LEESBURG FIREFIGHTERS PENSION
BOARD
MARCH 14, 2025 QUARTERLY MEETING
9:00 A.M.

Members Present:
Walter Roenbeck, Chairman
Steve Allen, Trustee
Ryan Owens, Trustee
William Middlemiss, Trustee
Ronny Goeler, Trustee

Others Present:
Chad Little, Actuary
Israel Diaz, Auditor
Eric Leventhal, Auditor
Frank Wan, BCA
Richelle Levy, Pension Attorney-via phone

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 December 2024 quarterly meeting and seconded (2nd) by Trustee Owens - All in favor, motion carried.

Sonja Shaffer, Fund Administrator, provided the administrator report for the quarter as follows:
Administrator Report - Presented March 2025

1. **Member Retirements/Updates (09/24 – 11/24)**
   a. Sapp, Ryan – 01/31/2025 - Late
      - Joint & 50%& Joint, Monthly $6,801.97, Supplement $280.00, Share $38,421.08
   b. Lunn, Garrett – 01/03/2025 – Resigned-refund of contributions pending member paperwork - $7,886.95
   c. Retirement Share Checks delivered 01/07/2025 - $164.09 each.

2. **New Members**
   a. Collins, Nicholas DOH 01/13/2025
   b. Hidalgo, Xavier DOH 01/13/2025
   c. Mays, Maurice DOH 01/13/2025

3. Accounts Payable

	03/01/24 05/31/24	06/01/2024 08/31/2024	09/01/2024 11/30/2024	12/01/2024 02/28/2025
Benefits	$335,215.90	$324,226.53	$380,624.78	$376981.19
Lump	$	$	$18,315.60	$
Retiree Share	$3,437.12	$	$56,919.14	$45,558.20
Reimbursements	$24,033.32	$	$1,193.48	$
	$362,686.34	$324,226.53	$457,053.00	$422,539.39
FPPTA	$	$	$	$
Actuary	$	$	$45,500.00	$
Insurance	$ -	$	$3,592.44	$
Legal	$ 5,100.00	$2,172.85	$2,775.00	$1825.00
Fiduciary Mng	$ 4,031.00	$4,472.45	$2,296.72	$2,038.00
Auditor	$ 5,000.00	$0.00	$4,250.00	$6625.00
BCA	$ 7,500.31	$7,539.47	$7,946.82	
Highland	$ 4,486.74	$5,319.31	$5,025.88	
Polen	$ 4,690.28	$2,172.85	$2,228.79	$1,210.23
Admin	$ 2,700.00	$4,050.00	$4950.00	$5400.00
Fiduciary Trst	$1438.66	$1,599.20	$1,839.82	$1887.30
	$ 34,946.99	$26,353.28	$73,493.36	$18,985.53
Total	$ 397,633.33	$350,579.81	$530,546.36	$441,524.92

4. Correspondences / Updates (12/24 – 02/25)

a. 12/06/2024 – Census Data received
b. 12/19/2024 - Ltr of benefit value requested for Member Malloy
c. 12/20/2024 – Ltr of benefit value provided to Member Malloy
d. 12/24/2024 – State Acceptance Ltr received
e. 01/03/2025 – Ltrs of Share allocation sent to all current retirees
f. 02/11/2025- Subsequent event Ltr provided to Auditor
g. 02/12/2025 – Legal Response provided to Auditor
h. 02/21/2025 – Independence Ltr provided to the Sponsor

5. Transfers

a. 12/13/2025 - $500,000 from Fid Mng to Small Cap

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

Freiman Little Actuaries, LLC 23/24 Valuation Report
Annual Actuarial Valuation report as of October 1, 2024 by Actuary Chad Little.

