

**CITY OF CRESTVIEW
POLICE OFFICERS' & FIREFIGHTERS' EMPLOYEES PENSION TRUST FUND
PENSION BOARD OF TRUSTEES
QUARTERLY MEETING MINUTES
198 N. Wilson Street
Crestview, FL 32536**

Tuesday, June 6, 2023, at 2:30pm

TRUSTEES PRESENT: Ellis Conner
David Griggs
Dan Krusenklau
Andrew Schneider, Chair
Corey Winkler, Secretary

TRUSTEES ABSENT: None

OTHERS PRESENT: Tyler Grumbles, AndCo Consulting
Stu Kaufman, Klausner, Kaufman, Jensen, & Levinson
Sean Sendra, Klausner, Kaufman, Jensen, & Levinson
Joe Griffin, Foster & Foster
Michelle Rodriguez, Foster & Foster
Justin Hildebrand, Agincourt
Ryon Acey, Agincourt

1. **Call to Order** – Andrew Schneider called the meeting to order at 2:30pm.
2. **Roll Call** – As reflected above.
3. **Public Comments** – None.
4. **Approval of Minutes**
 - a. February 28, 2023, quarterly meeting

The minutes from the February 28, 2023, quarterly meeting were approved, upon motion by Ellis Conner and second by Dan Krusenklau; motion carried 5-0.

5. **Reports (Attorney/Consultants)**
 - a. Foster & Foster, Joe Griffin
 - i. October 1, 2022, Actuarial Valuation Report
 1. Joe Griffin reviewed the report and commented the City's required contribution increased due to an overall unfavorable plan experience in part due to an investment return of 5.52% which fell short of the 7.00% assumption and an unfavorable disability/retirement experience. Joe commented the losses were offset in part by a gain associated with lower than expected interest crediting on Share Plan balances. Joe explained that the City had access to a prepaid contribution of \$99,447.25 that was available to offset a portion of the required contributions for the fiscal year ending September 30, 2023.

The Board approved the October 1, 2022, valuation report as presented, upon motion by Ellis Conner and second by Dan Krusenklau; motion carried 5-0.

The 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 David Griggs and second by Corey Winkler; motion carried 5-0.

- b. Agincourt Capital Management, Justin Hildebrand and Ryon Acey, Investment Managers
 - i. Quarterly report as of March 1, 2023
 - 1. Ryon Acey provided an overview of his firm and their investment strategies.
- c. AndCo Consulting, Tyler Grumbles, Investment Consultant
 - i. Quarterly report as of March 31, 2023
 - 1. Tyler reviewed the market environment over the last quarter and commented that even with the Federal Reserve increasing its rates, longer term rates had gone down, and short-term rates had gone up. Tyler added the real estate market experienced a downturn.
 - 2. The market value of assets as of March 31, 2023, was \$25,960,263.
 - 3. The gross earnings for the quarter were 4.38%, slightly underperforming the policy benchmark of 4.55%. The fiscal year-to-date earnings were 9.94%, underperforming the policy benchmark of 10.16%. The trailing returns for the 1, 3, 4, and 5-year periods were -3.87, 10.97%, 6.84%, and 6.38% respectively. Since inception (10/01/1994) returns were 7.53%, slightly underperforming the policy benchmark of 7.62%.
 - 4. Tyler reviewed the asset allocations of the fund and commented he did not have any recommendations for rebalancing at this time, however he would like the board to approve an auto rebalancing letter.
 - 5. Tyler commented this letter would allow the custodian to automatically rebalance the fund in accordance with the Investment Policy Statement.

The Board voted to approve the investment consultant prepare an auto rebalance letter that will keep \$275,000 in cash and the remainder of the fund in compliance with the Investment Policy Statement, upon motion by Dan Krusenklau and second by Ellis Conner; motion carried 5-0.

- 6. Tyler commented Salem now offered share class exchange which provided a lower cost for the TSW fund.

The Board voted to approve a share class exchange as presented by the investment consultant, upon motion by David Griggs and second by Dan Krusenklau; motion carried 5-0.

- d. KKJL, Stu Kaufman and Sean Sendra, Board Attorneys
 - i. Proposed Ordinance Amendment – RMD Age

1. Sean Sendra reviewed the proposed language and the board agreed by consensus to request a no impact letter from the actuary and send to the City for first reading.
- ii. Proposed Ordinance Amendment – 25 and out
 1. Stu reviewed the proposed language and commented he has sent it to the City and was waiting for their response.
- iii. Legislative update
 1. Sean reviewed the memo and commented House Bill 3 recently passed the Florida House and Senate and went into effect July 1, 2023.
 2. Sean commented the bill stipulates that only pecuniary factors may be used when making investment decisions and specifically prohibited trustees to consider Environmental, Social and Governance (ESG) factors when making investment decisions. Sean commented the legislation did not prohibit any specific funds, but rather seeks to regulate the reason for choosing funds. Sean commented this board was already in compliance because they only used data points provided by their investment consultant to make all of their investment decisions.
 3. Sean commented the legislation would require additional reporting requirements and added his firm was waiting for the State to issue guidance on the process.

6. **New Business** – None.

7. **Old Business** – None.

8. **Consent Agenda**

- a. Payment ratification – Warrant-#28
- b. Invoices for approval – None
- c. Fund activity report for February 22, 2023 through May 30, 2023

The Board voted to approve the Consent Agenda as presented, upon motion by David Griggs and second by Ellis Conner; motion carried 5-0.

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

- a. Foster & Foster, Michelle Rodriguez, Plan Administrator
 - i. Member Statements
 1. Michelle commented she just received the member statements from the actuary and asked the board how they were usually distributed to the members. The board asked the plan administrator to email the statements individually to the members.
 - ii. Annual Report
 1. Michelle advised the board the annual report was submitted to the state on May 15, 2023; however she was waiting for the audited financial statement to be completed so it could be submitted to the State as well.
 - iii. Financial Disclosure Forms
 1. Michelle reminded the board to submit their financial disclosure forms to the Supervisor of Elections in the County in which they reside by July 1st.

iv. Upcoming educational opportunities

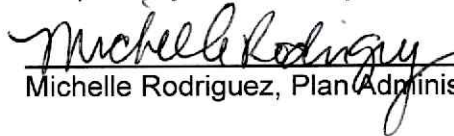
1. Michelle reviewed education opportunities that were available to the board.

11. Trustee Reports, Discussion and Action – None.

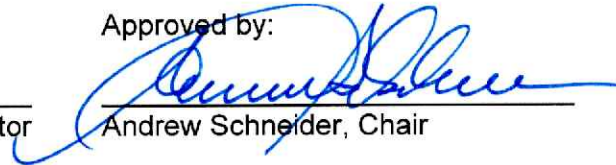
12. Adjournment - The meeting adjourned at 4:50pm.

13. Next Meeting – August 29, 2023, at 2:30pm.

Respectfully submitted by:


Michelle Rodriguez, Plan Administrator

Approved by:


Andrew Schneider, Chair

Date Approved by the Pension Board:

August 29, 2023