

Board of Trustees, Eustis Police Officer's Retirement System

Meeting Minutes

Wednesday, February 9, 2022, 10:30 A.M.

City Commission Chamber

Trustees Present: Gary Winheim, Chairman
Diane Thompson, Secretary
Ken Toler, Trustee
Chris Horst
Kenneth Birkhofer

Others Present: Francheska Sabatini, Stone & Gerken
Tom Jones, Wells Fargo Advisors
Amanda Kish, Pension Resource Centers
Steven Stack, Highland Capital
Pete Strong, GRS

1. CALL TO ORDER

Gary Winheim called the meeting to order at 10:30 A.M. The Board acknowledged that a quorum was present, and the meeting was properly noticed.

2. PUBLIC COMMENT

3. ITEMS FOR APPROVAL

The Board reviewed the Minutes of the meeting held on February 9, 2022.

Chris Horst made a motion to approve the Minutes for the meeting held on February 9, 2022. Kenneth Birkhofer seconded the motion, approved unanimously by the Board.

The Board reviewed the Interim Financial Statements and Expense Approval

Kenneth Birkhofer made a motion to approve the Interim Financial and Expense Approval Chris Horst seconded the motion approve unanimously by the Board.

4. REPORTS

a. 2021 Actuarial Valuation: (Peter Strong, GRS)

Mr. Strong stood before the Board to present the 2021 Actuarial Valuation. The Employer contribution for 2022 had a slight increase of 0.81%. %. The total required employer contribution will be \$\$1,131,011 or 48.72% of covered payroll. The rate of investment return was reduced from 7.00% to 6.90% This assumption change caused the required City contribution to increase by 1.67% of covered pension payroll. There was a net actuarial experience loss of \$213,694.00. The net loss was due to

investment return. The loss was for years 2018, 2019 and 2020. Due to higher-than-expected average salary increases for continuing active members (15.6% actual average increases versus 6.0% expected) and more retirements than expected (4 actual versus 2 expected). The Plan's funded ratio increased from 82.3% to 82.3%. Mr. Strong continued to review the report. Mr. Strong suggested lowering the investment return 6.5%. The Board held a discussion.

Gary Winheim made a motion to approve the 2021 Actuarial Valuation. Ken Toler seconded the motion, approved unanimously by the Board.

Gary Winheim made a motion to approved lowering the Investment Return 10 basis point in the next valuation. Kenneth Birkhofer seconded the motion, approved unanimously by the Board.

b. Investment Consultant: (Wells Fargo, Tom Jones & Mark Holder)

Mr. Jones reviewed the March 31, 2022, report stating the total return for the quarter was -5.2% compared to the benchmark of -5.2%. The Fiscal year -0.5% versus the return 1.7%. The total portfolio decreased to \$24,913,589 for the quarter. He reviewed the performance for the quarter stating that International Equity was down at -0.1% and Highland Capital was -0.7% below the benchmark at 0.6%. Integrity Fixed Income return above the benchmark at -5.6%. The iShares were slightly below with the benchmark -6.0%. Clearbridge was below the benchmark at -11.7% and Confluence was below the benchmark at -4.3%. Mr. Holder informed the Board that portfolio no changes need to be made at this time.

c. Investment Manager Report: (Highland Capital, Steve Stack)

Steve Stack provided a report on the Domestic and International Equity Investment portfolio for the quarter ending March 31, 2022. He reviewed the market and consumer confidence. Th market is changing and is a bear market. He reported that the Value return for the quarter was 0.52% versus the benchmark of -0.74% The International return for the quarter was -7.35% versus the benchmark of -5.44% Mr. Stack continued to review the report.

d. United Southern: (Andre B. Nacaxe)

Mr. Nacaxe informed the Board of the system conversion United Southern went through to allow retirees have their insurance deducted pre-taxed from their pension checks. The pre-tax deductions will allow the members to be eligible for the \$3,000.00 tax inclusion.

e. Attorney Report

Mrs. Sabatini addressed the share allocation and distribution of the share accounts. She addressed the share form and the rollover option.

f. Administrative Report:

Mr. Baur informed the Board about the Form 1 filling. The form 1 should be filled before July 1st to supervisor of elections in the City or Town you reside in.

Mr. Baur presented generic signature authorization memo. He stated that the generic signature authorization can be provided to other service provide to expediate hiring and

investment process.

Kenneth Birkhofer made a motion to approve the Authorizing Signature. Diane Thompson seconded the motion, approved unanimously by the Board.

Mr. Baur presented a fee increase for Administrative Services. The fee increase would be a \$200.00 fee increase to the administrative retainer. The Board held a discussion regarding the fee increase.

Kenneth Birkhofer made a motion to approve fee increase to Resource Centers. Diane Thompson seconded the motion, approved unanimously by the Board

5. NEW BUSINESS

6. OLD BUSINESS

7. SCHEDULE NEXT MEETING Wednesday, August 10, 2022, at 10:30 A.M.

8. ADJOURNMENT The meeting adjourned at 11:21 A.M

Signed, Secretary Board of Trustees