



Winter Park Firefighters' Pension Board Regular Meeting

Agenda

August 1, 2024 @ 4:00 PM

Public Safety Facility
Ray Beary Community Room
500 N. Virginia Avenue

welcome

Agendas and all backup material supporting each agenda item are accessible via the city's website at cityofwinterpark.org/meetings/ and include virtual meeting instructions.

assistance & appeals

Persons with disabilities needing assistance to participate in any of these proceedings should contact the City Clerk's Office ([407-599-3277](tel:407-599-3277)) at least 48 hours in advance of the meeting.

"If a person decides to appeal any decision made by the Board with respect to any matter considered at this hearing, a record of the proceedings is needed to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based." (F.S. 286.0105).

please note

Times are projected and subject to change.

1. Call to Order

2. Consent Agenda

- a. Approve Minutes from Quarterly Meeting 2 May 2024 and Quarterly Billing 5 Minutes

3. Public Comments (for items not on the agenda): Three minutes allowed for each speaker

4. Public Hearings (Public participation and comment on these matters must be in person.)

5. Action Items

6. Non-Action Items

7. Staff Updates

- a. Performance Monitor - Burgess Chamber (BCA) 25 Minutes
- b. Administrative Report - Jeffrey Templeton 15 Minutes
 - 1. Form 1
 - 2. Budget of Administrative Expenses for October 1, 2024 to September 30, 2025
- c. Attorney Report - Pedro Herrera 15 Minutes
 - 1. Share Plan Ordinance

8. Board Comments

9. Upcoming Agenda Items

10. Adjournment

Winter Park Firefighter's Pension Trust Fund

Quarterly Meeting

May 2, 2024, at 4:00 P.M.

Members:

Lt. Stuart Merrick, Chairman

Lt. John Bonnell, Vice Chairman/Secretary

Mike Clifford, Trustee

Tony Gray, Trustee

Attendees:

Pedro Herrera, Attorney Via ZOOM

Burgess Chambers, BCA

Wes Hamil, Director of Finance

Shelley Jones, GRS

Jeff Templeton, Administrator

Bryan Templeton, Administrative Assistant

Call to order:

Chairman, Lt. Stuart Merrick called the meeting to order at 4:05P.M.

Approval:

A motion was made by Mike Lt. Stuart Merrick Clifford and seconded by Mike Clifford to approve the minutes from February 1, 2024, and the quarterly billing for, January-February-March 2024. *All were in favor.*

Public comment-None.

A motion was made by Lt. Stuart Merrick and seconded by Lt. John Bonnell to elect Lt. Stuart Merrick as Chairman and Lt. John Bonnell as Vice- Chairman of the Fire Fighters' Pension Board. *All were in favor.*

A motion was made by Lt. Stuart Merrick and seconded by Lt. John Bonnell stating, all "re-employed" retirees, as described in Sec. 74-180, shall be deemed to be immediately vested in their respective Share Plan Accounts in the same manner as they are immediately vested in their pension benefits accrued during the subsequent reemployment period and for the attorney to do a proposed ordinance to clear up the previous ordinance. *All were in favor.*

Quarterly Report:

Burgess Chambers, BCA, gave the Investment Summary Report:

