

ST. LUCIE COUNTY FIRE DISTRICT FIREFIGHTERS' RETIREMENT FUND



Minutes: July 19, 2024

1. Chairman Tony Napolitano called the July 19, 2024, Quarterly Board Meeting to order at 2:34 PM.

TRUSTEES

Tony Napolitano, Chair
Chief Jeff Lee, Secretary
Chief Nate Spera (Joined 3:03pm)
Serge Greene
Ryan Sapp

OTHERS

Albert Lovingood and Scott Baur, Administrators (Resource Centers)
Bonni Jensen, Attorney (Klausner Kaufman Jensen & Levinson)
Burgess Chambers, Consultant (Burgess Chambers Assoc)
Pete Strong, Actuary (GRS Consulting)
Stephen Hagenbuckle, Investment Manager (TerraCap)

2. EXTRAORDINARY (EXIGENT) CIRCUMSTANCES FOR TRUSTEES JOINING ELECTRONICALLY

All Trustees in attendance were physically present.

3. MINUTES

The Trustees reviewed the Quarterly Board Meeting Minutes Dated May 16, 2024.

Ryan Sapp made a motion to approve the Minutes for the Meeting of May 16, 2024, as amended. The motion received a second from Serge Greene, approved by the Trustees 4-0.

4. BENEFIT APPROVALS

The Trustees reviewed the Benefit Approvals Dated May 16, 2024.

Chief Lee made a motion to approve the Benefit Approvals Dated May 16, 2024. The motion received a second from Ryan Sapp, approved by the Trustees 4-0.

5. PLAN FINANCIALS

Interim Financial Statements

The Board received the interim financial statement through May 31, 2024.

Disbursements

The Board reviewed the Warrant Dated July 19, 2024.

Chief Lee made a motion to approve the Warrant Dated July 19, 2024. The motion received a second from Serge Greene, approved by the Trustees 4-0

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6. REPORTS

Constitution Capital Partners Presentation

Burgess Chambers Introduced the Board of Trustee to Constitution Capital Partners who will present their Ironsides Private Equity Fund. Peter Melanson introduced himself along with Dan Cahill to the Board and had Mr. Cahill start the presentation by providing the Board with an overview of Constitution Partners which included the Firm's history and team organizational chart, noting that the Firm has over \$5.9 Billion in assets under management. The Ironsides Co-Investment Fund, Partnership Fund, and Private Equity Fund Performances were reviewed with the Board in detail along with the Firm's Investment Strategy, noting that Constitution targets investments in top quartile middle market private equity funds. Mr. Chambers inquired about how interest rates have on the Fund with Mr. Cahill answering the question in detail by providing several examples of how interest rates affect the Fund when they are raised or lowered. The Ironsides Investment Performance of Fund III, Fund IV, Fund V, and Fund IV was reviewed in detail with the Board along with the industry diversification of each fund. The fee structure was reviewed in detail with Mr. Cahill noting that Constitution Capital partners have some of the lowest fees in the industry. Serge Greene inquired as to how they can operate with charging so little. Mr. Cahill noted that they earn most of their money on the backend because their philosophy is that they don't make money unless their clients make money. Mrs. Jensen asked a few detailed questions regarding the fee structure with Mr. Cahill clarifying that the Plan would be investing in the 50/50 Fund and that the capital will not be called until they are ready to invest the funds being called. The presentation was concluded with both Mr. Cahill and Mr. Melanson thanking the Board for the opportunity

Investment Monitor (Burgess Chambers, Burgess Chambers & Associates)

Mr. Chambers noted that the Board has been holding off on investing in this sector for a while and noted the potential of the Federal Reserve lowering interest rates. The Board and Mr. Chambers discussed where this fund would fit in the Plan allocations and where funding of this investment would come from should the Board decide to move forward with investing in Constitution Capital Partners Ironsides Fund VI 50/50 Split investment option. There was a detailed conversation regarding the Plan's funds being tied up for an extended period with Mrs. Jensen noting that should the Board makeup change down the road, they would not have the history or knowledge of this presentation to have a whole picture of why the Plan made the choice to invest with this Investment Manager. Mr. Chambers stated that he thinks that this investment is a good choice and recommended that the Plan have Mrs. Jensen review the Investment Agreement and recommended a potential of investing \$10 Million into Constitution Capital.

Attorney Report (Bonni Jensen, Klausner Kaufman Jensen & Levinson)

Draft Firefighters Pension Fund Resolution Trustee Terms Increased to 4 Years: Attorney Bonni Jensen reviewed the draft Resolution to change Trustee Terms from 2-year to 4-year terms in detail with the Board of Trustees with Mrs. Jensen that this Resolution will be presented to the Fire District Board for review and approval along with the Resolution to grant the one-time COLA Increase.

Chief Lee made a motion to approve the Warrant Dated July 19, 2024. The motion received a second from Serge Greene, approved by the Trustees 4-0

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Jensen Memo – 2025 Proposed Board Meeting Dates: Mrs. Jensen provided the Board of Trustees with the proposed 2025 Board Meeting Dates.

