENSION SYSTEM

Minutes

Of a Quarterly meeting of the Board of Trustees
Meeting at 6739 Adams Street, Police Station,
New Port Richey, Florida 34652
Tuesday, the 25th day of February 2020, at 5:00 P.M.

The meeting was called to order by Mr. Pratt at 5:03 PM.

Trustees Present:
  Mr. Glen Pratt
  Mr. Ed Beckman
  Sergeant Greg Williams
  Mr. Bill Phillips
  Sergeant Chris Trapnell
Consultants Present:
  Ms. Jennifer Gainfort, Andco Consulting (Performance Monitor)
  Ms. Shelly Jones, GRS (Actuary)
  Mr. Nic Lahaye, GRS (Actuary)
  Mr. Richard Cristini, Saltmarsh, Cleaveland & Gund (Auditor)
  Mr. Dan Cascarano, 361 Capital (Investment Manager)
  Mr. Scott Christiansen, Christiansen & Dehner (Attorney)
Administrator:
  Mr. T. Scott Baker
Other(s) Present:
  Ms. Debbie Manns, City Manager

ITEM #1 -- Approval of the minutes of the meeting on January 28, 2020

<u>Motion</u>: Sgt. Trapnell made a motion to approve the minutes of the meeting. Sgt. Williams seconded the motion. The motion passed without opposition.

ITEM #2 -- Open Public Comment

There was no public comment.

ITEM #3 -- 361 Capital Investment Manager Quarterly Report – Dan Cascarano

Mr. Cascarano said due to the amount of material to be covered during the meeting he would be somewhat brief. He started covering his report on page 4 and said there were no changes to 361 Capital and there are 32 total employees, $1.5 billion assets under management, still majority employee owned, and are in compliance of all the applicable regulators associated with active markets. Moving to page 6, Mr. Cascarano said most major U.S. equity markets were up almost double digits just in the 4th quarter of last year alone. He said generally speaking for them that can be a challenge. He said a lot of times the big risk on markets are led by high beta stocks, stocks that will do more than the market does on average and are riskier. He said they don't hold risky stocks, they hold more high quality companies.

Mr. Cascarano said small cap outperformed large cap stocks by about .8% and Value underperformed Growth by a little over 3%, with the Value index up just over 7%. He said the best performing sector was Information Technology at 12.2%, followed by Health Care at 12%, and Financials at 10% for the quarter. He said the worst performing sectors were Real Estate which was flat, followed by Utilities which was up .5%, and Consumer Staples which was up 3.5%. He covered the contributing factors at the bottom of the page.

Mr. Cascarano continued to page 7 and said the portfolio was up 6% compared to the Russell 1000 Value which was up 7.4%. He said the portfolio started the quarter at $8.4 million and ended at just under $8.9 million, having unrealized gains of $532,000 and Income of $40,000, along with net additions/withdrawals, realized gains and management fees taken out. Continuing to page 8, Mr. Cascarano said the chart shows they have outperformed in 5 of 9 fiscal periods, with one year being flat. He went over some of the Performance Discussion on page 9. Mr. Cascarano discussed the graphs on page 10 concerning momentum and alpha and the graphs on page 11. He asked for any questions. A brief discussion concerning the Corona Virus was discussed.

ITEM #4 -- Andco Performance Monitor Report – Jennifer Gainfort

Ms. Gainfort started covering her report on page 1 and said there was a letter from their CEO, Mike Welker. She said this is their 20th anniversary, with 89 employees advising on about $92 billion in client assets. She said in 2019 they hired 9 new team members, some added to their research department which they are expanding growth in towards the future. She pointed out the organizational chart on page 2 as to where those employees are shown with 10 partners and 100% employee owned.