- For the quarter, the Plan earned \$4.1 million or +6.0% (+5.9% net) – beating the strategic model (+5.5%) and ranked in the **top 8th percentile**. The top three performing asset categories were: iShares S&P Mid-Cap (+15.4%, **top 6th**), Fidelity Large Cap Growth (+11.4%), and Fidelity Large Cap Core (+10.6%).
- For the Fiscal year-to-date period, the Plan earned \$9.0 million or +14.1% (+13.9% net) and ranked in the **top 39th percentile**, but trailed the strategic model by a small margin. This was accomplished despite Terra-Cap's large mark-down in the fourth quarter of 2023. The top three performing asset categories were: Large Cap Growth (+27.3%), Mid Cap Growth (+27.1%), and Large Cap Core (+23.5%).
- For the one-year period, the Plan earned \$8.3 million or +13.1% (+12.7% net). The top three performing asset categories were: Large Cap Growth (+39.0%), Large Cap Core (+29.7%), and Mid Cap Growth (+29.2%, **top 10th**).
- For the five-year period, the Plan earned \$22.4 million, averaging +7.3% (+7.0% net) per year.
- Beginning in January 2023, capital calls were received to fund the Ironsides Opportunities Fund II (private credit). Partial payments totaling \$837K have been paid through April 2024, while **\$2.2 million** of the original **\$3 million commitment remains to be called**.
- In November 2022, a **\$500K redemption** was requested from the American Core Reality Fund. Payments totaling \$138K have been received through April 2024. A balance of \$362K remains. Since July 2023 American Core distributed \$72,385.52 of income after the DRIP was halted.
- In November 2022, a **\$500K redemption** was requested from the Barings Reality Fund. Payments totaling \$113K have been received by Barings through April 2024. A balance of \$387K remains. Since October 2023 American Core distributed \$52,519.57 of income after the DRIP was halted.
- Westwood's large-cap value product achieved five and ten year results ahead of the benchmark.
- SSI's convertible bond product outpaced the benchmark for the quarter (+4.0% vs. +3.4%, **top 12th**). The product averaged +9.3% per year for the last five years versus +11.2% per year for the benchmark, but still ranked in the **top 24th percentile**.
- Euro-Pacific achieved the benchmark for the quarter (+7.6% vs. +5.9%, **top 14th**). Five-year results were behind the benchmark due in large part to China exposure, but ten-year results were ahead.
- 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 remains halted and capital redemptions are in progress for both American Realty and Barings until market conditions stabilize.

- TerraCap V experienced a -29.1% markdown in December 2023. The original investment was \$2 million. With property sales, the capital balance has been reduced by 9.7% net of notional interest to \$1,806,000. Four of the original properties acquired have been sold (two apartments and two industrial).

A motion was made by Mike Clifford and seconded by Lt. Stuart Merrick to move \$1 million dollars from Euro pacific Growth to Fidelity Large Cap Growth. All were in favor.

Actuarial Report:

Shelly Jones, GRS, gave the Actuarial Report:

The October 1, 2023 Actuarial Valuation determines the minimum required contribution for fiscal year ending September 30, 2025.

The minimum required contribution for fiscal year ending September 30, 2025 is \$2,767,619 – 47.1% of covered annual payroll (non-DROP) projected for fiscal year ending September 30, 2025 based upon projected covered annual payroll (non-DROP) - \$5,874,827.

Member contributions will be 6.0% of covered payroll (non-DROP) for fiscal year ending September 30, 2025 - anticipated to be \$352,490. Anticipated allowable State contributions will be 7.2% of covered payroll (non-DROP) for fiscal year ending September 30, 2025 (\$421,258) leaving a City requirement of \$1,993,871 – 33.9% of covered payroll (non-DROP) for fiscal year ending September 30, 2025. If total State contributions are less than \$456,867, the City will be required to make up the shortfall.

There are 60 active members and 77 inactive members (including DROPS) as of October 1, 2023. The net smoothed value of assets as of October 1, 2023 is \$71,754,150. The net market value of assets as of October 1, 2023 is \$65,212,236. Smoothed value net investment return was 3.57% (less than the assumed rate of 7.50%) - market value net investment return was 8.08% for fiscal year ended September 30, 2023.

Total System expenses (investment and administrative) were 58 basis points of the mean invested market value of assets during fiscal year ended September 30, 2023.

The System experienced an actuarial loss of \$3,912,378 during fiscal year ended September 30, 2023. Sources of the actuarial loss include investment return (smoothed value) and salary experience.

The actuarial assumptions relating to salary increases, rates of withdrawal and rates of retirement are based upon an Experience Study for the five-years ended September 30, 2022. The mortality assumptions are the same as the Florida Retirement System (FRS) as required under F.S., Chapter 2015-157 based upon the July 1, 2023 FRS Actuarial Valuation.

