

**WEST MANATEE FIRE & RESCUE DISTRICT FIREFIGHTERS' RETIREMENT PLAN
PENSION BOARD OF TRUSTEES QUARTERLY MEETING MINUTES
701 63rd St. West, Bradenton, FL 34209**

Friday, August 16, 2024, at 9:00AM

TRUSTEES PRESENT: Dan Tackett
Drew Powers
Burdette "Bud" Parent
Stewart Moon

TRUSTEES ABSENT: Scott Ricci

OTHERS PRESENT: Scott Christiansen, Christiansen & Dehner
Jennifer Gainfort, Mariner Institutional
Chrissy Stoker, Foster & Foster
Sara Carlson, Foster & Foster
Blanca Greenwood, Klausner, Kaufman, Jensen, & Levinson

1. **Call to Order** – Dan Tackett called the meeting to order at 9:00AM and a quorum was determined.
2. **Roll Call** – As reflected above.
3. **Public Comments** – None.
4. **Approval of Minutes**
 - a. May 17, 2024, quarterly meeting

The May 17, 2024, quarterly meeting minutes were approved as presented, upon motion by Stewart Moon and second by Bud Parent; motion carried 4-0.

5. **New Business**
 - a. Proposed 2024-2025 budget
 - i. Chrissy Stoker reviewed the budget requirement and each expenditure line. The total proposed budget for fiscal year 2024-2025 was \$110,900. Blanca Greenwood reminded the Board they did not need to meet the budget, and they could not exceed the total amount.

The 2024-2025 budget was approved as presented, upon motion by Bud Parent and second by Drew Powers; motion carried 4-0.

- b. Proposed meeting dates
 - i. The meeting dates proposed for 2025 were January 23, May 2, July 24, and October 23. All meetings would be held at 9:00AM at 701 63rd St W.

The 2024-2025 budget was approved as presented, upon motion by Drew Powers and second by Dan Tackett; motion carried 4-0.

6. Reports

a. Foster & Foster, Sara Carlson, Board Actuary

i. Experience study

1. Sara Carlson reminded the Board it was recommended to have an actuarial experience done every five years or so to review the assumptions and methods being used. The purpose was to ensure everything aligned with actual plan experience and best practices.
2. Sara Carlson commented the Unfunded Actuarial Accrued Liability (UAAL) was amortized over a certain period of time (like a mortgage), and with the last experience study, they changed the amortization to 15 years. Sara maintained this amortization schedule and did not recommend any changes.
3. Sara Carlson recommended updating the Entry Age Normal cost allocation which would cause the District and State's funding requirement to decrease to 38.70% as a percentage of total annual payroll.
4. Sara Carlson confirmed any changes would be implemented in the October 1, 2024, actuarial valuation; she would not revise the October 1, 2023, valuation report.
5. Sara Carlson advised the study looked at the investment return assumption and confirmed 7.40% was reasonable based on the assets and allocations of the fund. Sara noted that, while she did not recommend any changes today, she included information at the end of the study to show the impact of reducing it to 7.25% and 7.00%, respectively.
6. Sara Carlson commented there were larger than expected salary increases in all years of service, and she recommended increasing the assumed rate of salary increases, mostly in first years of service, to better align with plan experience. Dan Tackett noted the new Collective Bargaining Agreement provided for 7.00% salary increases for the next three years beginning October 1, 2024. Sara suggested they keep the assumption the way it was for the first three years, and for years 5+ assume a 7.00% increase for the 3-year period, then return to the service-based table. The impact would be a bit bigger, but it would not cause actuarial losses in the valuation due to salary increases.
7. Sara Carlson advised the mortality rates were in line with the current assumptions and gave no recommendations for changes.
8. Sara Carlson reviewed the retirement rates, noting the eligibility for Early retirement was 6 years of credited service but experience showed most members deferred commencement of benefits rather than collecting an Early/reduced benefit. Sara did not recommend any changes to the current assumption rate.
9. Sara Carlson advised the Plan was only 25 years old, and they did not yet have any experience on record for Normal retirements based on 25 years of service. The other way of obtaining Normal retirement eligibility was Age 55 and the completion of 6 years of credited service. Sara noted plan experience showed members did not retire at Age 55 but waited until Age 60. Sara proposed