Ms. Gainfort continued to page 4 saying it was a very strong 4th quarter with equities having big gains and the Fed cutting rates 25 basis points for the 3rd and final time of the year. She said trade policy has been a hot topic and the 4th quarter finally brought some clarity to that with China and the U.S. reaching their phase one trade deal which led to tariffs that were slated to go into effect in mid-December, but were cancelled. She said there was a 15% tariff that went into effect in mid-September on about $110 billion in Chinese imports that was rolled back to 7 ½%, saying there was good progress, and the Chinese agreed to purchase additional U.S. crops. Ms. Gainfort said there was also the USMCA, U.S. & Mexico/Canada agreement (or NAFTA 2.0) which was signed as well so there has been a lot of good progress on the trade side of things.

Staying on page 4, Ms. Gainfort discussed returns and said Large Cap S & P 500 was up at 9.1% and Small Caps were up 9.9% for the quarter. For the year S & P 500 was up 31 ½%, with Small Cap lagging a little, but still returning 25 ½%. She said the International markets were up between 8.2% and 11.8% for the quarter. She said Fixed Income (Barclays US Aggregate) was up .2% for the quarter.

Ms. Gainfort continued to page 17 and covered the portfolio Asset Allocation. Continuing to page 19 she covered the Financial Reconciliation. She said at the start of the quarter the portfolio had a little more than $29 ½ million, contributions of $361,285, distributions of $358,294, management fees of $45,742, other expenses at $28,498, income of $144,460, and capital gain of $1,486,314 which comes out to a total for the quarter at $31,089,112. She continued to page 21 to cover the gains in terms of percentages. She said for the quarter the total fund was up 5.37% compared to the fund policy of 5.68% and falling in the 43rd percentile. For the 1 year period, the fund had a return of just shy of 21% and just about right in line with the policy and in the 23rd percentile. She said for the 3 year, 5 year, and since inception the fund has done very well and ranking very highly against other funds.

Ms. Gainfort said the individual managers returns were 6.15% versus the policy of 7.41% for 361 Capital; 10.37% versus the policy of 10.62 for Logan Capital, and said their 1 year return of 40.51% was phenomenal. She said Garcia Hamilton was up .33% versus the policy at .37% for the quarter and Intercontinental Real Estate was up 3.23% versus the policy at 1.55%. She said overall it was a good quarter and good start to the fiscal year, but said there was a lot of time left and wasn't sure how the Corona Virus would affect things. Mr. Phillips asked if there were going to be some stalling prior to the elections and said he was making a statement more than a question.

Note: Mr. Cascarano left the meeting.

ITEM #5 -- Review and approval of Financial Statements
– Richard Cristini (Saltmarsh, Cleaveland & Gund, Auditor)

Mr. Cristini said if you look at quarterly reports you know what basically happened in December 31, 2018, saying a curtain fell over the world and everyone had losses. He said they have 35 plans and it didn't have anything to do with the size of the plan. All plans had losses and all plans spent the rest of the year trying to recover.

Mr. Cristini began covering the Financial Statements, starting on page 2. He said the section titled "Prior Period Financial Statements" was in there to show that a different audit company did the audit last year, however the audit team was the same. Moving forward, he said the Management's Discussion and Analysis section, starting on page 4, is something that the Board has adopted which is discretionary and is commentary on what happened during this past year as far as the plan is concerned. He said it covers some actuarial information, as the auditor has to provide information to the actuary for the actuary to complete the GASB67. Mr. Cristini said the GASB67 has to be included in their report so both the auditor and actuary has to work together to get the reports completed. He said he wanted to thank the new team of actuaries for their work in getting everything done in a timely manner.

Mr. Cristini continued to page 13 (Statements of Fiduciary Net Position) and said the total receivables were up this year, compared to the prior year. He said the State Excise Rebate was received August 19th and said the check is supposed to be deposited within 5 days, however it wasn't deposited into the fund's account until November 20th. He said he is aware the city was having problems relative to the accounting status and data. He said they also reported to the Board during the summer there were significant issues relative to getting data from the city's staff. He said they need contribution information and working with Mr. Baker was finally able to get the information needed. He said they reported to the Board 60 days before the end of the year that numbers had to be prepared for the actuary and because of the delay in receiving the data it pushed them behind.

