



# City of Marco Island Florida

## ***JOINT POLICE AND FIRE PENSION BOARD***

### ***MEETING MINUTES***

***May 13, 2020***

#### ***Electronic Meeting***

#### **1. CALL TO ORDER**

The meeting was called to order at 9:06 AM.

#### **2. ROLL CALL**

##### **Fire Trustees Present**

Jim Pope, Chairman  
Nick Varro, Vice Chair  
Tom Kirstein  
Laura Litzan, Secretary

##### **Trustees Not Present**

William Edwards

##### **Others Present**

David Robinson, Sugarman & Susskind, P.A.  
Amber McNeill, The Resource Centers, LLC  
Jeff Amrose, Gabriel Roeder Smith  
Sara Carlson, Foster & Foster  
Scott Owens, Graystone Consulting  
Andy McIlvaine, Graystone Consulting  
Plan Members

##### **Police Trustees Present**

Mark Haueter, Chairman  
Ryan Montgomery, Vice Chair  
Glenn Zirgibel  
Laura Litzan, Secretary  
Gerard Shannon

A brief summary of the meeting is as follows:

#### **3. PUBLIC COMMENT**

Ms. Litzan informed the Board that she had sent an email to Mr. Herrera, the Board Attorney, about the City not having a policy allowing electronic public meetings. The Board discussed the Governor's order allowing electronic public meetings. Mr. Herrera had previously explained that due to the Governor's order allowing electronic public meetings, the City does not have to have a policy allowing electronic meetings for the Board to have one. Mr. Robinson agreed with Mr. Herrera's assessment.

#### **4. APPROVAL OF MEETING MINUTES**

**POLICE & FIRE: MOTION TO APPROVE THE JOINT FIREFIGHTERS' AND POLICE**

**OFFICERS' BOARD MEETING MINUTES FROM FEBRUARY 19, 2020 WAS MADE BY MR. ZIRGIBEL AND SECONDED BY MR. MONTGOMERY. THE MOTION PASSED UNANIMOUSLY.**

**5. REPORTS**

**a. Actuarial Valuations**

**ai. Police Report – Sara Carlson, Foster & Foster**

Ms. Carlson presented the 2019 Actuarial Valuation to the Board. The percent of annual payroll need increased due to the benefit calculation revisions. \$42,000 will be going into the Share Plan. The funding ratio decreased slightly from 100.2% down to 96.9%; the Plan is still in great funding status. The GASB report uses 10-01-18 liabilities. Smoothing helped the Plan's rate of return; the actual rate of return was 3.06%, but was 7% after 4 year smoothing. Administrative expenses increased slightly. The FRS mortality changes will be adopted for the next valuation. The Board discussed the allocation process for the share plan. The share plan allocation process will be discussed further at the next meeting. The Board will also discuss reducing the valuation to every other year at the August meeting.

**POLICE: MOTION TO APPROVE THE 2019 ACTUARIAL VALUATION WAS MADE BY MR, ZIRGIBEL AND SECONDED BY MS. LITZAN. THE MOTION PASSED UNANIMOUSLY.**

**aii. Fire Report – Jeff Amrose, Gabriel Roeder Smith**

Mr. Amrose presented the 2019 Actuarial Valuation to the Board. As per the CBA, the first \$74,000 of the 175 monies will be used to fund the Plan; the remainder will go into the share plan. The City's required contributions have reduced slightly from 40.38% to 40.19%. When there are more assets than liabilities, the City will just pay the normal cost. The cancer provision changes have been adopted; service connected disability assumptions have increased from 75% to 85%. The Plan is currently funded at 113.7%.

**c. Attorney Report – David Robinson, Sugarman and Susskind, PA**

The Board discussed Mr. Robinson's opinion letter regarding Clayton Smith's service credit. As there is no distinction between hours of leave and time worked, Mr. Smith's leave payout will bring him to vesting.

