

**OKEECHOBEE UTILITY
AUTHORITY PENSION BOARD
QUARTERLY MEETING MINUTES, MAY 6, 2024
100 SW 5th
OKEECHOBEE, FL 34974**

1. CALL TO ORDER

Mr. Mullis called a meeting of the Board of Trustees for the Okeechobee Utility Authority Pension Board to order at 2:02 PM. Chair Mullis called roll.

TRUSTEES

Jamie Mullis, Chair
Kristy Arnold, Secretary
John Hayford
Jeff Sumner
Raul Marrero

OTHERS

Scott Baur & Kyle Tintle, Administrators, Resource Centers
Janice Rustin, Attorney, Lewis, Longman & Walker
Shelly Jones, Actuary, GRS
Brad Hess, Investment Monitor, Mariner

2. EXTRAORDINARY (Exigent) CIRCUMSTANCES

There were no extraordinary circumstances as no one joined the meeting remotely.

3. APPROVAL OF MINUTES

The quarterly meeting minutes from February 5, 2024 were presented to the Board for their review.

Raul Marrero made a motion to approve the minutes for the Quarterly Meeting held on February 5, 2024. The motion received a second from John Hayford. The motion passed unanimously, 5-0.

4. REPORTS

Actuary (Shelly Jones)

Ms. Jones presented the Actuarial Valuation as of October 1, 2023. The minimum payment for the year ending September 30, 2024 is 15.4% of covered payroll (\$380,322). This amount is to be paid by member contributions, 6% of covered payroll (\$147,950). The remainder of the payment 9.4% of covered payroll (\$232,372), is the required minimum to be paid by the Okeechobee Utility Authority. There were no changes in the plan provisions or methodology. Ms. Jones introduced the new actuarial requirement of the Low-Default-Risk Obligation Measure of Liability. She reviewed the market value of assets and explained the difference between that and the actuarial value. Due to the previous losses the value of the assets are being smoothed over 5 years.

Jeff Sumner made a motion to approve the Actuarial Valuation as of October 1, 2023. The motion received a second from John Hayford. The motion passed unanimously, 5-0.

Jeff Sumner made a motion based on the advice of consultants; the Board expects to get a 6.75% rate of return for the next year, the next several years, and for the long-term thereafter. The motion received a second from John Hayford. The motion passed unanimously, 5-0.

Investment Consultant Report (Brad Hess)

Mr. Hess presented an overview of the current economic conditions. He acknowledged it was another great quarter and international markets were not as good as domestic markets due to the dollar still being strong. The Fed may cut the interest rate but probably not until after the election. Employment weakened some but is still sub 4% nationally.

Mr. Hess reported the pension fund finished the March 31st quarter with \$11,841,175 versus the December 31st quarter with \$11,327,421 in total assets. Mr. Hess reviewed the asset allocation which was all within the policy targets. He said the portfolio is still overweight in equities, but he did not recommend any rebalancing. The plan finished the quarter with a total fund composite net return of 5.82% (14) compared to the policy at 4.86% (39), and with the fiscal year to date ranking nationally at 16.36% (12) versus 14.97% (41). MFS Growth, which suffered for not holding Tesla in the past helped them now with Tesla performing poorly.

Attorney Report (Janice Rustin)

Ms. Rustin reviewed the plan's obligation to education by reviewing the Operating Rules & Procedures, which is a strong policy to educate trustees. Attendance at a Trustee School is encouraged in the first year of service on the board of trustees and every two years after. Florida law requires the board to pay for conference registration fee of training which has a direct public purpose to the plan. There was a discussion of the daily stipend amounts. This board follows the allowances for the Okeechobee Utility Authority Board. The memo listing the daily stipend amounts for trustees will be reissued.

Ms. Rustin described the process for trustees to submit their Form 1 online. She explained the forms stayed the same, but the Florida Commission on Ethics will only accept online submissions.

Administrator Report (Scott Baur)

Mr. Baur reminded the trustees of the upcoming FPPTA conference in Orlando from June 23rd to the 26th. The FPPTA trustee school is scheduled to begin on September 22nd.

Plan Financial

The Board received and reviewed the interim financial statements. Mr. Baur presented the warrants for February 5th and May 6th, 2024 for review.

Jeff Sumner made a motion to approve the warrants for February 5, 2024 and May 6, 2024. The motion received a second from Kristy Arnold. The motion passed unanimously, 5-0.

New Business

Jamie Mullis received an inquiry from a retiree requesting increased benefits for retirees. A discussion was held which included cost-of-living (COLA) increases, a one-time increase of a percentage for retirees, and how other plans handle such a request. John Hayford said it would not be a one-time increase if it increase was awarded and it would be the new pension amount from then on. The board agreed the obligation is for the current member not the retirees. The funds need to be available to pay all the future retirees. The benefit is a defined benefit where members are informed of the amount of their benefit for life. It was noted that police and firefighters receive a COLA increase, however those

plans receive supplemental income from the state. Ms. Jones noted the high cost to the plan of a COLA. She could cost out a higher multiplier or bring examples of the cost of a one-time adjustment and other types of increases and their cost to the plans.

Other Business


There was no other business.

5. PUBLIC COMMENT

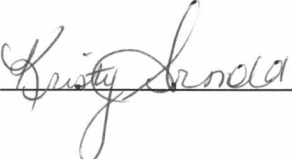
There was no public comment.

The next meeting is Monday, August 5, 2024 at 2:00 PM.

There being no further business, Jamie Mullis adjourned the meeting at 3:30 PM.



Chairman



Secretary