

# *City of Lake Mary Firefighters' Retirement System*

## **Meeting of November 4, 2022**

### **I. CALL TO ORDER**

Gabe Vella called the meeting to order at 7:30 AM. Those persons present included:

#### TRUSTEES

Gabe Vella, Chair  
Adam Neri, Secretary  
Martin Bel  
Jeff Koltun  
Elizabeth Stack

#### OTHERS

Scott Baur & Kyle Tintle, Administrator (Resource Centers)  
Frank Wan, Investment Consultant (Burgess Chambers Assoc.)  
Pedro Herrera, Attorney (Sugarman & Susskind - Electronically)  
Brent Mason, (Finance Director, City of Lake Mary)  
Jeffrey Amrose, Actuary (GRS)

### **II. EXTENUATING CIRCUMSTANCES**

There were none.

### **III. APPROVAL OF MINUTES**

The Board reviewed the Minutes for the meeting of August 5, 2022.

**Gabe Vella made a motion to approve the August 5, 2022 minutes. The motion received a second from Martin Bel, approved by the Trustees 4-0.**

### **IV. REPORTS**

#### **Actuary – Jeff Amrose (Gabriel, Roeder, Smith and Company)**

Mr. Amrose came before the Board to present the October 1, 2022 Actuarial Valuation for the City of Lake Mary Firefighters' Retirement System. The purpose of the valuation is to determine the employer contribution for the fiscal year ending (FYE) September 30, 2024. The employer contribution, based on this valuation, is \$851,287; the estimated State contribution is \$192,576; subtracting the State contribution equals \$658,711, which is the required employer contribution. Based on the October 1, 2021 valuation the total required employer contribution was \$620,308, \$192,576 from the State, and \$812,884 from the City for the FYE September 30, 2023. There were no changes or revisions to the Plan's benefits in the current valuation. The smoothed value of assets is used to recognize gains or losses over 5 years. The net actuarial loss \$706,859 was primarily due to investment losses, that was 4.7% versus the 7% assumed rate of return. The loss lowered the funded ratio to 96.6% compared to 98.6% the previous year. The actual contribution is based on the actual percentage of the actual payroll for the fiscal year. The required contribution was 30.24% of covered payroll. The actuarial value is different than the market value of assets. If the market value of assets had been used for the valuation, the City contribution rate would have been 31.21% and the funded ratio would have been 85.7%.

Adam Neri arrived at the meeting at 7:51 AM

Mr. Amrose explained when the assets go down it creates an opportunity for the pension plan. He knows the plan is in good shape compared to other plans he sees. Mr. Baur gave the Annual Member Benefit Statements produced by GRS to Gabe Vella to distribute.

**Gabe Vella made a motion to approve the Actuarial Valuation. The motion received a second from Elizabeth Stack, approved by the Trustees 5-0.**

Gabe Bella made a motion based on the advice of the Investment Consultant; the Board expects to get a 7% return on investment for the next year, the next several years, and for the long term thereafter. The motion received a second from Adam Neri, approved by the Trustees 5-0.

**Investment Consultant (Frank Wan, Burgess Chambers and Associates)**

Mr. Wan acknowledged the downturn in the markets. He said index funds are not performing. They are not all created the same; there are traditional index funds and niche index funds. Individual investors now have the opportunity to invest in funds only previously accessible by large institutions. The Plan was down \$940,000 or -4.3% net versus the bench down -4.9%, raking in the top 48%. For the 1-year period the Plan lost \$4.0 million or -16.0% net. The only positive returns were real estate, cash, and infrastructure. Mr. Wan reviewed the 3 and 5 year Plan results, +3.8% net and +4.7% net respectively. The premium tax distribution was \$215,151.54 which was deposited on August 23<sup>rd</sup> in the operating account. Fixed income manager, Eagle Assets Management, was terminated and Highland Capital will now be managing the fixed income portion of the portfolio. Mr. Wan reviewed the asset allocations, the past 17 years fiscal rate of return, and reminded the Board the investments are made for the long-haul not the short-term.

