

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

Monday, April 25, 2022 – 1:30PM

**TRUSTEES PRESENT:** Warren West  
Jonathan Prevatte  
Samantha Mootoosammy

**TRUSTEES ABSENT:** Jason Simmons

**OTHERS PRESENT:** Richelle Levy, Lorium, PLLC  
Chrissy Stoker, Foster & Foster  
Kerry Richardville, AndCo Consulting  
Doug Lozen, Foster & Foster

1. **Call to Order** – Warren West called the meeting to order at 1:30PM and quorum was determined.
2. **Roll Call** – As reflected above.
3. **Public Comments** – None.
4. **Approval of Minutes**

**The January 18, 2022, quarterly meeting minutes were approved as presented, upon motion by Jonathan Prevatte and second by Samantha Mootoosammy; motion carried 3-0.**

5. **New Business**

a. Actual expenses as of September 30, 2021

1. Chrissy Stoker presented the actual expenses. Chrissy commented after the last meeting she learned the expenses presented were not finalized, therefore the report presented in January had not been sent to the State. Chrissy commented this updated report of expenses would be submitted to the State.

**The Board approved the actual expenses as of September 30, 2021, as presented, upon motion by Jonathan Prevatte and second by Samantha Mootoosammy; motion carried 3-0.**

b. Discussion of Operating Rules & Procedures

1. Chrissy Stoker commented after the last meeting, Warren West requested her to prepare electronic and physical copies of plan documents for the trustees to have on-hand. Chrissy commented upon review of the files received from the prior administrator, no Operating Rules & Procedures were found.
2. Richelle Levy commented her office could prepare a set of Operating Rules for the plan, as they had done one for Avon Park Police. Warren West commented he may have the Operating Rules from the prior administrator. Richelle commented if the document could not be found, she could prepare it. Richelle commented the Operating Rules would compile policies and other procedural items into one comprehensive document.
3. By consensus the Board directed Richelle Levy to prepare the Operating Rules & Procedures for approval at the next meeting if the Chairman was unable to locate it.

c. Discussion of Plan Restatement

1. Chrissy Stoker commented the last plan restatement was done in 2009, and any Ordinance amendments that were subsequently adopted were not included.

Richelle Levy commented all adopted Ordinance amendments were posted to Municode, so any trustees needing to reference the plan document could safely utilize it.

- d. Ratification of trial balance fees
  - 1. Chrissy Stoker commented she had been working with the Board's auditor, Kabat, Schertzer, De La Torre, Taraboulos & Co (KDST), and the City was unable to provide trial balances for fiscal years 2020 and 2021. Chrissy commented she and Michelle Rodriguez reached out to the Chairman to authorize Foster & Foster to internally create these trial balances for the auditor at a rate of \$350 per fiscal year, for a total of \$700. Chrissy commented the trial balance work had been completed, and the Board just needed to ratify the fees.

**The Board voted to ratify the fees paid to Foster & Foster for the creation of the FY 2020 and FY 2021 trial balances, upon motion by Samantha Mootosammy and second by Jonathan Prevatte; motion carried 3-0.**

- e. Foster & Foster fee proposal, actuarial services
  - 1. Doug Lozen commented the fee increase was only applicable to actuarial services. Doug thanked the Board for their many years of business.
  - 2. Doug Lozen reviewed the scope of actuarial services provided by Foster & Foster. Doug commented the only item billed that had increased each year was the valuation which increased by 5% each year.
  - 3. Doug Lozen commented they were currently billing just over \$19,000 per year. Doug commented if the proposal were approved, fees would increase by approximately 8% in the next fiscal year, for a total of approximately \$21,000. Doug stated from there, all line-item fees would increase at the same rate as the Consumer Price Index (CPI) annually on October 1.

