

**CITY OF AVON PARK FIREFIGHTERS' RETIREMENT SYSTEM
PENSION BOARD OF TRUSTEES QUARTERLY MEETING MINUTES
Fire Department, 98 S. Delaney Ave., Avon Park, FL 33825**

Tuesday, October 19, 2021 – 1:00PM

TRUSTEES PRESENT: Warren West
Jonathan Prevatte
Dr. Robert Flores
Jason Simmons
Samantha Mootosammy (via phone)

TRUSTEES ABSENT: None

OTHERS PRESENT: Richelle Levy, Lorium, PLLC
Michelle Rodriguez, Foster & Foster
Chrissy Stoker, Foster & Foster
Kerry Richardville, AndCo Consulting
Doug Lozen, Foster & Foster
Jim Barnard, Deputy Mayor
Members of the Plan

1. **Call to Order** – Warren West called the meeting to order at 1:00PM and quorum was determined.
2. **Roll Call** – As reflected above.
3. **Public Comments** – None.
4. **Approval of Minutes**

The July 26, 2021, quarterly meeting minutes were approved as presented, upon motion by Jason Simmons and second by Robert Flores; motion carried 4-0.

4. **New Business**

a. Update on 5th Trustee seat

1. Chrissy Stoker reminded the Board Warren West was the 5th trustee and he was reelected by the pension board at the last meeting. Chrissy commented the City Council ratified Warren's seat at the meeting on 8/23/21 so he would serve another term.

b. Proposed 2022 meeting dates

1. Chrissy Stoker reviewed the proposed meeting dates, commenting these dates were coordinated with Sebring Fire, as the expenses were shared. By consensus, the 2022 meeting dates were approved as presented.

Note: Samantha Mootosammy joined the meeting by phone at approximately 1:10PM.

c. Auditor letter

1. Warren West commented Mike Brynjulfson would no longer be providing auditing services to the pension board and recommended the Board to utilize the City's auditor.

2. Richelle Levy commented she spoke with the City's auditors who stated they could perform an independent audit if the Board wanted. Richelle commented she asked them for a quote, but they would not provide one on the chance the Board went out for bid. Richelle stated they did not need to go out for bid, but that was her recommendation unless they had a particular replacement in mind.
3. Robert Flores asked if they had to go out for bid, as the amount to retain an auditor was not that high. Richelle Levy commented she had seen costs range from \$10,000 to \$20,000. Robert commented they should send out a Request for Proposals (RFP) then. Richelle commented they could send out an RFP or simply a request for quotes.
4. Jim Barnard commented the City of Avon Park had not kept a finance director for more than 5 or 6 years, so their audits were always late, but the City's auditors always caught any errors made by the City. Warren West commented his only issue was that the audit should be independent from the City.
5. Robert Flores asked if they could use firms outside the county and Richelle Levy commented they could utilize any firm.

The Board voted to go out for bid for certified auditing services and to send the proposals to the plan attorney for approval before sending out to the Board, upon motion by Jonathan Prevatte and second by Jason Simmons; motion carried 5-0.

5. Reports

- a. Foster & Foster, Doug Lozen, Board Actuary
 - i. Investment return study
 1. Doug Lozen commented the State was continuing to encourage pension boards to reduce their investment return assumptions and reminded the Board they were currently at 7.50%. Doug commented the returns were great this year so it may be a good time to reduce the assumed rate of return. Doug stated the outlook over the long term was more pessimistic as of recently and he wanted his plans' assumptions to be lowered while the costs of doing so were still pretty cheap.
 2. Doug Lozen commented budgets in Florida were doing well as income was coming into the State as tourists were coming in. Doug referred to the investment return study, commenting if they lowered the assumption rate from 7.50% to 7.00%, with all else being equal, they would need approximately \$64,000 extra from the City per year to fund the plan.
 3. Doug Lozen commented with the 10/1/21 valuation a piece of the unfunded liability would be falling off which was approximately \$50,000-\$60,000 so if they lowered the investment return assumption at the same time, it would be covered.
 4. Doug Lozen commented if they lowered the investment return assumption to 7.00% with the next valuation report, the plan's funded status would still be close to 90% and the City's cost would not go up much if at all.

The Board voted to lower the investment return assumption from 7.50% to 7.00% in conjunction with the October 1, 2021, valuation report, upon motion by Robert Flores and second by Jason Simmons; motion carried 5-0.

- ii. Discussion of benefit cost study

1. Doug Lozen commented the cost study request was for a 25 and out retirement benefit, which would take away the age 52 requirement for normal retirement. Doug commented the study detailed the cost if the City paid for the benefit, if the members paid for it, and if there was a tiered system in place where only people who wanted to have the 25 and out would pay more in member contributions.
2. Jonathan Prevatte asked about the Deferred Retirement Option Plan (DROP). Doug Lozen commented DROP eligibility was obtained by reaching normal retirement eligibility so the 25 and out would allow for the DROP.
3. Doug Lozen commented he could move forward with the study, but he needed to know from the membership who wanted the tiered system. Jonathan Prevatte and Jason Simmons commented this could change year to year as more members were hired. Doug commented he could ballpark the cost of new hires in this study.
4. Richelle Levy reviewed her understanding of the study. Warren West commented the tiered system meant that those who wanted a 25 and out would pay for it in member contributions and anyone who did not want to participate in the 25 and out did not need to pay extra contributions.
5. Jonathan Prevatte asked if all members would have to opt into the 25 and out. Doug Lozen commented they would have the option to pay the additional contribution amount to participate.
6. The Board and Doug Lozen discussed the 25 and out extensively.
7. Doug Lozen commented he wanted to see a poll of the membership before conducting the study.