The October 1, 2023 Actuarial Valuation Report includes a discussion and metrics related to risks associated with measuring the actuarial accrued liability and actuarially determined contribution. A new calculation called a low-default-risk obligation measure (LDRM) was prepared and issued. The LDRM estimates the amount the plan would need to invest in low default risk securities. Government Accounting Standards Board (GASB) Statements No. 67 and No. 68 actuarial information is included. GASB Statements No. 67 and No. 68 actuarial information must be trued-up as of September 30, 2024.

Required valuation information will be uploaded to the State portal as required by the Department of Management Services. Additionally, within sixty days following Board approval of the Actuarial Valuation a Compliance Report as required under Chapter 112.664 will be completed. The completed Compliance report will be provided to the Board and uploaded to the State portal

A motion was made by Mike Clifford and seconded Tony Gray to approve the Actuarial Valuation of the Winter Park Fire fighters' retirement fund report by GRS as of October 1, 2023. *All were in favor.*

Attorney Report:

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

All Form 1 for Board Members are due to the state by July 1, 2024 and provided documentation on how to file Form 1 electronically.

A motion was made by Lt. Stuart Merrick and seconded by Lt. John Bonnell on 2May 2024, The Board of Trustees of the City of Winter Park Firefighters' Pension Plan, based on the advice of investment professionals and/or actuary, determined that the total expected annual rate of investment return for the fund for the next year, the next several years, and the long-term thereafter, shall be 7.5% net of the investment related expenses. This determination is made in accordance with section 112.661(9), Florida Statutes. *All were in favor.*

Administrative Report:

Jeffrey Templeton, Pension Administrator, gave the Administrative Report:

None

New Business:

None

Old Business:

None

Adjournment:

Chairman, Lt. Stuart Merrick adjourned the meeting at 5:57

Respectfully Submitted,

Lt. John Bonnell, Vice Chairman/Secretary

WPFD Pension Quarterly Billing April May June 2024

Administration	4/1/24	\$2,090.17
GRS	4/5/24	\$15,686.00
SSI	4/25/24	\$3,448.00
Administration	5/1/24	\$2,090.17
Administration	6/1/24	\$2,090.17
BCA	6/12/24	\$9,449.84
SSBH	6/12/24	\$2,169.36
TOTAL		\$37,023.71



June 18, 2024

Mr. Jeff Templeton
Retirement Plan Administrator
Winter Park Firefighters' Retirement System
9154 Lake Burkett Drive
Orlando, Florida 32817

Dear Jeff:

As requested, please find enclosed a draft budget for administrative services under the City of Winter Park Firefighters' Retirement System for fiscal year ending September 30, 2025 for your review.

Please note the draft fee and administrative amounts reflect the fees and administrative amounts paid during fiscal year ended September 30, 2023 with projection and margin.

If you should have any questions concerning the above, please do not hesitate to contact us.

Sincerest regards,
Gabriel, Roeder, Smith & Company

A handwritten signature in black ink that reads "Jennifer Borregard". The signature is written in a cursive, flowing style.

Jennifer M. Borregard, E.A.
Consultant and Actuary

Enclosure



July 11, 2024

Mr. Jeff Templeton
Retirement Plan Administrator
Winter Park Firefighters' Retirement System
9154 Lake Burkett Drive
Orlando, Florida 32817

Re: Proposed Ordinance No. XXX

Dear Jeff:

As requested, we have performed an actuarial review of the attached proposed Ordinance under the Winter Park Firefighters' Retirement System.

Based upon our review, the proposed Ordinance:

1. Amends Section 74-180 to clarify immediate vesting in the Share Plan for re-employed retirees
2. Provides for codification
3. Repeals all Ordinances or parts of Ordinances in conflict herewith
4. Provides for severability
5. Provides for an effective date

In our opinion, based upon the actuarial assumptions and methods employed in the October 1, 2023 Actuarial Valuation, the proposed Ordinance is a *no cost* Ordinance under State minimum funding requirements.

Please forward a copy of the Ordinance upon passage at second reading to update our records.

We are available to respond to any questions concerning the above.

Sincerest regards,
Gabriel, Roeder, Smith & Company

A handwritten signature in black ink that reads "Jennifer Borregard". The signature is written in a cursive, flowing style.