Mr. Cristini said the State Excise Rebate should have been there, however it wasn't and he said he will leave it up to the Board as to whether the city should come up with some interest on the lost money on $220,930 of investment.

Continuing with the report, Mr. Cristini said the total investments last year were $29,696,000 and this year they are $29,474,000. He said when those numbers go up you had a good year and when they go down you didn't have such a good year. He said Accounts Payable were flat, no increase/decrease. Continuing to page 14 (Statements of Changes in Fiduciary Net Position) he said plan member's contributions were up; Net appreciation (depreciation) which he says drives the ship as far as investments, Mr. Cristini skipped to page 22 showing the reason said securities were bought and sold at a loss of $326,000. Mr. Cristini still referring to the information on page 22 said last year, which was a better year, had an increase of $3.3 million versus this year at $376,000. He went back to page 14 and went over the numbers on that page.

Mr. Cristini continued to page 26 and said this shows the position on September 30, 2019 with respect to cost and fair value. He said the cost was $21,957,000 and the fair value was $29,474,000 in September 2019. He said in September 2018 the cost was $22,942,000 and the fair value was $29,696,000. He said the market place is driving these numbers as the market place was much better in September 2018 than in September 2019.

Mr. Cristini continued to page 35 and said this shows the administrative expenses, which is not required by GASB, however the Board has requested it. He said it tells you what you spent your money on, from the standpoint of investments and administrative costs. He said in each category, .57% for Investment, and .25% for administrative expenses that anything under 1% in either category the plan is doing fine. He said the real estate charges made against the position in the real estate fund are not included in this because those charges are taken out of the income that they add to your investment.

Mr. Cristini continued to page 36 where it shows the total net position, adjusted for designations. He said the designations are the DROP accounts (in the amount of $326,906), as DROP accounts cannot be shown in the balance sheets. Continuing to page 41, Note 16, Mr. Cristini said from this point back is the work product of the actuary according to GASB67. He said this shows that the city's total net liability is not a liability, but is an asset of $2.8 million. He said because of this the Plan Fiduciary Net Position as a percentage of total pension liability (asset) is 109.97%. He said this number could differ from other calculations due to smoothing and that GASB67 requires that any gains/losses be shown just for that year. Mr. Lahaye said that it is very rare for a plan to be over funded and said they don't have many plans that are.

Continuing to page 42 Mr. Cristini said this shows the Sensitivity analysis as to what happens when the discount rate was lowered to 6.75%, which decreases the asset to a liability of $230,000 and if it was increased to 8.75%, it would increase the asset larger, up to $5.3 million. Mr. Cristini continued to the Required Supplementary Information and said page 43 shows a table of the Schedule of Changes in the City's Net Pension Liability over the last 6 years. He said it shows what was that net pension liability and its conversion to a net asset. He said the table will eventually be built to a 10 year table. Continuing to page 44 Mr. Cristini said this table shows the Fiduciary Net Position as a percent of the total pension liability. He said the fund has always been high in the 90's and now it is in the 100's. Moving to page 45, this shows the actuarially determined contributions. Mr. Cristini said Page 46 and the following are notes with respect to their contributions. Continuing to page 48, he said this schedule has to be according to GASB67 from information from Andco. He said the return for 2019 shown is 1.99% compared to the last 6 years and said 2015 was a bad year for all plans, so he said those were the two low numbers compared to the other 4 good years.

Mr. Cristini said that because of the issues of receiving reports late from the city, they had to do additional testing, and probably had to use an additional 24 hours of work to complete the Financial Statements. He said that they were not going to charge the plan for the additional hours, however indicated that if it occurred again a charge would be made. He asked for any questions.

