

# RIVIERA BEACH MUNICIPAL FIREMEN'S PENSION TRUST FUND

## MINUTES

February 26, 2024

Secretary Ken Brack called the meeting to order at 4:44pm. Those persons present were:

### **TRUSTEES PRESENT**

Kenneth Brack, Secretary  
Paul Wright, Trustee  
Kirk Henderson, Trustee  
Harry Freeman, Trustee

### **OTHERS PRESENT**

Albert Lovingood, Resource Centers  
Ron Cohen; Lorium Law  
Jeff Swanson; Southeastern Advisory

### **EXTRAORDINARY CIRCUMSTANCES FOR TRUSTEES JOINING ELECTRONICALLY**

All Trustees were physically present.

### **ADDITIONS AND DELETIONS**

The Board made no modifications to the agenda.

### **INVESTMENT CONSULTANT REPORT - SOUTHEASTERN ADVISORY**

Jeff Swanson appeared before the Board via Zoom to present the quarterly report for the period ending December 31, 2023. Mr. Swanson started his presentation by providing the Board with an update on Southeastern Advisory, noting that he had purchased the company and that his firm is growing modestly. Mr. Swanson then reported the following: For the quarter ending December 31, 2023, the Plan had a net gain of 7.49%, compared to the target index of 8.67%. The Three-Year net return is at 3.68%, compared to the benchmark of 4.98%, and the Five-Year net return is at 8.56%, compared to the target index of 9.86%. Mr. Swanson then reviewed all the investment manager's returns for the Quarter and Fiscal Year in Detail with the Board of Trustees along with the Asset Allocation Compliance in detail with the Board and report that both January and February are flat. Tech stocks are driving the market right now and Real Estate is down -3%. The Board and Mr. Swanson discussed future investment moves that the Plan should take in the near future.

Mr. Swanson then provided the Board of Trustees with an updated Investment Policy Statement that updated the Plan's Asset Allocation minimum and maximum allocations for several investment sectors. Mr. Swanson reviewed the proposed updates in detail with the Board of Trustees who were all in agreement with the proposed changes.

- Paul Wright made a motion to accept the updated Investment Policy Statement effective February 26, 2024, as presented. The motion received a second by Kurt Henderson and was approved by the Trustees 4-0.

### **ATTORNEY REPORT – LORIUM LAW**

Attorney Ronald Cohen reviewed House Bill 3 Biennial Report requirements and stated that his firm had hoped for some guidance; however, the State only recited what was stated in the Bill. Mr. Cohen reported that the Biennial Comprehensive Report was submitted before the December 15, 2023, due date and the State of Florida has reported that there was 100% compliance with the report submissions and acceptance for all Pension Plans located in the State.

Mr. Cohen reviewed the update and changes on how the Annual Form 1 is to be submitted, noting that starting this year, the Annual Form 1 will be submitted online via the State Ethics Website.

### **ADMINISTRATOR REPORT – RESOURCE CENTERS**

**Biennial Comprehensive Report:** Plan Administrator, Albert Lovingood informed the Board that the State has accepted the Plan's Biennial Comprehensive Report.

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**Share Account Allocations and Disbursements:** Mr. Lovingood reported that the Share Account Allocations and Disbursements have been completed.

**Payroll and Pension Contributions:** Mr. Lovingood presented the Board with the Annual Share Allocations to accept and file.

**DROP & Share Distributions – Earnings Clarification:** Mr. Lovingood asked the Board for clarification of when interest stops accruing on DROP and Share Accounts upon DROP Exit or Retirement. Mr. Lovingood informed the Board that this clarification question is due to slow response on obtaining a Letter of Acceptance for rollover requests along with retirees asking when they are no longer exposed to market fluctuations with their DROP and Share Accounts. The Board of Trustees, Mr. Cohen, and Mr. Lovingood had a detailed conversation regarding the DROP and Share Distributions that resulted in the confirmation that any interest earnings or losses stop at the end of the quarter which the member retires or exits the DROP.

- Paul Wright made a motion to confirm that the Share and DROP Account earnings stop at the end of the quarter which the member retires or exits the DROP. The motion received a second by Harry Freeman and was approved by the Trustees 4-0.

