

City of Marco Island Florida Fire Pension
MINUTES OF MEETING HELD September 8, 2023

1. Steve Gaskill called the meeting to order at 9:06 AM in the training room 2nd floor of new fire station. Those persons present included:

TRUSTEES

Steve Gaskill Chair
Tom Kirstein Trustee
Leslie Shade Trustee
Michael Shone Trustee
Jake Clemmons (via ZOOM for first half of meeting)

OTHERS

Scott Baur & Toby Rabelo, Administrators (Resource Centers)
David Wheeler - Greystone
Pedro Herrera – Sugarman, Susskind, Brasswell & Herrera)

2. ROLL CALL

Each person present introduced themselves.

3. Exigent Circumstances for Trustees Joining Electronically were approved

4. PUBLIC COMMENT

No members of the public had any comment.

5. APPROVAL OF MINUTES

The Board reviewed the minutes for the June 9, 2023 meeting.

- Steve Gaskill made a motion to approve the June 9, 2023 minutes. The motion received a second from Tom Kirstein. Approved unanimously

6. REPORTS

Investment Consultant (David Wheeler – Greystone)

David Wheeler went over the quarterly performance summary; he referenced page 5, “US Economic Indicators and how consumer confidence is still low. He also provided an overview of the last 18 months with an emphasis on inflation. Interest rates will be higher for some time and one more fed hike ref higher unemployment. Trustee Shone asked David how he felt about the market and David replied “Fair to Slightly Overvalued”. Greystone is recommending increasing fixed across the board. When discussing Capital Market Returns, Trustee Shone asked if portfolio is style neutral or tilted towards value. David responded the recommendation is to be overweight in value and underweight in growth. David then went over decline in prices was greater than the coupons the portfolio received in bonds. Understanding that Greystone presents GROSS to Gross first before NET, the BOARD requested to see the data on pages 32/48/49 and 50 at the beginning of the presentation with Net of Fees data. David will look on the customization of changing the format in the software if possible. If not, Greystone will prepare a separate document with the data in the order the BOARD wants it presented. Trustee Tom Kirstein told David to not change the manner in which the numbers are reported as he keeps past summary performance data to compare. Trustee Shone expressed serious concerns regarding manager performance. David advised board to be cautious of chasing manager performance and gave an example of real estate stating if we get out now we are locking in losses. There was further discussion between Trustee Shade, Shone and David on underperformance and pointed out the importance of an asset allocation study. The BOARD wants Greystone to make recommendations on integrating a passive approach for each category at the next meeting. Greystone recommended to add duration – intermediate bond manager. Trustee Shone agreed. Based on Greystone recommendation the below motion was made:

MOTION by Leslie Shade that based on Consultants recommendation, to move 1.1 Million Dollars to Black Rock – Short Duration - Second by Tom Kirstein: Motion passed unanimously.

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Greystone will process the redemption for American Realty by 9-15-23 and complete the Asset Allocation Study

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

Pedro Herrera via ZOOM provided an overview of (HB 3) – See handout 2023 – 28 Laws of Florida dealing with “Pecuniary Factors” and how and why the law came to be. Attorney Herrera indicated there is a biannual report due December of every ODD Year. Attorney Herrera reiterated the State will provide further guidance on this. Attorney Herrera then discussed the Investment Policy Statement amendment and how it meets the new law. He reminded the BOARD the IPS is board policy and it does not go to the City; however, the ordinance needs to be amended to amplify powers to the BOARD to include asset allocations. Chair Gaskill directed Attorney Herrera to begin the process with the City of Marco Island to amend the ordinance. Mr. David Wheeler requested Attorney Herrera email him the ordinance so they can review and provide recommendations to Attorney Herrera. Attorney Herrera explained the amendment to law deals with intent. The means and justifications must be based on the new fiduciary definition. As soon as the State provides further guidance a decision will be made on who will be responsible for completing the reports.

MOTION by Leslie Shade to approve the Statement of Investment Policy and Objectives – Second by Tom Kirstein – Motion passed unanimously. Mr. David Wheeler will send the IPS to Resource Centers once they have signed it.

Chair Gaskill directed Attorney Herrera to review the executive agreement to reduce fees from Greystone so he could sign it. Greystone said the BOARD Chair can sign the agreement with a signature date of July 1, 2023. Greystone will process a cancellation and invoice accordingly upon receiving the signed executed agreement. Trustee Shade directed Greystone to affirm they would ensure all fees invoiced were reconciled to ensure proper fees based on the thresholds in place.

Chair also reminded Attorney Herrera to follow up with the City Attorney on the FRS changes.

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

Scott Baur provided a report to include updates on :

- 1) Ch 175 Premium Tax Receipts
- 2) Trustee Schools/ Conferences (FPPTA, Division of Management Services)
- 3) Proposed 2024 Meeting Dates
- 4) Online Calculator Update
- 5) Authorized Signer Update

Regarding the meeting dates, Greystone will work with Marco Island Police to see if we can have the meetings on same day but different times. Meeting dates for 2024 will be affirmed at the December meeting.

Mr. Baur then explained how we are now receiving new data in payroll and referred to the handout provided for examples of how this new data may provide a better calculation for the member. Trustee Tom Kirstein had a concern of prior calculations and Attorney Herrera clarified that using the “best available data” would not require the plan to re-calculate prior calculations because those were done with the best data at the time. Chair Gaskill will speak with Jeff Ambrose to concur or not with this new calculation method.

The Board received a live demo of the new benefit calculation system.

7. APPROVALS

The Trustees reviewed the Warrant dated September 8, 2023 for payment of plan expenses.

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- Leslie Shade made a motion to approve the Warrant dated September 8, 2023 for payment of expenses. The motion received a second from Tom Kirstein, Motion Approved Unanimously.

There were no benefit approvals for the board to pass/sign.

8. NEW BUSINESS

Discussion on proposed ordinance change – see Attorney report section

9. OLD BUSINESS

The OLD BUSINESS items below were taken out of order and documented in the Greystone and Attorney report sections.

- a. First State Fee Reduction
- b. Member Workshop Schedule
- c. Marketable or Private Security Update
- d. Senate Bill 7024 (FRS) summary of Bill

10. Board Member Comments

Steve Gaskill asked Attorney Herrera to review all forms/contracts requiring his signature before he signs them and to begin talks with City Attorney for proposed ordinance change.

11. PUBLIC COMMENTS

No members of the public had any comment.

12. ADJOURNMENT

There being no further business and the Board having previously scheduled the next regular meeting for Monday, December 8, 2023 @ 9:00 AM.

Tom Kirstein made a motion to adjourn the meeting at 12:20 PM. The motion received a second from Steven Gaskill, Motion Approved Unanimously.



Jake Clemmons, Secretary