

**LEESBURG FIREFIGHTERS PENSION BOARD
WEDNESDAY, JULY 6TH, 2022 1:00 P.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
Paula Freiman, Actuary – Via Phone
Chad Little, Actuary – Via Phone
Brenda Todtenhagen, 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.

Pension Attorney, Rochelle Levy

Ms. Levy updated the Board on death benefits, stating that beneficiaries are entitled to the members accrued benefit at a ten (10) year certain and life with the option to name their own beneficiary.

Clarification was made on the definition of ten (10) year and certain as it relates to a member who dies prior to retirement, but is vested with the Plan. The Plan states that if a participant dies prior to the date which retirement income payment are to commence, the value of the benefit will be paid to his/her beneficiary using option ten (10) years life/certain which is defined as a guaranteed payment of ten (10) years or the life of the beneficiary, whichever is greater. If the beneficiary dies prior to 120 payments, his/her beneficiary will receive the remaining guaranteed payments that make up the full guaranteed ten (10) years.

Trustee Allen recommended the Board discuss allowing beneficiaries be provided the same options as members.

Auditor Presentations

1. Maudlin Jenkins

Lead Auditor Alison Wester and Auditor Daniel Anderson presented a proposal for auditing services.

The firm reported over thirty (30) Florida public plans. Mr. Anderson proposed a fee of \$10,000 with no annual fees which included unlimited correspondence and periodic/quarterly continuing education.

Chairman Roenbeck questioned retention of clients over the last five (5) years. Ms. Wester advised that they have a strong client retention and that clients lost were due to required rotation through charter.

Presentation was concluded and discussion was had by the Board.

2. MSL

Mr. Dan O'Keefe, CPA, presented a proposal for MSL professional auditing services. Mr. O'Keefe advised that along with being the Sponsors auditor, their firm also served as one of the largest governmental practices in the state of Florida.

Mr. O'Keefe proposed a fee of \$6,000 with a \$1,500 annual fee and out-of-pocket costs would be billed directly as they occur.

Chairman Roenbeck questioned retention of clients over the last five (5) years. Mr. O'Keefe advised that their retention rate with clients was extremely good and that the ones they lost were due to required rotation through Charter and cited that they have clients they have retained for thirty- five (35) years.

Ms. Levy questioned how many pension clients the firm audits. Mr. O'Keefe advised that he would guess that the firm audits at least forty – five (45) stand alone pension plans.

Presentation was concluded and discussion was had by the Board.

3. KSDT

Auditor Eric Leventhal and Auditor Isreal Diaz presented a proposal for auditing services. Mr. Leventhal advised that his firm has worked with Attorney Levy, BCA, Frieman & Associates and Salem Trust on several mutual clients.

The firm reported over thirty-five (35) Florida plans. Mr. Leventhal proposed a fee of \$15,000 with an annual fee of \$2,500 which included one meeting per year, consulting services regarding tax matters, telephone consultation on Plan matters and

Chairman Roenbeck questioned retention of clients over the last five (5) years. Mr. Leventhal advised he believed it was close to 100%. Mr. Diaz advised that they have had clients for over twenty (20) years.

Mr. Leventhal questioned the reasoning behind the Board seeking an external auditor at this time when, historically, the City auditor has been utilized. Ms. Levy advised that Chapter 112 requires an independent audit and that the service providers working for the Board were all of the opinion that the current audit did not qualify as an independent audit. Mr. Little reported how the previous process was done and he agreed, that it did not meet the requirements of an independent audit.

Presentation was concluded and discussion was had by the Board.

A motion was made by Trustee Goeler to contract with the firm KSDT and seconded (2nd) by Trustee Allen. All in favor, motion carried.

Approval of Minutes

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

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

Q3-21/22 Presented July 2022– Administrator Report

1. Member Retirements/Updates (03/01/22 -06/01/22)

I. Retirements

- Kenneth Rinehart – DOS 04/27/22 – Share money pending member request. Deferred retirement, calculation pending actuary
- David Johnson – DOS 05/06/22 – Share money released \$33,854.32, Joint\100% monthly benefit \$8018.27 began 06/01/22, Supplemental \$294.87
- Jason Harbison DOS 05/18/22 – Share money released \$28,488.97, Calculation pending actuary
- Thomas Lindmeier – DOS 05/24/22 – Share money pending member request- Calculation pending actuary

