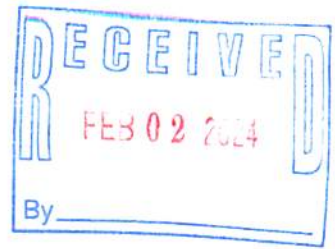


City of Lake Mary Firefighters' Retirement System
Quarterly Meeting of November 3, 2023



I. CALL TO ORDER

Gabe Vella called the meeting to order at 7:35 AM. Those persons present included:

TRUSTEES

Gabe Vella, Chair
Jeff Koltun
Martin Bel
Adam Neri (arrived 7:38 AM)
Elizabeth Stack

OTHERS

Scott Baur & Kyle Tintle, Administrator (Resource Centers)
Frank Wan, Investment Consultant (Burgess Chambers Assoc.)
Brent Mason, Finance Director (City of Lake Mary)
Shawna Morse, Attorney
Remote:
Pedro Herrera, Attorney (Sugarman & Susskind) (joined 7:47 AM)
Jeff Amrose, Actuary (GRS)

II. EXTENUATING CIRCUMSTANCES

There were no Trustees joining electronically, no extenuating circumstances.

III. APPROVAL OF MINUTES

The Board reviewed the Minutes for the meeting of August 4, 2023

Gabe Vella made a motion to approve the August 4, 2023, minutes. The motion received a second from Elizabeth Stack, approved by the Trustees 4-0.

IV. REPORTS

Actuarial Valuation

Jeff Amrose (GRS)

Mr. Amrose presented the 2023 Actuarial Valuation report. The Plan continues to be in good shape. The city has a contribution rate of 22.71% that remains very stable. The plan has a 93% funded ratio even after 2022. All these assumptions are based on reasonable assumptions. Mr. Amrose reviewed the contribution requirements. For the fiscal year end 2025 the Plan has a total contribution of 28.91% up from 26.3% prior year. After the estimated Chapter 175 premium tax contribution the city has a net 22.71% contribution of \$824,935. Mr. Amrose explained that payroll increased so the dollar amount related to the normal cost increased by \$65,000. The Plan had \$1.1 million of negative experience, resulting first from investment losses in 2022 and second by payroll increases greater than expected.

The Plan has a \$37,183 credit base expiring next year. Mr. Amrose reviewed the Chapter 175 premium tax contribution receipt. The amount increased significantly from the prior year. Mr. Amrose further reviewed the details of the Actuarial Determined Contribution requirement. Mr. Baur explained the way we define payroll for the Division of Management Services used to determine the annual premium tax allocation. Mr. Amrose reviewed the 5-year asset smoothing, with remaining gains and losses to recognize. By comparison this plan has very positive funding requirements. He discussed the mortality used by the plan, which must follow the mortality used by the state.

Gabe Vella made a motion to approve the valuation report as presented. The motion received a second from Jeff Koltun, approved by the Trustees 5-0.

Investment Consultant (Frank Wan, Burgess Chambers and Associates)

Mr. Wan reported that for all historical periods the assets had above average returns and ranked in the top quartile. The assets gained 11.7% (gross) for fiscal year 2023. Volatility in the market continues. The

assets returned -3.4% gross for the September 30th quarter compared to 3.4% for the benchmark, while the fiscal year gain ranks in the top 34%. The 5.9% average annual gain for the trailing 5 years ranks in the top 19%. The plan finished the fiscal year with \$23,965,840 in total investment assets.

Highland Capital was noted as the fixed income manager of the year. Mr. Wan reviewed the individual manger allocations. The Fed rate may be easing. He may recommend allocating more assets to bonds if interest rates begin to decrease. International equities are also attractively valued right now. The United States economy remains resilient. Mr. Wan may recommend a future asset rebalance, but he does not recommend any changes at this time. The plan continues to have a pending redemptions request from the real estate holding. The Board considered the return assumption. Mr. Wan believes a lower 6.8% assumption would provide even greater stability. The Florida Retirement System (FRS) has lowered the assumption rate to 6.7%. The Board considered deferring the decision.

Gabe Vella made a motion to lower the assumed rate of return to 6.9% from 7% on October 1, 2024. The motion received a second from Martin Bel, approved by the Trustees 5-0.

Gabe Vella made a motion to approve the valuation report as presented. The motion received a second from Adam Neri, approved by the Trustees 5-0.

Gabe Vella made a motion based on the advice of the Investment Consultant; the Board expects to get a 7% return of 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.

Attorney Report (Pedro Herrera, Sugarman, Susskind, Braswell & Herrera)

Ms. Shawna Morse was introduced to the Board. She has 20 plus years of experience on the municipal side and advising pension boards.

Mr. Herrera addressed the filing of the comprehensive report to comply with House Bill 3. The Board must invest the plan assets based solely on pecuniary factors. The state issued very vague guidance regarding filing requirements. All state pension attorneys collaborated to file a consistent report. The Resource Centers will file on behalf of the plan.

Gabe Vella made a motion to direct the administrator to file the comprehensive report on behalf of the plan. The motion received a second from Elizabeth Stack, approved by the Trustees 5-0.

Mr. Herrera explained the expected filing in further detail which includes an affidavit of compliance.

Gabe Vella made a motion acknowledging the plan is compliant with the statue and authorized filing subject to review by legal counsel. The motion received a second from Jeff Koltun, approved by the Trustees 5-0.

The Trustees considered the FRS cost of living which was submitted for high-risk employees and a bill in the early stages of the pipeline to increase the years in the DROP from 5 to 8 years.

Administrator (Scott Baur, Resource Centers)

Mr. Baur provided the 2024 proposed meeting dates which follow the established schedule and the 2024 conference schedule. He reported on the details of Toby Palmer. The matter has commanded an extraordinary pull on our resources. In all his years, Mr. Herrera has never witnessed a similar process either. The Resource Centers may also require an appearance fee.

V. PLAN FINANCIALS

Mr. Baur presented the plan financials for the Trustees to review. The Trustees received, reviewed, and filed the interim financial statements through September 30, 2023. The Board then reviewed the Warrant dated November 3, 2023, for payment of invoices.

Gabe Vella made a motion to approve the warrant dated November 3, 2023. The motion received a second from Adam Neri, approved by the Trustees 5-0.

VI. SHARE STATEMENTS

The Board received the Share Statements.

VII. OTHER BUSINESS

None

VIII. PUBLIC COMMENTS

None

IX. ADJOURNMENT

The next regular meeting is scheduled for Friday, February 2, 2024. The Lake Mary Police Officers' Retirement System Trustees have joined to attend a joint meeting at 9:04 AM.

Respectfully submitted,


Adam Neri
Secretary