Ms. Manns said she wanted to address Mr. Cristini and said on the behalf of the city it is disappointing to learn that Mr. Cristini experienced some delays in receiving information. She said that now she would like Mr. Cristini to copy her on future correspondence to the Finance Department and said she can assure him he will receive expedited service in regards to his inquires. Ms. Manns said another matter she wanted to address the item addressed later on the agenda regarding that the State Excise money wasn't deposited until November. She said this was clearly an error on the city's part and said they are more than willing to pay the interest payment to the fund for that amount. She said based on the 7.75% growth rate they are willing to pay that amount as an extension of their sincerity for not making the deposit in a timely fashion. The Board thanked Ms. Manns for interest payment.

Motion: Mr. Beckman made a motion to approve the Financial Statements. Mr. Phillips seconded the motion. The motion was passed without opposition.

Mr. Baker asked Mr. Cristini if the State Report was ready to be sent to the state. He said that it was almost done and will be sent electronically. Note: Mr. Cristini left the meeting.

ITEM #6 Review, Discussion, & Approval of Experience Study
- Shelly Jones and Nic Lahaye (GRS Actuary)

Ms. Jones introduced herself and said she was here last year with Mr. Wilson when they presented the Valuation Report. She said she has 10 years' experience and Jennifer Borregard is still on the team. She said she brought Mr. Nic Lahaye with her and he is also an actuary. Mr. Lahaye said he has 15 years' experience and 4 years with GRS.

Ms. Jones began reviewing the Experience Study report on page 3. She said they looked at the last 5 years of data for the demographic assumptions and then they looked at perspective investment return and capital market assumptions, to determine their recommendation for the investment return assumption. She said part of the demographic assumptions they looked at salary increases that will occur in the future, updated retirement rates, updated rates of mortality, updated termination assumption, and the investment return assumption.

Starting with the future salary increase assumption she said they saw a little bit lower salary increase than what they had assumed. Because of this they lowered those rates, shown in the first bullet, if these assumptions were to be implemented the cost would be lower by 2.4% of pay. Mr. Phillips asked if this included overtime. Mr. Christiansen said overtime up to 300 hours. Mr. Pratt asked if there was a difference in using 5 years of data versus 10 years of data. Ms. Jones said they looked at both and it didn't changes things.

Mr. Beckman asked if the attrition was the same for the 5 and 10 year periods. Ms. Jones said it was but it kept growing and referred to the forth bullet for the rates of future withdrawal assumption. She said they are increasing that assumption because a lot of turnover has occurred over the last 5 years and looking over the 10 year period it was still that way. She said she was shocked and as a result the cost would be lowered by 3.6%.

The second bullet shows rates of future retirement and Ms. Jones said people are leaving as soon as they are retirement eligible. Before they had it mostly that way, based on years of service, not age, so basically everyone who is retirement eligible they will retire, so that's the assumption. She said they had been pretty close on that assumption, however by changing it adds a .3% cost.

The third bullet shows rates of mortality and Ms. Jones said there is a Florida Statue that says you have to use FRS Mortality for either of the last two Valuations that they put out. She said they have updated their Mortality so they are recommending to also update the Mortality because the new table is based on public data, only public employees, as opposed to the prior table which had private and public persons together. This assumption decreases the cost by .2%.

The fourth bullet shows the investment return assumption and Ms. Jones said the current 7.75% is pretty high in terms of other plans. She said they looked at 14 different investment consultants and their capital market assumptions. When they looked at this she said that 7.25% was kind of the average of the investment consultants in the short term concluded. Ms. Jones said FRS was 7.2%. Ms. Gainfort agreed that the current assumption rate of 7.75% was too high.

Ms. Jones said combining everything, if they make all the changes, there is a net decrease in the contribution of 2.8% of pay. Mr. Lahaye said that with all the changes to the assumptions together there is a decrease, so even at changing the 7.75% assumption rate to 7.25%, which is an increase by itself, when combined together there is a decrease. He said it would be a good time to make the changes should the Board chose to do so. Mr. Christiansen said reducing the assumed rate of return had been discussed and said this is a way to get there, as the required contributions will drop by 2.8% while reducing the assumed rate of return to 7.25%.

