

**CITY OF DADE CITY  
POLICE OFFICERS' PENSION FUND &  
FIREFIGHTERS' RELIEF & PENSION FUND  
BOARD OF TRUSTEES  
QUARTERLY MEETING MINUTES  
City Hall, Council Chambers  
38020 Meridian Ave, Dade City, FL 33525**

**Thursday, June 9, 2022, at 9:30AM**

**TRUSTEES PRESENT:**

James Parker, Fire Trustee  
Joseph Wubbena, Fire Trustee  
John Evenhouse, Fire Trustee  
Robert Tungate, Police Trustee  
Kelly Curtis-Stout, Police Trustee  
William Rowe, Police Trustee

**TRUSTEES ABSENT:**

Bob Cabot, Fire Trustee  
Richard Griner, Police Trustee

**OTHERS PRESENT:**

Brad Hess, AndCo Consulting  
Scott Christiansen, Christiansen & Dehner  
Sara Carlson, Foster & Foster  
Ferrell Jenne, Foster & Foster

1. **Call to Order** – The Meeting was called to order at 9:30AM by Joseph Wubbena.
2. **Public Comments** – None.
3. **Approval of Minutes**

**The Fire Board approved the March 10, 2022 quarterly meeting minutes as presented, upon motion by John Evenhouse and second by James Parker; motion carried 3-0.**

**The Police Board approved the March 10, 2022, quarterly meeting minutes as presented, upon motion by Robert Tungate and second by Kelly Curtis-Stout; motion carried 3-0.**

4. **New Business**

a. Discussion of adding a PLOP (Police)

- i. Scott Christiansen stated a PLOP allowed a member to take a percentage of their benefit at retirement and then the ongoing monthly benefit would be reduced by that percentage. Scott stated this allowed the members to take a lump sum without going into the DROP. Scott stated the member would have the PLOP option for a normal or early retirement. Scott reviewed the current DROP provisions. Scott commented the PLOP option was beneficial, as it allowed the member to continue to accrue service and possibly increase their AFC and still have a lump sum option when they retired.
- ii. Ferrell Jenne reminded the board the fire plan had the PLOP provision, and they were permitted to choose a PLOP option when entering the DROP. Scott Christiansen stated if the police plan wanted to add the PLOP provision, he would

need to do an Ordinance amendment and it would need to go through two readings.

- iii. Sara Carlson reviewed how the PLOP option was calculated and confirmed there would be no cost impact to add a PLOP.

**The Police Board approved Scott Christiansen to draft an Ordinance amendment to add a PLOP option to the police plan, upon motion by Robert Tungate and second by William Rowe; motion carried 3-0.**

a. Foster & Foster fee proposal

- iv. Ferrell Jenne reminded the boards they provided plan administration and actuarial services to the boards. Ferrell commented they did not like to propose fee increases, but they want to continue to partner with the boards and ensure they provide the best professionals to service the plans. Sara Carlson reviewed the actuarial services and Ferrell reviewed the plan administration retainer. The board discussed the state annual report and the CPI.
- v. Scott Christiansen stated if the fees were approved, he recommended doing a new contract on the actuarial side and do an amendment to the plan administration contract.
- vi. The board discussed the hourly rates on the actuarial side.

**The Fire Board approved the Foster & Foster fee proposal as presented, upon motion by John Evenhouse and second by Joseph Wubbena; motion carried 3-0.**

**The Police Board approved the Foster & Foster fee proposal as presented, upon motion by Robert Tungate and second by William Rowe; motion carried 3-0.**

5. **Old Business** – None.

