

City of North Port Police Officers Local Option Pension Trust Fund

**MINUTES OF MEETING HELD**

**March 11, 2024**

1. Keith Brown called the meeting to order at 1:00PM. Those persons present included:

**TRUSTEES**

Keith Brown, Secretary  
Brian Chippendale  
Christine O'Neal

**OTHERS**

Scott Baur & Toby Rabelo, Administrator (Resource Centers)  
Scott Christiansen, Attorney  
(Christiansen & Dehner)  
Jennifer Gainfort, Investment Consultant (AndCo)  
Mauldin & Jenkins – Wade Sansbury  
Mark Rhein SALEM / Argent

2. **Public Comments**

No public comments.

3. **APPROVAL OF MINUTES**

The Board reviewed the draft minutes for the December 11, 2023, regular meeting.

- MOTION by B. Chippendale made a motion to approve the December 11, 2024, minutes. The motion received a second from Christine O'Neal – as amended by K. Brown, S. Christiansen, and C. O'Neal. Motion passed unanimously 3-0.

4. **REPORTS**

A. **ANDCO**

Jennifer Gainfort began with the acquisition of ANDCO by Mariner on April 2, 2024. Secretary Brown asked where Mariner was based out of and Jennifer replied, "Kansas." She provided an overview of Mariner and how ANDCO is retaining their footprint / offices. She then referred to the acquisition handout and identified the key changes were legal name – change and control. The acquisition must be approved by the BOARD.

Attorney Christiansen indicated this is an acknowledgement of the name change and recommended the BOARD direct him to execute a new contract.

**MOTION by C. O'Neal, second by B. Chippendale, to approve consent and authorize the plan attorney to execute a new contract. Motion passed 3-0.**

Jennifer said it was a great year for stocks and the concerns of a recession did not materialize. Jennifer stated that when the FED raises interest rates this usually signals a recession two years later historically. The FED began interest rate hikes in March 2022. She expects the FED to decrease interest rates sometime in June or July.

S&P is up 26.3% - The total return one year performance numbers were driven by the "Magnificent Seven," indicating the total return without the Magnificent Seven would have been 13%.

Page 4 of packet overview – Plan Assets \$64,464,136.00 (60.2 million at the end of last quarter). Jennifer pointed out how Domestic Equity was overweight and recommended the following reallocation: Take roughly 3% of Domestic Equities or 2 million and rebalance as follows:

- 300 K Euro Pacific
- 300 K DFA INTL
- 600 K BAIRD
- 300K Blackrock
- 500 K PIMCO

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**MOTION by C. O'Neal, second by Brian Chippendale, to approve the reallocation as recommended by the plan's investment consultant. Motion passed 3-0.**

Jennifer then went over pages 4 through 7 of her packet to include QTR/1YR/3Yr/5YR and Inception (Net & Gross). The pandemic time period caused under performance in International Equities. Trustee K. Brown praised Jennifer on Euro Pacific performance the overall resiliency of the portfolio. Trustee K. Brown asked what the yield was for Blackrock referring to page 7 last row – Jennifer said 6.5 % yield. Trustee K. Brown then asked if the plan was positioned to take advantage of Real Estate opportunities. Jennifer replied, "Yes." Trustee Brown asked about redemption and Jennifer said there is 722 million in QUE (12% of net value). Trustee Brown asked Jennifer if she still has confidence in Real Estate. Jennifer replied, "Yes" and provided examples as to why. Trustee Brown asked if Jennifer ever saw Crypto being part of the portfolio. Jennifer said, she does not like to say never but it is unlikely it would be part of the portfolio due to the volatility.

Jennifer told Trustee Brown that the plan would lose upside in a JEPI strategy and how the Blackrock fund is better suited – participates more in up markets.

Current Market Value = \$66.62 Million dollars

B. Attorney: Scott Christiansen, Christiansen & Dehner

Attorney Christiansen started his presentation with Item 4 b 4 – FORM 1 then spoke about non-agenda items to include: Legislation Session Update/ESG/SPD sent to members.

Attorney Christiansen provided an overview of the Travel Reimbursement Policy. The BOARD reviewed it and made a motion.

- **MOTION by B. Chippendale made a motion to approve the amended operating rules presented by Attorney Christiansen. The motion received a second from Christine O'Neal – Motion passed unanimously 3-0.**

Attorney Christiansen asked PA Rabelo about the Salem Trust – Argent Agreement. PA Rabelo requested he check with Debbie McCord from his office. If it was not sent PA Rabelo would follow up.

There was discussion on voting conflict paperwork form for Trustee B. Chippendale, PA Rabelo to work with Trustee Chippendale.

Legislation Session closed Friday March 8, 2024. Attorney Christiansen said there were no changes to 185 but there was a bill dealing with possible insurance credits to homeowners on casualty insurance – wait and see. Attorney Christiansen then said the ESG report was filed on December 15, 2023, and is not due for another two years. Attorney Christiansen then asked PA Rabelo if the SPD was sent to all active members. PA Rabelo replied, "Yes." Attorney Christiansen then went over the travel reimbursement policy – amended operating rules.