Summary of Principal Valuation is as follows:

Fiscal Year Ending September 30,	2026	2025	2024
Minimum Funding Requirements			
As a Dollar Amount			
Minimum Required City Contribution	$1,160,348	$1,176,732	$990,735
Expected State Contribution	210,784	191,008	169,319
Expected Employee Contributions	182,812	179,248	166,870
Total Minimum Required Contribution	$1,553,944	$1,546,988	$1,326,924
As a Percent of Valuation Payroll			
Minimum Required City Contribution	41.26%	42.67%	38.59%
Expected State Contribution	7.49%	6.93%	6.60%
Expected Employee Contributions	6.50%	6.50%	6.50%
Total Minimum Required Contribution	55.25%	56.10%	51.69%
Valuation Payroll	$2,812,487	$2,757,657	$2,567,224

Funding requirements are determined as a dollar amount assuming premium tax money received from the State will be the same amount received for the prior year. The City must contribute $1,176,732 for fiscal 2025 on at least a quarterly basis and must contribute $1,160,348 for fiscal 2026 on at least a quarterly basis. Should the premium tax money received for fiscal 2025 and 2026 be less than expected, or should a portion of the State contribution be used towards the share component of the Plan, the City will need to contribute any potential shortfall to the Plan. The Minimum Required City Contribution is NOT adjusted for differences between actual and expected employee contributions.

Funded Status is as follows:

Valuation as of October 1,	2024	2023	2022
Accrued Liability (AL)	$32,430,774	$31,184,023	$29,494,937
Actuarial Value of Assets	(27,861,802)	(25,917,417)	(24,996,648)
Unfunded Accrued Liability (UAL)	$4,568,972	$5,266,606	$4,498,289
Funded Percentage	85.91%	83.11%	84.75%
Key Assumptions			
Valuation as of October 1,	**2024**	**2023**	**2022**
Assumed Investment Return, Net of Expenses	7.00%	7.00%	7.00%

The investment return on the Market Value of Assets was 20.34% and the return on the Actuarial Value of Assets was 7.69%, each in comparison to the 7.0% rate of return net of investment expenses assumed for the fiscal year ending September 30, 2024. Because the return on the Actuarial Value of Assets was more than the net assumed investment return, there was an actuarial investment gain for the year ending September 30, 2024**.**

A recommendation to decrease the rate of return was made by Mr. Little who provided an actuarial impact study reflecting impacts from both .25% and .50% reductions in the assumed net rate of investment return.

Discussion of impact was held. A motion was made by Trustee Goeler to lower the rate of return to 6.75% beginning October 2025 and seconded (2nd) by Trustee Middlemiss. All in favor, motion carried.

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

KSDT, CPA 23/24 Audit Report
Annual audit report as of October 1, 2024 by Auditor Eric Leventhal.

The Plan's net results from operations for fiscal year 2024 reflected the following financial activities:

- Net position restricted for pensions was $28,972,267, which was 20% greater than the 2023 net position restricted for pensions, with the increase due primarily to favorable market conditions.
- Total contributions were $1,467,936, which was 12% greater than the 2023 contributions, with the increase due to a greater amount of contributions received.
- Total interest and dividend income was $624,531, which was 19% greater than interest and dividend income during 2023.
- Net investment income was $4,900,432, which was 124% greater than the net investment and dividend income during 2023.
- Benefit payments were $1,390,021 which was 3% greater than the benefit payments during 2023, with the increase primarily due to a significant lump-sum distribution made to participants during 2024.

Mr. Leventhal reviewed administrative expenses, citing a decrease of $6,402.00.

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

A motion was made by Trustee Allen to ratify the Chairman's signature on the auditor representation letter and seconded (2nd) by Trustee Owens. All in favor, motion carried

Performance Consultants (Burgess Chambers & Associates) Q2 Report
Mr. Wan reported on Artificial Intelligence (AI) equipment requirements, opining that the significant amounts of energy to power AI equipment will limit its ability to effect jobs. Mr. Wan advised that BCA does not anticipate any market effect from AI in the near future.