Ms. Jones said they were going to cover each bullet more closely and went to page 5. She said they used to have the salary increase schedule based on a service and age type band and they saw lower salary. She skipped to page 17 and said looking at the total salary over 5 years the prior year was $8.4 million and they expected it to be $8.9 million, but the actual was $8.6 million. Their previous assumption projected an increase of 5.9%, however the salary increase was only 3.5% over the last 5 years. She said because of this they are proposing a 4.7% salary increase assumption. Also, they went to an age based table.

Continuing to page 6 Mr. Lahaye covered rates of retirement and said there were 5 retirements during the 5 year period and all 5 retired as soon as they could. He said they had different rates for different years of service, so now they are going to assume as soon as you attain normal retirement they will retire. He said those persons who didn't have 10 years of service as of November 7, 2017, and they retire between ages 50-52 they would incur a penalty on the piece accrued after 2017. So they assume only 20% will retire because of the penalty. He said by the end of the day it doesn't make a huge difference, but it is still an increase on the total results.

Continuing to page 7 Mr. Lahaye said the chart shows the Mortality table. He said basically the newest table shows a less life expectancy which helps the cost. He continued to page 8 and said Rates of Disability have not really changed. Mr. Lahaye continued to page 9 and said the increase they are proposing is pretty big based on the data in the table. He said the expected current terminations is 6.5% and they are increasing it to 15% for those within the first year, with the other years of service time frames being changed from 6.5% to 9%. He said the only time frame that hasn't really changed are those with 10 plus years of service. Ms. Jones said they had expected that 7 people would terminate and 21 people terminated, saying this was a big difference.

Ms. Jones went to page 11 and said the current assumption is 7.75% and the current inflation assumption is 2.75%. She said the difference between the two you get a real return of 5%. By doing a building block approach, you start with the inflation, then add the net real return and that is the combined investment return assumption (shown in the bottom graph on the page). She said essentially they are knocking off 25 basis points off the real return assumption and 25 basis points off the inflation assumption, because the average inflation assumption for the 14 investment consultants (shown on the next page) was 2.18%, so that is pretty far away from 2.75%. So she said they moved the investment return closer to what people are thinking is going to happen in the next 10 years. She said they moved the real return assumption lower too, to 4.75%, resulting in their recommended rate at 7.25%.

Mr. Lahaye continued to page 13 and 14, showing the short term and long term odds of reaching the assumed rate. He said starting on page 13 (short term) he said at 7.25% assumed rate, you're odds of getting the 7.25% return is 43%, while the recommended rate would be 6.54%. He said pension plans are more long term so continuing to the long term table on page 14, he said out of the 14 consultants they received information from, 6 of them gave long term information. He said on that basis it looks better, as the recommended rate is 7.27%, with the odds of beating that rate is about 50%. He said this is how they determined the 7.25% assumption rate. Mr. Lahaye said it was good timing to make the changes and would make the plan in better shape. Ms. Jones said the plan is already over 100% funded so the main thing is to make sure that is kept, and by aligning the assumptions is a good way of keeping things in check and making sure you keep it that way.

Motion: Mr. Beckman made a motion to make the combined assumption changes provided in the report. Sgt. Williams seconded the motion. The motion was passed without opposition.