**Attorney Report (Pedro Herrera & Caroline Quill, Sugarman, Susskind, Braswell & Herrera)**

Mr. Herrera began by introducing Ms. Caroline Quill from his firm to the Board. She gave an overview of her experience in criminal and civil law. She has worked at the Miami-Dade State Attorney's office and interned at the US Attorney General's office in Washington, DC. She is joining Mr. Herrera to support the Lake Mary Firefighters' plan, among others.

Mr. Herrera said in the past his firm distributed holiday gift to the Trustees, as a holiday gesture for their working relationship. However, since COVID, his firm has made a charitable donation in the name of the Board to a local charity. He asked, if the Trustees were in agreement, his firm would like to make the donation to the Red Cross relief fund for Hurricane Ian, on the west coast of Florida, in the name of the pension plan. The Trustees were all in agreement and were thankful for the donation to the relief efforts.

Mr. Herrera explained there was no new legislation and the proposal to lower the Medicare age to 50 for first responders has stalled out. He does not think there will be any movement on it until after the midterm elections. Mr. Herrera discussed the upcoming educational opportunities: the FPPTA Winter Trustee School coming up in January 2023 and the Department of Management Services 51<sup>st</sup> Annual Police and Firefighters' Conference, in Orlando, December 13<sup>th</sup> to 15<sup>th</sup>. Mr. Baur requested the Trustees notify him of their intention of attending either event so registration or payment of hotel could be handled appropriately.

**Administrator (Scott Baur, Resource Centers)**

Mr. Baur described the upcoming electronic nomination and the voting procedure for Trustees. He said members will get a physical confirmation to document their participation when they cast their ballot. Mr. Baur reviewed the timeline for nominations, voting, and wrap-up. Gabe Vella will forward the memo detailing the process to the members.

The Board's fiduciary liability insurance was up for renewal. The Traveler's policy would be paid over a 3-year period, with an annual premium of \$3,820.92, totaling \$11,462.76. The Trustees discussed the cost and were assured the price was in-line with other policies. Mr. Baur provided a memo detailing the Resource Centers successful completion of the SOC1 audit type 2. An outside auditor reviews the internal controls and a procedure to ensure that what the company says it will do is what is being done. The company is the only known Administrator that goes through this process and has successfully passed the

audit for the past 15 years. The audit verifies the protection and security of the sensitive member data the firm possess.

Martin Bel departed the meeting at 8:48 AM.

Mr. Baur covered the updates to the Summary Plan Description (SPD) dealing with sick and vacation time. He will be updating the SPD for distribution for the members and the website. Mr. Baur reviewed the timeline for the processing of request; he detailed the steps involved and the turnaround time being 6 to 7 weeks. He added Jennifer has been very quick in providing the data.

## **V. PLAN FINANCIALS**

Mr. Baur presented the plan financial and benefit approvals for the Trustees to review.

The Trustees received, reviewed, and filed the interim financial statements through September 30, 2022.

The Board then reviewed the Warrant dated November 4, 2022, for payment of invoices.

**Gabe Vella made a motion to approve the warrant dated November 4, 2022. The motion received a second from Adam Neri, approved by the Trustees 4-0.**

Mr. Baur presented the Benefit Approvals for Joseph Landreville for review by the Trustees. After review of the Benefits a motion was made.

**Gabe Vella made a motion to approve the benefit approvals for Joseph Landreville. The motion received a second from Jeff Koltun, approved by the Trustees 4-0.**

## **VI. OTHER BUSINESS**

There was a question of who produces the statements. The annual member statements are produced by GRS and the Share Statements are produced by the Resource Centers.

## **VII. PUBLIC COMMENTS**

No members of the public had any comment for the Board.

## **VIII. ADJOURNMENT**

The next regular meeting is scheduled for February 3, 2023. Adam Neri made a motion to adjourn the meeting, Jeff Koltun seconded the motion, and the Board unanimously approved to adjourn the meeting at 9:04 AM.

Respectfully submitted,

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Adam Neri, Secretary