6. **Reports (Attorney/Consultants)**

a. Foster & Foster, Sara Carlson, Board Actuary

i. October 1, 2021 actuarial valuation

- 1. Sara Carlson reviewed the October 1, 2021 valuation reports. Sara reminded the boards the contribution amounts set forth in the valuations were applicable to FYE September 30, 2023.
- 2. For the fire plan, the City's required contribution decreased from \$203,260 to \$163,025 in conjunction with the October 1, 2021, valuation. For the police plan, the City's required contribution, as a percentage of projected annual payroll, decreased from 20.50% to 20.40% in conjunction with the October 1, 2021, valuation.
- 3. Plan experience for the fire plan was favorable overall on the basis of the plan's actuarial assumptions. The primary source of actuarial gain was an investment return of 9.39% (Actuarial Asset Basis) which exceeded the 7.30% assumption. This gain was offset in part by a loss associated with inactive mortality experience.
- 4. Plan experience for the police plan was favorable overall on the basis of the plan's actuarial assumptions. The primary source of actuarial gain was an investment return of 8.94% (Actuarial Asset Basis) which exceeded the 7.00% assumption. This gain was offset in part by losses associated with an average salary increase of 8.88% which exceeded the 5.38% assumption and inactive mortality experience. Additionally, there was an actuarial loss due to the rehire of a nonvested terminated member who left their employee



- contributions in the fund. Plan provisions state that Members may leave their employee contributions in the fund for five years pending possibility of reemployment without losing credit for the initial period of employment.
5. Sara Carlson stated the police plan reflected the normal cost minimum funding requirements per Chapter 2011-216.
  6. Sara Carlson reviewed the assets for each plan and stated the police plan had approximately \$900,000 in gains that would flow into the plan and the fire plan had approximately \$500,000. Sara reminded the fire board they lowered the investment return assumption to 7.00%.
  7. Sara Carlson stated the police plan had a funded ratio of 104% and the fire plan had a funded ratio of 90%. Sara reviewed the UAAL for each plan. Sara commented the police plan had more assets than liabilities as of September 30, 2021.
  8. Brad Hess discussed the fire plan being closed and the plan maturity and other risk metrics. Sara Carlson stated she had several closed plans, and their investment return assumption were between 6.80% and 7.20%. Sara commented the fire plan was in line. Sara reminded the board the fire plan reduced their investment return assumption from 7.30% to 7.00% in conjunction with the October 1, 2021 valuation report.
  9. The fire board discussed the share plan. Ferrell Jenne reviewed the history of the default methodology. Scott Christiansen stated he had plans that allow a distribution to retirees, but it requires an Ordinance amendment.

**The Fire Board approved the October 1, 2021 actuarial valuation report as presented, upon motion by John Evenhouse and second by James Parker; motion carried 3-0.**

**The Police Board approved the October 1, 2021 actuarial valuation report as presented, upon motion by Robert Tungate and second by Kelly Curtis-Stout; motion carried 3-0.**

10. Scott Christiansen reviewed the declaration of returns requirement. Brad Hess confirmed both plans had a reasonable investment return assumption, based on their current asset allocations.

**The Fire Board voted the declaration of returns for the plan shall be 7.00% for the next year, the next several years, and the long-term thereafter net of investment related expenses, upon motion by John Evenhouse and second by Joseph Wubbena; motion carried 3-0.**

**The Police Board voted the declaration of returns for the plan shall be 7.00% for the next year, the next several years, and the long-term thereafter net of investment related expenses upon motion by Robert Tungate and second by William Rowe; motion carried 3-0.**

b. AndCo Consulting, Brad Hess, Investment Consultant

i. Quarterly report as of March 31, 2022

1. Brad Hess reviewed the S&P 500 total return index history and the drawdowns that have occurred which were greater than 5.00%. Brad reminded the boards they were long term investors and should not try to time the market. Brad stated if you were in the market for the entire period, it equates to an approximately 9.00% return. Brad stated if you were able to avoid the worst 10 days over the last 3,686 trading days, your 9.05% return would increase to 15.70%. If you were out of the market the best 10 days over that same time period, your 9.05% return would decrease to 3.04%.