**MOTION by B. Chippendale, second by C. O'Neal, to approve the amended operating rules for Travel Reimbursement as recommended by the plan attorney. Motion passed 3-0.**

Attorney Christiansen then spoke about his retirement and his recommendation of Klausner, Kaufman, Jensen & Levinson. He indicated Attorney Lindsey Garber would be assigned to North Port Police Pension (based on the 2024 meeting date schedule) and how he intends on having Lindsey at the June meeting. Attorney Christiansen told the BOARD they could also go to an RFP or change/terminate the recommended firm at any time. Attorney Christiansen, referring to Chair Scott Smith's email to the BOARD, said the BOARD is not violating any fiduciary responsibility. He said the current contract the BOARD has with him would be

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accepted by the Klausner, Kaufman, Jensen & Levinson firm with a guarantee of 3 years. PA Rabelo clarified to the BOARD that the Chair's email referring to fiduciary responsibility was his reasoning for wanting a new contract with the recommended firm. Attorney Christiansen said, yes, you can also do that. Trustee C. O'Neal remarked on how Attorney Christiansen's fees were pretty decent. Attorney Christiansen said he charges the same fee to each of his clients, and he understands the BOARD will want to wait for June to make a motion, so the Chair is present.

**C. Administrative Report**

Toby Rabelo provided updates on agenda items C 1- open seat still pending City appointment, Item C 2- HB3 Compliance (next report due in two years) and 4 C 4 – Brown & Brown Cyber Insurance (MOTION). Scott Baur went over item C 3 – SOC 1 Type II Audit.

**MOTION by B. Chippendale to accept the quoted fee for Cyber Insurance by Brown & Brown. Second by C. O'Neal. Motion passed unanimously 3-0 (This item was handled during Attorney Christiansen's Item.)**

**5. Mauldin & Jenkins AUDIT**

Mr. Sansbury went over the March 4, 2024, unmodified position for period ending 09-30-2023. He said the fund is up 6.2 million from last year. There were 2.7 million in contributions. 2023 was better than 2022 (6.3 million dollar change in fair market value – 6.2 million NET (11.6% Positive compared to 14.5% negative last year). The 5-year return was 6.5% (very close to our assumption). He indicated the actuary did a really good job. Mr. Sansbury said there is a 7.7 million net liability for the City and went over net liability at -1% AND +1% reference GASB. He then went over the administrative expenses stating the ADMIN expenses were at 14 basis points and Investment expenses were at 17.5 basis points. PA Baur told the BOARD how this indicates how efficiently the BOARD is managing the plan. Mr. Sansbury provided an overview of page 1 of 15. He indicated the SALEM Report is still pending because it is being sent to the wrong person (Pete Lear is no longer working for the city). Mark Rhein of SALEM said he would handle that immediately. Mr. Sansbury reminded the BOARD that their clients receive access to free webinars.

**MOTION by C. O'Neal, second by B. Chippendale, to approve the audit by Mauldin & Jenkins. Motion passed 3-0. Secretary Brown signed the letter care of Chair S. Smith.**

**6. Salem / Argent**

Mark Rhein began by saying he already emailed his team regarding the email to the city reference Peter Lear being removed from receiving statements. Mark said he wanted to tell the BOARD how the Trust Management INC / Argent Financial Group were a friendly acquisition which regulators passed. TMI no longer exists, and the State Charter is now ARGENT – same structure as SALEM. Mr. Rhein then went over the pension portal metrics. He is very pleased with the activation ratio which will get better when they send out reminder letters to all members. *(Note: Post meeting, Ms. Debbie McCord and PA Rabelo identified where the fully executed agreement between SALEM and ARGENT was and added it to our respective files)*

**7. BENEFIT APPROVALS**

The BOARD reviewed the benefits approvals.

**Motion by B. Chippendale to approve the benefit approvals. Second by C. O'Neal. The Motion Passed 3-0.**

**8. Plan Financials – Warrants**

The BOARD reviewed both warrants dated December 11, 2023, and March 11, 2024.

**Motion by B. Chippendale to approve the Warrants dated December 11, 2023, and March 11, 2024. Second by C. O'Neal. The Motion Passed 3-0.**

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9. OTHER BUSINESS

New Business

Chairs email reference Attorney resignation (handled during Attorney Christiansen's item)

10. Public Comment – None

11. Next Meeting

Next meeting being on June 10, 2024 @ 1:00 PM

12. ADJOURNMENT

NOTE: Prior to a motion to adjourn, Attorney Christiansen asked if he had conveyed that Ms. Debbie McCord from his office was being hired by Klausner, Kaufman, Jensen & Levinson. Jennifer Gainfort said, no. PA Rabelo said it was included in his letter to the BOARD. Attorney Christiansen then said he would be "of counsel" with Klausner, Kaufman, Jensen & Levinson.

There being no further business and the Board having previously scheduled the next regular meeting for Monday, June 10, 2024 @ 1:00 PM, B. Chippendale made a MOTION to adjourn the meeting. Second by C. O'Neal Motion Passed Unanimously 3-0. Meeting adjourned at 2:43 PM.



Keith Brown, Secretary



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**12/12/2023**

Mr. Douglas Beckendorf  
Bureau of Local Retirement Systems  
P.O. Box 9000  
Tallahassee, FL 32315-9000

Re: City of North Port Police Officers Local Option Pension Trust Fund  
– Declaration of Returns

Dear Mr. Beckendorf:

On December 11, 2023, the Board of Trustees of the City of North Port Police Officers Local Option Pension Trust Fund, based on the advice of its investment professional and actuary, determined that the total expected annual rate of investment return for the fund for the next year, the next several years, and the long-term thereafter, shall be 7.00%, net of investment related expenses. This determination is made in accordance with Section 112.661 (9), Florida Statutes. We have enclosed supporting documentation.

Sincerely,

*Octavio Rabelo*

Plan Administrator