

**MINUTES
FIREFIGHTERS' PENSION BOARD
GENERAL EMPLOYEES' PENSION BOARD
POLICE OFFICERS' PENSION BOARD
HELD AT CITY HALL**

December 9, 2022

8:30 a.m.

Commission Conference Room

1. Call to Order

Chair Kelly McGuire called the meeting to order at 8:30 a.m.

Firefighters' Pension Board members present were Chair David Randall, Barry du Moulin, Mark Eisner, Denton Sawyer and Mike Scudiero.

General Employees' Pension Board members present were Chair Kelly McGuire, Michael Furman, John Olivari, Denise Roeper, and Sandy Smith.

Police Officers' Pension Board members present were Chair Chris Byle and Rhett Summerlot. Excused were Ken Artin and Nico Stage. Amanda Hayes joined in via Zoom at 9:45 a.m.

Present were Patrick Donlan of Foster & Foster and Scott Owens of Graystone Consulting. Joined via Zoom was Pedro Herrera of Sugarman & Susskind.

2. Approval of Minutes – August 26, 2022

Mr. Olivari moved, seconded by Mr. Furman to approve the minutes of the August 26, 2022 General Employees' Pension Board meeting. The motion passed unanimously.

Mr. Eisner moved, seconded by Mr. Scudiero to approve the minutes of the August 26, 2022 Fire Pension Board meeting. The motion passed unanimously.

There was no quorum for Police Officers' Pension Board meeting to vote on the minutes of the August 26, 2022

3. Public Comments

No Public Comments.

4. Approval of 2023 Meeting Dates (February 24, May 26, August 25, December 8)

Mr. Olivari moved, seconded by Mr. Furman to approve the 2023 Meeting dates for the General Employees' Pension Board. The motion passed unanimously.

Mr. Eisner moved, seconded by Mr. Scudiero to approve the 2023 Meeting Dates for the Firefighters' Pension Board. The motion passed unanimously.

There was no quorum for the Police Officers' Pension Board to vote on the 2023 Meeting Dates.

5. Firefighters' Pension Election Barry du Moulin remain on the Board

Mr. Scudiero moved, seconded by Mr. Eisner to approve Barry du Moulin remain as Trustee on the Firefighters' Pension Board. The motion passed unanimously.

6. Police Officers' Pension Secretary

There was no quorum for the Police Officers' Pension Board to vote on a Secretary.

7. Approval of Annual Accounting for Fiscal Year 2022-23

Mr. Randall moved, seconded by Mr. Sawyer to approve the Annual Accounting for Fiscal Year 2022-23 for the Firefighters' Pension Board. The motion passed unanimously.

There was no quorum for the Police Officers' Pension Board to vote on the Annual Accounting for Fiscal Year 2022-23.

8. Discussion of Confirmation of Benefits Retirees / Disability

Ms. McGuire mentioned retirees and those on disability have notarized and returned their Confirmation of Receipt of Retirement Benefits form except for one retiree. She stated the benefit payment will cease if the Finance Department does not receive the form in a timely manner in order to ensure the retiree is still eligible for benefits.

Mr. Donlan discussed an overpayment was discovered while doing the valuation report that a Firefighter chose the Social Security option and the payment should have been reduced when the retiree reached Social Security age. Ms. McGuire stated the Finance Department work directly with the retiree to recoup the monies to make the pension fund whole if retiree is overpaid or make the retiree whole if retiree was underpaid.

9. Presentation of Actuarial Valuation and Report by Foster & Foster

Ms. McGuire introduced Mr. Patrick Donlan of Foster & Foster. Mr. Donlan discussed the actuarial valuation was utilized in applying the rolling 4-year average smoothing method helped this year. He continued that the Firefighters' and General Employees' plan each went up over 3% as a percentage of payroll due to the investment return and Police Department had more new hires this year which increased the payroll from 34% to 37%.

Mr. Donlan stated the Firefighters' Pension for the first time in several years have an overage in state monies above the threshold which the agreement states is split 50% to the City and 50% allocated to the members.

Mr. Randall mentioned the Firefighters' Union will decide how the Share monies will be allocated either an equal share to all members that were there for the entire year or everyone gets a share based on credited years of service.

Mr. Donlan commented for the purpose of Share monies the State statute said it is for active employees and not those in DROP.

Mr. Donlan agreed with Ms. McGuire that the Police Officers' Pension has a similar agreement in their contract for excess state monies to be distributed half to City and half to Share plan police members as decided by union. This year there is no excess monies for Police Officers' Pension.

Mr. Herrera suggested to amend the ordinance to codify it and he can provide language for that.