2. Brad Hess reviewed the market environment during the quarter. Brad commented there was no place to hide and performance across the market was negative. Brad commented through June 8, 2022 all markets continued to be down 9.00-12.00%.
3. The Market Value of Assets (MVA) as of March 31, 2022 was \$12,537,739 for the Police plan and \$7,151,615 for the Fire plan. Brad Hess commented as of June 8, 2022 the MVA for the police plan was approximately 11.7M and 6.07M for the fire plan. Brad reminded the board the fire plan had an exceptionally large DROP payout during the quarter.
4. Brad Hess reviewed the asset allocations and confirmed everything was in line with IPS.
5. For the Police plan, total fund earnings for the quarter were -6.77%. Total fund trailing returns for the 1-, 3-, 5- and 10-year periods were 2.26%, 7.95%, 7.14% and 6.85%, respectively. Since inception (March 1996), total fund earnings were 6.65%.
6. For the Fire plan, total fund earnings for the quarter were -6.74%. Total fund trailing returns for the 1-, 3-, 5- and 10-year periods were 2.70%, 8.74%, 7.80% and 6.99%, respectively. Since inception (March 1996), total fund earnings were 6.68%.
7. Brad Hess reviewed the performance of each manager and stated Clearbridge had continued to underperform, and he would bring a manager analysis to the next mtg.
8. Brad Hess reminded the boards they made an allocation to Principal. Ferrell Jenne confirmed she had the contracts ready for signature.
9. Brad Hess reviewed the international value equity manager analysis. Brad stated they identified four funds for consideration, which had all been vetted by their research team. Brad recommended to take half of the EuroPacific allocation and invest in one of the funds.
10. Brad Hess stated out of the four funds identified, he liked the Dodge & Cox fund the best. Brad commented he believed Dodge & Cox better diversifies the portfolio, compliments the current portfolio, and had the lowest management fee.
11. Brad Hess reviewed the firm information, strategy information, and characteristics of the Dodge & Cox fund.

**The Police Board approved taking 50.00% of the EuroPacific Growth fund and allocating the proceeds to the Dodge & Cox International fund, upon motion by Kelly Curtis-Stout and second by Robert Tungate; motion carried 3-0.**

**The Fire Board approved taking 50.00% of the EuroPacific Growth fund and allocating the proceeds to the Dodge & Cox International fund, upon motion by John Evenhouse and second by Joseph Wubbena; motion carried 3-0.**

c. Christiansen & Dehner, Scott Christiansen, Board Attorney

i. Financial disclosure forms

1. Scott Christiansen asked about the vacancies on each board. Ferrell Jenne stated she followed up with the City and they were still working on filling the seats. Ferrell reminded the boards if there was a plan member who lived in the City limits, they could apply.
2. Scott Christiansen reminded the boards to file their financial disclosure forms prior to July 1 to avoid fines.



ii. Legislative update

1. Scott Christiansen stated no bills passed that impacted pension plans. Scott commented FRS extended the DROP to 8 years for law enforcement members.
2. Scott Christiansen stated they have the Principal documents ready for signature and they were working on getting the side letters from Principal. Scott confirmed they were comfortable with the documents being signed in advance of receiving the side letters.
3. Brad Hess reminded the board they directed a 10.00% allocation to real estate and discussed some flexibility in the motion on where the funds would come from, given the unknown timing of the capital call.

7. **Consent Agenda**

a. Payment Ratification

i. Warrant #82 (POLICE BOARD)

- |  |            |
|--|------------|
| 1. Foster & Foster, invoice #22919, actuarial services   | \$1,135.00 |
| 2. Foster & Foster, invoice #22965, plan administration  | \$900.00   |
| 3. AndCo, invoice #40659, investment consulting          | \$4,000.00 |
| 4. Foster & Foster, invoice #23188, plan administration  | \$919.01   |
| 5. Christiansen & Dehner, invoice #35195, legal services | \$1,071.95 |
| 6. Foster & Foster, invoice #23318, actuarial services   | \$3,000.00 |

ii. Warrant #83 (POLICE BOARD)

- |   |             |
|---|-------------|
| 1. Foster & Foster, invoice #23622, plan administration | \$900.00    |
| 2. Foster & Foster, invoice #23798, actuarial services  | \$12,300.00 |

iii. Warrant #82 (FIRE BOARD)

