



Retirement Plan & Trust for Firefighters of the City of Clermont

DRAFT Quarterly Meeting Minutes

May 22, 2024

1. Chair Judd Lent called a Quarterly Meeting of the Firefighters Retirement Plan Board of Trustees to order at 9:00 AM on February 28, 2024 as a Workshop in Council Chambers at the Clermont City Hall. Mr. Baur called roll. Those persons present included:

TRUSTEES

Judd Lent, Chair
Adam Watkins, Secretary
Megan Robinson (Electronically)

OTHERS

Scott Baur, Administrator (Resource Centers)
Bonni Jensen, Attorney (KKJL)
Larry Cole & Mitchel Brennan, Investment Consultant, (BCA)
Chuck Landers, Auditor (Saltmarsh)
Nancy Zaccardi (City of Clermont, HR Manager)
Scott Borror (City of Clermont, Finance Director)

2. Extraordinary (Exigent) Circumstances for Trustees Joining Electronically

Trustee Megan Robinson joined the meeting electronically however there is not a quorum of 3 Trustees in the room, so no vote was taken.

3. Minutes

The minutes for the February 28th meeting were reviewed, no corrections noted.

4. Reports:

Audit, (Chuck Landers, Saltmarsh, Cleavland & Gund)

Mr. Landers reported he still issued a clean, unmodified opinion, unchanged since the draft. The plan has \$2,478,877 and is 92.40% funded. The board will approve the audited financial statement at the next meeting. The board will need a special meeting.

Quarterly Investment Report: Investment Consultant, (Larry Cole & Mitchell Brennan Burgess Chambers Association - BCA)

Mr. Cole reported strong results so far for the current fiscal year to date. Markets continue to react to interest rate expectations driven by the Fed. He continued noting markets remain very narrow with a small number of companies driving the index returns with AI themes. In 2023, 7 stocks accounted for the majority of gains with all other stocks up only 6% on average. Inflation remains persistent, with housing and auto insurance contributing significantly to headline numbers. The market now expected fewer rate cuts this year. BCA will continue to recommend increasing the allocation to fixed income assets.

Mr. Brennan reported that the Plan generated \$1.5 million in gains for the quarter ending March 31st, an increase of +4.4%. Polen continued to trail the benchmark despite improved performance for the manager. The Board received a redemption form Predex, leaving cash to invest. Assets gained 12.7%



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fiscal year to date to finish the March 31st quarter with \$35,428,383 in total assets. Mr. Brennan reviewed the contribution analysis for Polen returns. Security selection accounted for Polen performance under benchmark, mostly not holding Nvidia. Active managers have had difficulty keeping pace with the benchmark unless the managers hold the same securities.

Polen has trailed 9 of 10 quarters invested for the Board. The consultant recommends terminating Polen and moving the assets remaining with the manager to Fidelity Large Cap Growth benchmark holding. Mr. Cole further explained that the only current active growth manager beating the benchmark has taken considerable risk.

Mr. Brennan addressed the allocation to convertibles, initially added to the portfolio when fixed income assets had almost no returns. Convertibles more recently have not participated in the market upsides. The consultant recommends reducing the allocation by selling Polen -3.2 million and put +3.2 million into Fidelity Growth Cap Index. Sell -1 million and buy: \$200,000 Fidelity Large Cap Value, \$200,000 Vanguard Equity Income, \$400,00 Fidelity Midcap Index, \$200,000 Fidelity Small Cap Index, and 1 million Fidelity US Bond Index. The Board considered the rebalance. Polen alone has dragged longer term performance closer to average. The consultant affirmed the overall approach.

Attorney: Bonni Jensen (Klausner, Kaufman, Jensen & Levinson)

Ms. Jensen reported on 1099-R guidance memo for payment of disability pensions. Historically, plans reported such amounts as taxable amounts not determined. Administratively she recommends reporting accrued benefit amounts greater than 42% minimum reported as taxable. She also recommends including such amounts in the disability orders. Non-reportable presumptions do not appear to meet IRS threshold for a tax-free benefit.

Ms. Jensen reminded the trustees to file their Form 1 electronically by June 30th.

Administrator Report: Scott Baur (Resource Centers)

Mr. Baur presented 2023 Fiscal Year Actual Expenses and the 2025 Administrative Budget for review.

5. Benefit Approval

The benefits for consideration will be brought to the August meeting.

6. Plan Financials

Mr. Baur presented the Board with the Interim Financial Statement dated March 2024 for informational purposes. The interim financial statements were received and will be filed. He presented the Warrant dated May 22, 2024 for review.



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7. Other Business

No other business.

8. Public Comment

No members of the public had any comment.

There being no further business and the next meeting having been previously scheduled for August 28, 2024 at 9:00 AM. The meeting adjourned at 12:02 PM.

Respectfully Submitted,

Ryan Moore, Secretary