

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

Monday, February 5, 2024 – 12:00 PM

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

**TRUSTEES ABSENT:** Tonya Marshall

**OTHERS PRESENT:** Richelle Levy, Lorium Law  
Chrissy Stoker, Foster & Foster  
Kerry Richardville, AndCo Consulting  
Doug Lozen, Foster & Foster  
Eric Leventhal, Kabat, Schertzer, De La Torre, Taraboulos & Co.  
KSDT) (via Zoom)

1. **Call to Order** – Warren West called the meeting to order at 12:01PM and a quorum was determined.
2. **Roll Call** – As reflected above.
3. **Public Comments** – None.
4. **Approval of Minutes**
  - a. October 30, 2023, quarterly meeting

**The October 30, 2023, quarterly meeting minutes were approved as presented, upon motion by Jason Simmons and second by Samantha Mootoosammy; motion carried 4-0.**

**5. Reports**

- a. KSDT, Eric Leventhal, Board Auditor
  - i. Financial Statements, year ended September 30, 2023
    1. Eric Leventhal noted the audit being presented was a draft until it was approved by the Board at which time it would be finalized and final copies would be distributed. Eric advised they were issuing an unmodified opinion as the financial statement information included was being presented in accordance with Government Auditing Standards without modification.
    2. Eric Leventhal reviewed the statement of fiduciary net position as of September 30, 2023. The net position restricted for defined benefits was \$7,307,370. The net position restricted for DROP benefits was zero. The net position restricted for Share Plan benefits was \$47,008. In total the net

position restricted for pensions was \$7,354,378, which was an increase of \$293,284 since the prior year.

3. Eric Leventhal reviewed the statement of changes in fiduciary net position. Total additions were \$1,122,979: Contributions from the City, the Members, and the State totaled \$446,357, and net investment income was \$676,622. Eric noted the investment losses in 2022 compared to the gains in 2023.
4. Total deductions were \$829,695. Eric Leventhal reviewed the deductions were benefit payments totaling \$437,610, a DROP distribution of \$319,404, refunds totaling \$4,147, and \$68,534 of administrative expenses.
5. Eric Leventhal reviewed the investment and administrative expenses, which fluctuated within expectations since the prior year.
6. The beginning net position restricted for pensions was \$7,061,094. Additions were greater than deductions by \$293,284. The net position restricted for pensions ended at \$7,354,378.
7. Eric Leventhal stated while KSDT was not specifically engaged to examine internal controls, no sources of weakness or material deficiencies were found during the audit.

**The Board voted to approve the audited financial statements as of September 30, 2023, as presented, upon motion by Jonathan Prevatte and second by Samantha Mootosammy; motion carried 4-0.**

**The Board authorized the Chairman to sign the audit representation letter, upon motion by Jonathan Prevatte and second by Jason Simmons; motion carried 4-0.**

- b. Foster & Foster, Doug Lozen, Plan Actuary
  - i. October 1, 2023, actuarial valuation report
    1. Doug Lozen commented the city's required contribution increased from \$415,778 to \$485,713 with this valuation. The city had overfunded a bit the last few years, so they had access to a prepaid contribution of \$11,047.25 to offset the cost.
    2. Doug Lozen explained although 2023 was a good investment year, assets were smoothed over four years to prevent the city's cost from fluctuating too much. The smoothed average was 5.09%, which did not meet the 7.00% investment return assumption. Doug advised the city's cost may go up slightly over the next few years as the losses from 2022 were phased in.
    3. Plan experience was unfavorable overall on the basis of the plan's actuarial assumptions. Sources of actuarial loss included an investment return of 5.09% (Actuarial Asset Basis) which fell short of the 7.00% assumption and inactive mortality experience. There were no significant sources of actuarial gain.
    4. The funded status was 83.00%. Doug Lozen noted it was slightly lower than last year, but he was not concerned.
    5. Doug Lozen commented the last experience was done in October 2018 and the recommendation was to have an experience study done every five years to ensure the assumptions being used were reasonable. Doug asked the Board for approval to update the experience study for presentation at the July meeting.