- |  |            |
|--|------------|
| 1. Foster & Foster, invoice #22918, actuarial services   | \$700.00   |
| 2. Foster & Foster, invoice #22964, plan administration  | \$840.00   |
| 3. AndCo, invoice #40658, investment consulting          | \$4,000.00 |
| 4. Foster & Foster, invoice #23187, plan administration  | \$859.01   |
| 5. Christiansen & Dehner, invoice #35194, legal services | \$1,071.95 |
| 6. Foster & Foster, invoice #23317, actuarial services   | \$3,000.00 |

iv. Warrant #83 (FIRE BOARD)

- |   |             |
|---|-------------|
| 1. Foster & Foster, invoice #23621, plan administration | \$840.00    |
| 2. Foster & Foster, invoice #23799, actuarial services  | \$12,731.00 |

b. New invoices for approval

i. None (POLICE BOARD)

ii. None (FIRE BOARD)

c. Fund activity report for March 4, 2022, through June 2, 2022 (POLICE)

d. Fund activity report for March 4, 2022, through June 2, 2022 (FIRE)

**The Police Board approved the consent agenda as presented, upon motion by Robert Tungate and second by William Rowe; motion carried 3-0.**

**The Fire Board approved the consent agenda as presented, upon motion by John Evenhouse and second by Joseph Wubbena; motion carried 3-0.**

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

a. Foster & Foster, Ferrell Jenne, Plan Administrator

i. Update on State Annual Report

1. Ferrell Jenne stated they are waiting on the City's audit. Ferrell commented the last update she received from the City was that the audit would be ready mid-June.
2. Ferrell Jenne reviewed the upcoming FPPTA conference and reminded the police board they were members of FPPTA.

9. **Trustees' Reports, Discussion, and Action**

1. Brad Hess further discussed the motions made by the plans regarding real estate. Brad confirmed the police plan did not need to amend the motion made at the prior quarterly meeting. Brad recommended the fire board to amend the motion to pull the funds by taking 8.00% from Baird and 2.00% from the S&P 500.

**The Fire Board approved funding the real estate allocation by taking 8.00% from Baird and 2.00% from the S&P 500 once the capital call was received, upon motion by John Evenhouse and second by James Parker; motion carried 3-0.**

*The fire board left at 11:35am*

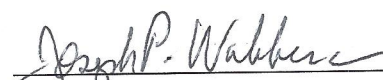
- b. Foster & Foster, Sara Carlson, Board Actuary
  - i. Portal demo (Police)

1. Sara Carlson gave a demo of the pensioner portal to the police board. Sara reviewed the customization options, how to run benefit estimates, and confirmed all provisions were coded by the plan's actuaries.
2. Sara Carlson stated the fee for the portal as a one-time implementation fee of \$2,500 and an annual subscription fee of \$5,000.

**The Police Board approved the online portal as presented, upon motion by Richard Robert Tungate and second by William Rowe; motion carried 3-0.**

10. **Adjournment** – The meeting adjourned at 12:15PM.

11. **Next Meeting** – September 8, 2022, at 9:30AM, Quarterly Meeting

  
 \_\_\_\_\_  
 Joseph Wubbena, Fire Chairman

9-8-22  
 \_\_\_\_\_  
 Date

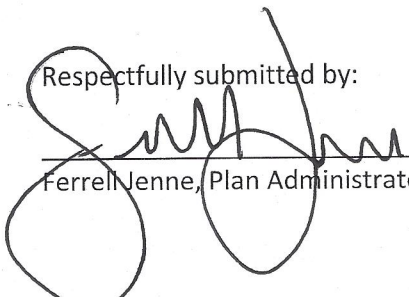
  
 \_\_\_\_\_  
 William Rowe, Police Chairman

9-8-22  
 \_\_\_\_\_  
 Date

Date Approved by the Pension Boards:

SEPTEMBER 8, 2022

Respectfully submitted by:

  
 \_\_\_\_\_  
 Ferrell Jenne, Plan Administrator