

ST. LUCIE COUNTY FIRE DISTRICT FIREFIGHTERS' RETIREMENT FUND



Minutes: July 26, 2021

1. Secretary, Jeff Lee called an electronic meeting of the Board to order at 9:00 AM. Mr. Baur called roll. Those persons present included:

TRUSTEES

Jeff Lee, Secretary
Serge Greene
Chief Nate Spera
Ryan Sapp

OTHERS

Scott Baur & Albert Lovingood, Administrator (Resource Centers)
Bonni Jensen, Attorney (Klausner Kaufman Jensen & Levinson)
Jay McBee (DiBartolomeo, McBee, Harley & Parnes P.A.)
Additional Public

2. EXTRAORDINARY (EXIGENT) CIRCUMSTANCES FOR TRUSTEES JOINING ELECTRONICALLY

All Trustees were physically present.

3. MINUTES

The Trustees reviewed the Quarterly Board Meeting Minutes Dated: March 11, 2021. A few minor revisions were noted.

Chief Spera made a motion to approve the Minutes for the Meeting of March 11, 2021 as amended. The motion received a second from Ryan Sapp, approved by the Trustees 4-0.

The Trustees reviewed the following set of Minutes. Workshop Minutes dated, May 19, 2021, Quarterly Board Meeting Minutes dated, May 20, 2021, and the Informal Disability Hearing Minutes dated, May 20, 2021.

Chief Spera made a motion to approve the Workshop Minutes dated, May 19, 2021, Quarterly Board Meeting Minutes dated, May 20, 2021, and the Informal Disability Hearing Minutes dated, May 20, 2021 as presented. The motion received a second from Ryan Sapp, approved by the Trustees 4-0.

4. BENEFIT APPROVALS

There were no Benefit Approvals to review and approve at this time.

5. PLAN FINANCIALS

Interim Financial Statements & Disbursements

The Board received the interim financial statement through May 31, 2021. Mr. Baur reviewed the financial statement and balance sheet with the Board.

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Disbursements

The Board reviewed the Warrant Dated July 15, 2021.

Chief Spera made a motion to approve the Warrant Dated July 15, 2021. The motion received a second from Ryan Sapp, approved by the Trustees 4-0.

6. REPORTS

Annual Audit Report (DiBartolomeo, McBee, Harley & Parnes P.A.)

Jay McBee presented the opinion letter by the auditor, offering an unmodified (clean) opinion of the Board financial statements as of September 30, 2020. Mr. McBee then reviewed the required audit disclosures in detail with the Board.

Mr. McBee reported that the Retirement Fund had total net assets of \$286,724,324 as of September 30, with a \$57,369 liability due to the General Employees Retirement System for a posting error. Mr. McBee then reviewed the changes to net assets from the prior year, with additions from contributions and investment results, with outflows to pay benefits and expenses. The Retirement Fund had an increase of \$24,577,653 to net assets from the prior year. He further reviewed the notes and required disclosures in detail with the Board. The audit notes contain additional sections describing plan benefits, contributions and funding status, investments, and related notes with classifications for liquidity, DROP activity, and details of changes to the benefits over time. The audit includes schedules from the annual Valuation Report. Overall, the Retirement Fund has total investment of 50 bp and administrative expenses of 5 bp, considered both very low and very efficient in the industry. He concluded by noting that the plan experienced a good year. Attorney Bonni Jensen asked why there are notes regarding the 2018 Valuation Report within the Audit. Mr. McBee stated that those notes are included due to the current fiscal year contributions.

Chief Spera made a motion to approve the September 30, 2020, Annual Audit as presented. The motion received a second from Serge Greene, passed by the Board 4-0.

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

Bleichmar, Fonti & Auld – Securities Litigation Counsel: Ms. Jensen presented the Board with the Resume, General Statement of Information, and Appendices A-D for Bleichmar Fonti & Auld. Mrs. Jensen informed the Board that Bleichmar Fonti & Auld is a Securities Litigation Counsel that would like to offer their services to the Firefighters' Pension Plan. Secretary Jeff Lee asked Mrs. Jensen what the downside of using this firm would be. Mrs. Jensen stated that the only downside would be many reports. Trustee Serge Greene inquired as to how many Securities Litigation firms that the Plan currently has, which Mrs. Jensen informed the Board that they currently have five Securities Litigation firms in use. Mr. Lee requested to have Bleichmar Fonti & Auld attend the next Board Meeting to give a presentation.

Scott & Scott SW Energy Litigation Case Update: Mrs. Jensen gave the Board an update regarding the SW Energy Litigation case, informing the Board that SW Energy has settled with a projected October settlement

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date. Mrs. Jensen also informed the Board that she is unsure of what the final settlement amount is at this moment.