- increasing the expected retirement rate for Ages 60+ to 100% which lowered the funding requirement slightly.
10. Sara Carlson discussed the withdrawal rates, noting there was no clear pattern, but overall rates were lower than expected so she recommended reducing the assumed rate by 10.00% which would result in a small increase to the District.
 11. Sara Carlson commented there was only one disability retirement during the experience period and the assumption was in line with that, so she did not have any recommendations.
 12. Sara Carlson reviewed the impact of reducing the investment return assumption to 7.25% and 7.00% and stated a reduction of 10bps would cause an increase of just over 2.00% of payroll.
 13. If all the assumption changes were made and the current 7.40% assumption was maintained, the District's funding requirement would increase by 0.30% of payroll.
 14. If all the assumption changes were made and the investment return assumption was reduced to 7.25%, the District's funding requirement would increase by 3.40% of payroll.
 15. If all the assumption changes were made and the investment return assumption was reduced to 7.00%, the District's funding requirement would increase by 8.90% of payroll.
 16. Sara Carlson recommended the Board approve Lines 7, 8, or 9, with the additional revisions to salary increases as discussed earlier in the meeting. Dan Tackett commented he was good with them sticking with 7.40%.

The Board approved Change 7 of the Experience Study with an additional amendment to the salary increase assumption as discussed, upon motion by Dan Tackett and second by Drew Powers; motion carried 4-0.

- b. Mariner Institutional, Jennifer Gainfort, Investment Consultant
 - i. Quarterly report as of June 30, 2024
 1. Jennifer Gainfort gave an overview of the market environment over the quarter.
 2. The market value of assets as of June 30, 2024, was \$33,886,249.
 3. 49.40% of assets were allocated to domestic equity, 14.20% to international equity, 25.60% to domestic fixed income, 4.30% to global fixed income, 6.00% to real estate, and 0.50% to cash. Jennifer Gainfort advised they were overweight domestic equity and underweight real estate, but she would not recommend adding anything to real estate.
 4. The Investment Policy Statement (IPS) had a minimum of 5.00% for real estate. Jennifer Gainfort stated she would bring an amended IPS to the next meeting with a 0.00% minimum.

The Board approved moving \$600,000 out of domestic equity (with \$350,000 coming from MFS Growth and \$250,000 coming from Vanguard 500) and putting \$100,000 into EuroPacific Growth, \$85,000 into Dana, \$90,000 into Dodge & Cox, \$225,000 into PIMCO Global Fixed, and leaving \$100,000 in cash, upon motion by Drew Powers and second by Bud Parent; motion carried 4-0.

5. Jennifer Gainfort reviewed the financial reconciliation of the fund over the quarter.
 6. Total fund gross returns for the quarter were 1.29%, compared to the policy benchmark of 1.54%. Total fund gross trailing returns for the 1-, 3-, 5-, and 10-year periods were 13.52%, 2.72%, 7.89%, and 6.96% respectively. Since inception (01/01/1999), total fund gross returns were 6.49%, compared to the policy benchmark of 5.91%.
 7. Jennifer Gainfort reviewed the performance of each manager and did not recommend any changes.
- c. Klausner, Kaufman, Jensen, & Levinson, Blanca Greenwood, Board Attorney
- i. Ordinance update
 1. Blanca Greenwood reminded the Board the pending ordinance was to provide a funding mechanism for the Share Plan. It still had not gone to the District for adoption as the Union was still reviewing the language. First reading would take place at the District's October meeting.
 - ii. Mariner agreement
 1. Blanca Greenwood advised the contract was ready for execution.

