

**CITY OF OCOEE
MUNICIPAL GENERAL EMPLOYEES' RETIREMENT TRUST FUND
BOARD OF TRUSTEES QUARTERLY MEETING MINUTES
City Hall, Commission Chambers
1 N. Bluford Avenue, Ocoee, FL 34761**

Wednesday, February 5, 2025 – 10:00AM

TRUSTEES PRESENT: Gequita “Gee” Cowan, Chair
Steven Sanders, Vice Chair
Patricia “Pat” Gleason, Secretary
Gary Gleason
Shannon Hopper

TRUSTEES ABSENT: None

OTHERS PRESENT: Pedro Herrera, Sugarman, Susskind, Braswell & Herrera
Chrissy Stoker, Foster & Foster
Tiffany Fair, Foster & Foster
Doug Lozen, Foster & Foster
Kandyce Moss, Foster & Foster
Jorge Friguls, Mariner Institutional
Patrick Smith, Saltmarsh, Cleaveland, & Gund
Members of the Plan
Members of the Public

1. **Call to Order** – Gequita Cowan called the meeting to order at 10:00AM and a quorum was determined.
2. **Roll Call** – As reflected above.
3. **Public Comments** – None.
4. **Approval of Minutes**
 - a. November 6, 2024, quarterly meeting

The November 6, 2024, quarterly meeting minutes were approved as discussed, upon motion by Steven Sanders and second by Patricia Gleason; motion carried 4-0.

5. **New Business** – None.

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

- a. Saltmarsh, Cleaveland & Gund, Patrick Smith, Auditor
 - i. September 30, 2024, audited financial statements
 1. Patrick Smith thanked the Board for their business and thanked Foster & Foster for their assistance with the audit.
 2. Patrick Smith stated, in their opinion, the financial statements presented fairly, in all material respects, information regarding the fiduciary net position of the Plan as of September 30, 2024, and 2023, and the changes in fiduciary net position for the years then ended in

accordance with accounting principles generally accepted in the United States of America. Patrick confirmed they were issuing a clean, unmodified opinion which was the best opinion they could issue.

3. Patrick Smith stated total assets increased from \$44,325,821 as of September 30, 2023, to \$52,056,078 as of September 30, 2024. After liabilities totaling \$144,469, the net position restricted for pensions was \$51,911,609.
4. Patrick Smith reviewed the additions to the net position, highlighting that the net appreciation of the fair value of investments increased from \$2,064,502 in 2023 to \$7,263,954 in 2024.
5. Patrick Smith reviewed the deductions attributed to benefit payments, lump sum distributions, and administrative expenses. Deductions totaled \$2,786,169 in 2024 compared to \$3,072,192 in 2023.
6. Patrick Smith discussed "Note 6 – Investments" and pointed out the fair value of investments in 2024 was \$51,708,479 relative to the cost of \$42,037,795.
7. Patrick Smith commented the amount restricted for the Deferred Retirement Option Program (DROP) accounts was \$1,065,259, and this amount was fully funded.
8. The City's net pension liability at the current discount rate of 7.00% was \$3,224,224. The Plan fiduciary net position expressed as a percentage of total pension liability was 94.16%. Patrick Smith briefly illustrated the impact of increasing and decreasing the discount rate by 1.00% to show the sensitivity of the discount rate.

Note: Gary Gleason arrived at 10:09AM

9. Patrick Smith reviewed the schedule of investment and administrative expenses, both of which showed a decrease from the prior year.

The audited financial statements as of September 30, 2024, were approved as presented, upon motion by Patricia Gleason and second by Steven Sanders; motion carried 5-0.

