

# ST. LUCIE COUNTY FIRE DISTRICT FIREFIGHTERS' RETIREMENT FUND



## Minutes: September 16, 2021

1. Secretary, Jeff Lee called an electronic meeting of the Board to order at 2:45 PM. Mr. Baur called roll. Those persons present included:

### TRUSTEES

Tony Napolitano, Chair  
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)  
Burgess Chambers & Frank Wan, Consultant (Burgess Chambers Assoc)  
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: July 23, 2021. A few minor revisions were noted.

Jeff Lee made a motion to approve the Minutes for the Meeting of July 23, 2021 as presented. The motion received a second from Chief Spera, approved by the Trustees 5-0.

## 4. BENEFIT APPROVALS

The Trustees reviewed the Benefit Approvals Dated September 16, 2021.

Jeff Lee made a motion to approve the Benefit Approvals Dated September 16, 2021 as presented. The motion received a second from Chief Spera, approved by the Trustees 5-0.

## 5. PLAN FINANCIALS

### Interim Financial Statements & Disbursements

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

Mr. Baur informed the Board that Chairman Carl Trabulsky of the St. Lucie County Fire District General Employees' Pension Plan is working with Fifth Third Bank to move the Trustee Credit Cards over from Suntrust. Mr. Baur gave the Board an overview of the benefits of moving the Credit Cards from Suntrust over to Fifth Third Bank and suggested that the Board give the Chairman the authority to move the cards over so that the Trustees will not need to wait for a Board Meeting to approve the move.

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Serge Greene made a motion to give the Chairman approval to move the Trustee Credit Cards from Suntrust Bank over to Fifth Third Bank. The motion received a second from Chief Spera, approved by the Trustees 5-0.

## Disbursements

The Board reviewed the Warrant Dated September 16, 2021.

Jeff Lee made a motion to approve the Warrant Dated September 16, 2021. The motion received a second from Ryan Sapp, approved by the Trustees 5-0.

## 6. REPORTS

### Investment Consultant (Burgess Chambers, Burgess Chambers & Associates)

Burgess Chambers informed the Board that he has a due diligence trip on the first week of October to visit Securitas, Intercontinental, and other firms for possible future investment considerations. Mr. Chambers then provided the Board with a graphic illustration showing the investment returns for various asset classes with relation to risk. Mr. Chambers stated that the data supports the target return for institutional investors. The assets gained 22.5% for Fiscal-year-to-Date to finish June 30, 2021, with total assets of \$356,161,693. Mr. Chambers then reported that for the quarter ending June 30, 2021, the Plan earned a net \$17,372,195 or a 5.1%. Mr. Chambers reported that the Federal Reserve continues to take a very active role in the markets to keep values high, noting that the Federal Reserve has become the largest borrower anywhere. If the Federal Reserve start to taper its actions, the markets may return to a more normal historical level. Mr. Chambers recommended that the Board move half of the balance in Credex Small Cap Value allocation into the R2000 Value Index fund due to Credex performing under the benchmark rate. The Board moved assets from underperforming active managers to index alternatives. The 12.9% gross return for the past three years now ranks in the top 16% in the Public Fund Universe.

Real Estate continues to defy expectations, since materials and replacement costs for buildings keep values for older properties higher. Richmond, as a high-grade bond manager, underperformed for the quarter and has trailed the fixed income manager universe for the past year. Better performing fixed income managers invested in high yield bonds and fixed income yield spreads currently does not forecast a recession, despite the elevated market valuations. Mr. Chambers reviewed the recent Board actions to rebalance and allocate assets which yielded positive results and made a recommendation to have the dividends from the real estate managers reinvested into portfolios.

Jeff Lee made a motion to have the dividends of American Realty and Intercontinental reinvested into the Fund. The motion received a second from Chief Spera, approved 5-0.

Ryan Sapp made a motion to reallocate 50% of assets with Credex to a R2000 Value Index Alternative as recommended by the Investment Consultant. The motion received a second from Serge Greene, approved by the Trustees 5-0.

