

# ST. LUCIE COUNTY FIRE DISTRICT FIREFIGHTERS' RETIREMENT FUND



## Minutes: November 17, 2022

1. Chairman Tony Napolitano called the November 17, 2022, Quarterly Board Meeting to order at 2:35 PM.

### TRUSTEES

Tony Napolitano, Chair  
Jeff Lee, Secretary  
Chief Nate Spera  
Serge Greene  
Ryan Sapp

### OTHERS

Scott Baur & Albert Lovingood, Administrator (Resource Centers)  
Bonni Jensen, Attorney (Klausner Kaufman Jensen & Levinson)  
Burgess Chambers, Consultant (Burgess Chambers Assoc)  
Sergio Giron, IT Director (Resource Centers)  
Joseph Riviera, Client Services Manager (Resource Centers)  
Scott Adams (Firefighter)  
Roland Bergeron (Retired Firefighter)

2. EXTRAORDINARY (EXIGENT) CIRCUMSTANCES FOR TRUSTEES JOINING ELECTRONICALLY

3. MINUTES

The Trustees reviewed the Quarterly Board Meeting Minutes Dated: September 15, 2022.

Serge Greene made a motion to approve the Minutes for the Meeting of September 15, 2022, as presented. The motion received a second from Chief Spera, approved by the Trustees 5-0.

The Trustees reviewed the Special Board Meeting Minutes Dated: September 26, 2022.

Chief made a motion to approve the Minutes for the Special Board Meeting of September 26, 2022, as amended. The motion received a second from Ryan Sapp, approved by the Trustees 5-0.

4. BENEFIT APPROVALS

The Trustees reviewed the Benefit Approvals Dated November 17, 2022.

Jeff Lee made a motion to approve the Benefit Approvals Dated November 17, 2022. 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 September 30, 2022.

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## Disbursements

The Board reviewed the Warrant Dated November 17, 2022.

Chief Spera made a motion to approve the Warrant Dated November 17, 2022. The motion received a second from Serge Greene, approved by the Trustees 5-0.

## 6. REPORTS

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

Burgess Chambers started his presentation with reviewing the changes made by the Board to prepare for difficult markets, noting both stocks and bonds posted losses this year and informed the Board that he would like for Richmond Capital to attend the next Board Meeting to see how the Plan can get 7% from high quality bond portfolios over the next 10 years.

The Plan has 24 separate assets and managers in its portfolio, For the quarter ending September 30, 2022, the Pension Fund had a net loss of -2.8%, outperforming the target allocation of -3.3%; however, so far this quarter, the Plan has gained 6% for Fiscal-Year-To-Date. The Plan closed out the Fiscal Year with an ending market value of \$316,126,141, which is down -\$42,441,059 from \$355,969,746 at the beginning of the Fiscal Year. The assets returned -11.8% net, which was ahead of the benchmark rate of -12.4% and ranked in the top 25<sup>th</sup> percentile of their peers. Mr. Chambers then reviewed the current volatile market environment with the Board of Trustees. Mr. Chambers noted that the typical volatile market cycle begins with a market drop, followed by hits to corporate earnings, and then a contraction. The current economy and labor market remain strong even in a volatile market that we currently see ourselves in.

Mr. Chambers then reviewed the individual manager performance in detail with the Board, noting that both Westwood and Atlanta Capital performed well compared to the benchmark, as did Credex. The Real Estate expectations were then reviewed in detail with the Board as well as reviewing the performance of the remaining investment managers. Trustee Ryan Sapp inquired about a notice from TerraCap stating that they will hold proceeds from property sales to pay down dept. Mr. Chambers stated that he believes that interest rate increases will moderate by the spring to weaken the dollar. The Fed has raised rates faster than any point in recent history. Chief Spera noted restrictions on immigration and slowing population growth have strained labor markets. Mr. Chambers stated that slowing population growth will also slow economic growth, noting that it's becoming more difficult finding skilled workers to fill open positions in addition to the country having a drug problem.

### Scott Adams Disability IME Addendum

The Board received the IME Addendum from Dr. Borzak related to the Scott Adams Disability. Because Mr. Adams is not improving, Dr. Borzak is still reluctant to say that the is permanently disabled. Mr. Adams addressed the Board stating that the Workers Compensation Physician concluded that Mr. Adams had reached MMI, since Mr. Adams continues to experience symptoms, Dr. Tee had reached different conclusions than Dr. Borzak. Dr. Tee noted that some patients do experience side effects from surgery and the medical specialists do not have recommendations for Mr. Adams to improve his situation.

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The Board weighted the medical evidence presented to them and considered whether they should have the two physicians confer with one another. The Board's physician was given latitude to perform additional tests; however, still was unable to reach a conclusion.

Jeff Lee made a motion to grant Scott Adams an In-Line Duty Disability effective today, November 17, 2022. The motion received a second from Chief Spera, approved by the Trustees 5-0.

Scott Adams thanked the Board and stated that the Fire District treated him well.