Jennifer M. Borregard, E.A.
Consultant and Actuary

Enclosure

cc: Pedro Herrera, Esq.

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF WINTER PARK, FLORIDA, AMENDING CHAPTER 74, PERSONNEL, ARTICLE V, RETIREMENT AND PENSION PLANS, DIVISION 3, FIREFIGHTERS, OF THE CODE OF ORDINANCES OF THE CITY OF WINTER PARK; AMENDING SECTION 74-180, SUPPLEMENTAL BENEFIT COMPONENT FOR SPECIAL BENEFITS; CHAPTER 175 SHARE ACCOUNTS, PROVIDING FOR IMMEDIATE VESTING IN SHARE PLAN; PROVIDING FOR CODIFICATION; PROVIDING FOR SEVERABILITY OF PROVISIONS; REPEALING ALL ORDINANCES IN CONFLICT HEREWITH AND PROVIDING AN EFFECTIVE DATE.

BE IT ENACTED BY THE CITY OF WINTER PARK, FLORIDA, AS FOLLOWS:

SECTION 1: That Chapter 74, Personnel, Article V, Retirement and Pension Plans, Division 3, Firefighters, of the Code of Ordinances of the City of Winter Park, is hereby amended by amending Section 74-180, Supplemental benefit component for special benefits; chapter 175 share accounts, by amending subsection 3.A.(3) to read as follows:

Sec. 74-180. - Supplemental benefit component for special benefits; chapter 175 share accounts.

3. *Allocation of Monies to Share Accounts.*

A. *Allocation of Chapter 175 Contributions.*

- (3) Re-employed Retirees shall be deemed new employees and shall receive an allocation based solely on the Credited Service in the reemployment period. Notwithstanding, any Retiree who is retired pursuant to this System and who is reemployed as a Firefighter and, by virtue of that reemployment, is eligible to participate in this System, shall upon being reemployed be deemed to be fully vested in the Share Plan.

Ordinance No. _____

SECTION 2: Specific authority is hereby granted to codify and incorporate this Ordinance in the existing Code of Ordinances of the City of Winter Park.

SECTION 3: All Ordinances or parts of Ordinances in conflict herewith be and the same are hereby repealed.

SECTION 4: If any section, subsection, sentence, clause, phrase of this ordinance, or the particular application thereof shall be held invalid by any court, administrative agency, or other body with appropriate jurisdiction, the remaining section, subsection, sentences, clauses, or phrases under application shall not be affected thereby.

SECTION 5: This Ordinance shall become effective upon passage; however, the provisions of this Ordinance that are specified to take effect as of a date certain shall take effect as of the date specified herein.

ADOPTED at a regular meeting of the City Commission of the City of Winter Park, Florida, held at City Hall, Winter Park, Florida, on the ___ day of _____, 2024.

By: _____
Mayor Phil Anderson

ATTEST:

Rene Cranis, City Clerk

Ordinance No. _____

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AN ORDINANCE OF THE CITY OF WINTER PARK, FLORIDA, AMENDING CHAPTER 74, PERSONNEL, ARTICLE V, RETIREMENT AND PENSION PLANS, DIVISION 3, FIREFIGHTERS, OF THE CODE OF ORDINANCES OF THE CITY OF WINTER PARK; AMENDING SECTION 74-180, SUPPLEMENTAL BENEFIT COMPONENT FOR SPECIAL BENEFITS; CHAPTER 175 SHARE ACCOUNTS, PROVIDING FOR IMMEDIATE VESTING IN SHARE PLAN; PROVIDING FOR CODIFICATION; PROVIDING FOR SEVERABILITY OF PROVISIONS; REPEALING ALL ORDINANCES IN CONFLICT HEREWITH AND PROVIDING AN EFFECTIVE DATE.

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ADOPTED at a regular meeting of the City Commission of the City of Winter Park, Florida, held at City Hall, Winter Park, Florida, on the ____ day of _____, 2024.

By: _____
Mayor Phil Anderson

ATTEST:

Rene Cranis, City Clerk

Ordinance No. _____