10. Patrick Smith briefly reviewed the audit conclusion letter and confirmed there were no issues. There were two items still pending before the final audit would be issued and distributed.

b. Foster & Foster, Doug Lozen, Board Actuary

i. October 1, 2024, actuarial valuation report

1. Doug Lozen reminded the Board the results shown in this report were applicable to the City's funding requirement for the fiscal year ending September 30, 2026.
2. The Minimum Required Contribution increased slightly from 16.73% to 17.23% as a percentage of projected annual payroll. The City required contribution increased from 9.36% to 9.85% of payroll. The increase was attributable to unfavorable actuarial experience. Sources of actuarial loss included more retirements than expected and an average salary increase of 7.82% which exceeded the 4.36% assumption. These losses were offset in part by gains associated with

- inactive mortality experience and an investment return of 7.30% (Actuarial Asset Basis) which exceeded the 7.00% assumption.
3. Doug Lozen noted the City overfunded when they could, so they had access to a prepaid contribution of \$35,652.88 that could be used to offset the required payment.
 4. Doug Lozen reminded the Board they smoothed assets over four years, and the smoothed return was 7.30% which exceeded the 7.00% assumption. They also had a great investment gain this year which would stay with them for the next three years.
 5. The funded status was approximately 90%.

The October 1, 2024, actuarial valuation report was approved as presented, upon motion by Patricia Gleason and second by Shannon Hopper; 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 Gequita Cowan and second by Patricia Gleason; motion carried 5-0.

6. Doug Lozen advised the Board the last experience study was done in November 2019, and the best practice was to have a study done every five years or so to review the assumptions being used for valuation purposes, compare them to actual plan experience, and adjust any assumptions as needed. The cost of the study was \$13,000.

The Board authorized the actuary to prepare an experience study for presentation at the August meeting, upon motion by Gary Gleason and second by Steven Sanders; motion carried 5-0.

- c. Mariner Institutional, Jorge Friguls, Investment Consultant
 - i. Quarterly Report as of December 31, 2024
 1. Jorge Friguls introduced himself and advised the Board he was present to deliver the quarterly report on behalf of Brad Hess who had a personal emergency and could not attend the meeting.
 2. Jorge Friguls gave an overview of the market environment over the quarter, noting it had been a strong year overall, but it was an odd quarter. Domestic equity outperformed leading up to the presidential election while bonds and international equity underperformed. Rate cuts were expected but did not take place, and there was an inversion of value and growth. Jorge noted the pension fund portfolio had a value tilt, so this inversion impacted the Fund's returns.
 3. Jorge Friguls reviewed the schedule of investment assets over the last ten years.
 4. The market value of assets as of December 31, 2024, was \$50,694,712. Jorge Friguls noted the value of the Fund as of today was approximately \$51.7 million.
 5. Jorge Friguls reviewed the actual asset allocations relative to the Investment Policy targets and did not recommend any rebalancing.
 6. Jorge Friguls reviewed the financial reconciliation for the Fund over the quarter to illustrate the cash flows and advised they could take some from value equities if they had any cash flow needs.

7. The total fund gross returns for the quarter were -1.64%. Trailing returns for the 1, 3, 5, and 10-year periods were 10.35%, 1.50%, 6.22% and 6.96%, respectively. Since the inception (04/01/2004), total fund gross returns were 6.94%.
- d. Sugarman & Susskind, Pedro Herrera, Board Attorney
 - i. Debit card usage policy draft
 1. Pedro Herrera presented a drafted debit card usage policy to provide parameters for the trustees to use the cards while travelling for education. Pedro pointed out Section 9 of the policy could be removed because it was not applicable.
 2. Gequita Cowan stated for the record the charges would be deducted from the balance in the account and would be replenished by submitting a direction letter to Salem Trust.

The credit card usage policy was approved as discussed, upon motion by Patricia Gleason and second by Gary Gleason; motion carried 5-0.

- ii. Plan Restatement
 1. Pedro Herrera presented a drafted Restatement which was a clean and current version of the full Plan document with all amendments that had been adopted since the last restatement from 2009.
 2. Gequita Cowan requested the trustees take their time to review the document before the next meeting so everyone had enough time to ensure it was ready for adoption.
 3. It was the consensus of the Board that approval of the Plan Restatement should be tabled until the April meeting.
- iii. Legislative Updates
 1. Pedro Herrera reviewed new Florida statutes that required vendors to confirm they did not utilize coercion as a labor practice or work with any of the listed foreign countries of concern.
 2. Pedro Herrera advised that the Windfall Elimination provision was repealed in January 2025 which removed the offset for people receiving benefits that did not pay into Social Security while employed. The effective date was January 2024, so some people would receive retroactive adjustments. Pedro noted an estimated three million people were impacted by this change.

