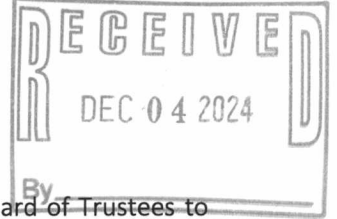




***Retirement Plan & Trust for Firefighters of the City of Clermont***  
**DRAFT Quarterly Meeting Minutes**  
**August 28, 2024**



1. Chair Judd Lent called a Quarterly Meeting of the Firefighters Retirement Plan Board of Trustees to order at 11:05 AM on August 28, 2024 in Council Chambers at the Clermont City Hall. Mr. Baur called roll. Those persons present included:

**TRUSTEES**

Judd Lent, Chair  
Ryan Moore, Secretary  
Adam Watkins, Trustee

**OTHERS**

Scott Baur & Kyle Tintle, Administrator (Resource Centers)  
Bonni Jensen, Attorney (KKJL)  
Chuck Carr, Actuary (Southern Actuarial Services)  
Larry Cole, Investment Consultant, (BCA)  
Chuck Landers, Auditor (Saltmarsh - electronically)  
Nadine Ohlinger (City of Clermont, HR Director)  
Nancy Zaccardi (City of Clermont, HR Manager)  
Scott Borrer (City of Clermont, Finance Director)  
Brian Bulthuis (City of Clermont, City Manager)

2. **Extraordinary (Exigent) Circumstances for Trustees Joining Electronically**

There were no Trustees joining electronically.

Ms. Jensen advised Ryan Moore cannot be reappointed without an additional Trustee present.

3. **Minutes**

The minutes for the May 22, 2024 workshop were reviewed.

Ryan Moore made a motion to approve the minutes for the May 22, 2024 workshop. The motion received a second from Judd Lent, approved by the Trustees 3-0.

Adam Watkins made a motion to approve the September 30, 2023 Audit. The motion received a second from Ryan Moore, approved by the Trustees 3-0.

4. **Reports:**

**Actuary, (Chuck Carr, Sothern Actuarial Services)**

Mr. Carr presented the October 1, 2024 valuation report which determines the contribution requirement for 2024-25. The Board had no benefit or assumption changes. He noted that the average age of the members increased by almost 1 year and service increased by almost 2 years. He further reviewed the reconciliation of active members by terminations of 5 younger members. The city hired replacements, but they will not show up until next year's valuation report. The service purchases are neutral at purchase, but they can affect service over time. DROP members are neutral to the retirement plan. The city has an advanced employer contribution of \$1,081,745 which they can use. Based on expectations of earnings and the Chapter 175 premium tax, the city has a required contribution of 36.48% for the fiscal



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year 2025. Mr. Carr reviewed the gains and losses. Without smoothing, the plan had a gain from investments but demographics had a significant impact, more than offsetting the investment results.

**Adam Watkins made a motion to approve the October 1, 2023 Actuarial Valuation. The motion received a second from Ryan Moore, approved by the Trustees 3-0.**

**Quarterly Investment Report: Investment Consultant, (Larry Cole, Burgess Chambers Association - BCA)**

Mr. Cole reported the markets have become very concentrated, even more than the time of the dot-com bubble. The top 10 stocks in the S&P index account for 37% of the index, 30% of the return, and 15.3% year to date result from one stock. He noted that 57% of index gains results are from 5 companies. The market has begun to broaden for the current quarters. The companies may have created a market bubble; Nvidia in 6 months has added more to the market than the entire value of Amazon. The top 3 names make up 30% of the Russell 1000 index benchmark. Most diversified managers failed to keep up with the benchmark as a result. Polen in particular detracted from the recent plan relative performance. The peer group ranking for Clermont have also fell considerably. The Federal Reserve Board is likely to cut interest rates once or twice in 2024. Rate cuts should also boost the fixed income holdings.

The current assets overweight domestic equities and fixed income assets. The broadening diversification of assets detracted from long term performance. The assets returned 0.1% for the June 30, 2024 quarter compared to 1.5% for the benchmark. The 12.3% gain for the fiscal year to date also trails the benchmark, almost all due to Polen. The plan had \$36,024,966 total assets as of June 30, 2024. Mr. Cole recommended the board terminate Polen although the manager fared better for the longer periods. Judd Lent requested an explanation of why the board should continue with current investment program. If the Board could revisit the past, they would not have hired Polen. The overall asset allocation considers returns relative to risk.

**Adam Watkins made a motion to instruct SEI to immediately liquidate 100% of the Polen Focus Growth Collective Investment Trust and wire the proceeds to Salem Trust. Salem Trust is directed to buy \$3,310,563 of the Fidelity Large Cap Growth Fund. In addition purchase \$500,000 of the Fidelity US Bond Index. The motion received a second from Ryan Moore, approved by the Trustees 3-0.**

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

Ms. Jensen reviewed the new directions provided by the IRS regarding reporting of disability pension payments. She advised the 42% default as non-taxable including cancer presumption. When the Board grants further disability benefit, the order will break down the amounts to be reported as taxable. Ms. Jensen does not propose to revisit reporting taxable amounts for any member previously approved disability benefits. She provided a memo of proposed meeting dates for 2025. The change to the memo was that the August meeting will be on Wednesday, August 27, 2025 at 11:00 AM. Kathryn Falcon will need to complete and submit a final Form 1-F. It was noted the Firefighters agreed to a CBA that includes pension benefits changes. Ms. Jensen will try to expedite the disability review for Bill Harrison and the IME review. The primary doctor's information has been received but there are physician reports still missing. Mr. Harrison does not have a primary diagnosis. His doctor did say he was totally and



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permanently disabled and cannot perform even in a light duty position. He has COPD and additional issues, but COPD alone will make him unfit to continue working as a firefighter.

**Administrator Report: Scott Baur (Resource Centers)**

Mr. Baur presented 2023 Fiscal Year Actual Expenses and the 2025 Administrative Budget for review. He reported that the 2023 Annual Report has been approved by the state and the 2023 Premium Tax Distribution is \$412,759.48. The previous year's amount was \$394,387.77 for the 2022 Premium Tax Distribution. Mr. Baur provided an updated 2024-25 conference schedule for the board.

Adam Watkins made a motion to approve the actual expenses for 2023 and the Administrative Budget for FY25. The motion received a second from Ryan Moore, approved by the Trustees 3-0.

**5. Benefit Approval**

A retirement benefit for Kathy Johnson was presented for review.

Ryan Moore made a motion to approve the retirement benefit for Kathy Johnson. The motion received a second from Judd Lent, approved by the Trustees 3-0.

**6. Plan Financials**

Mr. Baur presented the Board with the Interim Financial Statement dated July 2024 for informational purposes. The interim financial statements were received and will be filed. He presented the Warrants dated May 22, 2024 and August 28, 2024 for review.

Ryan Moore made a motion to approve the warrants dated May 22, 2024 and August 28, 2024. The motion received a second from Judd Lent, approved by the Trustees 3-0.

**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 December 4, 2024 at 11:00 AM. The meeting adjourned at 12:32 PM.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read 'Ryan Moore'.

Ryan Moore, Secretary

Judd Lent, Chair