II. Separations

- None

III. Updates

- None

IV. New Hires

- Evan Castro – DOH 04/11/2022
- Mark Mussario – DOH 04/11/2022

2. Accounts Payable

06/21-08/21	09/21 – 11/21	12/21 -03/01/22	03/02/22 – 06/01/22	
\$206488.86	\$306043.98	\$297,525.45	\$305,838.60	Benefits
\$3,021.02	\$0.00	\$1542.74	\$67,280.03	Lump
\$0.00	\$0.00	\$767.10	\$0.00	Retiree Share
\$0.00	\$0.00	\$0.00	\$0.00	Reimbursements
\$40,250.00	\$0.00	\$0.00	\$36,000	Actuary
\$0.00	\$2964.00	\$0.00	\$0.00	Insurance
\$600.00	\$2964.00	\$3736.11	\$3,875.00	Legal
\$5,335.87	\$5328.95	\$5,513.87	\$4,135.86	Salem Trust
\$7,260.91	\$0.00	\$7297.35	\$3741.16	BCA
\$3,729.07	\$0.00	\$3736.00	\$3546.16	Highland
\$4,425.73	\$4584.25	\$4,719.78	\$4135.86	Polen
\$2000.00	\$3000.00	\$3000.00	\$3000.00	Admin
\$3,429.00	\$3348.00	\$3,693.00	\$3487.00	Fiduciary
\$276,540.46	\$316,897.28	\$331,531.40	\$430,904.00	

3. Correspondences / Updates (03/01/2022 – 06/01/2022)

- 03/11/22 Rate of Return notification sent to State reflecting change to 7%
- 03/28/22 2021 Disclosure letter / Actuarial report submitted to State.
- 04/15/22 State Acceptance – All reports through 10/01/21
- 05/22/2022 Request for proposal responses received – KSDT, Maudlin Jenkins, MSL

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

Administrator Vicchiollo provided an administrator review of duties and requested a fee increase to \$1350.00 per month.

A motion was made by Trustee Allen to raise the Administrative fee to \$1350.00 per month and seconded (2nd) by Trustee Goeler. All in favor, motion carried.

Board Seat Fulfillment

1. Board Appointed Trustee Seat Elect

A motion was made by Trustee Allen to elect Ryan Owens as a Trustee and seconded (2nd) by Trustee Goeler. All in favor, all approved.

Mr. Owens was not present. Attorney Levy advised that Mr. Owens could accept or deny at the September meeting.

2. City Appointed Trustee Elect

Mr. William Middlemiss was present and expressed his interest in serving on the Board. Mr. Middlemiss advised he placed an application with the City Clerk. Administrator Vicchiollo advised that the City Clerk would place his nomination on an upcoming Commission meeting to be approved.

Performance Consultants, Burgess Chambers & Associates

Performance Consultant Frank Wan presented a Market overview with historical geopolitical events comparing it to market activities. Mr. Wan advised that his firm was watching the yield spread closely. Mr. Wan advised that when the short US Treasury is making more money than the long, it caused inversion of the yield curve and is considered a bad sign and indicative potential for a recession. Mr. Wan advised that inversion of the yield curve accurately predicted a recession 85% of the time. Mr. Wan advised that a recession is unavoidable, but how hard it would be felt would depend on how fast the Fed's going to raise rates.

Mr. Wan presented his findings after conducting a Manager analysis on Fiduciary, Polen and American Funds and provided report on same. Mr. Wan advised that Polen has been down the last two (2) quarters, but they were pivoting. Mr. Wan recommended Polen representation be at the next meeting for explanation of their future strategy.

Plan report for the quarter is as follows:

- For the quarter, the Plan was down \$1.4 million or -5.1% (-5.2% net), behind the strategic model (-4.1%). Top performers were: American Core Realty (+8.5%), Cohen & Steers Global Infrastructure (+3.5%) and Cash (+0.0%).
- For the one-year period, the Plan earned \$1.1 million or +4.6% (+4.2% net), behind the strategic model (+5.7%). The top performers were: American Core Realty (+29.7%), Cohen & Steers Global Infrastructure (+17.0%) and Fidelity 500 (+15.7%).
- For the three-year period, the Plan earned \$7.5 million or +11.9% (+11.4% net) and ranked in the top 20th percentile.
- For the five-year period, the Plan earned \$9.5 million or +9.4% (+8.9% net) and ranked in the top 45th percentile.

A motion to approve the BCA report was made by Trustee Rinehart and 2nd by Trustee

Allen. All in favor, motion approved.

Other Business

Actuary Chad Little explained to the Board that through the calculation process, it was found that Paramedic Incentive pay was not being deducted by the sponsor, but was being used as pensionable income for calculations. Mr. Little advised that going forward, they would be conducting the calculation and also reviewing the pays to ensure the calculations were being based off pensionable pay properly. Mr. Little advised that they would be requesting that the sponsor break the salary reports into calendar pay.

Mr. Little advised the Board that recently there was a Late retirement calculation completed. Mr. Little advised that two calculations are done for Late retirements. The first is completed using their actual date of retirement and the second is completed using their normal retirement date. Once both calculations are completed, the actuary will use actuarially factors to increase it up to the day the member retires. The member will then receive the larger of the two sums. Mr. Little advised that this posed an issue due to the last members pay ending in the middle of a pay period. Mr. Little recommended using a member's pay through the last paycheck before their normal retirement date to calculate the normal benefit and using that to apply actuary factors and determine the highest benefit available to the member. Discussion was held. The Board agreed.

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

Meeting Adjourned

Next Board Meeting – Wednesday, September 14th, 2022

Chairman

Date

