

**CITY OF VENICE
MUNICIPAL FIREFIGHTERS' PENSION TRUST FUND
BOARD MEETING
MINUTES**

Monday, September 13, 2021 - 4:00 P.M.

Members Present:	Ed Van Deusen, Chairman Rich Lanigan, Secretary Barbara Fraser
Members Absent:	Tyler Eaton and Deb Kelly
Plan Attorney:	Scott Christiansen
Plan Consultant:	Jennifer Gainfort, AndCo
Plan Investment Manager:	Richelle Cook, American Realty Advisors
Plan Actuary:	Doug Lozen, Foster & Foster
Plan Administrator:	Shelly Baumann
City Staff:	None

CALL TO ORDER/ ROLL CALL

The meeting was called to order at 4:05 P.M.; by Chairman Ed Van Deusen who stated that a quorum was present with three (3) members in attendance.

HEAR THE AUDIENCE – No one in the audience spoke.

APPROVAL OF MINUTES – The regular meeting of June 14, 2021.

Barbara Fraser made a motion to approve the minutes of the June 14, 2021, quarterly meeting; Rich Lanigan seconded the motion. Motion carried unanimously.

CONSENT AGENDA –

Approval of Payments:

Approval of the following payments as presented:

- 1082 – Foster & Foster – Report, Worbel & Carvey & CH. 112 \$ 6,400.00
- 1083 – Pension Adm. Services – Service June 2021 \$ 1,200.00
- 1084 – Pension Adm. Services – Printing member manual \$ 10.32
- 1085 – AndCo – Quarterly Fee April – June 2021 \$ 4,375.00
- 1086 – Christiansen & Dehner – Service for June 2021 \$ 1,147.47
- 1087 – Garcia Hamilton - Quarterly fee April-June 2021 \$ 5,395.97
- 1088 – Pension Adm. Services – Service for July 2021 \$ 1,200.00
- 1089 – Brandywine – Quarterly Fee April-June 2021 \$ 5,082.06
- 1090 – Pension Adm. Services – Service for August 2021 \$ 1,200.00
- 1091 – Salem Trust – Quarterly Fee April - June 2021 \$ 6,906.77
- 1092 – Great Lakes Advisors – Quarterly fee April-June 2021 \$ 4,014.86

- Approve 2022 Meeting dates all on a Monday at 4:00 p.m.
 - March 14, 2022
 - June 13, 2022
 - September 12, 2022
 - December 12, 2022

- Acknowledge 2020 Firefighter's Premium Tax Distribution
 - \$188,963.10 (last year \$178,018.38)
 - A second deposit in the amount of \$188,963.09 is still due for a total of \$377,926.19 (\$356,036.77) last year)

Barbara Fraser made a motion to approve Consent Agenda vouchers #1082-1092, the 2022 meeting schedule and acknowledge receipt of state funds; Rich Lanigan seconded the motion. Motion carried unanimously.

RETIREMENT – JEFFREY T. CRIPE – Monthly Benefit

Mr. Cripe took early retirement with an effective date of July 1, 2021. He selected a benefit payable for Retiree's Lifetime with 120 Payments Guaranteed in the amount of **\$4,180.09 per month.**

Rich Lanigan moved to approve the monthly retirement for Jeffrey T. Cripe in the amount of \$4,180.09 per month; Barbara Fraser seconded the motion. Motion carried unanimously.

RETIREMENT – JEFFREY T. CRIPE – PLOP Payment

Mr. Cripe requested a onetime payment of a 20% PLOP in the amount of **\$179,053.86** payable July 1, 2021.

Rich Lanigan moved to approve a PLOP payment to Jeffrey T. Cripe in the amount of \$179,053.86; Barbara Fraser seconded the motion. Motion carried unanimously.

RETIREMENT – SHAWN CARVEY – Monthly Benefit

Mr. Carvey took early retirement with an effective date of September 1, 2021. He selected a benefit payable for Retiree's Lifetime with 66 2/3% continued to his Joint Annuitant in the amount of \$6,505.02/\$4,336.90 per month.

Rich Lanigan moved to approve the monthly retirement to Shawn Carvey with 100% payable to Retiree for his lifetime and 66 2/3% continued to his Joint Annuitant in the amount of \$6,505.02/\$4,336.90 per month; Barbara Fraser seconded the motion. Motion carried unanimously.

