

ST. LUCIE COUNTY FIRE DISTRICT FIREFIGHTERS' RETIREMENT FUND



Minutes: November 19, 2020

1. Chair Anthony Napolitano called an electronic meeting of the Board to order at 2:32 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 (Burgess Chambers & Assoc.)
Additional Public

2. EXTRAORDINARY (EXIGENT) CIRCUMSTANCES FOR TRUSTEES JOINING ELECTRONICALLY

The Board determined that the COVID-19 Pandemic and social distancing recommendations by the CDC warranted the need to allow for Trustee Tony Hood to join in the Board Meeting electronically.

Chief Spera made a motion to allow Trustee Tony Hood to join the Board Meeting electronically due to exigent circumstances. The motion received a second from Jeff Lee, approved by the Trustees 4-0.

3. MINUTES

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

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

4. BENEFIT APPROVALS

The Board reviewed the benefits for approvals. Chief Spera noted a correction on the service for a retiring member. Mr. Baur stated that he would correct the Benefit Approvals to reflect the correct number of years of service.

Chief Spera made a motion to approve the Benefit Approvals as amended. The motion received a second from Marti Newport, passed by the Trustees 5-0.

5. INTERIM FINANCIAL STATEMENTS & DISBURSEMENTS

The Board reviewed and received the interim financial statement through September 30, 2020.

6. DISBURSEMENTS

The Board reviewed the Warrant dated November 19, 2020 for payment of expenses.

ST. LUCIE COUNTY FIRE DISTRICT FIREFIGHTERS' RETIREMENT FUND



Chief Spera made a motion to approve the disbursements on the Warrant dated November 19, 2020. The motion received a second from Jeff Lee, approved by the Trustees 5-0.

7. REPORTS

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

Burgess Chambers started his presentation by informing the Board that the Plan went from \$284,000,000 to \$321,000,000 as of November 18, 2020, with an investment gain of about 6% to date for the current quarter. He recommended that the Board rebalance assets due to the recent gains. Mr. Chambers then reviewed the BCA Market Perspective with the Board, noting that during 2020, many value stocks, especially those in utilities, transportation, and materials, became discounted further due to the COVID-19 pandemic. The low prices and attractive yields, better than many typical bond portfolios, make the value stocks a viable alternative to bonds.

Mr. Chambers then reviewed the changes to asset allocation and new managers added by the Board, resulting in a marked improvement in performance. The convertible bond allocation in particular posted stronger results than all the other asset classes. For the quarter ending September 30, 2020 the portfolio gained 6.0% compared to 6.2% for the benchmark. For the trailing 5-year period, the Fund earned 8.6% compared to the benchmark return of 10.3% in finish in the top 54th percentile. The portfolio finished in the top 46th percentile for 4-years, 31st for 3 years, 24th for fiscal year, and 11th for the quarter ending September 30. With a lower return assumption, the Pension Fund should have an actuarial gain on the next valuation report by the actuary. The Board considered the steps taken recently to ensure the long-term stability of the plan.

Mr. Chambers expects some rotation in the market back to value issues, as the stocks most hurt by the pandemic start to regain some losses. Both Terracap and Bloomfield provided excellent returns for September 30, as the portfolio benefited from the recent addition of the alternative allocations. Mr. Chambers further reviewed the results for each individual manager, noting that the Atlanta Capital large cap growth portfolio trailed the benchmark due to an underweight in the "FAANGMT" stocks that now make up 36% of the Russell 1000 Growth Index. He expressed concerns about the possible impact of the pandemic on commercial real estate holdings over the longer term, and he recommended that the Board rebalance assets to Policy targets. The Board considered the best ways to communicate the recent results to the Fire District and plan members.

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

Bloomfield Capital Income Fund V. LLC Series A to Series B: Bloomfield Capital has proposed an agreement to the Board to rollover the unfunded commitment from the Bloomfield Capital Income Fund V Series A into the new Series B Fund, allowing the Board to invest uncalled capital for a longer period.

Jeff Lee made a motion to approve the move of the uncalled capital from Bloomfield Capital Income V Series A Fund to the Series B Fund. The motion received a second from Chief Spera, approved by the Trustees 5-0.

ST. LUCIE COUNTY FIRE DISTRICT FIREFIGHTERS' RETIREMENT FUND



First Financial Corp. Class Action Litigation: Mrs. Jensen informed the Board that Pomerantz, class action litigation counsel for the Board, recommended an action against First Financial Corporation. The company experienced a data breach, misrepresented by management, resulting in a significant selloff in the market. The Pension Fund lost approximately \$146,000.00 in the holding. Mrs. Jensen then informed the Board that in accordance with the Plan's Policy Regarding Class Action Litigation, Chairman Tony Napolitano made the decision to join the Board as lead plaintiff in the action.

Chief Spera made a motion to ratify the decision to seek lead plaintiff status in the First American Financial Corp Class Action litigation. The motion received a second from Jeff Lee, approved by the Trustees 5-0.

Plan Restatement Status: Mrs. Jensen informed the Board that the Fire District Board approved the Plan Restatement last month. Mrs. Jensen did note that with the current collective bargaining agreement that is in negotiations could possibly require an update to the restatement.

Summary Plan Description Updates: Mrs. Jensen informed the Board that the Summary Plan Description will be updated to match the current Plan Restatement. Chief Spera gave the Board an update on the current collective bargaining process. The members of the local failed to ratify the proposed contract, now going to a second vote. The proposed bargaining agreement includes some additional changes to the benefit provisions of the plan.

Administrator Report (Scott Baur and Albert Lovingood, Resource Centers)

2021 Meeting Schedule: Mr. Baur presented the Board with the 2021 Board Meeting Schedule. Chief Spera noted that the March 18th Board Meeting date falls right in middle of the St. Lucie County School District's Spring Break period. Chairman Spera requested that the March Board meeting be moved. The administrator will propose some alternative dates.

Workshop and Bargaining Agreement Update: Mr. Baur informed the Board that once the bargaining agreement negotiations have been completed that he would be able to move forward with setting up workshops for the members of the plan.

Benefit Calculation Questions: Mr. Baur addressed the time to process benefits for members leaving the DROP. He reviewed the dates that members submitted complete paperwork, as well as the date that his office received forms from the Fire District. Payments to some members submitting forms far in advance missed the payment cutoff date at the custodian as a result, leaving those members frustrated. He reviewed the process within his office and initiated changes so that members received payments timelier even in situations where the administrator still had information missing such as deductions.

8. NEW BUSINESS

The Board had no new business for discussion.

ST. LUCIE COUNTY FIRE DISTRICT FIREFIGHTERS' RETIREMENT FUND



9. OTHER BUSINESS

The Board had no other business for discussion.

10. PUBLIC COMMENTS

No members of the public had any comment.

11. NEXT MEETING

The next Regular Board Meeting is scheduled for Thursday, January 21, 2021 at 2:30 PM.
The next Quarterly Board Meeting is scheduled for Thursday, March 18, 2021 at 2:30PM.

12. ADJOURNMENT

There being no further business, Jeff Lee made a motion to adjourn the meeting at 3:36 PM. The motion received a second from Chief Spera, approved 5-0 by the Trustees.

Respectfully submitted,

Jeff Lee, Secretary