



City of Clermont
Retirement Plan and Trust for the Police Officers
DRAFT Quarterly Meeting Minutes
MAY 22, 2024

1. Jimmie Harper called the meeting of the Retirement Plan and Trust for the Police Officers Board of Trustees to order at 9:00 AM, May 22, 2024 in Council Chambers at the Clermont City Hall. He called roll, there was a quorum. Those persons present included:

TRUSTEES

Jimmie Harper, Secretary
Kelly Cartier
Mark Marshall
John Baker

OTHERS

Scott Baur, Administrator, Resource Centers
Bonni Jensen, Attorney, Klausner Kaufman Jensen & Levinson
Larry Cole & Mitchel Brennan, Investment Consultant, BCA
Scott Borrer, Clermont Assistant Director of Finance
Nadine Ohlinger, Human Resources, City of Clermont
Brian Bulthuis, City Manager, City of Clermont
Nancy Ziccardi, Human Resources Manager, City of Clermont
Electronically:
John Graczyk, Police Officer, City of Clermont

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

No Trustee joined the meeting electronically.

3. **Approval of the Minutes**

The Trustees reviewed minutes for February 28, 2024.

Kelly Cartier made a motion to approve the Minutes for February 28, 2024 as amended. John Baker seconded the motion. The motion was approved by the Trustees, 4-0.

4. **Reports**

a) Mitchell Brennan, Investment Consultant (Burgess Chambers Associates)

Mr. Cole reviewed the current market environment and changing rate cut expectations. Markets have become very sensitive to direction and updates by the Fed. Markets remain very narrow with a small number of companies driving returns with AI themes. In 2023 there were 7 stocks which accounted for the majority of gains with all other stocks only up 6% on average. Inflation remains persistent, with housing and auto insurance contributing significantly to headline numbers. The market is now expected to have fewer rate cuts this year. BCA will continue to recommend increasing the allocation to fixed income assets.

Mr. Brennan reported assets increased by \$1,417,570 for the March 31st quarter for a gain of 4.5% compared to 4.5% compared to 4.6% for the benchmark. Returns for Polen have improved but continue to trail the growth index. EuroPacific growth returns were also impacted. The Board reviewed the rebalancing proceeds from Predex, so the consultant will make further rebalancing recommendations. Mr. Brennan reviewed the Polen results in further detail. Securities selection detracted from performance, particularly for not holding Nvidia in the portfolio, detracting 7% from benchmark performance. Polen has underperformed 9 out of 10 quarters for Clermont. Mr. Brennan recommended the Board move the remaining Polen allocation to Fidelity Large Cap Growth Index holding. Polen continues with a very concentrated portfolio, adding risk compared to the benchmark. The move



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removes the risk from the portfolio. Kelly Cartier questioned continued expectations from Polen compared to the benchmark. Growth managers in general have not kept up with the benchmark without considering risk in a few holdings. The investment monitor recommended the following rebalances: sell \$2.8 million of Polen, buy \$2.8 million of Fidelity Growth Index fund, sell \$1 million of iShares convertible bonds, and buy the following: \$100,000 of Vanguard Equity Income, \$100,000 Fidelity Mid Cap Index, \$100,00 Fidelity Small Cap Index, \$1 million Fidelity US Bond Index.

Kelly Cartier made a motion, based on the recommendation of the consultant, to approve the rebalancing. John Baker seconded the motion. The motion was approved by the Trustees, 4-0.

The assets have gained 13% so far for the fiscal-year-to-date and finished the March 31st quarter with \$32,534,947 in total assets.

b) Bonni Jensen, Attorney Report (Klausner Kaufman Jensen & Levinson)

Ms. Jensen reported on the IRS amended requirements for reporting disability pension payments. The 1099-R guidance memo detailed the changes for reporting disability pension payments. Historically, plans reported such amounts as “taxable amounts not determined”. She recommends including such amounts in the disability orders and to include these amounts going forward. Ms. Jensen did not recommend revisiting the manner of reporting for any existing disability pension payments.

Ms. Jensen will hold off on collecting from Jeremy Kevitt until the next meeting. She reminded the Trustees to file their Form 1 financial disclosure form electronically through the State of Florida’s Commission of Ethics website. John Baker has not filed but the other Trustees in attendance have filed.

c) Scott Baur, Administrator Report (Resource Centers)

Mr. Baur presented the FY2023 Actual Expenses and FY2025 Administrative Budget. He explained the purpose of the document and noted the budget belongs to the Board.

4. Benefits Approvals

The Trustees reviewed the benefits for May 22, 2024. Jimmie Harper abstained from voting and a Form 8b will be sent to him.

Mark Marshall made a motion to approve the benefits dated May 22, 2024. Kelly Cartier seconded the motion. The motion was approved by the Trustees, 3-0.

5. Audit Report – Chuck Landers (Saltmarsh, Cleavland & Gund)

Mr. Landers presented the Final Audit Report; his assessment is a clean, unmodified opinion on the final audit report. He reviewed additional GASB schedules included in the audit report.

Kelly Cartier made a motion to approve the Audited Financial Statements as presented. John Baker seconded the motion. The motion was approved by the Trustees, 4-0.



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6. Plan Financials

The Trustees received the interim financial statement for March 31, 2024. The Warrants for May 22, 2024 were reviewed by the Trustees.

Jimmie Harper made a motion to approve the Warrant dated May 22, 2024. Mark Marshall seconded the motion. The motion was approved by the Trustees, 4-0.

6. Other Business

No other business

7. Public Comment

No public comment

8. The next pension board meeting will be Wednesday, August 28, 2024 at 9:00 AM.

Jimmie Harper made a motion to adjourn the quarterly meeting. Kelly Cartier seconded the motion. The motion was approved by the Trustees, 4-0.

9. Jimmie Harper called the meeting adjourned at 10:22 AM.

Chair_____

Secretary_____

Date_____