RETIREMENT – SHAWN CARVEY – PLOP Payment

Mr. Carvey requested a onetime payment of a 20% PLOP in the amount of \$324,258.28 payable September 1, 2021.

Rich Lanigan moved to approve a PLOP payment to Shawn Carvey in the amount of \$324,258.28; Barbara Fraser seconded the motion. Motion carried unanimously.

PRESENTATION – Doug Lozen, Foster & Foster

Mr. Lozen addressed the Board to present an Experience Study, noting that they usually recommend this be done every five (5) years or so because they are using assumptions from a prior year. Foster & Foster does a 10 year look back on investment returns, salary increases, etc. Mr. Lozen stated that the current investment assumption is 6.75% and the report shows a 6.5%. This is a closed plan and is more sensitive with regards to investment earnings. Mr. Lozen then reviewed several proposed changes. Chairman Van Deusen asked if we could just lower the investment assumption and leave everything else alone to which Mr. Lozen said he recommends they all be implemented since they are based on an experience study. Mr. Lozen then said that he recommends consolidating the unfunded liability this would allow the funded status to stay at 63%. He noted that you could use a shorter amortization period when consolidating the unfunded liability. Mr. Lozen stated that the current payment is 1.7 million and is a 15 year payoff.

Rich Lanigan moved to implement change #5 which is a combination of all proposed changes and will drop the assumed investment rate to 6.5% to be effective with the October 1, 2021 Valuation; Barbara Fraser seconded the motion. Motion carried unanimously.

Rich Lanigan then moved to consolidate all basis of the Unfunded Liability to 13 years from 15 years to be effective with the October 1, 2021 Valuation; Barbara Fraser seconded the motion. Motion carried unanimously.

Mr. Lozen then addressed an overpayment to Retiree Michael Stephenson who was on the 2020 COLA list although he did not qualify as he had turned 65. Mr. Stephenson was overpaid by \$1,929.00. Mr. Lozen stated that they could calculate this being repaid over Mr. Stephenson's lifetime which would reduce his benefit between \$10-\$15 per month. After discussion the following motion was made.

Barbara Fraser moved to have Administrator Baumann send Mr. Stephenson a letter making him aware of the overpayment and asking how he would like to pay back the \$1,929.00; Rich Lanigan seconded the motion. Motion carried unanimously.

APPROVE AUDITOR ENGAGEMENT LETTER

An auditor engagement letter with the current audit firm MSL was presented covering the next three (3) audits.

Rich Lanigan moved to authorize the chairman to sign the auditor engagement letter with MSL; Barbara Fraser seconded the motion. Motion carried unanimously. Shelly will send a copy to Attorney Christiansen when completed.

PLAN ADMINISTRATOR

Plan Administrator – Shelly Baumann

Administrator Baumann addressed the following:

- The **Budget for FY 2021-2022** was presented for Board review and adoption.

Barbara Fraser moved to adopt the FY 2021-2022 Budget as presented; Rich Lanigan seconded the motion. Motion carried unanimously.

- The **3rd Quarter FY 2020-2021 Expenditure Report for April – June 2021** was presented. This report is informational only, no action is required.

FINANCIAL REPORTS

The following are portfolio holdings as of 06/30/2021 as presented in the financial reports received by the Board.

Investment Manager – Great Lakes Advisors – No one from Great Lakes was in attendance.

Portfolio Holdings as of 06/30/2021 are summarized as below:

Portfolio Value on 12/31/2020	\$2,643,949.76
Net Contributions/Withdrawals	(7,452.37)
Realized Gains	(56,224.99)
Unrealized Gains	332,637.47
Income Received	<u>15,010.38</u>
Ending Value 06/30/2021	<u>\$2,927,920.25</u>

The regular full Second Quarter 2021 Report for Great Lakes Advisors was included in the Board's agenda packet and a copy of the report is filed with these minutes.

Investment Manager – American Core Realty Fund, LLC. No one from American Core Realty Fund was in attendance.

