

**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 8, 2023, at 9:30AM

TRUSTEES PRESENT: Joseph Wubbena, Fire Trustee
John Evenhouse, Fire Trustee
Bob Cabot, Fire Trustee
Kelly Curtis-Stout, Police Trustee
Robert Tungate, Police Trustee
William Rowe, Police Trustee
David West, Police Trustee

TRUSTEES ABSENT: Richard Griner, Police Trustee
James Parker, Fire 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 9:35AM by Joseph Wubbena.
2. **Public Comments** – None.
3. **Approval of Minutes**

The Fire Board approved the March 9, 2023, quarterly meeting minutes as presented, upon motion by Bob Cabot and second by John Evenhouse; motion carried 3-0.

The Police Board approved the March 9, 2023, quarterly meeting minutes as presented, upon motion by Robert Tungate and second by William Rowe; motion carried 4-0.

4. **New Business** – None.
5. **Old Business** – None.
6. **Reports (Attorney/Consultants)**
 - a. Foster & Foster, Sara Carlson, Actuary
 - i. October 1, 2022, actuarial valuation report
 1. Sara Carlson introduced herself and reminded the Board the contributions set forth in the actuarial valuation report were applicable for the year ending September 30, 2024.
 2. For the Fire Plan, the City's required contribution increased from \$175,997 to \$195,570 in conjunction with the October 1, 2022, valuation. For the Police Plan, the City's required contribution, as a percentage of projected

annual payroll, slightly decreased from 22.3% to 22.0% in conjunction with the October 1, 2022, valuation.

3. The Plan experience for the fire plan was unfavorable overall on the basis of the plan's actuarial assumptions. Sources of actuarial loss included an investment return of 4.30% (Actuarial Asset Basis) which fell short of the 7.00% assumption, more retirements than expected, and an average salary increase of 13.41% which exceeded the 5.75% assumption. There were no significant sources of actuarial gain.
4. The Plan experience for the police plan was unfavorable overall on the basis of the plan's actuarial assumptions. Sources of actuarial loss included an investment return of 3.85% (Actuarial Asset Basis) which fell short of the 7.00% assumption, an average salary increase of 6.91% which exceeded the 5.19% assumption, and unfavorable retirement experience. There were no significant sources of actuarial gain.
5. Sara Carlson reviewed the Unfunded Actuarial Accrued Liability (UAAL) for each of the Plans and the 4-year smoothing technique. The funded ratio for the Fire Plan is 88.6% and the funded ratio for the Police Plan is 100.8%.
6. Sara Carlson reviewed the net cash flow ratios for each. Brad Hess reminded the Fire Board they had a large DROP payout during the Fiscal Year, which artificially inflated the outflows.

The Fire Board approved the October 1, 2022, Actuarial Valuation report as presented, upon motion by Bob Cabot and second by John Evenhouse; motion carried 3-0.

The Police Board approved October 1, 2022, Actuarial Valuation report as presented, upon motion by Robert Tungate and second by William Rowe; motion carried 4-0.

7. Scott Christiansen reviewed the declaration of return requirement. Brad Hess stated 7.00% was a reasonable investment return assumption for each of the Plans.

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 Bob Cabot; 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 Kelly Curtis-Stout and second by Robert Tungate; motion carried 4-0.

b. AndCo Consulting, Brad Hess, Investment Consultant

i. Quarterly report as of March 31, 2023

1. Brad Hess reviewed the market environment during the quarter. Brad stated it was a strong quarter with growth outperforming value.
2. Brad Hess reviewed the asset allocations. Brad recommended the Fire Plan to decrease the allocation to emerging markets and recommended the Police Plan to also do a rebalance.
3. Brad Hess reviewed the financial reconciliations for the quarter.
4. The Market Value of Assets (MVA) as of March 31, 2023, was \$11,838,185 for the Police Plan and \$5,929,099 for the Fire Plan.
5. For the Police Plan, total fund returns for the quarter were 5.15%. Total fund trailing returns for the 1-, 3-, 5- and 10-year periods were -5.92%,

- 8.40%, 4.33% and 5.29%, respectively. Since inception (March 1996), total fund returns were 6.16%.
6. For the Fire Plan, total fund returns for the quarter were 5.39%. Total fund trailing returns for the 1-, 3-, 5- and 10-year periods were -5.91%, 9.06%, 4.95% and 5.53%, respectively. Since inception (March 1996), total fund returns were 6.19%.
 7. Brad Hess reviewed the performance of each manager and further discussed Invesco.

The Police Board approved selling \$180,000 of the Invesco Developing Markets fund and allocating the funds 50% to the Europacific Growth fund and 50% to the Dodge & Cox International Stock fund, upon motion by David West and second by Robert Tungate; motion carried 4-0.

The Fire Board approved selling \$200,000 of the Invesco Developing Markets fund and allocating the funds 50% to the Europacific Growth fund and 50% to the Dodge & Cox International Stock fund, upon motion by Bob Cabot and second by John Evenhouse; motion carried 3-0.

