

**LEESBURG FIREFIGHTERS PENSION BOARD**  
**September 15th, 2023 9:00 A.M.**  
**VETERANS ROAD, FIRE STATION 3, LEESBURG, FL**

**Members Present:**

Walter Roenbeck, Chairman  
 Steve Allen, Trustee  
 Ryan Owens, Trustee  
 Ronny Goeler, Trustee

**Others Present:**

Frank Wan, BCA  
 Richelle Levy, Pension Attorney

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 Goeler to approve the minutes from the June 14th<sup>h</sup> 3rd quarterly meeting and seconded (2<sup>nd</sup>) by Trustee Owens. All in favor, motion carried.

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

**Q4-22/23 Presented September 15<sup>th</sup>, 2023– Administrator Report**

**1. Member Retirements/Updates (06/01/23 -08/31/2023)**

- I. Retirements – None
- II. Separations - None
- III. Updates - None

**2. Administrative Expenses (06/01/23 -08/31/2023)**

09/02/22 – 12/01/2022	12/02/2022 - 03/01/2023	03/02/2023- 06/01/2023	06/01/2023- 08/31/2023	
\$412,386.00	\$336,003.03	\$336,003.03	\$336,003.03	Benefits
\$11,953.60	\$2,398.77	\$0.00	\$0.00	Lump
\$0.00	\$1,268.16	\$0.00	\$0.00	Retiree Share
\$0.00	\$0.00	\$0.00	\$2,450.00	Reimbursements
\$0.00	\$0.00	\$0.00	\$39,550.00	Actuary
\$3,592.44	\$0.00	\$0.00	\$3,592.44	Insurance
\$7,310.00	\$3,325.00	\$3175.00	\$1,925.00	Legal
\$4,227.73	\$4,428.53	\$4,654.45	\$1,312.16	Fiduciary Mng
\$8,800.00	\$4,700.00	\$900.00	\$0.00	Auditor
\$6,330.16	\$0.00	\$6,294.71	\$6,534.70	BCA
\$3,261.93	\$3,298.19	\$ 3,383.00	\$3,375.35	Highland –
\$3,027.28	\$2,958.09	\$3,417.37	\$4,042.82	Polen –
\$4,050.00	\$4,050.00	\$4050.00	\$4,050.00	Admin
\$2,742.00	\$3,072.00	\$3,201.00	\$3,377.00	Fiduciary -
\$467,681.14	\$365,501.77	\$365,078.56	\$406,212.50	

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**3. Correspondences / Updates (06/02/2023 – 08/31/2023)**

- A. 07/12/2023 – Application for FPPTA membership submitted
- B. 08/08/2023 – Conference opportunities provided to Board
- C. 08/15/2023 – Union contract provided to legal and auditor
- D. 08/15/2023- FPPTA membership accepted
- E. 08/15/2023 – Trustee Middlemiss and Trustee Goeler registered for FPPTA school & conference
- F. 08/24/2023 – Review of custodial statements by auditor revealed discrepancy of gains/loses being reported by FTI being calculated with a cost basis of zero. Reported to custodian for explanation. \*

- Response from custodian received 09/05/2023

*Upon the view, we've noticed that the initial cost information was not provided when the assets were transferred from Salem Trust, which is a common occurrence. Typically, original cost information is sent separately and updated accordingly.*

*However, in this case, the securities were sold before the cost information was updated in the system. To rectify this, we will reverse the executed trades and re-pend them to ensure the accurate capture of the original cost information for each of the dispose tax-lot.*

*We'll notify you once this process is complete, and I want to assure you that it will be resolved before the end of the fiscal year.*

*Response from BCA*

*BCA completes a monthly reconciliation process and reviews each account's market value and cash flows. This information is input into Paris Investment Metrics which generates a return. The returns are verified against the return provided by each manager in the case of separately managed accounts, or Morningstar in the case of ETFs and mutual funds. The quarterly returns for the quarter ended in June 30, 2023 was within the reasonable threshold for all accounts of the plan.*

*The Realized Gain/Loss page of the statement is not a portion of the statement used as the individual cost basis of each security sold is not used in the analysis of a tax-exempt plan.*

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

**Performance Consultants (Burgess Chambers & Associates) Report**

Performance Consultant Frank Wan, Burgess Chambers & Associates, presented the quarterly report.