ITEM #7 -- Review and approval of Valuation Report
- Shelly Jones and Nic Lahaye (GRS Actuary)

Ms. Jones started on the letterhead page, saying this sets the contribution rate for next year, beginning October 1, 2020 to September 30, 2021. She said the first bolded number is 28.7% of covered payroll, which is lower than the previous year, which was 32.0% of pay, with the dollar figure at $687,976 (of about $2.4 million payroll). The total cost will be paid by the members, $6.5% of covered payroll ($155,631), State contribution, 9.2% ($220,931), and the city at 13.0% of projected covered payroll ($311,414). She said the city's contribution would be about $80,000 less than last year. Ms. Jones said the city also has a credit balance of $267,640 that can be used towards their contribution. A short discussion on the 13th check that was made in December 2019 occrred and Ms. Jones said that was already included in the 2018 Valuation. Ms. Jones said the state money received of $220,931 was less than the $285,159 needed to fund the $500 supplement for retirees, so the supplement remains at $400/$200 depending on your hire date.

Ms. Jones continued to page 11 and said the number of active participants, item A1, decreased by about 8%, while covered payroll only decreased by 3%. She said the Total Normal Cost, item B, and the unfunded both decreased as a percentage of payroll and as a dollar amount. She said the Net City Funding Payment increased as a percentage of covered payroll and decreased as a dollar amount. Ms. Jones said there are three columns of data on the page and said the middle column is data if they kept the same assumptions and didn't do the experience study. She said if they hadn't made the changes there would be an increase as a percentage of pay in the city contribution from 15.9% to 16.1%, and would have seen a decrease as a dollar amount because the salary actually decreased. She said in comparing the middle column to the right column gives you a sense of what the assumptions did, similar to what was said, there is about a 3% decrease in the city contribution (Item F).

Mr. Phillips asked Ms. Jones to explain letter H, Vested Benefit Security Ratio. He went on to say/ask does that mean the active, even with the revised or updated assumptions, the plan would still show a funded amount of 110%. Mr. Lahaye and Ms. Jones both said this is based on this Benefit Security Ratio. Mr. Lahaye said most of their plans are not over funded, maybe 15% that are over 100% funded. He said you are essentially funding the normal cost at this time. He went on to discuss the difference in the costs associated between active and inactive members.

Ms. Jones continued to page 39 and said item A shows the salary experience. She said there was a salary increase of 11.4% in 2019, and they had assumed 6.1%. However she said the salary increase over the last 3 years was 6.2%, over the last 5 years was 5.6%, and over the last 10 years was 4.8%. She said this is why they had lowered the assumption. She said this was an offsetting loss this year because of the larger salary increase. Ms. Jones said a big gain was in the termination experience, as there were 4 terminations this past year, and expected 1.6 out of 40 people, so that is 250% of what they thought. She said over the 3, 5, & 10 year periods that number is almost 300%. Mr. Lahaye said the numbers are crazy and they rarely see something like this, as the assumptions were so far off.

Ms. Jones continued to page 42 which shows the investment returns. She said this year the assumption was 7.75% and the actual return was 2.37%, but said because they are smoothing over the last 5 years the fund has outperformed and returned 8.1%. She said looking at the 3, 5, & 10 year investment return the fund met or beat the assumed rate in each period. Mr. Lahaye said the 2.37% return for last year was in the ballpark of most plans due to the poor investment performance during December 2018.

Mr. Lahaye continued to page 43 and said this page shows the amounts of required contributions versus actual contributions made. He said in 2014 the city used the credit balance. He said the contribution amounts are trending down since 2015, because now you are just paying the normal cost. And looking back at 2013/2014 the plan was under funded at that time so you were paying the normal cost plus an amortization. Mr. Lahaye went over expense and investment numbers on pages 13 and 14. Continuing to page 15 he said on line E1 (Total Market value return) was $700,000, and line E2 is what the plan was expecting at $2,290,000, so the difference is E3 at ($1,590,000). He said they only recognize 20% of that, so line F1 shows 20% of line E3, which is ($318,000) and added to the four prior years to come up with what is recognized this year.

