

ST. LUCIE COUNTY FIRE DISTRICT FIREFIGHTERS' RETIREMENT FUND



Minutes: September 24, 2020

1. Chair Anthony Napolitano called an electronic meeting of the Board to order at 3:30 PM. Mr. Baur called roll. Those persons present included:

TRUSTEES

Tony Napolitano, Chair
Jeff Lee, Secretary
Tony Hood
Marti Newport
Chief Nate Spera

OTHERS

Scott Baur & Albert Lovingood, Administrator (Resource Centers)
Bonni Jensen, Attorney (Klausner Kaufman Jensen & Levinson)
Burgess Chambers, Investment Consultant (BCA)
David Weeks & Tom Capobianco, LMCG
Additional Public

2. MINUTES

The Trustees reviewed the Minutes for the meeting of August 24, 2020.

Marti Newport made a motion to approve the Minutes for the meeting of August 24, 2020. The motion received a second from Chief Spera, approved by the Trustees 5-0.

3. BENEFIT APPROVALS

The Board reviewed the benefits for approval.

Chief Spera made a motion to approve the benefits, pulling the DROP entry for Jeff Lee from the approval. The motion received a second from Tony Hood, approved by the Trustees 5-0.

Tony Hood made a motion to approve the DROP entry for Jeff Lee. The motion received a second from Marti Newport, approved by the Trustees 4-0 with Jeff Lee abstaining from the vote.

Trustee Jeff Lee will file a voting abstention form to accompany the minutes.

4. INTERIM FINANCIAL STATEMENTS & DISBURSEMENTS

The Board received the interim financial statement through August 31, 2020.

Tony Hood made a motion to approve the interim financial statement. The motion received a second from Marti Newport, approved by the Trustees 5-0.

5. REPORTS

Investment Consultant: Quarterly Report (Burgess Chambers & Assoc.)

Burgess Chambers reported that Munder will close the emerging market fund held by the Retirement Fund. He recommended that the Board immediately transfer the assets to the index at a lower fee.

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Chief Spera made a motion to transfer all assets from the Munder Emerging Market Fund to the corresponding index. The motion received a second from Jeff Lee seconded the motion, approved by the Trustees 5-0.

Burgess Chambers also reported that the rebalance of assets was complete.

Attorney Report (Bonni Jensen, Klausner Kaufman Jensen & Levinson)

Ms. Jensen stated that the Serenitas Credit Gamma Fund agreements were ready for execution. The Master Fund can leverage the assets by up to 3 times the value, although the manager does not anticipate using leverage at all. Burgess Chambers will monitor the assets and report any use of leverage to the Board. The Credit Gamma Fund also has quarterly liquidity with a 90-day notice requirement and a possible gate or queue to exit. Mr. Chambers explained that the manager uses hedges that in some cases take longer to exit. The constraints therefore protect the Fund and the other investors. Mr. Chambers observed that the bond fund has a current yield of less than 1% moving into a structured product expected to return 8 to 12%. The Board discussed the documents requiring signatures. Mr. Ch

Chief Spera made a motion to execute subscription agreements for the Serenitas Credit Gamma Fund. The motion received a second from Jeff Lee, approved by the Trustees 5-0.

Burgess Chambers recommended a full liquidation of the Short Term Bond Fund, allocating \$19 million of the proceeds previously committed to the Serenitas Credit Gamma Fund and leaving the remainder in cash.

Tony Hood made a motion to liquidate the Short Term Bond Fund and invest \$19 million of the proceeds in the Serenitas Credit Gamma Fund. The motion received a second from Marti Newport, approved by the Trustees 5-0.

Ms. Jensen then reported that the restatement of the Plan Document got pulled from the Fire District Commission agenda to clarify the rehire provisions. The Fire District can only rehire retired members into positions not participating in the Pension Fund.

Jeff Lee made a motion to approve the proposed Plan Document Restatement with the changes to the rehire provisions. The motion received a second from Marti Newport, approved by the Trustees 5-0.

Administrator Report (Scott Baur, Resource Centers)

The Board considered the reduction for early retirement for vested deferred members. Mr. Baur clarified that the early retirement reduction was measured from the earlier of age 55 or the date the member would have attained 25 years for members retiring or entering the DROP, while the reduction was measured from age 55 for vested deferred members. The Board advised that the Summary Plan Description will require updating with the clarification of the plan provisions.

Mr. Baur reported that the Division of Management Services approved the Annual Report.

Mr. Baur then discussed a schedule for upcoming workshops for members of the plan, as well as a Status Sheet summarizing the current state of the Retirement Fund. The Board considered multiple dates and

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times to make the workshops available to all members who wish to participate. Mr. Baiur will work with the Human Resource Department to create a schedule. The Board noted that current contract negotiations continue that may change some of the benefit provisions. Chief Spera suggested an update in the spring for the Fire Board Commission as well.

6. NEW BUSINESS

The Board had no new business for discussion.

7. OTHER BUSINESS

Chief Spera provided a brief update on the status of current contract negotiations. He expressed concern about the challenges that PTSD disabilities might present to the plan.

8. PUBLIC COMMENTS

No members of the public had any comment.

9. NEXT MEETING

The Board previously scheduled the next Quarterly Meeting for Thursday, November 19, 2020 at 2:30 PM.

10. ADJOURNMENT

There being no further business, Tony Hood made a motion to adjourn the meeting at 3:20 PM. The motion received a second from Jeff Lee, passed 5-0 by the Trustees.

Respectfully submitted,

Jeff Lee, Secretary