**POLICE: MOTION TO ACCEPT THE OPINION LETTER FROM THE PLAN ATTORNEY AND AUTHORIZE THE RESOURCE CENTERS TO MOVE FORWARD WITH THE CALCULATION PROCESS WAS MADE BY MS. LITZAN AND SECONDED BY MR. ZIRGIBEL. THE MOTION PASSED UNANIMOUSLY.**

A question regarding work detail pay and whether or not it is pensionable; Mr. Robinson's opinion is that as the officer is not actually working for the City at that time, it is not pensionable. Mr. Haueter requested a written opinion from Mr. Robinson.

**aii Fire Report (Resumed)**

**FIRE: MOTION TO ACCEPT THE 2019 VALUATION WAS MADE BY MS. LITZAN AND SECONDED BY MR. POPE. THE MOTION PASSED UNANIMOUSLY.**

**b. Investment Consultant Report – Scott Owens & Andy McIlvaine, Graystone Consulting**

Mr. McIlvaine reviewed the economy for the quarter at length. COVID-19 has had a significant negative impact on the global economy; the impacts are expected to be long lasting. Morgan Stanley believes that it will take some time for the economy to recover. The Board had already selected managers that protect on the downside in anticipation of such an issue. Morgan Stanley expects that in 18-24 months the market will be setting all time highs again. All sectors were negative, with growth outperforming value. The international market was worse than the domestic market.

**Fire Summary of Relevant Facts**

As of 03-31-20, the total portfolio was \$20,801,392 with a -12.81% net rate of return. Mr. Owens reviewed the individual managers, asset allocation, compliance checklist, and fees. Cambiar is on formal watch. A manager search will be brought to the next meeting for Connors due to continued underperformance.

**Police Summary of Relevant Facts**

Mr. Owens reviewed the 03-31-20 quarterly report. The total portfolio was \$15,617,297 with a net rate of return of -13.53%. The total portfolio as of 04-30-20 was \$16,714,781 with a net rate return of -2.6%. Mr. Owens reviewed the Plan's managers and compliance checklist.

**c. Attorney Report – David Robinson, Sugarman and Susskind, PA**

Mr. Robinson reviewed the proposed electronic meeting policy with the Board.

**POLICE: MOTION TO TABLE THE ELECTRONIC MEETING POLICY WAS MADE BY MR. HAUETER AND SECONDED BY MS. LITZAN. THE MOTION PASSED UNANIMOUSLY.**

**d. Administrator Report – Amber McNeill, The Resource Centers**

Ms. McNeill provided the list of upcoming Trustee educational opportunities to the Boards.

**6. PLAN FINANCIALS**

**POLICE: MOTION TO APPROVE THE POLICE 05-13-20 WARRANT WAS MADE BY MR. ZIRGIBEL AND SECONDED BY MS. SHANNON. THE MOTION PASSED UNANIMOUSLY.**

**POLICE: MOTION TO APPROVE THE FIDUCIARY LIABILITY INSURANCE RENEWAL WAS MADE BY MR. ZIRGIBEL AND SECONDED BY MR. SHANNON. THE MOTION PASSED UNANIMOUSLY.**

**FIRE: MOTION TO APPROVE THE FIRE 05-13-20 WARRANT WAS MADE BY MR. POPE**

AND SECONDED BY MR. VARRO. THE MOTION PASSED UNANIMOUSLY.

**FIRE: MOTION TO APPROVE THE FIRE 05-13-20 BENEFIT APPROVALS WAS MADE BY MS. LITZAN AND SECONDED BY MR. POPE. THE MOTION PASSED UNANIMOUSLY.**

**7. NEW BUSINESS**

A memo from Foster & Foster regarding cybersecurity was provided for the Board's information.

**8. OLD BUSINESS – NONE**

**9. BOARD MEMBER COMMENTS – NONE**

**10. NEXT MEETING – The Next Regular Meeting is scheduled for August 12<sup>th</sup>, 2020 at 9 AM.**

**11. ADJOURNMENT**

**MOTION TO ADJOURN THE MEETING WAS MADE BY MR. ZIRGIBEL AND SECONDED BY MR. POPE. THE MOTION PASSED UNANIMOUSLY.**

Respectfully submitted,

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Mark Haueter  
Chairman  
Police Pension Board

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Jim Pope  
Chairman  
Fire Pension Board