Portfolio Holdings as of 06/30/2021 for Account No. 1151 are summarized as below:

Beginning Net Asset Value 03/31/2021	2,792,041.11
Contributions	-0-
Withdrawals	-0-
Net Income Before Fees	26,985.32
Distributions Declared	
Asset Management Fees	(7,977.16)
Available for Reinvestment/Distribution	(19,943.26)
Amount Reinvested	19,943.26
Distributions Payable	-0-
Unrealized Gain/(Loss)	41,839.53
Realized Gain/(Loss)	<u>43,704.33</u>
Ending Net Asset Value 06/30/2021	<u>2,896,593.13</u>

The regular full Second Quarter 2021 Report for American Core Realty Fund was included in the Board's agenda packet and a copy of the report is filed with these minutes.

FINANCIAL REPORTS – Cont.

Investment Manager – Garcia Hamilton. No one from Garcia Hamilton was in attendance. Portfolio Holdings as of 06/30/2021 are summarized as below:

Portfolio Value on 10/31/2012	\$4,986,207.85
Accrued Interest	35,996.79
Net Additions/Withdrawals	898,459.93
Realized Gains/Losses	89,153.19
Unrealized Gains/Losses	(51,568.93)
Income Received	1,246,417.08
Change in Accrued Interest	(10,036.63)
Portfolio Value on 06/30/2021	7,168,669.12
Accrued Interest	25,960.16
Total Portfolio on 06/30/2021	\$7,194,629.28

The regular full Second Quarter 2021 Report for Garcia Hamilton was included in the Board's agenda packet and a copy of the report is filed with these minutes.

Performance Monitor – AndCo Consulting

Jennifer Gainfort addressed the Board to present her report for quarter ending June, 2021. Ms. Gainfort reported that the Plan began with \$32,507,253 and ended with \$34,114,309 for a total fund change of \$1,652,319. Earnings as a percent for the quarter were 5.10% and 20.72% for the FYTD. Ms. Gainfort informed the Board that as of June 13, 2021 the Plan had a little over 34,150,000. Ms. Gainfort stated that everything is in line and there is no need to rebalance at this time.

All Portfolio Holdings as of 06/30/2021 are summarized as below:

Garcia Hamilton Fixed Income Portfolio	7,198,152
Vanguard Total Stock Market Index (VITSX)	7,792,838
American Funds EuroPacific Gr R5 (RERFX)	5,226,048
Brandywine Dynamic Value (Equity)	4,517,460
Great Lakes Equity	2,927,920
American Core Reality Fund (Core Real Estate)	2,896,593
MFS Growth R6 (MFEKX)	1,798,576
Templeton Global Bond (TGBAX)	-0-
PIMCO Global Bond (PGBIX)	1,232,589
R&D Account	524,133
Total Fund at 06/30/2021	<u>\$34,114,309</u>

The regular full Second Quarter of 2021 Report for AndCo Consulting was included in the Board's agenda packet and a copy of the report is filed with these minutes.

FINANCIAL REPORTS – Cont.

Richelle Cook with American Realty Advisors addressed the Board and gave an overview of the company. She noted that 70% of their return is based on income/leases which is very predictable and stable. American Realty has only eleven offices in the Fund so the pandemic did not have an effect on their income regarding rents. Ms. Cook noted that no tenant has over 4% of American Realty Advisors revenue.

ATTORNEY'S REPORT

Plan Attorney – Scott Christiansen

1. Attorney Christiansen reported that all Board members filed their Financial Disclosure Form on time.
2. Attorney Christiansen presented a proposed Ordinance to change the minimum distribution age from 70 ½ to 72 to be in compliance with the IRS.

Rich Lanigan made a motion approve that the proposed Ordinance to change the minimum distribution age from 70 ½ to 72 be sent to the city for adoption; Barbara Fraser seconded the motion. Motion carried unanimously.

3. Attorney Christiansen addressed the Board regarding the updated Summary Plan Description and reviewed several changes from the last one.

Barbara Fraser moved to adopt the Summary Plan Description as presented and that it be distributed to all active members; Rich Lanigan seconded the motion. Motion carried unanimously.

4. Attorney Christiansen addressed a letter sent by his firm noting that he is reducing the number of clients he serves. Attorney Christiansen stated that he will continue to represent the Board of Trustees of the City of Venice Municipal Firefighters' Pension Plan.

CHAIR REPORT, OTHER BOARD MEMBERS – none

SCHEDULE OF MEETINGS – All at 4:00 p.m.

- Monday, December 13, 2021

ADJOURNMENT - There was no further business, and the meeting was adjourned.

APPROVED:



ED VAN DEUSEN, CHAIRMAN



RICH LANIGAN, SECRETARY