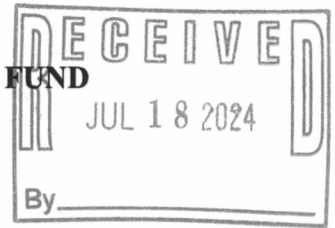


CITY OF FT. PIERCE POLICE OFFICERS' RETIREMENT TRUST FUND
MINUTES OF THE QUARTERLY MEETING HELD
March 21, 2024



A quarterly meeting for the Board of Trustees was called to order by on March 21, 2024 at 9:34 AM. Brian Mac Naught called roll.

TRUSTEES PRESENT

Brian MacNaught, Chair
Daniel Flaherty, Secretary
Carlos Villanueva, Trustee
Robie Troutman, Trustee
Frank Amandro, Trustee

OTHERS PRESENT

Kyle Tintle, Resource Centers
Bonni Jensen, Klausner Kaufman Jensen & Levinson
Pete Strong, Gabriel, Roeder, Smith & Company
Burgess Chambers, Burgess Chambers & Associates (Electronically)

APPROVAL OF MINUTES

The Trustees reviewed the minutes for the quarterly meeting held on December 21, 2023.

Brian MacNaught made a motion to approve the quarterly meeting minutes help on December 21, 2023. Daniel Flaherty seconded the motion, approved by the Trustees 5-0.

ACTUARY REPORT

Mr. Strong, of Gabriel, Roeder, Smith & Co., appeared before the Board to present the Actuarial Valuation Report as of October 1, 2023. Included in the report is the Annual Employer Contribution for the Fiscal Year Ending September 30, 2024. The Chapter 185 premium tax receipts received for fiscal year end was \$544,239 on September 30, 2023 versus the prior fiscal year amount of \$453,086.

Ms. Jensen informed the Board of new legislation, which was submitted late in the legislative session, which would allow insurance companies to reduce the premium state tax. Her concern was that this legislation would reduce the 185 State monies. The feedback was the 185 monies would be preserved by language being adding to the bill. Mr. Strong noted the legislation was mostly regarding homeowners' insurance Chapter 175 monies. The Board held a discussion on the topic.

The Plan had a net experience gain for the year of \$1,057,494 which means the actuarial experience was less favorable than expected. The experience loss was due to investment return experience was \$572,156. There were also demographic experience losses of \$485,338 resulting from higher-than-expected increases (10.4% versus 4.9% expected for continue active members). The investment return on the Market Value of Assets was 7.7%.

The funded ratio was 84.6% before the additional UAAL payment. The funded ratio last year was 88.7%. If the Plan used market value as the basis for the valuation the total contribution rate would have been 11.72% and the funded ratio would have been 78.2%. The funded ratio on a market value basis was 77.7% last year.

Mr. Strong recommended an experience study to update the assumptions. He noted the last experience study was performed in 2014. The study could be completed in time for the September quarterly meeting.

Brian MacNaught made a motion to approve the actuary to perform an experience study. Frank Amandro seconded the motion, approved by the Trustees 5-0.

Brian MacNaught made a motion to approve and adopt the Actuarial Valuation Report as of October 1, 2023. Daniel Flaherty seconded the motion, approved by the Trustees 5-0.

Frank Amandro made a motion based on the advice of the Investment consultant; the Board expects to get a 6.75% return for the next year, the next several years, and for the long term thereafter. Daniel Flaherty seconded the motion, approved by the Trustees 5-0.

Ms. Jensen provided a copy of the Ft. Pierce General Employees' Retirement System ordinance extending the length of the time a member can stay in the DROP from 5 years to 6. Mr. Strong was asked what effect it would have on the police pension plan. He did not think it would have a material effect on the plan. The trustees discussed a higher number of members in the DROP, an increase in hiring and the possibility of offsetting the number of DROP enrollees. Frank Amandro stated this plan should mirror the general plan.

