

City of Delray Beach
Police, Firefighters & Paramedics Retiree Benefit Fund
MINUTES OF MEETING HELD
March 25, 2024

The meeting was called to order at 11:04 A.M. in the 1st Floor Conference Room of the Swinton Avenue Complex (SOC) Administration Building, Delray Beach, Florida. Those persons present were:

TRUSTEES

James TabEEK
Vinnie Gray
Jay Gunsten
Tyler Adams
Joseph Mazzeo
Hannes Schoeferle
Matthew Saraceni

OTHERS

Margie Adcock, Resource Centers
Mark Floyd, Attorney
Brendon Vavrica, Investment Monitor
Shelly Jones, Actuary
Craig Mahoney, Union President (11:12 A.M.)

APPROVAL OF AGENDA

A motion was made, seconded and carried 7-0 to approve the agenda.

PUBLIC COMMENTS

There were no public comments.

MINUTES

The Board reviewed the minutes of the meeting of November 15, 2023. A motion was made, seconded and carried 7-0 to approve the minutes of the meeting of November 15, 2023.

ACTUARY REPORT

Shelly Jones appeared before the Board. She presented the Actuarial Valuation as of September 30, 2023. It was noted that the total annual required contribution for the fiscal year ending September 30, 2023 is \$1,259,689 or 4.00% as expressed as a percent of covered annual payroll. She stated that the increase is about \$245,000 from the last Valuation. The reason it is higher is because the assets dipped in 2022 so that increased the contribution. She noted that subsequently the assets have increased but not past the slump of 2022. Additionally, the contribution is higher because the City's payments have been lower than what was actuarially determined from the last report. There are still contributions coming in from the City but not at the level of the actuarially determined rate. Ms. Jones stated that the benefits valued remain unchanged from the prior Valuation. She stated that the assumptions and methods remained unchanged from the prior Valuation.

Craig Mahoney entered the meeting.

Ms. Jones reviewed the comparison of cost data as of September 30, 2021 and September 30, 2023. She reviewed the statement of assets as of September 30, 2023, noting that the total assets

were \$7,648,945. She reviewed the reconciliation of assets. She stated that they were using the assumed rate of return of 7.5%. The actuarial value of return on a market basis for the year was 13.7%. She reviewed the unfunded actuarial accrued liability. She reviewed the schedule of changes in net OPEB liability and related ratios. The net position as a percentage is 49.84%. This is an increase over the last Valuation when it was 45.06%. She stated that the investment return was the basis of the increase in the percentage. Ms. Jones reviewed the cash flow projection for the ten-year period to October 1, 2032. She stated that within the next ten years if the Fund earns 7.5% the Fund will grow. She reviewed the schedule of contributions. She stated that the actual amount is slightly less than what was actuarially determined due to the pay as you go system in the cba, which has been a drag on the funded ratio. There was a lengthy discussion. A motion was made, seconded and carried 7-0 to accept the Actuarial Valuation as of September 30, 2023 and authorize the Administrator to forward a copy of the complete Actuarial Valuation to the City.

INVESTMENT MONITOR REPORT

Brendon Vavrica appeared before the Board. He stated that they normally only attend once a year in November, but they recently had an organizational announcement, so he wanted to attend to discuss that with the Board in person. Since he is here, he stated that he would also provide a brief report on the Fund's performance.

Mr. Vavrica discussed the market environment and the performance for the quarter ending December 31, 2023. He stated that it was a fantastic quarter. In November 2023 the Fed paused on raising interest rates. It was the news the market has been waiting for and in the last six weeks of the year there were phenomenal returns for both equities and fixed income. The Fund earned 9.9% for the quarter ending December 31, 2023. He noted that the return was negative in November before the Fed announcement. Since then, things have continued in a positive direction. He stated that the Fund outperformed 88% of public funds. He stated that the Fund's overall performance was very, very strong.

