

*City of Marco Island Florida Fire Pension*  
**MINUTES OF MEETING HELD June 7, 2024**

1. Steve Gaskill called the meeting to order at 9:35 AM in the training room on the 2<sup>nd</sup> floor of the new fire station. Those persons present included:

**TRUSTEES**

Steve Gaskill - Remotely  
Jake Clemmons - A/Chair  
Michael Shone, Trustee  
Joan Taylor, Trustee

**OTHERS**

Scott Baur & Toby Rabelo, Administrators (Resource Centers)  
Scott Owens – (Greystone)  
Pedro Herrera – (Sugarman, Susskind, Brasswell & Herrera) Remotely  
Leslie Shade – (Public)

2. **ROLL CALL**

Each person present was accounted for, and Mr. Herrera and Mr. Gaskill joined electronically.

3. Exigent Circumstances for Trustees Joining Electronically were approved.  
**Jake Clemmons made a motion to approve exigent circumstances. The motion received a second from Trustee Shone. Approved unanimously 3-0.**

4. **PUBLIC COMMENT**

No members of the public had any comment.

*NOTE: Some agenda items were taken out of order*

5. **BOARD Updates (Selection of 5<sup>th</sup> Trustee)**

There was discussion on the fifth trustee position being unbiased and balanced. Trustee Shone said Mr. Leslie Shade was both balanced and knowledgeable. Trustee Taylor said she had heard good things about Mr. Shade. Trustee Gaskill said Mr. Shade has always made the best decisions for the members of the plan and Acting Chair Clemmons praised Mr. Shade for his knowledge and service to the plan.

**Jake Clemmons made a motion to approve Mr. Leslie Shade as the fifth trustee of the BOARD. The motion received a second from Trustee Taylor. Approved unanimously 4-0.**

*Mr. Shade provided input and opinions but did not vote in this meeting as his selection needs approval from by the City Council on June 17<sup>th</sup>. The 4-0 vote is due to the approval of exigent circumstances for Trustee Gaskill.*

6. **APPROVAL OF MINUTES**

The Board reviewed the minutes for the March 8, 2024, meeting.

- **Jake Clemmons made a motion to approve the March 8, 2024. The motion received a second from Trustee Shone. Approved unanimously 4-0.**

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**7. REPORTS**

**Investment Consultant (Scott Owens – Greystone)** - Due to the number of agenda items, the A/Chair requested the presentations be kept to 10 to 15 minutes.

Mr. Owens provided a brief overview of the fund's performance. He mentioned the volatility in the market and how the market continues to go in the right direction. Mr. Owens said we are top of our targets, and we are a little overweight in cash due to real estate being underweight. Mr. Owens referred to page 20 and 45 of the performance summary packet which showed the rebalancing of Blackrock. The fund was at 5.4 % for the Quarter, 13.02 % for the FYTD. The total fund ended the quarter at \$35,208,809.00 (13.7%).

Trustee Shone commented on how it was a smart decision to go underweight in real estate. Mr. Owens said the decision represented a 10-point swing or 2 million dollars in savings. Mr. Shade asked what was the "cash" earning? Mr. Owens responded, "5% Money Market MS ILS" (Morgan Stanley – no fees)

The manager's search was tabled until after the Investing Consultant RFP is completed.

Mr. Owens left the meeting at the break of the meeting at 10:42am.

**Attorney Report (Pedro Herrera, Sugarman, Susskind, Brasswell & Herrera)**

Pedro Herrera began by reminding all trustees to complete their FORM 1 no later than July 1, 2024. Scott Baur asked Pedro if Mr. Shade should complete a FORM 1 and a FORM 1F. Mr. Herrera said yes in an abundance of caution. Mr. Herrera then provided an update on the opinion letter sent to the City and how the City at the last minute removed the verbiage regarding the board's definition of salary from the revised 2024 ordinance because the City feels the salary and FRS changes are bargaining issues. The revised ordinance only covered the Secure Act and investment changes.

Scott Baur asked if a carve out of the non-disputed items would be beneficial? Mr. Herrera said it would be great, but the city has stated they want to handle it all in one. A/Chair Clemmons stated this issue goes back to the changes effective July 1, 2023, and the changes forthcoming on July 1, 2024. He clarified the City has already negotiated and agreed to these terms. The Board expressed concerns with members approaching their DROP dates and this issue is not resolved. Trustee Taylor asked Mr. Herrera to follow up electronically with City Attorney Milton.

Trustee Gaskill gave an overview of the issue going back to when Scott Baur, at the board's direction, sent a letter to the City indicating the Board's definition of salary and the subsequent motion to recalculate benefits. The city was looking for more direction which is why he asked Mr. Herrera to provide the opinion letter to the city. Trustee Gaskill then asked Mr. Herrera to inquire about the members who have separated and thus bargaining does not apply.

Scott Baur gave an overview of historical benefits and how he asked the city for payroll reports. The actuary has been including benefit allowance since the city payroll includes the allowance. Mr. Baur said the average increase for the six retired members is about 1.5 %. This is a minor increase. The members will have to make a 3% contribution.

