

ST. LUCIE COUNTY FIRE DISTRICT FIREFIGHTERS' RETIREMENT FUND



Minutes: November 18, 2021

1. Chairman Tony Napolitano called the November 18, 2021 Quarterly Board Meeting to order at 2:34 PM.

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, Consultant (Burgess Chambers Assoc)
Keri Hepburn & Will Averill (Aristotle)
Devin Sullivan (TA Realty)
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: September 16, 2021. A few minor revisions were noted.

Chief Spera made a motion to approve the Minutes for the Meeting of September 16, 2021, as amended. The motion received a second from Jeff Lee, approved by the Trustees 5-0.

4. BENEFIT APPROVALS

The Trustees reviewed the Benefit Approvals Dated November 18, 2021.

Jeff Lee made a motion to approve the Benefit Approvals Dated November 18, 2021, as presented. The motion received a second from Chief Spera, approved by the Trustees 5-0.

5. PLAN FINANCIALS

Interim Financial Statements

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

Jeff Lee made a motion to approve the Interim Financial Statements Dated July 31, 2021, as presented. The motion received a second from Serge Greene, approved by the Trustees 5-0.

ST. LUCIE COUNTY FIRE DISTRICT FIREFIGHTERS' RETIREMENT FUND



Disbursements

The Board reviewed the Warrant Dated November 18, 2021.

Jeff Lee made a motion to approve the Warrant Dated November 18, 2021. The motion received a second from Ryan Sapp, approved by the Trustees 5-0.

6. REPORTS

Aristotle Capital Presentation (Keri Hepburn and Will Averill, Aristotle)

Ms. Keri Hepburn and Mr. Will Averill appeared before the Board to present information regarding their company and the large cap growth asset strategy. Ms. Hepburn explained they would be the team on the account if hired. She reviewed information about their company noting they are 100% employee owned. Mr. Averill reviewed the investment team; all are either on track or are currently equity owners of the company. They are a value firm, and the quality review begins with the “who cares” test; if that company went away tomorrow, does the customer care? When Aristotle purchases the company, they tend to own the company for five to seven years. Ms. Hepburn reviewed their returns with the Trustees. Mr. McCann explained he had asked each manager a specific list of questions and Aristotle reported the following: They are a true large cap value manager with 47% value and 47% large cap, the fee for the value equity is 50 bps for a separate account or 39 bps for their collective trust, they have 43 stocks, 13.7% five-year standard deviation and their turnover is 14%. They are an investment trust with daily liquidity and their primary index bench is R1000. They are open to doing a performance-based fee if the Board prefers. Mr. Averill responded to additional questions from the Trustees.

TA Realty Presentation (Devin Sullivan, TA Realty)

Mr. Devin Sullivan appeared before the Board to present information regarding his company and the TA Realty asset strategy. Mr. Sullivan reviewed his firm with the Board noting that the firm has Seasoned Partners averaging approximately 27 years of industry experience. The Core Property Fund was reviewed in detail with the Board with Mrs. Sullivan noting that the Fund is overweight in industrial and multifamily real estate and underweight in the retail sector. 42% of the Fund is investing in South Georgia, Florida, and Texas with a current occupancy rate is at 93% and the Fund is an open ended. The Core Property Fund team and resources were then reviewed with the Board along with the Fund objective and investment strategies. The fee structure of the fund is a flat 0.70% with Mr. Chambers informing the Board that the typical Real Estate Manager fee is 1% or higher. Mr. Sullivan did state that the 0.70% fee is only guaranteed till December 31, 2021. Mr. Sullivan concluded his presentation by reviewing the quarterly total return comparison with the Board.

Investment Consultant (Burgess Chambers, Burgess Chambers & Associates)

Burgess Chambers informed the Board that he likes TA Realty and views the 0.70% fee as a great incentive in addition to the historical returns of the Fund as an added Real Estate Manager to the Plan, noting that the Plan will need to move quickly to take advantage of the 0.70%. There was a detailed discussion regarding the amount to invest with Mr. Chambers making the recommendation to invest \$15 million in TA

ST. LUCIE COUNTY FIRE DISTRICT FIREFIGHTERS' RETIREMENT FUND



Realty. Chief Spera inquired as to where the additional \$11 million would come from, which Mr. Chambers stated that the amount would be pulled from Fixed Income and Equities

Jeff Lee made a motion to hire TA Realty as an active Real Estate Manager and commit \$15 million to invest within the Fund. The motion received a second from Serge Greene, approved by the Trustees 5-0.

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

Summary Plan Description: Ms. Jensen reviewed the Summary Plan Description with the Board in detail, noting the changes and updates that were made.

PTSD Guest Speaker: Mrs. Jensen informed the Board that she has found a PTSD Speaker to come and make a presentation to the Board. Mrs. Jensen stated that the Speaker requested some sort of direction on what the Board wishes for her to focus on.

New COVID Bill: Mrs. Jensen informed the Board that there is a new COVID Bill that is in process and as things progress, she will be sure to provide the Board with any pertinent updates.

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

Member Workshops: Scott Baur reviewed the recent Member Workshops that took place for the Members of the Plan in detail with the Board.

Benefit Application Notification System: Mr. Baur informed the Board that The Resource Centers is implementing a new notification system to notify members of the progress of their benefit applications. Mr. Baur explained to the Board that the new system will work similar to the way a package is tracked where members will receive email notifications of the processing of the applications in a step-by-step manner. It was noted that the system will even notify a member if there are any delays in the processing of their application in addition to giving an expected completion date. Mr. Baur said that he expects the new system to go live in early 2022.

Fee Increases: Mr. Baur informed the Board that The Resource Centers is reviewing the current fees that are charged to the Plans that his Firm is the Administrator for. Mr. Baur stated that he wanted to make the Board aware that a fee increase will be coming, and he gave a general overview of the factors that will have a direct effect on possible increases. The increases are mainly due to the increased workflow that The Resource Centers is experiencing from all Plans across the Board and additional Staff will need to be hired to meet the workflow demands.

7. NEW BUSINESS

Chief Spera informed the Trustees that retirees requesting a COLA have written letters to the Fire District Board. The Board had a detailed discussion about a 13th check and Chief Spera stated that

ST. LUCIE COUNTY FIRE DISTRICT FIREFIGHTERS' RETIREMENT FUND



he does not feel comfortable with the funded ratio being so low and not having a positive smoothed return on investment.

Chief Spera also informed the Board that the Fire District's 457 Plan provider, Nationwide has notified the District that they are no longer servicing 457 Plans. Due to this change, the Fire District is going to RFP for a new Custodian for the 457 Plans.

8. OTHER BUSINESS

There was no other business to discuss at this time.

9. PUBLIC COMMENTS

No members of the public had any comment.

10. NEXT MEETING

The next Quarterly Board Meeting is scheduled for Friday, January 21, 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