

**CITY OF FT. PIERCE POLICE OFFICERS' RETIREMENT TRUST FUND  
MINUTES OF THE QUARTERLY MEETING OF SEPTEMBER 15, 2022**

A quarterly meeting for the Board of Trustees was called to order by on September 15, 2022 at 9:32 AM. Brian MacNaught, the attendees introduced themselves, a quorum was present.

**TRUSTEES PRESENT**

Brian MacNaught, Chair  
Frank Amandro, Trustee  
Carlos Villanueva, Trustee

**OTHERS PRESENT**

Scott Baur and Kyle Tintle, Resource Centers  
Burgess Chambers, Burgess Chambers & Associates (9:48 AM)  
Anna Ward, City of Ft. Pierce, Pension Analyst  
Bonni Jensen, Klausner Kaufman Jensen & Levinson

There were no Trustees joining the meeting remotely.

**MINUTES**

**Frank Amandro made a motion to approve the quarterly meeting minutes held on August 18, 2022. Carlos Villanueva seconded the motion, approved by the Trustees 3-0.**

The agenda was revised to accommodate Mr. Chambers. The Attorney repost will be first.

**ATTORNEY REPORT**

Ms. Jensen addresses a memo from the City in reference to the payment options for missing contributions to the 185 pension plan. Pension contributions were not collected from Kelvin Ramirez, due to a miscommunication and with no fault of his own. The City offered 2 options of repayment; he could make monthly payments or one lump sum payment. The Board discussed a third option of lengthening the number of months to decrease the amount of the payments. Ms. Ward will request the City offer the third option to Mr. Ramirez and will redistribute the updated memo to the Board. Brian MacNaught will contact Mr. Ramirez to update him on Board's discussion. The underlying issue is how to ensure that contributions are collected properly from members. It was noted that this was not the first time contributions were not collected in a timely manner. Several ideas were discussed, resulting in multiple checks and balances being put in place to avoid future errors. Ms. Jensen read the definition of Police Officer in the ordinance:

*"Police officer means an employee of the city who is certified or required to be certified as a law enforcement officer in compliance with F.S. § 943.14 holding the rank of patrol officer, including probationary patrol officer, or higher rank. The term "police officer" shall not include (1) any person who is employed in a civilian position in the police department, nor (2) any person who is temporarily employed as a police officer for an emergency, nor (3) any person who is privately employed as a police officer."*

Ms. Jensen asserted, based on the ordinance, an individual is a police officer once they are employed, certified, or required to be certified as a law enforcement officer and pension deductions should begin at that time. Frank Amandro agreed with Ms. Jensen that the contributions should begin as soon as the members are hired.

**A motion was made by Frank Amandro to request the City add a third option for Kelvin Ramirez to make a lower monthly payment for 26 months. Brian MacNaught seconded the motion. The motion was approved by the Trustees 3-0.**

**INVESTMENT CONSULTANT REPORT**

Mr. Chambers acknowledged that both stock and bonds were down in the past quarter. This is surprising because they usually run inversely. The past few days have been very bad for bonds.

It seems to Mr. Chambers that inflation is at an inflection point and is slowly getting better. International stocks have been outperformed by US stocks for about the last 14 years. The US dollar is still strong, one reason Mr. Chambers recommends staying the course. He reviewed the asset allocations then asked if the State 185 funds had been received. Ms. Ward confirmed the check for \$453,086.26 had been received. Mr. Chambers suggested the funds be sent to the custodian and held in cash until the next quarterly meeting in December. Based on the advice of the consultant, Ms. Ward will send the 185 state money to Truist, for the funds to be held in cash. He believes the Fed will raise interest rates again,  $\frac{3}{4}$  of a point or a full point to try and control inflation. The market driven paper losses were being recouped until about 3 weeks ago. The plan's actuary is conservative so the 4-year smoothing of the substantial gains from last year will help neutralize this year's losses. The current assumed rate of return of 6.75% is attainable with the smoothing.

The fund saw a market-based loss of \$1.9 million or -10.1% gross (-10.1% net) for the quarter that ending June 30, 2022. The one-year numbers the Fund was down \$2.2 million or -10.9% (-11.3% net), behind the bench (-10.5%). Mr. Chambers covered the returns for one, three, five years, and the since inception numbers of the portfolio. The 5-year gains were terrific +5.5% and they will be smoothed out over several years which will offset losses. He reflected on the real estate program (MEPT) earned +29.1% (+28.0% net) for one year, reflecting a strengthening commercial real estate market and rising prices.

### **ADMINISTRATOR REPORT**

Ms. Tintle presented the proposed meeting dates for 2023 and asked the Trustees if there were any conflicts, and there were none. She then reminded the Board of the upcoming educational opportunities available: the 51<sup>st</sup> Annual Police and Firefighters' Pension Trustee conference presented the Florida Department of Management Services Division of Retirement, scheduled for September 26<sup>th</sup> to the 28<sup>th</sup> in Orlando, Florida; the FPPTA 2022 Fall Trustee School will be held at the Renaissance Orlando Sea World on October 2<sup>nd</sup> through the 5<sup>th</sup>. The Trustees were asked to contact Ms. Ward if they intended to attend either program.

### **BANKING REPORT**

Ms. Ward reviewed the quarterly banking report dated June 30, 2022. She noted the numbers remained consistent.

### **OTHER BUSINESS**

Carlos Villanueva asked how long it will take to get the enhanced 8-year DROP as part of the police pension plan. Ms. Jensen replied the wait is to see what the big plan does. A discussion was held on the member's interest in the 8-year DROP. Ms. Tintle presented the DROP entry numbers for Jason Braun.

**Frank Amandro made a motion to approve Jason Braun entering the DROP. Brian MacNaught seconded the motion, approved by the Trustees 3-0.**

**Frank Amandro made a motion to have the actuary create an impact statement of an 8-year DROP contingent on the City's decision to extend the DROP to 8 years. Carlos Villanueva seconded the motion, approved by the Trustees 3-0.**

**Frank Amandro made a motion to modify the 185 definition of Police Officer to certified police officer or required to be certified, so all in this position will have pension contributions withdrawn as soon as hired. Carlos Villanueva seconded the motion, which passed 3-0.**

Ms. Jensen will adjust the language to reflect the modification.

**PUBLIC COMMENTS**

No Public Comment.

There being no further business and the next meeting being scheduled for Thursday, December 15, 2022 at 9:30 AM. The meeting adjourned at 10:11 AM by Brian MacNaught.

Respectfully submitted,

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