Frank Amandro made a motion to direct Attorney Jensen to draft a letter to the city plan recommending the DROP period in the 185 Plan be expanded and should match that of the General Employees plan. A second to the motion was made by Carlos Villanueva, approved by the Trustees 5-0.

INVESTMENT CONSULTANT REPORT

Mr. Chambers appreciated the Board allowing him to attend remotely as he had a conflict. He presented the December 31, 2023 quarterly report. The fund gained \$1.59 million or +9.0% (8.9%), behind the strategic model (+9.7%) return. The top 3 earners were: mid cap (+12.9%), small cap (+12.4%), and infrastructure (+12.1%). Mr. Chambers reviewed the 1, 3, 5-year periods performance numbers. He highlighted the five-year annualized earnings rate of +7.9% net per year. The quarter ended with a market value of \$19,327,368, a gain of \$1,592,614. The dividend reinvestment program (DRIP) at MEPT remains suspended until conditions improve. The fiscal year, beginning on October 1st is up about 11%. He expects the Fed to cut interest rates.

ATTORNEY REPORT

Ms. Jensen reviewed the memos in the meeting packets. She informed the Board that the mileage rate for 2024 has gone up to \$0.67 per mile and the filing of the Form 1 is now exclusively done online. The confidentiality form will need to be refiled, as the previous requests were not transferred to the new electronic system, and the confidentiality request will be good for five years. As public safety officers the personal information, home address, can be private and the Trustees may use the address of the police station. Brian MacNaught requested the hyperlink to file electronically be put of the Resource Centers website for the Ft. Pierce Police.

A copy of the 6-year DROP ordinance for the General plan was included in the meeting packet for the Trustees to review. Ms. Jensen said the expanding the 185 DROP to 6-years could be attained through bargaining.

ADMINISTRATOR REPORT

Ms. Tintle informed the Board that the newly required comprehensive report which complies with House Bill 3, was submitted by December 15, 2023. She reported that the Resource Centers successfully completed another internal audit. The 2023 SSAE-18 SOC 1 Type 2 Audit (aka SOC 1) reported the auditor no exceptions, a completely clean audit report, which makes 16 years with the same results. The audit reviewed the internal controls and procedures established to avoid inadvertent errors and fraud. The auditor compares the controls and procedures to the actual workflow.

BANKING REPORT

Ms. Ward was unavailable to attend the meeting today and requested Ms. Tintle to present the quarterly banking report dated December 31, 2023. She reviewed the numbers and noted they remained consistent.

OTHER BUSINESS

Chair Brian MacNaught had other business to discuss. First, he raised the topic of lowering the vesting to 5 years from 10 years for discussion. Next, he informed the Board there were quite a few, 5 to 8, members of the police force who mistakenly were not contributing to the pension plan. The City has not been enrolling them in the plan and deducting their required contribution once the employee becomes a certified officer. Ms. Jensen suggested the Board request a quarterly of police officers contributing to the plan. Brian MacNaught wants to know where the problem is and how to stop this omission from reoccurring. A suggestion was made to wave what the officers owe. Ms. Jensen replied that is not possible but the repayment can be managed in a way not to burden the employee by stretching out the pre-tax contributions over several months.

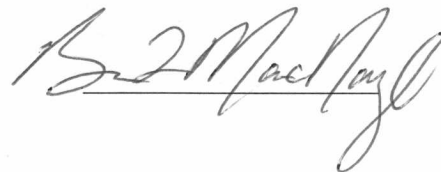
PUBLIC COMMENTS

No Public Comment.

Frank Amandro made a motion to adjourn the meeting. Daniel Flaherty seconded the motion, approved by the Trustees 5-0.

There being no further business and the next meeting is scheduled for Thursday, June 20, 2024, at 9:30 AM. The meeting adjourned at 10:45 AM by Brian MacNaught.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Brian MacNaught", written over a horizontal line.