The Board voted to approve and execute the Mariner contract, upon motion by Dan Tackett and second by Stewart Moon; motion carried 4-0.

- iii. Second Addendum to Operating Rules & Procedures
 1. Blanca Greenwood presented the updated document and reviewed the changes.

The Second Addendum to the Operating Rules & Procedures was approved as presented, upon motion by Drew Powers and second by Dan Tackett; motion carried 4-0.

2. Dan Tackett asked if the Share Plan could be funded with Member contributions. Scott Christiansen stated it could only be funded by premium tax monies.
3. Dan Tackett noted the member contribution rate was 2.90% but members actually paid 5.00%. Dan inquired if the extra 2.10% could potentially be directed to the Share Plan in the future. Blanca Greenwood advised she would research this and requested a copy of the Collective Bargaining Agreement.

7. **Old Business** – None.

8. **Consent Agenda**

- a. Payment ratification
 - i. Warrant #96
- b. New invoices for payment approval
 - i. None
- c. Fund activity report for May 11, 2024, through August 9, 2024

The consent agenda was approved as presented, upon motion by Bud Parent and second by Drew Powers; motion carried 4-0.

9. **Staff Reports, Discussion, and Action**

a. Fiduciary liability policy renewal

- i. Chrissy Stoker advised the current policy would expire before the next meeting and she needed direction from the Board. The expiring policy was for 3 years with annual premiums of \$2,913.00. Chrissy recommended obtaining a quote for another 3-year policy, as 3-year policies typically locked in the same premium rate, while annual policies tended to increase each year. Since today's meeting was too soon to obtain a renewal quote, Chrissy asked if she should bring a quote to the next meeting for the Board's consideration, which would result in a 3-day gap in coverage, or if the Board was comfortable giving her the authority to renew the policy between meetings.
- ii. Blanca Greenwood recommended the Board to prevent a gap in coverage and authorize the plan administrator to renew the fiduciary insurance policy for an annual premium not to exceed \$5,000.

The Board authorized the plan administrator to obtain a renewal quote for another 3-year fiduciary insurance policy in between meetings and bind coverage so long as the annual premium did not exceed \$5,000, upon motion by Drew Powers and second by Stewart Moon; motion carried 4-0.

b. Update on State Annual Report/State Monies

- i. Chrissy Stoker announced the Annual Report was approved June 19, 2024, and the Plan would receive \$429,817.94 from the State Monies distribution this year which was \$19,754.36 more than last year.

c. Educational opportunity

- i. The Division of Retirement Conference would be held November 13-15 in Daytona Beach Shores and was free to attend.

d. Discussion of Member education session

- i. Chrissy Stoker gave an update on the educational sessions the Board authorized at the last meeting. Chrissy spent the last three days at the District holding pension workshops and they were a great success.

e. CPI-U increase

- i. Chrissy Stoker advised the CPI-U as of June 30 came in at 3.00%, therefore her fees would increase by 3.00% effective October 1, 2024.

10. **Trustees' Reports, Discussion, and Action** – None.

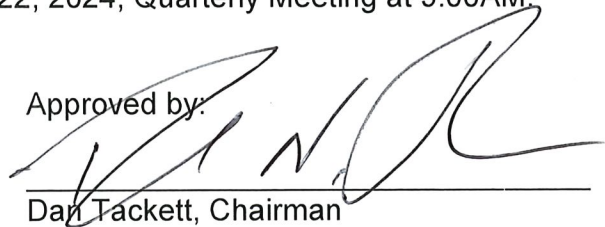
11. **Adjournment** – The meeting adjourned at 10:12AM.

12. **Next Meeting** – Friday, November 22, 2024, Quarterly Meeting at 9:00AM.

Respectfully submitted by:


Chrissy Stoker, Plan Administrator

Approved by:


Dan Tackett, Chairman

Date Approved by the Pension Board:

11/22/2024