

**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, February 6, 2023 – 1:00PM

TRUSTEES PRESENT: Warren West
Jonathan Prevatte
Samantha Mootosammy
Jason Simmons

TRUSTEES ABSENT: None

OTHERS PRESENT: Richelle Levy, Lorium Law
Chrissy Stoker, Foster & Foster
Kerry Richardville, AndCo Consulting
Jim Barnard, Deputy Mayor
Amed Avila, Fiduciary Trust International
Mindy Johnson, Fiduciary Trust International
Doug Borths, Wolf Popper
Adam Savett, Wolf Popper
Members of the Public

1. **Call to Order** – Warren West called the meeting to order at 1:01PM and a quorum was determined.
2. **Roll Call** – As reflected above.
3. **Public Comments** – None.
4. **Approval of Minutes**
 - a. Warren West noted Jim Barnard's name was misspelled on page 3 of the drafted minutes. Chrissy Stoker commented she would correct this before getting the minutes executed.

The October 24, 2022, quarterly meeting minutes were approved with a revision to page 3 as discussed, upon motion by Jonathan Prevatte and second by Samantha Mootosammy; motion carried 4-0.

5. **Consent Agenda**
 - a. Payment ratification
 - i. Warrants #36, #37, and #38.
 - b. Payment approval
 - i. None.
 - c. Fund Activity Report for October 18, 2022, through January 30, 2023.

The Board approved the consent agenda as presented, upon motion by Jason Simmons and second by Warren West; motion carried 4-0.

6. **New Business**
 - a. Wolf Popper, Doug Borths/Adam Savett, Securities Monitoring
 - i. Doug Borths introduced himself and Adam Savett and stated they were present to review Wolf Popper's services for institutional investors and how they could help serve the Plan in risk and liability mitigation. Doug discussed the benefits of retaining Wolf Popper.

- ii. Adam Savett discussed what securities litigation meant for pension funds, commenting they looked at portfolios for any cases of fraud or mismanagement that resulted in a loss to the fund. Adam commented if they found reason to believe there was fraud, they would provide a recommendation whether to pursue litigation. Adam added they were a fiduciary overlay.
- iii. Richelle Levy asked why they should add Wolf Popper as another securities monitor. Adam Savett recommended 3-5 monitors for each client and discussed why it was beneficial to have multiple firms monitoring the portfolio.
- iv. Doug Borths commented their services were free and they were only paid on a contingent basis. Doug commented they provided monthly reports, bulletins, and settlement reports, and if there were any recommendations, they would notify the trustees and the consultants.
- v. Kerry Richardville asked how they would add value to a portfolio that was comprised of all mutual funds. Adam Savett stated mutual fund litigation did happen and provided examples of fraud in mutual funds.
- vi. The Board discussed at length how Wolf Popper's services could serve the pension fund in the context of its size relative to other pension funds with more assets under management.
- vii. Adam Savett commented they were very selective about what cases they pursued so they did not waste anyone's time if a case was not worth pursuing.

Note: Wolf Popper left the meeting at 1:34PM.

- viii. The Board and the attorney further discussed Wolf Popper.

The Board voted to retain Wolf Popper as a securities monitoring firm subject to review by counsel, upon motion by Samantha Mootoosammy and second by Jason Simmons; motion carried 4-0.

- ix. Richelle Levy reviewed the process for filing a claim and recovering any lost funds. Amed Avila reviewed how they provided securities monitoring firms with data feeds so they could self-serve and obtain information needed to identify any potential fraud.

- b. Actual expenses as of September 30, 2022

The Board approved the actual expenses as of September 30, 2022, as presented, upon motion by Jonathan Prevatte and second by Samantha Mootoosammy; motion carried 4-0.