## (Bonni Jensen, Klausner Kaufman Jensen & Levinson)

Jensen Memo – PTSD PSOB Benefits: Mrs. Jensen reviewed the PTSD memo with the Board in detail, noting the criteria of the new Act and that the benefit is retroactive to 2019 for Public Safety Officers diagnosed or seeking treatment.

Jensen Memo – Required Minimum Distributions (RMD) Final Regulations: Attorney Bonni Jensen provided the Board of Trustees with updated guidance on Required Minimum Distributions. The Board and Mrs. Jensen had a detailed discussion regarding the purpose of the RMD requirements.

Jensen Memo – Delaware Law Change Permits Companies to Insulate Corporate Officers from Liability for Reckless Conduct: Mrs. Jensen discussed the Delaware Law change that permits companies to insulate corporate officers from liability for reckless conduct. Mrs. Jensen stated that one of the main reasons for bringing this law up to the Board has to do with the majority of businesses are incorporated in the State of Delaware due to favorable, business friendly laws within that state.

Jensen Memo – SEC Proxy Voting Disclosure Rules: Mrs. Jensen reviewed the SEC Proxy Voting disclosure Rules in detail with the Board and recommended that the Board request that the Investment Managers vote against any provisions that would insulate corporate officers from liability for reckless misconduct. This discussion resulted in the Plan's Investment Monitor, Burgess Chambers to suggest a review of Atlanta Capital's proxy voting policy.

Chief Spera made a motion to accept recommendations by counsel to direct investment manager to vote against any measures that would allow companies to insulate corporate officers from liability for reckless conduct. The motion received a second from Serge Greene, approved by the Trustees 5-0.

Robbins Geller Agreement: Mrs. Jensen informed the Board that according to the Board Meeting Minutes, it was not clear to hire Robbins Geller as an additional Portfolio Watch Firm.

Chief Spera made a motion to hire Robbins Geller as an additional Portfolio Watch Firm. The motion received a second from Serge Greene, approved by the Trustees 5-0.

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

Resource Centers – SOC1 Type 2 Audit: Scott Baur presented the Board with a memo regarding the Resource Centers SOC1 Type 2 Audit. Mr. Baur explained to the Board in detail what the purpose of the

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SOC1 Type 2 Audit is, noting that this is the Resource Centers 15<sup>th</sup> year of having the SOC1 Type 2 Audit done and for 15 years in a row, his firm has had no findings.

DMHB 2022 Audit Engagement Letter: Mr. Baur presented the Board with the 2022 DMHB Audit Engagement Letter for the Board's review, approval, and signature.

Jeff Lee made a motion to approve the DMHB 2022 Audit Engagement Letter as presented. The motion received a second from Chief Spera, approved by the Trustees 5-0.

2023 Trustee Conference List: Mr. Baur presented the Board with the 2023 Trust Conference List.

51<sup>st</sup> Annual Police and Fire Conference 12-13-22 through 12-15-22: Mr. Lovingood informed the Board that the 51<sup>st</sup> Annual Police and Fire Conference has been rescheduled to take place December 13, 2022 through December 15, 2022.

Information Technology Presentation: Sergio Giron introduced himself to the Board of Trustees. Mr. Giron reviewed the security threats that he sees on a daily basis and showed the Board in detail the various ways that the Resource Centers mitigates cyber-attacks on the firm's website as well as the steps that the firm takes to protect member's non-public private information, which included multi-factor authentication, offering computer antivirus software for free to all employees' personal computers, and utilizing secure remote access via VPN. Mr. Giron concluded his portion of the presentation by showing the Board how the programs used to safeguard the firm's website and internal network are utilized. Mr. Giron then provide the Board with a detailed visual review of the Resource Centers Benefit System. The abilities of the system and automatic status updates were discussed in detail along with the built-in safeguards to ensure that all applications are processed.

## 7. NEW BUSINESS

There was no new business to discuss at this time.

## 8. OTHER BUSINESS

Attorney Bonni Jensen informed the Board that she has found someone to speak to the Board about PTSD and will try to have the Peaker present at the next Board Meeting.

## 9. ADDITIONAL REPORTS

The Board received the following additional reports electronically: Atlanta Capital 09-30-2022 Quarterly Performance Report, BLB&G 09-30-2022 Portfolio Watch Report, Bloomfield 09-30-2022 Quarterly Distribution Notice – Series A, Bloomfield 09-30-2022 Quarterly Distribution Notice – Series B, TA Realty 11-07-22 Distribution, and the TerraCap 09-29-22 Distribution Notice.

## 10. PUBLIC COMMENTS

No members of the public had any comment.

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## 11. NEXT MEETING

The next Quarterly Board Meeting is scheduled for Friday, January 20, 2023, at 2:30PM.

## 12. ADJOURNMENT

There being no further business, Serge Greene made a motion to adjourn the meeting at 3:49 PM. The motion received a second from Chief Spera, passed 3-0 by the Trustees.

Respectfully submitted,

Jeff Lee, Secretary

A handwritten signature in black ink, appearing to be "J. Lee", written over a horizontal line.

