

ST. LUCIE COUNTY FIRE DISTRICT GENERAL EMPLOYEES' RETIREMENT FUND



Minutes: May 16, 2024

1. Chair Carl Trabulsy called an electronic meeting of the Board to order at 12:35 PM. Those persons present included:

TRUSTEES

Carl Trabulsy, Chairman
Linda Gaskill, Secretary
Mike Grace
Kelly Machado

OTHERS

Albert Lovingood, Administrator (Resource Centers)
Bonni Jensen, Attorney (Klausner Kaufman Jensen & Levinson)
Burgess Chambers (Burgess Chambers Assoc)
LeeAnn Suit, General Employee
Dr. Jorge Lasacano

2. EXTRAORDINARY (EXIGENT) CIRCUMSTANCES FOR TRUSTEES JOINING ELECTRONICALLY

All Trustees were physically present.

3. MINUTES

The Trustees reviewed the Minutes for the meeting of March 28, 2024.

Mike Grace made a motion to approve the Minutes for the meeting of March 28, 2024, as amended. The motion received a second from Kelly Machado, approved by the Board 4-0.

4. BENEFIT APPROVALS

There were no Benefit Approvals for this Board Meeting.

5. INTERIM FINANCIAL STATEMENTS & DISBURSEMENTS

The Board received and filed the interim financial statement through March 31, 2024.

The Board then reviewed the Warrant dated May 16, 2024, for approval of Plan expenses.

Kelly Machado made a motion to approve the Warrant dated May 16, 2024, for payment of invoices. The motion received a second from Linda Gaskill, approved by the Trustees 4-0.

6. LEEANN SUIT INFORMAL DISABILITY

Attorney Bonni Jensen presented the Board with the IME Report that was performed by Dr. Thomas Truncala in reference to the Non-Duty Disability Pension Application that was submitted by General Employee LeeAnn Suit. Mrs. Jensen reviewed the Plan requirements for a member to qualify for a Non-Duty Disability, along with the parameters that the Board of Trustees must determine to either approve or deny Ms. Suit's Disability Application. Mrs. Jensen reviewed the details of Ms. Suit's disability and diagnosis with the Board of Trustees, noting that Dr. Truncala stated in his report that Ms. Suit is not able to perform her job as a Telecommunicator for the Fire District and that the disability is permanent and unlikely to

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improve in the future. Mrs. Jensen informed the Board that Ms. Suit is present along with her family and physician, Dr. Lascano approached the Board and provided his medical opinion that Ms. Suit is totally and permanently disabled and is unable to perform her duties as a Telecommunicator for the Fire District.

Mike Grace made a motion that LeeAnn Suis it totally and permanently disabled and unable to perform her job with the Fire District due to a Non-Duty Related Disability. The motion received a second from Kelly Machado, approved by the Trustees 4-0.

Mr. Lovingood informed Ms. Suit that he will be in contact with her on the next step for her Non-Duty Disability Pension.

7. REPORTS

Investment Consultant (Burgess Chambers, Burgess Chambers & Associates)

Mr. Chambers started his presentation by reviewing the summary of the Plan's Performance and reported the following: For the Quarter ending March 31, 2024, the Plan earned a net 4.9%, closely matching the target allocation rate of 5.1% and ranking in the top 34th percentile. The top performers included Fidelity Large-Cap Growth at 11.4%, Fidelity 500 Index at 10.6%, SPDR Portfolio S&P 400 Mid-Cap at 9.8%, Westwood Large-Cap Value at 7.8%, and Aristotle Large-Cap Value Equity at 7.6%. For Fiscal-Year-to-Date, the Plan earned a net 12.5%, trailing the target allocation of 12.7%. The Plan's One-Year Returns were a net 12.0%, behind the target allocation of 14.2% with the best performers being the Fidelity 500 Index at 39.1%, Aristotle Large-Cap Value Equity at 24.7%, Atlanta Capital Large-Cap Growth ant 21.2%, and the Fidelity Small-Cap Value at 18.8%. The Five-Year Returns were a net 8.7% net, which trailed behind the target allocation of 9.0% and ranking in the top 26th percentile. Mr. Chambers then reviewed the performance of the Plan's Investments in detail, noting that Large-Cap Value and Aristotle Large-Cap Value products had mixed results, with some underperformances in the short term but stronger long-term performance. Mr. Chambers then reviewed the short-term and long-term performance of Atlanta Capital in detail with the Board of Trustees. Mr. Chambers expressed his dissatisfaction with the performance of Atlanta Capital and recommended that the Plan terminate the relationship and divest in three tranches. The Board and Mr. Chambers discussed alternative options to take the place of Atlanta Capital.