Jensen memo – Serenitas Dynamic Alpha Fund 2024: Mrs. Jensen provided the Board with a memo regarding the Serenitas Dynamic Alpha Fund 2024. The Memo outlined the structure of the Fund, including leverage limits, which are capped at three times the Fund's net asset value, and describes the offering terms, including a minimum investment requirement of \$1,000,000.00. The document details the fee structure, including management fees of 1.0% to 1.5%, and performance fees of 10% for Series S and 20% for Series B interests. Withdrawal provisions, including a 5% fee for early withdrawal exceeding certain limits, are also mentioned, along with the eligibility criteria requiring accredited investors. Mrs. Jensen concluded her review of the memo by emphasizing the potential risks and conflicts of interest involved, outlined in further detail within the investment documents.

Draft Firefighters Pension Fund Summary Plan Description: Mrs. Jensen provided the Board of Trustees with a draft Summary Plan Description for the Plan for review and approval. Mrs. Jensen then reviewed the changes that were made in the Summary Plan Description in detail with her Board along with reasons for these changes. Chief Lee asked if the new COLA would need to be added with Mrs. Jensen stating that she does not see the need for that to be added as it does not affect active participants in the Plan.

Chief Lee made a motion to approve the Summary Plan Description as presented. The motion received a second from Serge Greene, approved by the Trustees 5-0.

Administrator Report (Albert Lovingood, Resource Centers)

Pension Verification Letters: Mr. Lovingood informed the Board that the mailing of the Annual Pension Verification Letters was delayed due to an issue that has occurred with another Pension Plan's Annual Verification Letters. Mr. Lovingood informed the Board that the Verification Form requires a notarization and that a significant number of forms that his Firm has received contain incorrect notarizations. Mr. Lovingood noted that one of the most common errors in the notarization is that the notary is listing their name where the member's name should be listed. As a result, the notary is indicating that they are notarizing their own signature with the way that the notary section is being completed and is causing members to resubmit a new Verification Form. To mitigate this from happening with the retirees of the Plan, Mr. Lovingood stated that he has redone the mailing with the retiree's name being auto populated in the notary section to mitigate this error from occurring. The Board of Trustees inquired about how an error like this could occur with a Notary. Mr. Lovingood stated that he is not 100% sure, noting that when he obtained his Notary Commission in Florida, he had to complete a Notary Education Course. Mr. Lovingood also noted that when he lived in Massachusetts, he was a Notary there and that Massachusetts did not require any Notary courses at that time.

Trustee Ryan Sapp asked if Mr. Lovingood could send out letters to those members that are affected by the increase with Chief Lee noting that the increase is approximately 27.07%. Mr. Lovingood informed the Board that he will send out notifications to those members.

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7. NEW BUSINESS

Annual Audit Report – Presentation Date: Mr. Lovingood informed the Board that the Annual Audit Report will be completed soon and asked the Board if they wanted to have the Audit Presented at the next Board Meeting or hold a Special Board Meeting to review and accept this report. Attorney Bonni Jensen recommended that the Board hold a Special Meeting for the Annual Audit Report due to the next Quarterly Board Meeting being held in mid-September. The Board discussed the potential dates to hold a Special Board Meeting and instructed Mr. Lovingood to coordinate with the Auditor to schedule a date for the Annual Audit Presentation.

8. OTHER BUSINESS

Robert Pedreira – Joint Annuitant Pension Option: Robert Pedreira came before the Board and presented the Board with some additional information that assists him in proving that he was provided incorrect information when he had chosen his Pension Benefit. The Board of Trustees reviewed Mr. Pedreira's request to allow him to change his Pension Option due to being provided incorrect information at the time he entered the DROP. The Board of Trustees discussed the matter in detail along with reviewing the additional information that Mr. Pedreira was able to provide to the Board to make an informed decision. Chief Spera noted that once a Pension Benefit is chosen, a member is not able to make any changes; however, Chief Spera noted that this is a unique situation and that he believes that the Board should consider allowing Mr. Pedreira to make a change due to the incorrect information that was conveyed to him. The Board of Trustees asked Mr. Lovingood what the Fire District's HR Point of Contact for Pension Applications was authorized to do on behalf of the Pension Plan and The Resource Centers, with Mr. Lovingood stating that his understanding has been that the HR Point of Contact was authorized to assist and submit all Retirement, DROP Entry, and DROP Exit Applications and run Pension Estimates; however, it is his understanding that any and all questions regarding the details of a member's Pension or questions were to be forwarded to the Plan Administrator to be answered.

Ryan Sapp made a motion to approve Robert Pedreira to change his Joint Annuitant based on the evidence provided. The motion received a second from Serge Greene, approved by the Trustees 5-0

Wolf Popper Securities Litigation Firm Proposal: Mr. Lovingood informed the Board that at the last Quarterly Board Meeting, Wolf Popper presented their Securities Litigation Proposal for the Board's consideration and that the Board had not decided to hire Wolf Popper or not. The Board discussed the benefits of hiring Wolf Popper and verified with Mrs. Jensen that she has no objections or issue with the Board hiring Wolf Popper.

Serge Greene made a motion to hire Wolf Popper as a Securities Litigation Firm for the Plan. The motion received a second from Chief Spera, approved by the Trustees 5-0

9. ADDITIONAL REPORTS

There were no additional reports included for the Board Meeting.

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10. PUBLIC COMMENTS

No members of the public had any comment.

11. NEXT MEETING

The next Quarterly Board Meeting is scheduled for Thursday September 19, 2024, at 2:30PM.

12. ADJOURNMENT

There being no further business, Chief Spera made a motion to adjourn the meeting at 4:18 PM. The motion received a second from Ryan Sapp, passed 5-0 by the Trustees.

Respectfully submitted,

Chief Jeff Lee, Secretary