

**CITY OF FT. PIERCE POLICE OFFICERS' RETIREMENT TRUST FUND**  
**MINUTES OF MEETING HELD**  
**March 17, 2022**

A quarterly meeting of the Board of Trustees was called to order by on December 16, 2021 at 9:37 AM. Brian MacNaught called roll and a quorum was present.

**TRUSTEES PRESENT**

Brian MacNaught, Chair  
Daniel Flaherty, Secretary  
James Grecco, Trustee  
Carlos Villanueva, Trustee

**OTHERS PRESENT**

Bonni Jensen, Klausner Kaufman Jensen & Levinson  
Kyle Tintle, Resource Centers  
Burgess Chambers, Burgess Chambers & Associates  
Karen Logue, City of Ft. Pierce, Finance  
Anna Ward, City of Ft. Pierce, Pension Analyst  
Peter Strong, Gabriel, Roeder, Smith & Company

No Trustees attended remotely so an exigent circumstances determination was not required. Chair Brian MacNaught called roll.

**ELECTION OF FIFTH TRUSTEE**

**A nomination for the fifth Trustee was made by Carlos Villanueva. He nominated Daniel Flaherty. The nomination received a second from Brian MacNaught. The Trustees voted and approved Daniel Flaherty as the fifth Trustee 3-0.**

**APPROVAL OF MINUTES**

The Trustees reviewed the minutes of the quarterly meeting held on December 17, 2021.

**Brian MacNaught made a motion to approve the quarterly meeting minutes held on December 17, 2021. Carlos Villanueva seconded the motion, approved by the Trustees 4-0.**

**ACTUARY**

Mr. Strong came before the Board to present the Actuarial Valuation report as of October 1, 2021. Included in the report is the Annual Employer Contribution for the Fiscal Year Ending September 30, 2022. The Chapter 185 premium tax receipts received for fiscal year end was \$435,343 on September 30, 2021 versus the prior fiscal year amount of \$412,335. The City's total contribution requirement was \$254,431 on October 1, 2021. The balance of the excess contribution reserve with interest, increased to \$878,542 compared to \$821,067 as of September 30, 2021. The excess of \$180,912 was added to the excess contribution reserve. The Plan had a net experience gain for the year of \$571,922 which means the actuarial experience was more favorable than expected. The experience gain was primarily due to the investment return experience of 9.1% on the Actuarial (smoothed) Value of Assets versus the 7.0% expected. The investment return assumption change to 6.75% down from 7.0%; this increased the annual required contribution by 0.8% of covered payroll, or \$57,253. The funded ratio was 94.6% before the additional UAAL payment and 93.0% after UAAL payment and assumption changes. The funded ratio last year was 91.0%. If the Plan used market value as the basis for the valuation the total contribution rate would have been 8.97% and the funded ratio would have been 100.4%. The funded ratio on a market value basis was 89.4% last year. Mr. Strong noted the demographics experienced a higher turnover, more members retiring or going into the DROP, and lower salary increases. He concluded the revenue from the Chapter 185, member contributions, and the excess contribution reserve are expected to fund the 185 plan. Mr. Strong is not recommending any changes at this time.

**Brian MacNaught made a motion to approve the Actuarial Valuation as of October 1, 2021. Daniel Flaherty seconded the motion, approved by the Trustees 4-0.**

### **INVESTMENT CONSULTANT REPORT**

Mr. Chambers began with an overview of the current economic environment; looking at the flattening of the yield curve and multiple interest rate increases throughout the year. He is optimistic for the long term of the stock market. In the short term the markets are volatile due to uncertainty, supply chain disruptions, and labor shortages. The rotation is going back to value stocks and away from growth. The returns for the quarter, the Fund earned \$719,000 or +3.8% (+3.7% net) for the period ending December 31, 2021 and ranked behind the strategic model (4.2%) , due in large part to emerging market exposure with the Euro-pacific product. The top performers were: Fidelity REIT (+14.9%), Fidelity large-cap core (+11.1%), and FMI common stock (+8.7%). Mr. Chambers covered the numbers for one, three, five years, and the since inception numbers of the portfolio. For the one-year period, the Fund earned \$2.2 million or +12.5% (+12.0% net) behind the strategic model (+12.9%). For the three-year period, the Fund earned \$6.9 million of +14.9% net per year compared to the model (+15.1%) and ranked in the 47<sup>th</sup> percentile. Mr. Chambers is not recommending any changes to the portfolio. He is waiting for the market to calm down before making any recommendations.

### **ATTORNEY REPORT**

Ms. Jensen provided an updated Special Tax Notice (STN) for the Plan. Effective January 1, 2020, if the member had not turned 70 ½ as of December 31, 2019, they may wait until the age of 72 to begin taking their required minimum distribution. She encouraged the Trustees to distribute the STN to members when there are questions about DROP distributions, rollovers or refunds. The document will answer most of the member's questions in regards to tax implications. Ms. Jensen informed the Board of the IRS mileage rate for 2022. She noted with rising gasoline prices there may possibly be a mid-year adjustment to the mileage rate as there has been in the past. There was nothing for Ms. Jensen to report on the COVID bill or involving pensions from this past legislative session. She reported that Florida Retirement System (FRS) enrollment in the DROP was increased from 5 years to 8 years.

### **ADMINISTRATOR REPORT**

Ms. Tintle informed the Board the request for the NewTower withdrawal request to be rescinded and the dividend will be reinvested. She requested the Trustees sign the authorized signor list for NewTower to update the information. Ms. Jensen recommended the Board sign authorized signer's lists annually for the custodian and plan investments.

### **BANKING REPORT**

Ms. Logue introduced Anna Ward to the Board as the new Pension Analyst for the City of Fort Pierce. Ms. Ward provided her contact information and a brief bio as she has worked for the City for 15 years in the IT department. She reported the State report was submitted in a timely manner on March 14<sup>th</sup>. Ms. Ward presented the financial report and requested the wire information from Ms. Tintle for Truist to wire the excess funds over the Board's agreed amount of cash on hand in the account.

### **OTHER BUSINESS**

There was no other business.

**PUBLIC COMMENTS**

No Public Comment.

There being no further business and the next meeting being scheduled for Thursday, June 16, 2022 at 9:30 AM. The meeting adjourned at 10:39 AM by Brian MacNaught, Chair.

Respectfully submitted,

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