Mr. Vavrica discussed their organizational announcement. He stated that AndCo is being acquired by Mariner. He stated that Mariner is a strategic partner, and they do business in all 50 states. They are a well-resourced firm. There are no changes to the services currently offered by AndCo or to the service team. The target date for the merger is April 2, 2024. He stated that the only noticeable change will be to their name. He stated that they are required to notify the Board of such transactions and ask for consent due to SEC regulations. There was a lengthy discussion. The Board was presented with a Consent for Assignment of Investment Advisory Agreement. Mr. Floyd stated that they are not changing the terms of the agreement and he has no issue with the merger or the Consent. A motion was made, seconded and carried 7-0 to authorize the Chair to sign the Consent for Assignment of Investment Advisory Agreement.

Shelly Jones departed the meeting.

ATTORNEY REPORT

The Board was presented with the final revised Trustee Travel Policy. He stated that it was approved at the last meeting.

ADMINISTRATIVE REPORT

Ms. Adcock provided the Board with the monthly accounting statements from Anchor Benefit Consulting for October 2023 through February 2024.

The Board was presented with a list of disbursements. A motion was made, seconded and carried 7-0 to approve the disbursements listed.

Brendon Vavrica departed the meeting.

Ms. Adcock reported on the status of the 2024 benefit. She provided the Board with a list of those members that have not yet filled for their 2024 benefit.

It was noted that Anchor provided information shortly before the meeting that Gerardo Riccio had completed and turned in his paperwork with another member prior to the deadline; however, his paperwork was not received by Anchor while the other member's paperwork had been received. It was shown that the paperwork of both of the members was notarized by the same person on the same date. The Board was provided with the information. It was noted that at the last meeting the Board had passed a motion that when a renewal of a benefit is submitted with proof beyond a reasonable doubt that the retiree complied with the Plan Document, and the Administrator and Attorney agree, the Chair can approve payment of the full benefit amount with ratification at the following meeting. Since this one came up right before the meeting, Ms. Adcock asked the Board to approve the payment of the full benefit amount to Mr. Riccio. A motion was made, seconded and carried 7-0 to give Gerardo Riccio his full 2024 benefit given the evidence submitted that his application was completed prior to the deadline.

The Board was provided with information regarding the ratification of Joseph Liguori's 2024 benefit. Information was provided that proved beyond a reasonable doubt that Mr. Liguori complied with the Plan Document, and the Administrator and Attorney agreed, and the Chair approved payment of the full benefit amount with ratification to take place at this meeting. A motion was made, seconded and carried 7-0 to ratify the receipt of Joseph Liguori's full 2024 benefit given the evidence submitted that his application was completed prior to the deadline.

The Board was provided with certification from the Resource Centers that they successfully completed their SOC 1 Type 2 Audit and received a clean opinion as of September 30, 2023.

OTHER BUSINESS

There was discussion on the survivor death benefit. At the last meeting it was noted that the dependent is sent an application to complete, and the survivor really needs to provide a death certificate, especially if the dependent is the spouse. There was an inquiry as to how long the dependent has to provide the information with the concern that the spouse might need some extra time to get their things in order. Mr. Floyd stated that the Plan provides that the dependent is to provide notice within 90 days of the death of the member. As long as the member was in good standing at the time of death, there should not be an issue.

Craig Mahoney addressed the Board and discussed the appointments and elections of the Board of Trustees. Mr. Floyd stated that the Declaration of Trust provides for 5 member trustees with 3-year terms, 2 from Fire and 3 from Police; 1 Fire from the Supervisory unit; and the Local Fire Union President or his designee. Mr. Mahoney requested a change in how the Trustees are appointed and/or elected. He thought the Trustees should be appointed by the Union so that those who care about the Fund and have an interest in the Fund are the ones that serve on the Board. He stated that putting a vote to the membership makes it more of a popularity contest versus keeping it to those that are extremely interested in serving on the Board. He stated that a vote to the membership does not take into account longevity and interest. There was a lengthy discussion. There was discussion on changing it to allowing for 3 Fire members rather than 1 having to be from the Fire Supervisory unit. There was further discussion. A motion was made, seconded and carried 7-0 to amend the Board of Trustees provision in the Declaration of Trust to remove the distinction between rank and file; to provide that 2 of the 3 members of both Fire and Police have to be active while the 3rd member can be active or retired; and to provide that all members will be appointed by the Executive Board.

There being no further business, the meeting adjourned.

Respectfully submitted,

Vincent Gray, Secretary