The Board voted to approve the benefit cost study as requested, upon motion by Jonathan Prevatte and second by Jason Simmons; motion carried 5-0.

8. Jonathan Prevatte commented he would work with Jason Simmons to poll the members for information and then send it to Doug Lozen. Doug stated in the study all new hires would be in the 25 and out and if there was a second iteration of the study (i.e., the 25 and out was optional) then down the road there would be other options.
 9. Doug Lozen commented he would wait to do the study until he received a list of members interested in the 25 and out. Jonathan Prevatte commented he would send Doug a list.
- b. AndCo, Kerry Richardville, Investment Consultant
- i. Quarterly Report through September 30, 2021
 1. Kerry Richardville gave an overview of the market environment over the quarter, commenting it was a mixed quarter, as July and August were strong but come September some of the Delta variant fears came through as well as concerns about inflation.
 2. The MVA as of 9/30/21 was \$8,426,697.
 3. Kerry Richardville reviewed the asset allocation of the fund. Kerry reminded the Board they added \$160,000 to the American Core investment which was why the cash balance was a bit high as they did not call all the funds yet.
 4. Kerry Richardville reviewed the asset allocation versus the targets commenting they were in line with the targets.

5. The total fund gross returns for the quarter were -0.27% underperforming the policy benchmark of 0.18%. The 1, 3, and 5-year trailing net returns were 21.10%, 11.58%, and 11.19%, respectively. Since inception (4/1/1997), the total fund net returns were 6.37% underperforming the policy benchmark of 7.11%.
 6. Kerry Richardville reviewed the performance of each manager.
- c. Lorium, PLLC, Richelle Levy, Board Attorney
- i. Legislative/legal update
 1. Richelle Levy reviewed the travel policy and clarified the policy provided \$100 for per diems, including days of travel. Richelle clarified the \$100 was supposed to include meals, incidentals, and parking, including valet. Richelle commented since the \$100 covered valet parking, this should not be reimbursed separately.
 2. The Board discussed having valet parking separate from the \$100.
 3. Richelle Levy commented she would add more specific language to the policy relating to parking. Richelle commented she would update the policy to include that lodging expenses would include the cost of parking, whether self-pay or valet.

6. Old Business

- a. Warren West commented Samantha Mootosammy had not been able to access the iPad utilized by the last trustee who had possession of it. Richelle Levy asked who purchased the iPad and Michelle Rodriguez commented it was likely purchased by Carol Knapp. Robert Flores commented Samantha could use his iPad in the meantime, as he was leaving the Board.
- b. Richelle Levy commented she would write a letter to the former trustee requesting him to return the iPad and its accessories.

7. Consent Agenda

- a. Payment ratification
 - i. Warrants #21, #22, #23 and #24
- b. Payment approval
 - i. None
- c. Fund Activity Report for July 21, 2021, through October 12, 2021

The Board approved the consent agenda as presented, upon motion by Jason Simmons and second by Robert Flores; motion carried 5-0.

8. Staff Reports, Discussion and Action

- a. Foster & Foster, Michelle Rodriguez/Chrissy Stoker, Plan Administrators
 1. Update on State Monies
 - i. Chrissy Stoker advised the Board the plan received \$41,847.92 from the State Monies distribution, which was \$2,763.05 more than the prior year. Chrissy stated Fiduciary Trust received the funds for deposit on 8/27/21.
 2. Board membership renewals
 - i. Chrissy Stoker commented the FPPTA Board membership renewals would occur prior to the next quarterly meeting of the pension board. Chrissy commented if the Board wanted to maintain a membership,

they could approve the renewal at today's meeting and the fee was \$750 for the Board's membership.

The Board voted to approve renewing their FPPTA membership for 2022, upon motion by Jason Simmons and second by Samantha Mootosammy; motion carried 5-0.

3. Educational opportunities
 - i. Chrissy Stoker reviewed the upcoming educational opportunities available to the Board.

9. Trustees' Reports, Discussion, and Action – None.

10. Adjournment – The meeting adjourned at 2:07PM.

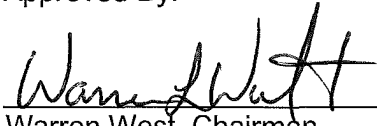
11. Next Meeting – January 18, 2021, at 1:00PM, Quarterly Meeting

Respectfully Submitted By:

Approved By:



Chrissy Stoker, Plan Administrator



Warren West, Chairman

Date Approved by the Pension Board: January 18, 2022