Mr. Lahaye continued to page 48 and said the line that says 10/01/2018 System Amendment shows the 13th check impact of $128,000. He said overall the funded is negative, $1.6 million, so the plan is overfunded again. He said they amortize that, so that results in $124,000 which is subtracted from the normal cost, so you would think the contribution should be less. However you still have to fund the normal cost and at the end of the day it doesn't affect your contribution requirement because they're saying you're overfunded, but still want you to pay the normal cost. Mr. Lahaye said if the report is approved then they will do the electronic filing and do the Chapter 112 report within 60 days.

Mr. Baker asked about page 12 where it indicates there are 29 members that are fully vested under the active plan participants. He said he thought fully vested was having at least 10 years in the system. Mr. Lahaye and Ms. Jones said there was that freeze in the plan in 2017 and they are vested in that portion.

Motion: Sgt. Trapnell made a motion to approve the Valuation report. Mr. Beckman seconded the motion. The motion was passed without opposition.

ITEM #8 -- Determination of Rate of Return for letter to Division of Retirement

Mr. Christiansen said the state requires the board every year to determine the total expected annual rate of return for the fund for the next year, the next several years, and the long-term thereafter with the recommendation from their consultants. Ms. Gainfort said based on the current asset allocation she recommended that the total expected annual rate of return for the fund for the next year, the next several years, and the long-term thereafter, shall be 7.25%.

Mr. Christiansen said the Board needed a motion based upon the advice of the consultant that the Board expects to get a 7.25% investment return for the next year, next several years, and the long-term thereafter.

Motion: Mr. Phillips made that motion suggested by Mr. Christiansen. Sgt. Trapnell seconded the motion. The motion was passed without opposition.

Mr. Baker will send out the appropriate letter.

ITEM #9 -- Discussion of delay in deposit of Premium Tax Distribution

Mr. Pratt said this had already been discussed. Mr. Beckman asked if the amount was given to the city. Ms. Manns said it was $4,362.62. Mr. Christiansen said no motion was needed for the item and said he thinks the state may have required that to be paid anyway. The Board thanked Ms. Manns.

ITEM #10 -- FPPTA 36th Annual Conference, June 28 – July 1, 2020; Renaissance Orlando at Sea World, Orlando FL

Mr. Baker said it was early yet and you can't even register until April, however wanted to put the information out for anyone who was interested in attending. Mr. Christiansen said, according to Board Rules, Trustees don't need Board approval if they are going to meet the minimum requirement of attendance. All indicated they would make a decision on attendance at a later date.

ITEM #11 -- Legal Report – Attorney Scott Christiansen

Mr. Christiansen said the Board appointed Mr. Pratt as the 5th member and asked if the city had approved his position. Ms. Manns said the city had approved the appointment. Mr. Christiansen said they are keeping an eye on Senate Bill 1270 which will require appointed Trustees (and all public officials in general) will have to get 5 hours of additional training every 4 years in the area of corporate governance and fiduciary responsibility. He said there is actually an agenda of the training in the legislation and it also provides if it does pass, you'll be able to attend the training online.

ITEM #12 -- Approval of expenditures

- **Terminated Member Refund(s)**
- **Expenses**

Mr. Baker said the first part is the terminated member refund. He said a Tyler Jones terminated employment and was requesting payment of his personal contributions, in the amount of $1,097.99.

Motion: Sgt. Trapnell made a motion to approve the expenditure to Tyler Jones. Sgt. Williams seconded the motion. The motion was passed without opposition.

Mr. Baker said there were 3 other expenditures needing to be approved for payment: $5,500.00 and $2,000.00 to Saltmarsh, Cleaveland & Gund for Auditing services, and $88.40 to Christiansen & Dehner, P.A. for Attorney's fees.

Motion: Sgt. Trapnell made a motion to approve the expenditures. Mr. Beckman seconded the motion. The motion was passed without opposition.

ITEM #13 -- Any other business

There was no other business.

Motion: Mr. Phillips made a motion to adjourn. Sgt. Williams seconded the motion. The motion passed without opposition. The meeting was adjourned at 7:02 PM.