

LEESBURG FIREFIGHTERS PENSION BOARD
WEDNESDAY, MARCH 9th, 2022 9:00 A.M.
LEESBURG FIRE STATION 63, VETERANS RD
LEESBURG, FL 34748

Members Present:

Walter Roenbeck, Chairman
 Steve Allen, trustee
 Ronny Goeler, Trustee

Others Present:

Frank Wan, BCA
 Rochelle Levy, Pension Attorney – Via Phone
 Paula Freiman, Actuary – Via Phone
 Chad Little, Actuary – Via Phone
 Brenda Todenhagen, Sponsor Representative

The meeting was called to order at 9:00 A.M. Chairman Roenbeck requested comments from the public. No comments were brought forth.

Approval of Minutes

A motion was made by Trustee Rinehart to approve the September meeting minutes and seconded (2nd) by Trustee Allen. All in favor, motion carried.

Sonja Vicchiollo, Fund Administrator, provided the administrator report for the quarter as follows:

Q2-21/22 Presented March 2022– Administrator Report

1. Member Retirements/Updates (12/21 -03/22)

- I. Retirements
 - i. None
- II. Separations
 - i. Dario Cuadros – Recruit – No contributions collected
 - ii. Lauren Brulen - Recruit – No contributions collected
- III. Updates
 - i. Member Twiss deceased 12/06/21. Option 10 years and certain. Benefit concluded.
- IV. New Hires
 - i. Nathan Cox – Recruit
 - ii. Dario Cuadros – Recruit – No contributions collected
 - iii. Lauren Brulen - Recruit – No contributions collected
 - iv. Brandon Glass
 - v. Max Sulsenti

2. Accounts Payable

02/21 – 05/21	06/21-08/21	09/21 – 11/21	12/21 -03/22	
\$414,957.52	\$206,488.86	\$306,043.98	\$297,525.45	Benefits
\$39,378.63	\$3,021.02	\$0.00	\$1542.74	Lump
\$0.00	\$0.00	\$0.00	\$767.10	Retiree Share
\$0.00	\$0.00	\$0.00	\$0.00	Reimbursements
\$0.00	\$40,250.00	\$0.00	\$0.00	Actuary
\$0.00	\$0.00	\$2964.00	\$0.00	Insurance

\$1,550.00	\$600.00	\$2964.00	\$3736.11	Legal
\$10,030.48	\$5,335.87	\$5328.95	\$5,513.87	Salem Trust
\$6,924.00	\$7,260.91	\$0.00	\$7297.35	BCA
\$9,65.42	\$3,729.07	\$0.00	\$3736.00	Highland
\$7,466.10	\$4,425.73	\$4584.25	\$4,719.78	Polen
\$4000.00	\$2000.00	\$3000.00	\$3000.00	Admin
\$2,778.00	\$3,429.00	\$3348.00	\$3,693.00	Fiduciary
\$486,119.36	\$276,540.46	\$316,897.28	\$331,531.40	

3. Correspondences / Updates (09/21 - 11/21)

- I. 12/08/21 Ltr to ARA re: Real Estate income to purchase additional shares.
- II. 12/09/21 Public Records request fulfilled re: City of Clermont Fire salary comparison study.
- III. 12/10/21 60T report received from BCA
- IV. 12/13/21 Census Data received from Actuary
- V. 12/15/21 Account signature form returned to Salem Trust
- VI. 12/17/21 Annual member statements received from Actuary and delivered same day
- VII. 01/13/22 Estimate of retirement benefits delivered to Member David Johnson
- VIII. 02/17/22 Codification copy of plan and index of changes provided to sponsor
- IX. 02/21/22 Application of refund of contributions provided to Member Parker Gillion

A motion was made by Trustee Goeler to approve the administrative report and seconded (2nd) by Trustee Allen. All in favor, motion carried.

Administrator Vicchiollo presented the 2021/2022 budget for approval.

A motion was made by Trustee Goeler to approve the 2021/2022 Budget and seconded (2nd) by Trustee Allen. All in favor, motion carried.

A motion was made by Trustee Goeler to reappoint Walter Roenbeck as Chariman. Motion was seconded (2nd) by Trustee Rinehart. All in favor, motion carried.

Actuaries Chad Little and Paula Freiman presented the annual Actuarial report.

Actuary Freiman reviewed the estimated sponsor/employee contribution required based on a rate or return of 7.3%. The City must contribute \$867,105 for fiscal 2022 on at least a quarterly basis and must contribute \$777,917 for fiscal 2023 on at least a quarterly basis

Ms. Freiman advised that the funded percentage 89.75%.

Ms. Freiman reviewed the member census data citing that there were 46 active members plus 41 inactive members of the Plan at both the beginning and end of the year due to 2 vested terminations, 5 non-vested terminations, 7 new hires and 2 deaths. Ms. Freiman advised that pay increases were higher then the assumption at 7% increase in pay on average versus the expected 4.85%.

Ms. Freiman reviewed the Value of assets as follows: the market investment return on the

Market Value of Assets was 19.96% and the return on the Actuarial Value of Assets was 10.15%, resulting in an actuarial gain for the year ending September 30, 2021.

Ms. Freiman reviewed the funded status with a change from 86.37% to 89.75% due to an assumption change from 7.4% to 7.3%, a positive investment experience and a positive demographic experience for the year. Ms. Freiman advised that the expected sponsor contribution for 2023 was \$779,917, citing a \$90k decrease. Ms. Freiman advised that an additional assumption decrease could keep the contribution approximately at the same level as 2022.