Trustee Shone gave an example for clarification, if an employee makes 100K, therefore the employee salary with benefit allowance would be 110K. If the employee uses 4k then their W2 would be 106K. Mr. Baur said Trustee Shone understood this perfectly. Mr. Baur then explained

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how the city said the Board can/should do what it feels it must, but the city will not change their payroll methods. Mr. Baur said the city used to provide payroll data with only annual totals. Payroll data is biweekly now and therefore unconstrained. We can do twelve consecutive non-overlapping months to find the five highest years in the last ten years. However, we cannot do recalculation for the retirees because we do not have sufficient payroll history (annual data only not biweekly). Thus, part of the request of the city was to provide the payroll for those members in a biweekly format.

Trustee Shone mentioned he had some concerns, but this may be an industry standard. Mr. Baur said most plans do use twelve non-overlapping consecutive months for calculations but noted the difference is not that substantial. The actuary will need to address this in the September 30, 2024, audit. Mr. Baur stated it is a 10 % bump in liability but a 1.5 % difference in calculation.

Mr. Rabelo asked Mr. Herrera if the board should consider directing him to send another letter to the City specifically addressing the MOU issue and scenarios of members who enter their DROP, leave their DROP early and/or leave their DROP at the conclusion of their 5year DROP without a resolution to this already agreed upon contract terms. Mr. Herrera said he could send another Letter. Trustee Gaskill said this issue goes back to October 2023 and he agrees to placing the City on notice of the specific concerns. He mentioned the city has not presented an MOU to the Union. The union president has met with the Fire Chief and the Chief said there were no open discussions being held with the city. Mr. Herrea recommended the union request the MOU from the City and he was willing to assist in the drafting of the MOU if needed.

The board directed Mr. Herrera to send another letter to the city.

**BREAK at 1042AM - Returned at 1053AM.**

There was some discussion on the RFP process and ensuring transparency. Trustee Shone said there should be annotations as to why a firm was selected to present or not. A/Chair Clemmons said he would defer to the expert trustees present regarding the RFP. He and Trustee Gaskill wanted to hear from their other board members and Mr. Shade as to their reasoning for the selection of their top four firms.

Each trustee provided their top four firms. (See RFP Comparison Excel Sheet) Each trustee provided pros and cons to each of their selections to include but not limited to:

- Percentage of Ownership in the firm
- Size of firm
- Ease of Transition and Transition after a quarter
- "Flash Reports"
- Assigned Consultant Experience & number of accounts
- Succession Planning or Buy Out
- Recent Merger
- Footprint in Florida and how many Florida plans
- 3/21 or 3/38
- Back up consultant – residing outside of Florida (California)
- Fees (fixed or basis points) (Asset Liability Studies Included)

Trustee Gaskill said he leaned more towards the firms who provided detailed responses to the RFP. A/Chair Clemmons agreed with the four firms selected to present.

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The Board agreed to invite four firms (DAHAB, NEPC, SEGAL and Mariner) to present at a special meeting on June 28, 2024, at 8:00AM. Mr. Herrera said he would ensure someone from his firm would be in attendance. The selected firms will receive an email from Mr. Baur informing them of their selection to present with the date/time certain. The board instructed Mr. Baur to send a follow up email as to the form of the presentation that lasts no more than 15-20 minutes, allowing another 20 minutes for questions by the Board), a list of questions\* the presenters may want to address in their presentations and information on criteria for selection.

*\*Trustee Gaskill directed Mr. Baur to provide all trustees with the questions sent to the presenters.*

Each board member was asked to provide their questions to Mr. Baur by Monday, June 10, 2024. Mr. Baur asked Mr. Herrera if an independent consultant should complete the evaluation if the board selects a 3/38 firm. Mr. Herrera said this is good practice. Trustee Shone will get two quotes from independent consultants and inform Mr. Baur and Rabelo of the fees.

Mr. Baur will provide Trustee (City Clerk) Taylor with notice for the June 28, 2024, meeting.

**Administrator Report (Scott Baur & Toby Rabelo, Resource Centers)**

Scott Baur provided a report to include updates on:

- 1) Public Safety FY23 Annual Report Update
- 2) Public Safety FY23 Admin Expense Report + FY25 Admin Expense Budget
- 3) Member Workshops – A/Chair Clemmons stated how worthwhile the Workshop was on June 6, 2024, and he is looking forward to the remaining workshops for the members.

Item Two was taken out of order – Scott Baur informed the BOARD why the budget is done in this format and how it's strictly an administrative budget hence investment management fees are excluded. He explained how trustees are fiduciaries and will always spend appropriately in the best interest of the plan. This budget is not a prescription for spending. The Admin Expenses and Budget was tabled till the September meeting in the interest of time for RFP discussions.

**8. APPROVALS – Taken out of order per Chair.**

The Trustees reviewed the Warrant dated June 7, 2024, for payment of plan expenses.

- **Jake Clemmons made a motion to approve the March 8, 2024. The motion received a second from Trustee Shone. Approved unanimously 4-0.**

There were no benefit approvals for this meeting.

**9. NEW BUSINESS**

N/A

**10. OLD BUSINESS**

N/A

**11. Board Member Comments**

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**12. Next Regular Meeting – September 13, 2024, at 930 AM**

**13. ADJOURNMENT**

There being no further business and the Board having previously scheduled the next regular meeting for Friday, December 13, 2024, at the new starting time of 9:30AM.

**Jake Clemmons made a motion to adjourn the meeting at 12:01 pm. The motion received a second from Trustee Taylor. Approved unanimously.**

  
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Jake Clemmons, Secretary