

**CITY OF FT. PIERCE POLICE OFFICERS' RETIREMENT TRUST FUND
MINUTES OF MEETING HELD
MARCH 18, 2021**

A quarterly meeting of the Board of Trustees was called to order by Daniel Flaherty on March 18, 2021 at 9:34 AM. Daniel Flaherty called roll and a quorum was present.

TRUSTEES PRESENT

Daniel Flaherty
Carlos Villanueva
James Grecco
Frank Amandro

OTHERS PRESENT

Bonni Jensen, Klausner Kaufman Jensen & Levinson
Scott Baur, Alison Lichter, and Kyle Tintle, Resource Centers
Burgess Chambers, Burgess Chambers & Associates
Pete Strong, Gabriel, Roeder, Smith & Company
Christine Paz, City of Ft. Pierce

There were no extraordinary circumstances as the Trustees were present. Electronic access is available via RingCentral for the Public to join the meeting remotely.

APPROVAL OF MINUTES

The Trustees reviewed the minutes of the quarterly meeting and held on March 18, 2021.

Frank Amandro made a motion to approve both the quarterly meeting minutes held on March 18, 2021. Carlos Villanueva seconded the motion, approved by the Trustees 4-0.

ACTUARY'S REPORT & PRESENTATION OF THE 2020 ACTUARIAL VALUATION

Mr. Strong, of Gabriel, Roeder, Smith & Co., appeared before the Board to present the 2020 Actuarial Valuation. Included in the report is the Annual Employer Contribution for the Fiscal Year Ending September 30, 2021. The Chapter 185 premium tax receipts received for fiscal year end was \$412,335 on September 30, 2020 versus the prior fiscal year amount of \$402,063.

The City's total contribution requirement was \$280,334 on October 1, 2020. The balance of the excess contribution reserve with interest, increased to \$821,067 compared to \$767,352 as of September 30, 2020. The excess of \$132,001 was added to the excess contribution reserve. Beginning October 1, 2019 future excess contributions will be used to reduce the Unfunded Actuarial Accrued Liability (UAAL) is fully paid off. The Plan had a net experience gain for the year of \$5,570, which means the actuarial experience was slightly more favorable than expected. The experience gain was primarily due to more terminations of employment than expected (expected 8 versus actual 15) and more retiree deaths than expected (expected 1 versus actual 2). The funded ratio was 90.2% before the additional UAAL payment. The funded ratio last year was 89.5%. If the Plan used market value as the basis for the valuation the total contribution rate would have been 10.59% and the funded ratio would have been 89.4%. The funded ratio on a market value basis was 87.7% last year. Mr. Strong recommended further lowering the investment return assumption, as 7.00% is in the higher end. He believes a more appropriate assumption would be in the range of 6.25% to 6.75%. It was noted that the average actual investment return on the market value of assets has been 7.0% over the last 5 years and 6.4% over the last 10 years. A discussion was held on the lowering the investment return assumption. The Board decided to revisit lowering the investment return assumption at the end of the fiscal year.

Frank Amandro made a motion to approve the Actuarial Valuation as of October 1, 2020. Daniel Flaherty seconded the motion, approved by the Trustees 4-0.

Frank Amandro made a motion based on the advice of the Investment consultant; the Board expects to get a 7% return for the next year, the next several years, and for the long term thereafter. Carlos Villanueva seconded the motion, approved by the Trustees 4-0.

BANKING REPORT

Christine Paz presented the banking reports for the quarters ending on September 30, 2020 and December 30, 2020, gave a review of the members in the DROP, and presented the members entering the DROP for the Boards review. She informed the Trustees that Todd Warner, will be entering the DROP on June 9, 2021 once he is eligible. Ms. Paz will be wiring the excess cash of \$300,000 to SunTrust as directed by the Board.

Daniel Flaherty made a motion approving Guy Montgomery's entry into the DROP. Jim Grecco seconded the motion, approved by the Trustees 4-0.

Daniel Flaherty made a motion approve the DROP exit for Robert Ridle. Jim Grecco seconded the motion, approved by the Trustees 4-0.

INVESTMENT CONSULTANT REPORT

Mr. Chambers presented an investment summary for the quarter ending December 31, 2020. The Fund had a market-based gain of \$1.8 million or +10.8% (+10.7% net) and ranked in the 34th percentile. The top performing assets were: FMI Common Stock (+25.3%), SPDR Barclays Convertibles (+22.1%), and EuroPacific Growth (+20.1%). The target equity allocation of 63% is more conservative than the typical defined benefit plan at 70%.

Mr. Chambers reviewed the managers and products: Large-Cap core (blend) one year results averaged 13.4% (40); convertibles 54.0%; International Equity 25.9%; REITs -11.3% but showed a good comeback reporting +12.9% in the first quarter of the fiscal year. The Private Real Estate, MEPT Fund (CF) was at 1.4 for the 1 year; Fixed Income at 5.8%; the cash in the account will be swept from the SunTrust account. Mr. Chambers did an investment policy review noting the Fund's 12 month performance (gross) achieved the strategic model goal and the +7.00% actuarial return assumption. He will continue to monitor the markets and the Fund and will contact the Board if any action is necessary between meetings.

ATTORNEY REPORT

Ms. Jensen reviewed the Best Practices for Locating Missing or Nonresponsive Participants and Beneficiaries for the Board. She highlighted the best practices from the Department of Labor (DOL) which supplement the original guidance from the IRS. Performing due diligence to locate former members or their beneficiaries is part of the fiduciary responsibilities of the Board. Ms. Jensen presented the final version of the updated Summary Plan Description (SPD) and reviewed the updates. Ms. Tintle will send an electronic version of the SPD to Jim Grecco to be distributed to the members of the Plan. The final item Ms. Jensen discussed was the Statement of Policy Regarding Contractual Provisions for Investment Managers. The Policy covers requirements for investment managers under Florida Statutes, noting Mutual Funds that the Plan invests in are expected to contain a provision that the Manager has a fiduciary relationship to the Mutual Fund itself. The Policy is a supplement to the agreement with BCA and the Plan and is to be reviewed by the Board every 3 years.

Daniel Flaherty made a motion approve the Statement of Policy Regarding Contractual Provisions for Investment Managers. Frank Amandro seconded the motion, approved by the Trustees 4-0.

ADMINISTRATIVE REPORT

Mr. Baur updated the Board that the distribution from John Schramm's distribution was received and his final distribution will be sent representing the interest remaining in his account at the end of the quarter.

OTHER BUSINESS

Ms. Jensen confirmed that Klausner, Kaufman, Jensen & Levinson utilized the E-Verify system and a confirmation of their compliance has been sent to the Resource Centers.

PUBLIC COMMENTS

No Public Comment.

There being no further business and the next meeting being scheduled for Thursday, September 16, 2021 the meeting adjourned at 11:06 AM by Secretary Daniel Flaherty.

Respectfully submitted,
