

Board of Trustees, Eustis Police Officer's Retirement System

Meeting Minutes

Wednesday May 8th, 10:30 A.M

Conference Room

Trustees Present: Gary Winheim, Chairman
Diane Thomas, Secretary
Kenneth Birkhofer, Trustee
Chris Fiedler, Trustee

Others Present: Amanda Kish, Pension Resource Centers
Andre Nacaxe, United Southern
Tom Jones, Wells Fargo
Steve Stack, Highland Capital
Cynthia O'Donnell, Stone and Gerken
Pete Strong and Israel Bichachi , 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 14, 2024.

Kenneth Birkhofer made a motion to approve the minutes for February 14, 2024, Diane Thomas 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. Diane Thomas seconded the motion approved unanimously by the Board.

The Board reviewed the presented benefit approval dated May 8, 2024.

Kenneth Birkhofer made a motion to approve the benefit approval dated May 8, 2024. Diane Thomas seconded the motion approved unanimously by the Board.

4. REPORTS

a. Actuary Report (Pete Strong, GRS)

Mr. Strong presented the fiscal year 2023 actuarial report. He reviewed the City Employee contribution. The employer contribution increased the plan due to unfavorable. The investment was lower than expected. The employee contribution rate decreased due to assumed lower salary assumption. The plan increased the funding ratio on funding value. The current actuarial funding ratio had a decrease from 77.2% to 72.5%. Mr. Strong reviewed the member participant stating that the fund went from 33 active police officers to 44. Mr. Strong continued to review the employee contributions. Mr. Strong reviewed the history of investment; he stated that the investment return has been below investment return since 2006. Mr. Strong informed the Board that strong returns will help with the funding ratio. Mr. Strong continued to review the report.

Mr. Strong recommended an experience study for the plan. The Board requested to have discussion in November about the experience study.

Gary Winheim made a motion to approve the 2023 Valuation. Ken Birkhofer seconded the motion approved unanimously by the Board 4-0

Gary Winheim made a motion to approve the investment return assumption of 6.7% for next year, next several years and the long term thereafter. The motion received a second from Diane Thomas approved by the Trustees 4-0

Investment Consultant Report (Tom Jones, Wells Fargo)

Mr. Jones reviewed the performance of the portfolio for the quarter. The quarter's return for March 31, 2024 was 13.1% versus the benchmark of 10.9%. The fiscal year return was 27.5%. Mr. Jones recommended taking 2.00% US equity and allocated it to fixed income. He recommended taking 4% from US Equity and allocate 2% to cash and 2% fixed income.

Diane Thomas made a motion to approve the rebalancing of the portfolio. Ken Birkhofer seconded the motion approved unanimously by the Board 4-0

c. Manager Report (Steve Stack, Highland Capital)

Steve Stack provided a report on the Domestic and International Equity Investment portfolio for the quarter ending March 31, 2024. He discussed the current market environment and how the portfolio was affected. He addressed the inflation in the consumer industry. Mr. Stack reviewed the current employment rate and jobs. He reviewed each market sector in the portfolio and assets that were sold off. He reviewed the current portfolio increased from \$7 million to \$8 million. The quarterly return was 9.09%. Mr. Stack stated that the portfolio is in a good spot.

e. Attorney Report:

Mrs. O'Donnell updated the trustee terms on the commission agenda. The plan actuary stated that an impact statement will be required. Mr. Strong stated that his firm can produce an impact statement and provide it to the plan attorney.

Mr. O'Donnell will update the Trustee Rules and Procedures, adding the Trustee seats and terms.

f. Administrator Report:

Mrs. Kish presented the 2025 administrative Budget to the Board. She informed the Board that the budget is a requirement from the state and will be posted on the plan website.

Diane Thomas made a motion to approve the presented administrative budget. Ken Birkhofer seconded the motion approved unanimously by the Board 4-0

Mrs. Kish provided an update regarding share account balance and the online system. She informed the trustees that the online benefit calculator has been updated with 3 years of annual pay for all active members. Resource Centers IT department is currently working on the view access for share accounts.

The Board held a discussion regarding a member's buyback and if the interest was paid. Mrs. Kish informed the Board that she did not receive the interest payment. She stated that she will continue to communicate with the members.

5. NEW BUSINESS

6. OLD BUSINESS

7. SCHEDULE NEXT MEETING Wednesday, August 14, 2024, at 10:30 A.M.

8. ADJOURNMENT The meeting adjourned at 12:15 P.M

Signed, Secretary Board of Trustees