**The Board voted to approve the fee proposal as presented and authorize the plan attorney to write an addendum to the actuarial services agreement, upon motion by Jonathan Prevatte and second by Samantha Mootosammy; motion carried 3-0.**

#### 4. Reports

- a. Foster & Foster, Doug Lozen, Board Actuary
  - 1. October 1, 2021, actuarial valuation
    - i. Doug Lozen reminded the Board the purpose of the valuation was to determine the City's required contribution amount. Doug commented the contribution amounts set forth in the valuation were applicable to the plan/fiscal year ending 9/30/2023.
    - ii. Doug Lozen commented the City's required contribution amount decreased from \$337,702 to \$329,288 with this valuation. Doug commented the decrease was attributable to full recognition of the 2011 actuarial loss and net favorable actuarial experience. The decrease was offset in part by a reduction in the investment return assumption from 7.50% to 7.00%.
    - iii. Plan experience was favorable overall on the basis of the plan's actuarial assumptions. Sources of actuarial gain included an investment return of 10.58% (Actuarial Asset Basis) which exceeded the 7.50% assumption and an average salary increase of 4.52% which fell short of the 5.41% assumption. These gains were offset in part by a loss associated with inactive mortality experience.
    - iv. Doug Lozen commented the City had access to a prepaid contribution of \$3,776.96 that was available to offset a portion of the funding requirement for the fiscal year ending 9/30/2022.
    - v. Doug Lozen commented the City may use annual State Monies up to \$43,902.19 for meeting its minimum funding requirements. Doug added State

- Monies in excess of \$43,902.19 were equally split between the Membership Share Plan and City contribution credit.
- vi. Doug Lozen commented the funded ratio was 89.80% and reviewed the history of the plan's funding progress.
  - vii. Doug Lozen recommended the Board to consolidate the unfunded liability which would not change the funded status nor the City's funding requirement, but it would reduce volatility going forward.

**The Board approved the October 1, 2021, actuarial valuation report as presented, upon motion by Samantha Mootosammy and second by Jonathan Prevatte; motion carried 3-0.**

**The Board voted to authorize the actuary to consolidate the unfunded liability in conjunction with the October 1, 2022, actuarial valuation, upon motion by Jonathan Prevatte and second by Samantha Mootosammy; motion carried 3-0.**

- viii. Doug Lozen recommended the Board to resume a glidepath reduction of the investment return assumption. Doug commented he could provide the Board with cost information to see how the funding requirement would change based upon lowering the assumed rate of return by so many basis points in conjunction with the next valuation.
- ix. By consensus, the Board directed Doug Lozen to provide information on the cost of lowering the assumed rate of return for the next meeting.

**The Board voted the declaration of returns for the plan shall be 7.00% for the next year, the next several years, and the long-term thereafter net of investment related expenses, upon motion by Samantha Mootosammy and second by Jonathan Prevatte; motion carried 3-0.**

- b. AndCo, Kerry Richardville, Investment Consultant
  - 1. Quarterly Report through March 31, 2022
    - i. Kerry Richardville gave an overview of the market environment over the quarter.
    - ii. The market value of assets as of 3/31/2022 was \$8,098,905.
    - iii. Kerry Richardville reviewed the asset allocation of the fund.
    - iv. Kerry Richardville reviewed the asset allocation versus the targets commenting they were comfortably in line with the investment policy targets and she had no recommendations for rebalancing.
    - v. The total fund net returns for the quarter were -5.75% underperforming the policy benchmark of -4.14%. The fiscal year to date (FYTD), 1-, 3- and 5-year trailing returns were -1.50%, 4.21%, 11.15%, and 9.78%, respectively. Since inception (4/1/1997) the total fund net returns were 6.17% underperforming the policy benchmark of 7.02%.
    - vi. Kerry Richardville reviewed the performance of each manager.
- c. Lorium, PLLC, Richelle Levy, Board Attorney
  - 1. Richelle Levy provided a legislative update, commenting several bills were "ordered and rolled", which meant they were approved by both houses of the State legislature and sent to the Governor for approval.
  - 2. Richelle Levy reviewed a bill that provided a firefighter who did not have a pre-employment physical on file could still be afforded the disability presumption under the heart and lung bill.
  - 3. Richelle Levy commented the firefighter cancer law was amended to include fire investigators.
  - 4. Richelle Levy commented the firefighter bill of rights was extended to informal investigations.