8. Brad Hess reviewed the Silicon Bank Valley bank default and how Plan assets were safeguarded.
- c. Christiansen & Dehner, Scott Christiansen, Board Attorney
- i. Legislative update
 1. Scott Christiansen reviewed House Bill 3 which prohibits trustees to consider ESG issues when analyzing investments. Scott stated it would require additional reporting at the end of the year, but they were waiting for additional guidance from the state. Brad Hess stated they had never taken ESG issues into consideration when analyzing investments so there would not be any impact on the Plan other than additional reporting requirements.
 2. Scott Christiansen stated he sent a letter to the City Manager regarding the city appointed vacant trustee seat on the fire board.
 3. Scott Christiansen reminded Ferrell Jenne the Fiscal Year 2023-2024 budgets would need to be presented at the next meeting.
 4. Scott Christiansen stated he had updated the special tax notices for both plans to include the Secure Act 2.0 language.
 5. Scott Christiansen reviewed the financial disclosure form and reminded the Trustees to file them by 7/1 to avoid fines.
 6. Scott Christiansen stated the Police Plan was required to update the SPD as it had been two years since the last version. Scott stated the Fire Plan did not need to update the SPD, as they had no active members left.

The Police Board approved Scott Christiansen to update the SPD, upon motion by Robert Tungate and second by William Rowe; motion carried 4-0.

- ii. Proposed Ordinance
 1. Scott Christiansen reviewed the proposed Ordinances. Scott stated both Ordinances amend in changes as a result of the Secure Act 2.0 and amends in the option for members to use an EZ Payment option for buybacks for the Police Plan.

The Police Board approved the proposed Ordinance as presented, upon motion by David West and second by Kelly Curtis-Stout; motion carried 4-0.

The Fire Board approved the proposed Ordinance as presented, upon motion by John Evenhouse and second by Bob Cabot; motion carried 3-0.

7. Consent Agenda

a. Payment Ratification

i. Warrant #90 (POLICE BOARD)

1. Foster & Foster, invoice #26304, plan administration	\$945.00
2. Christiansen & Dehner, invoice #35676, legal services	\$99.40
3. AndCo, invoice #43685, investment consulting	\$4,000.00
4. Christiansen & Dehner, invoice #35719, legal services	\$859.65
5. Foster & Foster, invoice #26610, actuarial services	\$3,300.00
6. Foster & Foster, invoice #26724, plan administration	\$965.55
7. Christiansen & Dehner, invoice #35761, legal services	\$1,043.70

ii. Warrant #91 (POLICE BOARD)

1. Foster & Foster, invoice #27033, plan administration	\$945.00
2. Foster & Foster, invoice #27135, plan administration	\$13,899.00

iii. Warrant #89 (FIRE BOARD)

1. Christiansen & Dehner, invoice #35675, legal services	\$99.40
2. Foster & Foster, invoice #26303, plan administration	\$873.58
3. AndCo, invoice #43684, investment consulting	\$4,000.00
4. Christiansen & Dehner, invoice #35718, legal services	\$859.65
5. Foster & Foster, invoice #26609, plan administration	\$3,300.00
6. Foster & Foster, invoice #26723, plan administration	\$894.13

iv. Warrant #90 (FIRE BOARD)

1. Christiansen & Dehner, invoice #35760, legal services	\$149.10
2. Foster & Foster, invoice #27032, plan administration	\$873.58
3. Foster & Foster, invoice #27133, plan administration	\$13,267.00

b. New invoices for approval

i. None (POLICE BOARD)

ii. None (FIRE BOARD)

c. Fund activity report for March 3, 2023, through June 1, 2023 (POLICE)

d. Fund activity report for March 3, 2023, through June 1, 2023 (FIRE)

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

The Police Board approved the consent agenda as presented, upon motion by Kelly Curtis-Stout and second by David West; motion carried 4-0.

8. Staff Reports, Discussion and Action

a. Foster & Foster, Ferrell Jenne, Plan Administrator

- i. Ferrell Jenne commented they were waiting on the City's audit, which was needed in order to receive an approval letter from the state for the annual reports. Ferrell reminded the Boards an approval letter was needed in order for the Plans to receive their Chapter 175/185 monies.
- ii. Ferrell Jenne reviewed the upcoming educational opportunities.

9. Trustees' Reports, Discussion, and Action – None.

10. **Adjournment** – The meeting adjourned at 10:41AM.

11. **Next Meeting** – September 14, 2023, at 9:30AM, Quarterly Meeting



Joseph Wubbena, Fire Chairman

9/14/23
Date

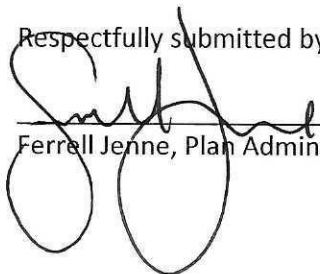


William Rowe, Police Chairman

9/27/23
Date

Date Approved by the Pension Boards: SEPTEMBER 14, 2023 +
SEPTEMBER 27, 2023

Respectfully submitted by:



Ferrell Jenne, Plan Administrator