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Mr. Chambers then made the recommendation to commit additional funds to American Realty, Intercontinental, Bloomfield Capital, and Terra Cap. The Board had a discussion with Mr. Chambers regarding the recommendations and agreed to committed \$4,000,000 to Bloomfield Capital Fund V., and \$3,000.00 to Terra Cap.

**Jeff Lee made a motion to commit an additional \$5,000,000 to Bloomfield Capital Fund V and commit an additional \$3,000,000 to Terra Cap. The motion received a second from Ryan Sapp passed by the Board 5-0.**

The Board and Mr. Chambers continued to discuss how much in additional funds to invest with the real estate managers. The discussion resulted in the Board holding off until Mr. Chambers returns from his due diligence trip to Boston.

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

**Jensen Memo – Federal Death Benefit and COVID Memo 2021:** Ms. Jensen informed the Board that her firm has had several active member deaths from COVID-19 and wanted to review the Federal Death Benefit and COVID Memo with the Board once again. Mrs. Jensen reviewed the requirements and the presumptions in order to qualify for this benefit.

**Jensen Memo – Federal, State, and Local Death Benefits:** Mrs. Jensen reviewed the Jensen Memo regarding the Federal, State, and Local Death Benefits with the Board.

**Beneficiary Designations:** Mrs. Jensen strongly recommended that members keep their beneficiary designations up to date. Chief Spera stated that the fire District can send the form out to all active members. Mr. Baur stated that he will be sure to review this information at the upcoming workshops.

**Westwood Capital:** Mrs. Jensen informed the Board that the Westwood Capital Fee Reduction required for her to update the Manager Agreement due to the old fee being listed in that agreement and that she took the opportunity to include the provision regarding the E-Verify requirement from the State of Florida.

**Ryan Sapp made a motion to approve the new Westwood Capital Manager Agreement as presented. The motion received a second from Serge Greene passed by the Board 5-0.**

**PTSD Guest Speaker:** Mrs. Jensen informed the Board that she is still seeking out a guest speaker to come and present to the Board.

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

**Retiree Verification Process:** Mr. Baur informed the Board that his firm is looking at a new third-party company for the verification that a retiree is alive or has passed away. Mr. Baur reviewed the current accuracy of the vendor that is currently being utilized along with the accuracy and cost of the new vendor that The Resource Centers is considering on using. Chairman Tony Napolitano expressed his desire to send the verification letter annually.

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Serge Greene made a motion to send an annual verification letter to all retirees annually in the month of January. The motion received a second from Ryan Sapp passed by the Board 5-0.

Chief Spera noted that the Retiree Health Insurance Trust changed the insurance benefits from \$300 per month, \$400 per month.

Mr. Lovingood provided the 2022 proposed Board Meeting Schedule to the Board for review and approval. The Board discussed the schedule and Mrs. Jensen noted two conflicting dates, which resulted in the Board changing those Board Meeting Dates and starting time of the Board Meetings to meet Mrs, Jensen's availability and to coincide with the General Employees' Pension Board Meetings.

## 7. NEW BUSINESS

Trustees Ryan Sapp, Serge Greene, and Jeff Lee stated that they wish to attend the upcoming FPPTA Trustee School. Mr. Baur stated that he our A.C. will register them for the Trustee School.

## 8. OTHER BUSINESS

**Snapshot:** The Board and Mr. Baur had a detailed discussion regarding the changes of the Plan Ordinance with regards to the Final Average Salary regarding the Four-Year Final Average and the Five-Year Final Average Salary comparisons.

## 9. PUBLIC COMMENTS

No members of the public had any comment.

## 10. NEXT MEETING

The next Quarterly Board Meeting is scheduled for Thursday, November 18, 2021, at 2:30PM.

## 11. ADJOURNMENT

There being no further business, Jeff Lee made a motion to adjourn the meeting at 4:33 PM. The motion received a second from Chief Spera, passed 4-0 by the Trustees.

Respectfully submitted,

Jeff Lee, Secretary