**Special Board meeting Date for Actuarial Valuation and Annual Audit Reports** Mr. Lovingood informed the Board that the Annual Audit Report and Actuarial Valuation Report have been delayed due to payroll reporting issues from the City that was just recently corrected out. The Board will need to hold a Special Board Meeting to approve both the Annual Audit Report and Actuarial Valuation to meet the City's deadline for their Annual Audit. Mr. Lovingood stated that both the Actuary and Auditor are available and will have their reports completed in time for a March 11, 2024, Special Board Meeting. The Trustees discussed holding a Special Board Meeting on March 11, 2024, and the Trustees present all confirmed that they could attend a meeting on that date.

**Resource Centers Memo – 2024 IRS Mileage Rate:** Mr. Lovingood informed the Board that the IRS raised the mileage rate to \$0.67 per mile effective January 1, 2024. This is a \$0.015 increase from the 2023 IRS Mileage rate and Mr. Lovingood reminded the Board that the IRS has been known to adjust this rate when fuel costs are volatile.

**Resource Centers Memo – SOC 1 Type 2 Audit:** Mr. Lovingood presented the Board with a memo regarding his Firm's Annual SOC 1 Type 2 Audit Results. Mr. Lovingood reported that the SOC 1 Type 2 Audit Report is an independent audit that verifies that the Policies and Procedures that are in place are followed correctly and Mr. Lovingood was pleased to announce that for the 16<sup>th</sup> year and a row, his firm has passed with a clean unmodified opinion from the Auditor.

## **MINUTES**

The December 11, 2023, Quarterly Board Meeting Minutes were presented in the Trustee packets for review.

- Paul Wright made a motion to approve the December 11, 2023, Quarterly Board Meeting Minutes as presented. The motion received a second by Kirk Henderson and was approved by the Trustees 4-0.

## **DISBURSEMENTS & FINANCIAL STATEMENTS**

Mr. Lovingood presented the disbursements and interim financial statements for review.

- Paul Wright made a motion to approve the disbursements as presented. The motion received a second by Kirk Henderson and was approved by the Trustees 4-0.

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### **BENEFIT APPROVALS**

Mr. Lovingood presented the Benefit Approvals to the Board for review and approval.

- Kirk Henderson made a motion to approve the Benefit Approvals dated February 26, 2024, as presented. The motion received a second by Harry Freeman and was approved by the Trustees 4-0.

### **OLD BUSINESS**

There was no old business to discuss at this meeting.

### **OTHER BUSINESS**

**Kirklyn Durham In-Line Duty Disability:** Attorney Ron Cohen reviewed the December 11, 2023, Informal Disability Hearing with the Board of Trustees in detail, noting that the commencement of Mr. Durham's Duty Disability commencement date coincides with the date that the Board Approved Mr. Durhams Disability. Mr. Durham's Attorney Michael Celeste reviewed the disability dates noted in Mr. Durhams records along with the dates indicated in the IME Report and stated that he believes that the Duty Disability commencement date should be July 24, 2021, when Mr. Durham submitted his Disability Application. Mr. Cohen reviewed the Florida State Statute with the Board along with noting that historically, the commencement date of Disability Pensions for this Plan has all started on the date that the Board approved the disability. A detailed conversation ensued which resulted in the Board tabling the matter until the March 11, 2024, Special Board Meeting.

- Kurt Henderson made a motion to table the Kirklyn Durham Disability Commencement Date until the March 11, 2024, Board Meeting. The motion received a second by Pual Wright and was approved by the Trustees 4-0.

### **NEW BUSINESS**

There was no new business to discuss at this time.

### **STATEMENT FROM MEMBERS OF THE PUBLIC**

Secretary Ken Brack invited members of the Public for comment. There were no public comments at this time.

### **ADJORNMENT**

There being no further business to discuss, the Board Adjourned at 6:18pm.

### **BOARD OF TRUSTEES**

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Bobbie Brooks Jr., Chairman

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Kenneth Brack, Secretary

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Kirk Henderson, Trustee

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Harry Freeman, Trustee

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Paul Wright, Trustee