

ST. LUCIE COUNTY FIRE DISTRICT FIREFIGHTERS' RETIREMENT FUND



Minutes: May 18, 2023

1. Chairman Tony Napolitano called the May 18, 2023, Quarterly Board Meeting to order at 2:30 PM.

TRUSTEES

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

OTHERS

Scott Baur & Albert Lovingood, Administrator (Resource Centers)
Bonni Jensen, Attorney (Klausner Kaufman Jensen & Levinson)
Burgess Chambers, Consultant (Burgess Chambers Assoc)
Pete Strong, Actuary (GRS Consulting)
Roland Bergeron (Retired Firefighter)

2. EXTRAORDINARY (EXIGENT) CIRCUMSTANCES FOR TRUSTEES JOINING ELECTRONICALLY

All Trustees in attendance were physically present.

3. MINUTES

The Trustees reviewed the Quarterly Board Meeting Minutes Dated March 23, 2023.

Chief Spera made a motion to approve the Minutes for the Meeting of March 23, 2023, as amended. The motion received a second from Serge Greene, approved by the Trustees 4-0.

4. BENEFIT APPROVALS

The Trustees reviewed the Benefit Approvals Dated May 18, 2023.

Chief Spera made a motion to approve the Benefit Approvals Dated May 18, 2023. The motion received a second from Chief Lee, approved by the Trustees 4-0.

5. PLAN FINANCIALS

Interim Financial Statements

The Board received the interim financial statement through March 31, 2023.

Disbursements

The Board reviewed the Warrant Dated May 18, 2023.

Serge Greene made a motion to approve the Warrant Dated May 18, 2023. The motion received a second from Chief Spera, approved by the Trustees 4-0

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6. REPORTS

Annual Audit Report (Jay McBee, DiBartolomeo, McBee, Hartley & Barnes)

Jay McBee presented the opinion letter by the auditor, offering an unmodified (clean) opinion of the Board financial statements as of September 30, 2022. 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 \$316,474,801 as of September 30, 2022. 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. He further reviewed the notes and the 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 and the audit includes schedules from the Annual Valuation Report. Mr. Baur informed the Board that the Plan's investment expenses for Fiscal Year 2022 was 0.75% and the Plan's administrative expense totaled .06%. Mr. McBee concluded his presentation by informing the Board that the Plan has a total of \$54,432,371 of its assets in member DROP Accounts.

Chief Lee made a motion to approve the September 30, 2022, Annual Audit as presented. The motion received a second from Chief Spera, passed by the Board 4-0.

The Board was presented with the Audit Management Representation Letter for review, approval, and signature.

Chief Lee made a motion to approve the Audit Management Representation Letter as presented. The motion received a second from Chief Spera, passed by the Board 4-0.

Investment Consultant (Burgess Chambers, Burgess Chambers & Associates)

Burgess Chambers started his presentation with providing the Board a review of the Board's decision to move the assets held at Voya with 50% of those proceeds moving to Atlanta Capital and 50% of the assets being invested in the Russell 1000 Growth Index Fund and Mr. Chambers informed the Board that he will recommend that they Plan commit additional capital to be invested in Bloomfield Capital. Mr. Burgess then reported that the Plan assets produced similar returns to the benchmark with less risk as the markets remain volatile.

For the quarter, the Plan was up \$720,000.00 or 3.50% (3.40% net), which was in line with the benchmark rate of 3.40%. The best performing assets were William Blair International Growth at 8.70%, Fidelity 500 at 7.50%, and Atlanta Capital at 5.60%. The Three-Year trailing returns 13.00% (12.40% net), compared to the benchmark rate of 13.10%, and the Five-Year trailing returns earned 7.10%, compared to the benchmark rate of 7.20%. The Plan started with \$342,090,109 in assets on December 31, 2022, and at the close of the quarter ending March 31, 2023, the Plan's Assets totaled \$349,400,050. Mr. Chambers then reviewed each investment manager's quarterly results in detail with the Board of Trustees noting that Serenitas added substantial value to the fixed income performance. Bloomfield Capital is finding continued opportunities to lend as banks pull back on their lending; therefore, Mr. Chambers recommends an additional commitment of funds to the manager with the additional commitment being taken from Richmond Capital. The Trustees and Mr. Chambers discussed his recommendation of the additional

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investment in Bloomfield with Mr. Chambers making the recommendation to give Bloomfield an additional \$7,000,000.00.

Chief Spera made a motion based on the recommendation of the Plan's Investment Monitor to make an additional \$7,000,000.00 Investment Commitment with Bloomfield Capital Fund V. The motion received a second from Serge Greene, approved by the Trustees 4-0.

Mr. Chambers concluded his presentation by informing the Board that he will discuss the Plan's Real Estate Investments at the July 21, 2023, Board Meeting.

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

House Bill 3: Attorney Bonni Jensen informed the Board that the legislature passed House Bill 3, which limits the Board to consider only pecuniary factors when investing the Plan's assets. Mrs. Jensen stated that the Board will need to file a new comprehensive and detailed report not later than December 15, 2023; however, the State has not defined the new reporting requirements. Mrs. Jensen stated that she would update the Board as more information regarding this report becomes available.

Jensen Memo – Form 1: Mrs. Jensen reminded the Board that each Trustee needs to file their annual Form 1 no later than July 1, 2023.

PTSD Guest Speaker: Attorney Bonni Jensen informed the Board that pending legislation would restrict government entities from making investment decisions based on Environmental, Social, and Governance and only allow for the investment decisions based on pecuniary investment returns.

Administrator Report (Scott Baur & A.C. Lovingood, Resource Centers)

Administrative Updates: A.C. Lovingood informed the Board that everyone has been registered for the FPPTA 39th Annual Conference and that the Travel Per Diem Checks should be arriving soon. Mr. Lovingood also stated that a week or two before the FPPTA Conference, he will email everyone a copy of the latest Tax Exemption Form for the Trustees to use upon check-in at the hotel.

7. NEW BUSINESS

No new business to report at this time.

8. OTHER BUSINESS

Proposed COLA Update: Chief Spera gave the Board of Trustees an update regarding the Proposed COLAs for retirees.

9. ADDITIONAL REPORTS

The following reports were included in the electronic version of the Board Meeting Packets and received by the Board of Trustees.

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ARA Core Property Fund 03-01-23 Service Provider Disclosure Statement, Bloomfield V 03-31-23 Quarterly Distribution Notice Series, Bloomfield V 03-31-23 Quarterly Distribution Notice Series B, Intercontinental Real Estate - 03-28-23 - St Lucie Fire - Tax Schedule Information, Intercontinental US Realty 04-03-23 Notice of Redemption Queue, Intercontinental US Realty 05-08-23 Reinvest Distribution, and TA Realty 05-05-23 Distribution.

10. PUBLIC COMMENTS

No members of the public had any comment.

11. NEXT MEETING

The next Quarterly Board Meeting is scheduled for Friday, July 21, 2023, at 2:30PM.

12. ADJOURNMENT

There being no further business, Serge Greene made a motion to adjourn the meeting at 3:29 PM. The motion received a second from Chief Lee, passed 4-0 by the Trustees.

Respectfully submitted,

Chief Jeff Lee, Secretary