Policy on DROP Distributions: Mrs. Jensen presented the Board with an updated Policy on DROP Distributions. The updated DROP Distribution Policy include the recent changes to the minimum distribution rule changes to the Internal Revenue Code §401(a)(9) that took effect on January 1, 2020 along with the inclusion of allowing the Trustees the ability to, in extreme trading environments, to extend the 90 day period for payment of requested withdrawals.

Jeff Lee made a motion to approve the Policy on DROP Distributions as presented. The motion received a second from Chief Spera, approved by the Trustees 4-0.

Policy Regarding Trust as Beneficiary – DROP Accounts Only: Mrs. Jensen presented the Board with the proposed Policy Regarding Trust as Beneficiary of a DROP Account. Mrs. Jensen informed the Board that there have been several inquiries by members wishing to name a revocable or irrevocable trust as the beneficiary to the DROP Account and the proposed policy outlines the parameters of when this would be allowed. Mrs. Jensen reviewed the policy in detail with the Board and there was a lengthy discussion regarding why a member would want to name a trust as beneficiary.

Chief Spera made a motion to approve the Policy Regarding Trust as Beneficiary – DROP Accounts Only as presented. The motion received a second from Ryan Sapp, approved by the Trustees 4-0.

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

Will Stephens Buyback of Prior Fire Service: Mr. Baur informed the Board that retiree Will Stephens has made multiple purchases of prior service before retiring from the Fire District. One of the service buybacks that Mr. Stephens had done included prior St Lucie County Fire District Firefighter service. Mr. Stephens had left the department before he became fully vested and took a refund of contributions and when he was rehired by the Fire District, he had purchased that time back. The issue that Mr. Baur stated that he wanted to address is that, when this buyback was calculated, it did not indicate if the buyback included time for the Chapter 175 Supplemental. Mr. Baur explained that due to the time of when this buyback was done, the Pension Plan has limited historical documents to determine if this buyback included the time for the Chapter 175 Supplemental. There was a lengthy discussion regarding how the buybacks were processed at that time and what records were available for review. The Board concluded that with the information provided and the lack of historical records, they are unable to disprove that the buyback includes time for the 175 Supplemental monthly payment.

Ryan Sapp made a motion that Will Stephens' prior St. Lucie County Fire District Firefighter service time buyback does include the repurchase of time for the Chapter 175 Supplemental payments. The motion received a second from Serge Greene, approved by the Trustees 4-0.

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Program Changes: Mr. Baur informed the Board that with the recent changes to the DROP and Final Average Salaries, his firm will need to make some program changes totaling approximately \$2,500-\$3,000, which will be split with the General Employees' Pension Plan. This will result in an estimated cost of \$1,250-\$1,500 for the Plan once the changes have been made.

7. NEW BUSINESS

The Board had a discussion regarding how many physicians are needed for an Independent Medical Review, which Mrs. Jensen reviewed the Rules of a Disability Case with the Board. The Board had a lengthy discussion regarding the increase of PTSD related disability retirement cases and requested an information session regarding PTSD be added to the next Board Meeting. Mrs. Jensen informed the Board that she would look into seeing if she can locate a guest speaker to come give a presentation to the Board regarding PTSD.

8. OTHER BUSINESS

Actuarial Impact Statement for Proposed Ordinance June 7, 2021: Mr. Baur informed the Board that the GRS Actuarial Impact Statement for the Proposed Ordinance dated June 7, 2021 is included in the Meeting Packets and if the Board has any questions regarding this Impact Statement that Pete Strong would be happy to come to the next Board Meeting to answer those questions.

Westwood 2021 Large Cap Fee Schedule: Mr. Baur presented the Board with an updated Large Cap Fee Schedule from Westwood Holdings Group. Mr. Baur informed the Board that Westwood is lowering their fees. There was a discussion as to what the current fee rates are, which Mr. Baur reviewed with the Board.

Chief Spera made a motion to approve the Westwood 2021 Large Cap Fee Schedule as presented. The motion received a second from Ryan Sapp, approved by the Trustees 4-0.

9. PUBLIC COMMENTS

No members of the public had any comment.

10. NEXT MEETING

The next Quarterly Board Meeting is scheduled for Thursday, September 16, 2021, at 2:30PM.

11. ADJOURNMENT

There being no further business, Jeff Lee made a motion to adjourn the meeting at 10:47 AM. The motion received a second from Chief Spera, passed 4-0 by the Trustees.

Respectfully submitted,

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Jeff Lee, Secretary