5. Richelle Levy commented PTSD benefits were extended to allow for a firefighter to file a first report of injury within ninety days of the diagnosis, not the onset of symptoms.
  6. Richelle Levy reviewed the additional Homestead Exemption for classroom teachers, military service personnel, child welfare/services workers, and first responders.
- d. Foster & Foster, Doug Lozen, Board Actuary (*continued*)
1. Cost Study, 25 & Out
    - i. Doug Lozen presented the cost study for the "25 & Out."
    - ii. Doug Lozen reviewed the plan's retirement provisions, commenting there were currently two ways to retire: Attainment of Age 55 with ten years of service, or attainment of Age 52 with twenty-five years of service. Doug commented the 25 & Out proposal would allow members to retire before becoming Age 52.
    - iii. Doug Lozen commented the study showed the cost to the members if they paid extra contributions, which would not cause the City's funding requirement to increase.
    - iv. Doug Lozen commented he would do a follow-up that showed how much only the members who would be positively affected would need to contribute.
    - v. The Board discussed pros and cons of having a 25 & Out provision.
    - vi. Doug Lozen commented he would redo the study based on the three members who would be impacted by the 25 & Out and cost out how much extra they would need to contribute to the plan.

**7. Old Business**

- a. Warren West asked Doug Lozen about a 13<sup>th</sup> check. Doug explained sometimes a "13<sup>th</sup> check" was provided to retirees if the plan beat the assumption threshold. Doug commented he did not necessarily recommend this, as distributing a 13<sup>th</sup> check based on outperformance of the assumption rate was just giving away the gains. Doug commented he could cost it out to see what it would cost for certain people in the plan who did not otherwise get a cost-of-living adjustment (COLA), as long as the plan's funded status was above 90%, they could receive 13 checks in a 12-month period. Doug commented they may consider providing an ad hoc COLA to retirees and he could cost this out as well.
- b. The Board and Doug Lozen discussed the current COLA provisions of the plan.
- c. Doug Lozen commented they could extend the number of COLAs applied to retired members, for example, by providing for 7 COLAs instead of the current 5. Doug commented they could modify the COLA structure going forward to provide for additional increases or provide for COLAs earlier than Age 58. Doug commented there were many variables they could tweak to adjust the COLA provision.

**8. Consent Agenda**

- a. Payment ratification
  - i. Warrants #28, #29 and #30
- b. Payment approval
  - i. None
- c. Fund Activity Report for January 12, 2022, through April 18, 2022

**The Board approved the consent agenda as presented, upon motion by Jonathan Prevatte and second by Samantha Mootosammy; motion carried 3-0.**

**9. Staff Reports, Discussion and Action**

- a. Foster & Foster, Chrissy Stoker, Plan Administrator
  - i. Financial disclosure forms
    - a. Chrissy Stoker reminded the trustees to file their financial disclosure forms.
    - b. Richelle Levy reviewed she provided each trustee with a memorandum that clarified what was to be properly reported as intangible property for purposes of

the Form 1. Richelle recommended the trustees continue to submit what they have submitted in the past unless there were any major changes.

- ii. State Annual Report update
  - a. Chrissy Stoker commented the Annual Report was submitted on 3/31/2022 and we were just waiting on the completion of the audit. Chrissy commented KSDT had advised the audit would likely be finalized in late-May or mid-June and asked if the Board wanted to hold a special meeting for the audit presentation.
  - b. The Board discussed the timing of the audit presentation.
- iii. Educational Opportunities
  - a. Chrissy Stoker reviewed the upcoming Annual Conference. Chrissy reminded the Board Foster & Foster handled the conference registrations and each trustee was responsible for reserving their own hotel room and submitting their reservation confirmation for reimbursement.
  - b. Richelle Levy commented they would receive 10 CEUs for attending the conference.

10. **Trustees' Reports, Discussion, and Action** – None.

11. **Adjournment** – The meeting adjourned at 3:02PM.

12. **Next Meeting** – July 25, 2022, at 1:30PM, Quarterly Meeting

Respectfully Submitted By:

  
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Chrissy Stoker, Plan Administrator

Approved By:

  
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Warren West, Chairman

Date Approved by the Pension Board:

7/25/2022  
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