



City of Clermont
Retirement Plan and Trust for the Police Officers
DRAFT Quarterly Meeting Minutes
NOVEMBER 29, 2023

1. Jason Sayre called the meeting of the Retirement Plan and Trust for the Police Officers Board of Trustees to order at 9:00 AM, November 29, 2023 in Council Chambers at the Clermont City Hall. He called roll, there was a quorum. Those persons present included:

TRUSTEES

Jason Sayre, Chair
Jimmie Harper, Secretary
Kelly Cartier
Mark Marshall
John Baker

OTHERS

Scott Baur & Kyle Tintle, Administrator, Resource Centers
Sean Sendra, Attorney, Klausner Kaufman Jensen & Levinson
Mitchel Brennan & Larry Cole, Investment Consultant, BCA
Scott Borrer, Clermont Assistant Director of Finance
Bonni Jensen, Attorney, Klausner Kaufman Jensen & Levinson
Nancy Ziccardi, Human Resources, City of Clermont
Nadine Ohlinger, Human Resources, City of Clermont
Tracie Howe, City Clerk, City of Clermont

The oath of office was administered by Tracy Howe to Kelly Cartier and Mark Marshall.

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

No Trustee joined the meeting electronically.

3. **Election of Board Offices**

New officers were needed to be elected.

Jason Sayer nominated Jimmie Harper as Board Secretary. John Baker seconded the nomination. Approved by the Trustees, 4-0.

Mark Marshall nominated Jason Sayer as Board Chair. John Baker seconded the nomination. The motion was approved by the Trustees, 4-0.

4. **Approval of the Minutes**

The Trustees reviewed minutes for August 23, 2023. It was noted that the motion for adjournment had a motion by Ross Hutto and a second by Chris Martin. The minutes will be amended to show the adjournment motion was made by Jimmie Harper and a received a second by John Baker.

Jason Sayer made a motion to approve the Minutes for August 23, 2023 as amended. John Baker seconded the motion. The motion was approved by the Trustees, 5-0.

5. **Reports**

a) Mr. Cole and Mitchell Brennan, Investment Consultant (Burgess Chambers Associates)

Mr. Cole explained his role as investment consultant for the new trustees. He reported that the markets had a disappointing September 30th quarter. The assets returned -3.2% for the period but have since regained lost ground. Consumers continue to spend, unemployment remains low, and the economy is strong. The plan finished the September 30th quarter with \$28,217,344.84 in total assets. The assets are in line with investment policy targets. Mr. Cole does not recommend any changes. For the 1 year period



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the portfolio returned +8.0% gross and +7.6% net compared to the 10.1% for the target index. Concentrated returns from the 7 large tech stocks accounted for 20% of the S&P 500 and 80% of the market returns accounting for the underperformance during the last 18 months. The 7 stocks returned 92% on average year to date, while the S&P equal weight index actually has a negative return. Polan does not own all of the Magnificent 7 stocks and not with the same concentration. Mr. Cole does not foresee so much as a bubble in the market but a rotation in the market. He believes that the current portfolio holdings should outperform going forward with attractive valuation.

The Board considered the Polen allocation. Mr. Cole recommends the Board give the manager time. The plan has 3.5% cash, which is adequate for now, and the cash allocation yields 5%. The city manager noted that the portfolio likely failed to meet the 7% target return, which may in turn cause the city contributions to increase. He provided a brief history of city contributions.

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

Ms. Jensen reported that the state of Florida issued only vague guidance for the comprehensive report due by December 15th. The pension attorneys therefore collaborated to create a uniform report template consisting of a one-page affidavit of compliance along with the updated investment policy adopted by the Board. The updated investment policy indicates that the Board invests assets only on pecuniary factors rather than any ESG (Environmental, Social and Governance) considerations. Ms. Jensen provided guidance for investment managers to vote proxies. The Resource Centers will file the report by December 15th.

Ms. Jensen has not heard from Jeremy Kevitt after asking him to return the benefit payments. The Board found him to have forfeited his pension. He owes about \$85,000 back to the plan. Jason Sayre asked how they recover the funds. Ms. Jensen advised the Board can file a lawsuit. Jason Sayre weighed the legal expense against a potential recovery. He weighed the responsibility to recover the funds. Ms. Jensen suggested she can try to call Mr. Kevitt's criminal defense attorney. The Board may be able to garnish his wages if he gets a job. The Board may also consider a settlement. The topic will be added to the agenda for the next meeting for further discussion. Ms. Jensen briefly detailed the case history. It was noted Jeremy Kevitt resides locally.

e) Scott Baur, Administrator Report (Resource Centers)

Mr. Baur informed the Trustees that the plan has been registered for the Bi-annual comprehensive report to be submitted by December 15th. He provided the 2024 proposed meeting dates and the 2024 upcoming conference list.

Mr. Baur discussed smoothing of investment gains and losses. He talked about the timing of smoothing and the Board discussion from the August meeting. Ms. Jensen advised most plans do apply smoothing to the returns. The Board considered contributions and budgeting advantages and any disadvantages of smoothing.

Kelly Cartier made a motion to implement a 5-year smoothing by the actuary. John Barker seconded the motion. The motion was approved by the Trustees, 5-0.



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4. Benefits Approvals

The Trustees reviewed the benefit approvals for November 29, 2023.

Jason Sayre made a motion to approve the benefit approvals dated November 29, 2023. Jimmie Harper seconded the motion. The motion was approved by the Trustees, 5-0.

The Board has the share distributions. Mr. Baur reviewed the funding of the share accounts which are being updated.

5. Plan Financials

The Trustees received the interim financial statement for September 30, 2023. The Warrants for November 29, 2023 were reviewed by the Trustees.

Jason Sayre made a motion to approve the Warrant dated November 29, 2023. Jimmie Harper seconded the motion. The motion was approved by the Trustees, 5-0.

6. Other Business

The Resource Centers has already received data from the city.

7. Public Comment

There was no public comment.

8. The next pension board meeting will be Wednesday, February 28, 2024, at 11:00 AM.

Kelly Cartier made a motion to adjourn the quarterly meeting. Jason Sayre seconded the motion. The motion was approved by the Trustees, 5-0.

9. Jason Sayre called the meeting adjourned at 11:02 AM.

Chair

GH/S-139

Secretary

JH 207

Date

2/28/24

