

Winter Park Firefighter's Pension Trust Fund

Quarterly Meeting

November 2, 2023, at 4:00 P.M.

Members:

Lt. Stuart Merrick, Trustee

Lt. John Bonnell, Trustee

Mike Clifford, Trustee

Wayne Kalish, Trustee

Attendees:

Pedro Herrera, Attorney

Shauna Morris, Attorney

Burgess Chambers, BCA

Randy Knight, City Manager

Renee Cranis, City Clerk

Wes Hamil, Director of Finance

Jeff Templeton, Administrator

Bryan Templeton, Assistant Administrator

Amanda Templeton

Shelly Jones, GRS

Call to order:

Chairman, Lt. Stuart Merrick called the meeting to order at 4:09P.M.

Approval:

A motion was made by Lt. Stuart Merrick and seconded by Lt. John Bonnell to approve the minutes from August 3, 2023, and the quarterly billing for July-August-September 2023. *All were in favor.*

Public comment-None.

A motion was made by Lt. Stuart Merrick and seconded by Mike Clifford to send the city any Documents that are part of the meeting package that will be discussed at the next quarterly pension meeting as it has been, a week prior to the meeting.

In favor 3 Not in favor 1 (Lt. John Bonnell)

Quarterly Report:

Burgess Chambers, BCA, gave the Investment Summary Report:

For the quarter, the Plan was down \$2.7 million or -3.8% (-3.9% net) – behind the strategic model (-3.2%). The main difference was due to Cohen & Steer’s Infrastructure and Euro-Pacific. Results were enhanced by Terra-Cap’s and Ironside’s Private Credit. The top three performing asset categories were: Terra-Cap (+2.4%), Ironsides (+2.4%), and cash (+1.2%).

For the one-year period, the Plan earned \$5.0 million or +8.5% (+8.1% net). The top three performing asset categories were: large-cap growth (+27.7%), large-cap core (+21.4%), and international (+20.2%).

For the five-year period, the Plan earned \$13.5 million, averaging +4.6% (+4.3% net) per year – behind the strategic model (+5.3%). The difference was mainly due to SSI Convertibles and Euro-Pacific International.

In August 2023 a new IPS was signed and in September 2023 the Plan was rebalanced to the new allocation targets: \$315K was raised from SSI, \$400K from Euro-Pacific, and \$3.2 million from liquidating the iShares TIPS. The proceeds along with existing cash was used to purchase \$900K of Westwood Large Value, \$1.5 million of Fidelity 500, and \$2.7 million of Fidelity Large Growth.

In May 2023, \$456,857.85 was raised from the Fidelity 500 and wired to Constitution to fund the Ironsides Opportunities Fund II (private credit). In September 2023, Ironsides returned \$183K back to the Plan. This reflects a capital equalization, since the capital calls were more than required. The remaining capital to be called is \$2.2 million. The original commitment is \$3 million.

Westwood's large-cap value product posted five and ten year results ahead of the benchmark.

SSI's convertible bond product fell short of the benchmark for the quarter (-3.6% vs. -2.4%). The product averaged +6.8% per year for the last five years versus +8.8% per year for the benchmark, but still ranked in the top 23rd percentile.

Euro-Pacific missed the benchmark for the quarter (-6.2% vs. -4.0%). Five-year results were similar to the benchmark and ten- year results were ahead.

ARA American Realty and Barings private real estate both manage low leveraged commercial real estate programs throughout the U.S. While long-term results have benefited Plan performance, recent property write-downs have been a detractor, due to rising interest rates and office property mark downs. Therefore, the dividend reinvestment program was suspended for both American Realty and Barings until market conditions stabilize.

Actuarial Report:

Shelly Jones, GRS, gave an Experience Investigation Report:

The Board discussed the investment return assumption as part of an experience investigation covering the five-year period ending September 30, 2022 is to assist in assumption selection for future actuarial valuations by reviewing economic assumptions based on current economic environment and forecasts. Recommended changes in the economic actuarial assumptions resulting from this experience investigation include the following: Update investment return assumption to 7.25% (includes price inflation of 2.75%) to better reflect anticipated future investment experience. Deterministic Forecasts on the impact of the contribution based on 3 scenarios of a varying actual and assumed rates of return were reviewed by the Board.

After discussion, the Board decided to keep the investment return assumption at 7.50%.

A motion was made by Lt Stuart Merrick and seconded by Mike Clifford to keep the assumption rate of return on the investment plan at 7.5% for today, the coming year, and into the future.

In favor 3 Not in favor 1 (Lt. John Bonnell)

Attorney Report:

Pedro Herrera, Sugarman, Susskind, Braswell & Herrera, P.A., gave the Attorney Report:

Pedro introduced Shauna Morris; she will be working with Pedro on this account.

A motion was made by Lt. Stuart Merrick and seconded by Mike Clifford authorizing the Plans third-party administrator to file the requisite Biennial Report of Decision-Making in Voting and Adherence to Fiduciary Standards. *All were in favor.*

A motion was made by Lt. Stuart Merrick and seconded by Mike Clifford certifying compliance with Ch. 2023-28, Laws of Florida, and authorizing the filing of the Biennial Report of Decision-Making in Voting and Adherence to Fiduciary Standards accordingly, subject to final legal approval. *All were in favor.*

Administrative Report:

Jeffrey Templeton, Pension Administrator, gave the Administrative Report:

Dates and times for the pension meetings in 2024

2-1-2024. at 4:00 pm

5-2-2024. at 4:00 pm

8-1-2024. at 4:00 pm

11-7-2024. at 4:00 pm

A letter has been sent to all vendors about compliance with House Bill 3.

New Business:

None

Old Business:

None

Adjournment:

Chairman, Lt. Stuart Merrick adjourned the meeting at 6:05

Respectfully Submitted,

Lt. John Bonnell, Vice Chairman/Secretary