Mike Grace made a motion to terminate Atlanta Capital Investments and move the assets into the Fidelity Large Cap Growth Index Fund. The motion received a second from Kelly Machado, approved by the Trustees 4-0.

Mr. Chambers then reviewed TeraCap Partners IV Fund, informing the Board that he had just received an email from the firm that two of the 12 properties left in the Fund are in foreclosure. The TeraCap Claw-back in the agreement was then reviewed in detail and expressed concerns that the contract does not guarantee that the money is in the fund. Mr. Chambers concluded his presentation with reviewing Plan's Real Estate Investments, noting that both investment managers, American Realty Advisors, and Intercontinental are still in negative territory, which resulted in a detailed conversation regarding the real estate market and what would become of the vacant and foreclosed commercial office buildings.

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

Jensen Memo - Form 1099-R Reporting of Disability Annuity Payments to First Responders and Other Disabled Taxpayers: Attorney Bonni Jensen provided the Board of Trustees with a Memo regarding the IRS Notice of changes to the 2023 Instructions for Forms 1099-R and 5498 to help clarify how to report disability annuity payments to first responders or other taxpayers on the Form 1099-R. Mrs. Jensen reviewed Internal Revenue Ruling 85-105, 1985-2 C.B. 53 in detail with the Trustees noting the new paragraph that clarifies what disability payments are taxable and non-taxable. Mrs. Jensen then reviewed how the changes will affect the Pension Plan and those members who are out on a disability and future disability Pensions.

Administrator Report

Credit Card Authorization: Mr. Lovingood informed the Board that new credit cards have arrived for each Trustee; however, the Credit Card for Linda Gaskill has her last name spelled wrong. Mr. Lovingood then informed the Board that to update the authorized individuals on the Trustee Credit Cards, the authorization needs to be included in the minutes and those minutes need to be provided to Truist Bank. The Board of Trustees, Mr. Lovingood, and Mrs. Jensen had a detailed conversation about who is an authorized signer and who should be an authorized signer on the Credit Card Account.

Linda Gaskill made a motion to list Plan Administrators, Albert C. Lovingood and J. Scott Baur, and Trustee Mick Grace as Authorized Signers to the Trustee Credit Card Account with Truist Bank. The motion received a second from Linda Gaskill, approved by the Trustees 4-0.

8. NEW BUSINESS

COLA – Mike Grace: Trustee Mike Grace discussed looking into the ability to add a COLA to the General Employees' Pension Plan along with the various options and routes that could be taken.

9. OTHER BUSINESS

The Board had no Other Business for discussion.

10. ADDITIONAL REPORTS

There were no additional reports included with the Board Meeting Packet.

11. WOLF POPPER

Doug Borths and Adam Savette with Wolf Popper thanked the Board of Trustees for allowing them to come and give their presentation on their Firm's Securities Litigation and Portfolio Monitoring Services. Mr. Broths started his presentation by informing the Board that Wolf Popper specializes in helping institutional investors like Pension Plans monitor their portfolios and identify potential legal claims. Wolf Popper's services ensure that their clients stay informed about existing or potential class action litigations, corporate mismanagement, and fraud that could have a negative impact on the client's investments. Mr. Borths noted that fiduciaries play a crucial role in the management of the Plan's funds, noting that not only is it prudent for fiduciaries to initiate litigation, when necessary, but it can also be a breach of duty not to pursue

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valid claims. By acting as lead plaintiffs, institutional investors can significantly increase the average settlement amounts.

Mr. Broths and Mr. Savette noted that Wolf Popper also handles international securities litigation, helping institutional investors to navigate the complexities of foreign jurisdictions to recover damages. The Firm's strong track records of success was then reviewed in detail with the Board of Trustees along with a review of their comprehensive services and what the potential costs would be should the Board of Trustees wish to hire their firm, noting that there is no cost to the Plan to monitor the Plan's investments. The presentation was concluded with both Mr. Broths and Mr. Savette asking the Board of Trustees if they had any questions.

Linda Gaskill made a motion to hire Wolf Popper as a Securities Monitoring Firm for the Plan. The motion received a second from Mike Grace, approved by the Trustees 4-0.

12. PUBLIC COMMENT

No members of the public had any further comment.

13. NEXT MEETING

The Board previously scheduled the next Quarterly Meeting for Thursday, July 19, 2024, at 12:30 PM if needed.

14. ADJOURNMENT

Mike Grace made a motion to adjourn the meeting at 2:29 PM. The motion received a second from Linda Gaskill, approved by the Trustees 4-0.

Respectfully submitted,

Linda Gaskill, Secretary