7. Reports

- a. Fiduciary Trust, Amed Avila/Mindy Johnson, Fund Custodian
 - i. Amed Avila thanked the Board for their business over the last ten years. Amed introduced Mindy Johnson and reviewed her experience.
 - ii. Mindy Johnson introduced herself and commented she was excited to be working with Fiduciary Trust and looked forward to serving the Plan as the custodian.
 - iii. Richelle Levy reviewed her experience working with Fiduciary Trust and noted their customer service was fantastic.
- b. AndCo, Kerry Richardville, Investment Consultant
 - i. Quarterly Report through December 31, 2022
 - 1. Kerry Richardville reviewed a letter from Mike Welker and gave a brief firm update. Kerry thanked the Board for their business.
 - 2. Kerry Richardville gave an overview of the market environment over the quarter.
 - 3. The market value of assets as of December 31, 2022, was \$7,663,500.
 - 4. Kerry Richardville reviewed the asset allocation of the fund, which was 49.10% in Domestic Equity, 15.00% in International Equity, 19.60% in Domestic Fixed Income, 4.80% in Global Fixed Income, 10.30% in Real Estate, and 1.30% in cash equivalents.
 - 5. Kerry Richardville reviewed the asset allocation versus the target allocations commenting they were in good shape from an asset allocation standpoint.
 - 6. The total fund net returns for the quarter were 5.12%, underperforming the policy benchmark of 5.86%. The FYTD, 1-, 3- and 5-year trailing returns were 5.12%, -15.69%, 3.62%, and

5.18%, respectively. Since inception (4/1/1997) the total fund net returns were 5.53% underperforming the policy benchmark of 6.34%.

7. Kerry Richardville reviewed the performance of each manager.
8. Kerry Richardville commented if they wanted to get in the queue for a redemption request from American Core Realty (ARA), they could do that now as they were slightly overweighted to real estate.

The Board voted to put in a redemption request for \$25,000 from ARA to rebalance the portfolio, upon motion by Jonathan Prevatte and second by Samantha Mootoosammy; motion carried 4-0.

9. Kerry Richardville commented she had not increased her fees for approximately six years. Kerry stated she was respectfully proposing a fee increase to \$20,000 annually which would be guaranteed for four years.

The Board voted to approve the fee increase for investment consulting services provided by AndCo Consulting, upon motion by Samantha Mootoosammy and second by Jason Simmons; motion carried 4-0.

- b. Lorium Law, Richelle Levy, Board Attorney
 1. Richelle Levy reviewed several changes made with the federal SECURE Act 2.0.
 2. Richelle Levy commented the Required Minimum Distribution (RMD) age was increased to age 73 effective January 1, 2023, and this would increase to age 75 on January 1, 2033.
 3. Richelle Levy commented the 10% early withdrawal penalty on lump sum distributions to public safety officers under age 50 would not apply if the public safety officer had 25 years of service upon separation.
 4. Richelle Levy commented disability benefits would continue to be non-taxable even after a member obtained normal retirement age.
 5. Richelle Levy commented the IRS softened its stance on overpayments to retirees and it would now be up to a fund's fiduciaries to determine if overpaid funds should be recouped or if this would cause the recipient a hardship.
 6. Richelle Levy commented public safety officers could exclude up to \$3,000 from their taxable income even if they did not pay their premiums paid directly through the pension.
 7. Richelle Levy commented the Florida legislature had a bill in the works that would roll back the retirement requirements to 25 & out or age 55 and the completion of 10 years of credited service.

2. **Old Business** – None.

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

- a. Foster & Foster, Chrissy Stoker, Plan Administrator
 - i. 2022 Census Survey
 1. Chrissy Stoker commented the City had reached out to her several times to request that she complete the survey sent out by the US Census Bureau. Chrissy commented she needed the Board's approval to complete the survey as it was outside the scope of her contractual services. Chrissy commented the survey was projected to take approximately 2.5 hours and she would charge her hourly rate to complete it.
 2. Warren West commented the survey seemed to be more work and it was also a cost, so he did not think this was required. Richelle Levy commented the administrator could not take direction from the City so the Board needed to approve the cost. Richelle commented she would do some research to see what the purpose of the survey was.
- b. Update on State Annual Report
 - i. Chrissy Stoker commented the State Annual Report was in progress and would on track to be submitted by the March 15 deadline.
- c. Educational Opportunities
 - i. Chrissy Stoker commented the next educational opportunity was the FPPTA Annual Conference. Chrissy provided each trustee with an updated certificate of tax exemption.

4. **Trustees' Reports, Discussion, and Action**

- a. Warren West commented he would like the administrator to put together an annual briefing for City Council and present an example. Warren requested the briefing to provide the average monthly benefit and funded ratio. By consensus the Board agreed to have the administrator put together an annual briefing after each fiscal year end.

5. **Adjournment** – The meeting adjourned at 2:40PM.

6. **Next Meeting** – April 24, 2023, at 1:00PM, Quarterly Meeting

Respectfully Submitted By:

Chrissy Stoker

Chrissy Stoker, Plan Administrator

Approved By:

Warren West

Warren West, Chairman

Date Approved by the Pension Board:

April 24, 2023