Mr. Wan reported on the transition from Salem Trust to Fiduciary Trust in reference to cost value information not being provided by the previous custodian. Mr. Wan advised that the information is being gathered and is expected to be resolved within the next week.

Mr. Wan advised that the Plan has made 9.5% for the year and expects to end the fiscal year at or higher the current rate of return.

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For the quarter, the Plan earned \$927K or +4.0% (+3.9% net), ahead of the strategic model (+3.4%) and ranked in the top 14th percentile. Top performers were: Polen Large Cap Growth (+10.6%), Fidelity 500 (+8.7%) and iShares Convertible Bond (+5.5%).

- For the one-year period, the Plan earned \$2.1 million or +9.5% (+9.0% net), similar to the strategic model (+9.5%) and ranked in the top 37th percentile. The top performers were: Polen Large Cap Growth (+19.7%), Fidelity 500 (+19.6%), and Fidelity International (+19.5%).
- For the three-year period, the Plan earned \$4.7 million or +7.2% (+6.8% net) and ranked in the 63rd percentile.
- For the five-year period, the Plan earned \$7.2 million or +7.1% (+6.6% net) and ranked in the top 29th percentile.
- A Redemption request was submitted to American Realty Advisors to begin to redeem \$1 million on December 31, 2022, \$40K was received. An additional \$116.4K has been received so far in 2023. The redemption process will continue in 2023, providing liquidity for expenses.
- In April, \$150K of the Fidelity 500 Index was sold to raise money for distributions and pension expenses.

**Recommendations:**

Turn off dividends for American Realty in order to invest in another sector.

**Investment Policy**

A motion to approve the new investment policy, to include new legislative wording was made by Trustee Goeler and seconded (2<sup>nd</sup>) by Trustee Allen. All in favor, Motion carried.

A motion was made to turn off dividends from American Realty by Trustee Allen and seconded (2<sup>nd</sup>) by Trustee Goeler. All in favor, motion carried.

Mr. Wan recommended continued permission to work with the Administrator between meetings to rebalance the portfolio as opportunities occur. Board agreement was received.

**Legal Updates**

Ms. Levy advised that three new ordinances were approved by the Commission as follows:

- Plan Name. Name of Plan revised to City of Leesburg Municipal Firefighters' Retirement Plan.
- Required Minimum Distribution: Creation of Section 1.1 Definitions. (37) Required Minimum Distribution to comply with Internal Revenue Code Section 401(a)(9)
- Heart and Lung Act and Firefighter Cancer Presumption: Creation of Section 2.4 Disability and Retirement Income (B)(1) and (B)(?) to comply with the Heart and Lung Act as well as the Firefighter Cancer Presumptions of Chapter 112 and 175 Florida Statutes

Modifications to the pension plan reflect changes in legislation and that have "no impact" on funding.

**Other/Pending/or New Business**

Chairman Roenbeck reported the collection of the 2022 Premium Tax monies of \$225,380.16.

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Frozen amount of \$165,000 with the remainder being split between the sponsor and the members (90% to active, 10% to retirees)

Trustee Allen opened discussion on providing a COLA for the retirees. Chairman Roenbeck advised that he would like to provide a COLA, however the priority was getting the Rate of Return lowered in order to sustain benefits. Trustee Goeler advised caution in providing additional benefits during “up times” that would have to be maintained during “down times”.

Attorney Levy advised that while the Board can only recommend benefit increases such as overtime inclusion, to the Sponsor, they could offer a COLA without under their own authority.

Administered Shaffer advised she would pull previous COLA discussion documentation and have it prepared for the next meeting.

Discussion was tabled pending further information.

A motion to adjourn the meeting was made by Trustee Goeler and seconded (2<sup>nd</sup>) by Trustee Owens. All in favor, Motion carried.

Meeting adjourned at 9:55 P.M.

**Next Board Meeting – Wednesday, December 13th, 2023**

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Chairman  
Prepared by SV

Date