**The Board approved the October 1, 2023, actuarial valuation report as presented, upon motion by Samantha Mootosammy and second by Jason Simmons; motion carried 4-0.**

**The Board authorized the actuary to update the experience study to present at the July meeting for a cost not to exceed \$10,000, upon motion by Samantha Mootosammy and second by Jonathan Prevatte; motion carried 4-0.**

**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 Jonathan Prevatte and second by Jason Simmons; motion carried 4-0.**

6. Warren West requested an actuarial cost study for implementing cost-of-living-adjustments (COLAs). Doug Lozen gave a not-to-exceed fee of \$1,500. Warren made a motion to authorize a cost study for an automatic 10.00% COLA for all normal retirees and all future normal retirees applied on the first October 1 following attainment of age 67. There was no second; the motion died on the floor.
7. Richelle Levy advised a COLA was negotiable so this would need to go to the Union.
8. After further discussion, the Board authorized the actuary to complete a study to show the cost of providing a 2.00% COLA for current normal retirees. The cost of the study would not exceed \$1,500.
9. Richelle Levy advised they could try to get a Mutual Consent Agreement for the State Monies instead of the default methodology.

**The Board voted to authorize the actuary to complete a study to show the cost of providing a one-time 10.00% COLA to all current Normal retirees and extending the 3.00% COLA for future Normal retirees to age 67, upon motion by Samantha Mootosammy and second by Warren West; motion carried 4-0.**

- c. AndCo, Kerry Richardville, Investment Consultant
  - i. Quarterly report as of December 31, 2023
    1. Kerry Richardville gave an overview of the market environment over the quarter. It was a strong quarter for public markets with the exception of separate real estate.
    2. The market value of assets as of December 31, 2023, was \$8,309,529.
    3. Kerry Richardville reviewed the asset allocations. 51.80% of the portfolio was in Domestic Equity, 14.50% was in International Equity, 19.20% was in Domestic Fixed Income, 4.40% was in Global Fixed Income, 7.80% was in Real Estate, and 2.30% was in Cash Equivalent.
    4. Kerry Richardville reviewed the overweights and underweights and did not have any recommendations for rebalancing.
    5. The total fund net returns for the quarter were 8.45%, underperforming the policy benchmark of 8.75%. The FYTD, 1-, 3- and 5-year trailing returns were 8.45%, 13.11%, 2.74%, and 8.73%, respectively. Since inception (4/1/1997)

the total fund net returns were 5.80% underperforming the policy benchmark of 6.65%.

6. Kerry Richardville reviewed the performance of each manager. Kerry noted one of the team members from the JPMorgan Equity Income fund was leaving, but they were not changing strategy and she did not have concerns.
  7. In response to an inquiry by Jonathan Prevatte, Kerry Richardville stated she was still comfortable with real estate in the portfolio for the long-term as an offset for fixed income, but there may be a few more negative quarters.
  - ii. Kerry Richardville announced AndCo Consulting was acquired by Mariner Institutional which was a wealth management shop out of the Midwest that focused on individual wealth planning. Kerry commented the acquisition was a stock purchase, so although the company name would change, the Board would not see any changes in personnel or processes.
- d. Lorium Law, Richelle Levy, Board Attorney
- i. Electronic Financial Disclosure Management System (EFDMS)
    1. Richelle Levy advised the trustees they would need to file their financial disclosure form online by July 1 via the EFDMS. The Supervisor of Elections was no longer accepting these forms. Richelle advised that, in applicable, the Public Record Exemption Request form needed to be mailed to the State Commission on Ethics prior to filing the form 1 online. Richelle noted they did not need to wait until June to file the Form 1.
  - ii. Richelle Levy advised the Board Amed Avila was no longer with Fiduciary Trust Company.
  - iii. Jonathan Prevatte commented one of the firefighters had volunteer service he was interested in purchasing and asked Richelle Levy if she could look into this. Richelle requested Jonathan to send her the member's name, age, and prior service information.

6. **New Business** – None.

7. **Old Business** – None.

8. **Consent Agenda**

- a. Payment ratification
  - i. Warrants #46, #47 and #48.
- b. Payment approval
  - i. None.
- c. Fund Activity Report for October 24, 2023, through January 29, 2024.

**The consent agenda was approved as presented, upon motion by Jason Simmons and second by Samantha Mootosammy; motion carried 4-0.**

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

- a. Foster & Foster, Chrissy Stoker, Plan Administrator
  - i. Educational opportunities
    1. Chrissy Stoker noted the FPPTA 40<sup>th</sup> Annual Conference would be held June 23-26, 2024, in Orlando.

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

**11. Adjournment** – The meeting adjourned at 1:59PM.

**12. Next Meeting** – Monday, April 22, 2024, at 12:00PM, Quarterly Meeting

Respectfully Submitted By:

Approved By:

  
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Chrissy Stoker, Plan Administrator

  
\_\_\_\_\_  
Warren West, Chairman

Date Approved by the Pension Board:

April 22, 2024