Performance Consultant Frank Wan, Burgess Chambers & Associates, presented the quarterly report as follows:

- For the quarter, the Plan was down $98K or -0.3% (-0.4%net), ahead of the strategic model (-0.7%) and ranked in the top 25th percentile. Top performers were: Polen Large Cap Growth (+5.3%), iShares Convertible Bond (+2.5%) and Fidelity 500 Index (+2.4%).
- For the one-year period, thePlanearned$2.9millionor +11.2% (+10.9% net), behind the strategic model (+11.9%) and ranked in the top33rdpercentile.The top performers were: Fidelity 500 Index (+25.0%), Polen Large Cap Growth (+17.0%), and Fidelity Mid Cap Index (+15.3%).
- For the three-year period, the Plan earned$1.9millionor +2.6% (+2.2% net), behind the strategic model (+3.3%). The top performer was the Fidelity 500 Index (+8.9%).
- For the five-year period, the Plan earned $8.9millionor +7.7% (+7.3% net), in line with the strategic model (+7.7%) and ranked in the top 28th percentile.

- A Redemption request was submitted to American Realty Advisors to begin to redeem $1 million on December 31, 2022.As of the four the quarter of 2024, $477,791has been received. The redemption process will continue in 2025, providing liquidity for expenses. In September2023, the dividend reinvestment option was turned off so that all dividends would be received in cash to provide additional liquidity.
- In December, $500,000 was raised from Polen Large Cap Growth and the proceeds were used to purchase the SPDR S&P 600SmallCapET

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

Pension Attorney - Richelle Levy

A motion was made by Trustee Owens to approve the Rate of Return of 7% and seconded (2nd) by Trustee Allen. Letter of notice to be sent to the State. All in favor, motion carried.

A “Frequently Asked Questions” document was developed and presented to the Board for review at the previous meeting. Administrator Shaffer advised that the FAQ was pending Board approval for dissemination.

A motion to approve a FAQ document for members was made by Trustee Goeler and seconded by Trustee Allen. All in favor, motion approved.

Ms. Levy provide an overview of current legislative bill attempts going through the House.

Ms. Levy informed the Board of a member who was requesting to retire and commence benefits while simultaneously continuing to work for the City through a transfer to a different department. Ms. Levy advised that this would raise a few complicated issues requiring Board review.

Ms. Levy advised that an “in service distribution” generally requires a break from service with no pre-arranged employment offers from the organization. Ms. Levy advised that she consulted with a tax attorney and reviewed the Plan Document and determined that the ordinance does not clearly address reemployment in any way. Ms. Levy reported that the tax attorney opined that this could be interpreted to mean the Plan does not require a break in service. Interpretation of the following was made:

- Since the ordinance reads "separation of service from the City” the Board agreed to interpret this to mean "separation of service from the fire department".

A motion to interpret the Plan verbiage of “separation of service from the City” to mean "separation of service from the fire department" was made by Trustee Middlemiss and seconded by Trustee Allen. All in favor, motion approved

- Since the ordinance does not prohibit “in service distributions” the Board agreed to interpret this to mean that “in service distributions” were allowed.

A motion to interpret the plan to allow “in service distributions” was made by Trustee Owens and seconded by Trustee Allen. All in favor, motion approved.

Other/Pending/or New Business
Pensionable Overtime study was displayed for Board discussion. Chairman Roenbeck advised that the study was completed the prior year and provided to the union for negotiations. Mr. Little advised that a new study would not result in a noticeable difference from last year.

Discussion on possible options was had.

Drop Program study was displayed for Board discussion. Mr. Little advised that a new study would not result in a noticeable difference from 2023. Mr. Little advised that Drop programs only effect plans in that they change the behavior of the members.

Discussion on possible options was had.

A motion to adjourn the meeting was made by Trustee Middlemiss and seconded by Trustee Owens. All in favor, motion approved.

Meeting adjourned at 11:32 AM

Next Board Meeting – Wednesday, June 11, 2025

Walter Roenbeck 6/11/25
Chairman Date

Prepared by SV