Chairman Roenbeck advised that he believed the next year would be negative and that he would like to absorb some of the future impact so that the Sponsor would not experience increases in 2023 if possible. Chairman Roenbeck recommended lowering the rate of return to a level that would keep the Sponsor contribution consistently at the same amount. Ms. Frieman advised that the Plan had room to lower the assumption rate 20 to 30 basis points without the Sponsor experiencing and increase to contributions over the amount paid in 2022.

Ms. Freiman advised that going to a 7% rate of return would result in a small increase to the 2023 Sponsor contribution over their 2022 contribution. Chairman Roenbeck cited the fact that lowering the assumption rate would, over the long run, result in the Sponsor paying less. Chairman Roenbeck advised that the Police Plan and FRS were currently at 6.8%.

A motion was made by Trustee Goeler to lower the rate of return to 7.0%. The motion was seconded (2nd) by Trustee Rinehart.

Discussion was had regarding the effects of moving to 7.1% versus 7.0%. Ms. Freiman advised that the difference would be minimal. Mr. Little advised it would be a difference of ~\$30,000.00.

All in favor to lower the rate of return to 7.0%, motion approved.

A motion was made by Trustee Rinehart to amend and approve the 2022 Actuarial report to reflect a rate of return of 7.0% and seconded (2nd) by Trustee Allen. All in favor, motion approved.

Ms. Freiman notified the Board that the Annual report was pending the CAFAR from the Sponsor, but that she would submit the report with a notation advising that it would be resubmitted once the CAFAR was received. Chairman Roenbeck and Trustee Rinehart verbally approved the report and requested it be submitted to the State.

Performance Consultants, Burgess Chambers & Associates

Performance Consultant Frank Wan presented the 1st quarter BCA report. Mr. Wan presented an evaluation completed by Highland Capital reviewing all major military historical events since Pearl Harbor that indicates that these events had little effect on the Stock Market. Mr. Wan explained that the current Russian / Ukraine conflict was having little effect on the Stock Market and that the Stock Market downturn has been a correction of prices in technology-based markets.

For the quarter the Plan earned \$1.1 million or 4.2%, behind the strategic model (4.7%). Top performers were Fidelity 500 at 11%, Fiduciary Large-Cap Value at 10.3%, and American Core Realty at 8.8%. For the one-year period, the Plan earned \$3.2 million or 13.2% and at the five-year

period, the Plan earned \$11.4 million or 11.2%.

Mr. Wan advised that the market value as of the date of the meeting was 25.2. Mr. Wan advised that State monies of ~800k remain in cash, putting cash at ~190k due to substantial draws downs every quarter. Mr. Wan advised that cash generally runs between \$200k – \$300k outflow per quarter with some inflow for offset.

Mr. Wan had no recommendations and asked that the Board continue to allow rebalancing in between meetings when necessary as this has allowed for opportunities to take profits quickly and keep the cash account viable.

A motion to approve the BCA report was made by Trustee Rinehart and 2nd by Trustee Allen. All in favor, motion approved.

Pension Attorney, Rochelle Levy

Ms. Levy advised that the State has sent letters to all Sponsors stating that terminations/resignations of Board members were required to be reported to the State same day. The Board will need to notify the Sponsor of all Board changes by end of day.

Ms. Levy updated the Board on current Bills. HB453 – currently states that a firefighter is not afforded the presumption if no preemployment physical was performed or one cannot be presented. Ms. Levy advised that the current Bill being presented would change this to give the firefighter the presumption in the even that a preemployment physical was not conducted or one could not be presented. Ms. Levy advised that the Bill passed in the House and is currently awaiting Senate approval.

Ms. Levy advised that SB838 regarding the Firefighter cancer Bill is being amended to include Fire Investigators. It is currently on it's third (3rd) reading in the House.

Ms. Levy advised that HB31 is extending the Firefighter Bill of Rights to include questioning during informal investigations. Ms. Levy advised it would prohibit administration from informally asking questions without representation if the Firefighter so chooses. The Bill is currently awaiting signature from the Governor.

Ms. Levy advised that an additional Homestead Exemption was being presented for consideration for Firefighters, Police and Teachers that would allow for an additional \$50,000 on a assessed value greater the \$100,000.

Ms. Levy advised that the current Workers Comp Bill requires a report to be filed within 90 days of the onset of PTSD symptoms in order to qualify for PTSD benefits. Ms. Levy advised the proposed Bill would require a report be filed within 90 days after diagnosis.

Ms. Levy advised the Board that an independent auditor was required under Chapter 112. Ms. Levy advised that the current audit was being conducted by the Sponsor auditor. Ms. Levy advised that after speaking with the Sponsor auditor, she learned that they were auditing the Plan, however it was not an in-depth audit as would be conducted by one hired by the Plan. Trustee Allen asked if the Sponsors audit satisfied the requirement as stated in Chapter 112. Ms. Levy advised that it was subject to interpretation. Ms. Levy recommended putting out a request for proposal for an independent auditor.

Chairman Roenbeck and Trustee Allen direct Attorney Levy to publish an RFP seeking an independent auditor and to invite the Sponsors auditor to submit.

Share money administration cost discussion was tabled until further meeting date.

Other Business

None

A motion to adjourn was made by Trustee Geoler and 2nd by Trustee Rinehart. All in favor, motion approved.

Meeting adjourned 10:25 AM

Next Board Meeting – Wednesday, July 6th, 2022

Chairman

Date