Mr. Randall questioned if items are in the Contract that has been approved by the City Commission, does it need to be reflected in the City Ordinance. Ms. McGuire stated it does not need to be taken before the Commission if it is already agreed upon in the Contract while there are specific items in the Contract and not in Ordinance and there are items not in the contract yet covered in the ordinance and some items are in both the Contract and in the Ordinance.

Mr. Donlan continued that the Investment return for all the plans were bad this year. With the assumption expected to earn 7%, all plans missed the mark. The yearly GASB accounting report uses the net pension liability.

Mr. Eisner asked with the inflow of city contributions and state funds, does the outflow of benefits paid out, put the Fire Pension in the negative. Mr. Donlan responded there are 2 million dollars in contributions and 2.7 million dollars paid out in benefits which makes cash flow negative but the investment return more than cover the difference.

Mr. Donlan confirmed with Ms. McGuire that there are other local plans in the state that have a multi-tier system for police and fire with the lower tier that cannot be below the minimum benefit level. Mr. Herrera stated there are approximately 25% of other plans that adopted a 2-tier plan in 2012.

Mr. Herrera responded to a question that the Florida legislature determines the minimum benefit multiplier.

Mr. Olivari moved, seconded by Ms. Roeper to approve the Valuation Report as presented. The motion passed unanimously.

Mr. Randall moved, seconded by Mr. Scudiero to approve the Valuation Report as presented. The motion passed unanimously.

There was no quorum for the Police Officers' Pension Board to vote on the Valuation Report.

Ms. McGuire mentioned this Valuation Report would be included in the City's Audit Report.

Mr. Herrera stated with the approval of the Valuation Report, there is a required disclosure from the State to set the rate of return. Mr. Donlan and Mr. Owens concurred the rate of return for Police Officers' and General Employees' Pension Fund to remain at 6.75% and Firefighters' Pension at 7%. Mr. Donlan mentioned the lower the rate of return, the City's contributions would need to increase and the Plans would be more underfunded.

Mr. Furman moved, seconded by Mr. Olivari to approve to leave the rate of return at 6.75%. The motion passed unanimously.

Mr. Denton moved, seconded by Mr. Randall to approve to leave the rate of return at 7%. The motion passed unanimously.

There was no quorum for the Police Officers' Pension Board to vote on the rate of return.

10. Investment Monitor Report by Graystone Consulting

Ms. McGuire introduced Mr. Scott Owens representing Graystone Consulting. Mr. Owens stated as of the end of the quarter September 30, 2022 all the Funds have increased with the General Employees' Pension Fund from \$49.8 million to \$53.8 million, Fire Pension Fund increased from \$32.1 million to \$34.5 million and Police Pension Fund increased from \$37.8 million to \$40.6 million.

Mr. Owens continued the value of stocks and bonds are down, while the Fed's raised interest rates to slow growth. He stated we outperformed the benchmark by over a full percent for the year by mitigating risk with a higher return. Mr. Owens noted everything on the Compliance Checklist is in order for all plans and recommend a discussion to be more defensive by putting money in Cash from fixed income where it is overweight.

Ms. Roeper moved, seconded by Mr. Olivari to approve the move of 5% from Fixed Income Account to Cash.

Mr. Eisner moved, seconded by Mr. Randall to approve to amend the allowable range for Cash in Investment Policy Statement from 5% to 10%. The motion passed unanimously.

Mr. Eisner moved, seconded by Mr. Scudiero to move 10% from Fixed Income Account to the high yield money market. The motion passed unanimously.

Mr. Eisner requested from Mr. Owens to add peer review reporting for the next meeting.

11. Attorney Comments

Ms. McGuire introduced Mr. Pedro Herrera, Attorney from Sugarman & Susskind. Mr. Herrera stated as members on the Board of Trustee, part of the State Ethics law, gifts valued at \$25 or less can be accepted. He continued there is a reporting requirement for gifts valued between \$25 and \$100 and Board members should not accept any gifts valued beyond \$100. The requirement is to file with the State on who gave the gift, the value of the gift and the disposition of the gift whether donated or returned to sender.

Mr. Herrera stated his firm made a charitable donation on behalf of the City to the American Red Cross Hurricane Ian Relief Fund.

Mr. Herrera mentioned the State has an educational opportunity for Board members to take advantage in Orlando and FPPTA has the Trustee School in January 29, 2023.

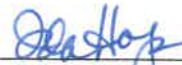
12. Next Regular Meeting Date – February 24, 2023

13. Disability Pension Discussion (Police)

There was no quorum for the Police Officers' Pension Board to discuss Disability Pension.

14. Adjournment

Respectfully submitted,



Ida Hop, Recording Secretary

Attest:

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Kelly A. McGuire, Chair

General Employees' Pension Plan



Chris Byle, Chair

Police Officers' Pension Trust Fund



Denton Sawyer, Secretary

Firefighters' Pension Trust Fund