7. Old Business

- a. Medical insurance deductions from retiree benefit payments
 - i. Chrissy Stoker informed the Board she was working with Gequita Cowan, Jenetta Wilson, and Salem Trust to set up medical premium deductions from monthly benefit payments for retirees who were still on the City's group plan. The first deductions would be in conjunction with the March 1, 2025, benefit payments for those retirees who elected to opt in. New retirees who chose to keep the City's medical plan would be set up with deductions automatically.

8. Consent Agenda

- a. Payment ratification
 - i. Warrants #118 and #119
- b. New invoices for payment approval
 - i. None
- c. Fund activity report for October 31, 2024 – January 29, 2025

The consent agenda was approved as presented, upon motion by Steven Sanders and second by Shannon Hopper; motion carried 5-0.

9. Staff Reports, Discussion, and Action

- a. Foster & Foster, Chrissy Stoker/Tiffany Fair, Plan Administrators
 - i. Update on quorum confirmation process
 - 1. Tiffany Fair advised the trustees Foster & Foster established an email address for the specific purpose of confirming quorums for meetings. The trustees could expect to be contacted by Quorums@foster-foster.com. Tiffany confirmed this was a safe sender and asked the trustees to be responsive to this email address.
 - ii. Fiduciary liability insurance policy renewal
 - 1. Tiffany Fair presented a renewal quote for another three-year policy. The total annual premium was \$6,767 for a three-year total premium of \$20,504.01 (including fees). Pedro Herrera confirmed this fee was in line with other carriers and the coverage limit of one million was appropriate though it would not be unreasonable for the Board to consider quotes for policies with higher coverage in the future.

The Board voted to bind coverage for another three-year fiduciary liability policy with Travelers, upon motion by Gary Gleason and second by Patricia Gleason; motion carried 5-0.

- iii. Third Party Administrator fee proposal letter
 - 1. This item was tabled until next meeting when the Board could review billing charges over the last three months at which point they would decide whether to accept Option A or Option B.
- iv. Upcoming Educational opportunities
 - 1. Tiffany Fair reviewed the upcoming educational opportunities.
- v. Chrissy Stoker gave an update on the total refunds of contributions still owed to non-vested employees who had separated from employment. The City of Ocoee had been proactive with providing information to Foster & Foster when employees terminated, and Foster & Foster had been proactive with contacting the former employees, but distributions could not be issued without the proper paperwork completed by the former plan participant.

10. Trustees' Reports, Discussion, and Action

- a. Gequita Cowan extended her condolences to Steven Sanders for a personal loss.

11. Chairperson's Report

- a. Gequita Cowan shared her experience at the Trustee Leadership Class which would conclude in April 2025. Gequita explained the Sunday before the schools was meant

for new trustees only, which allowed them to receive undivided attention from the mentors.

- b. Gequita Cowan expressed an interest in tracking Plan expenses. Pedro Herrera advised Police and Fire defined benefit plans were required to have an annual budget and submit a report of their actual expenses at the end of each fiscal year.
- c. Chrissy Stoker advised the trustees to be on the lookout for an email from the State regarding the annual financial disclosure form requirement.

12. Adjournment – The meeting adjourned at 12:06PM.

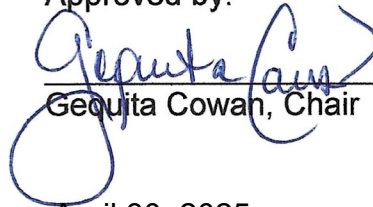
13. Next Meeting – April 30, 2025, at 10:00AM, Quarterly Meeting

Respectfully submitted by:



Tiffany Fair, Plan Administrator

Approved by:



Gequita Cowan, Chair

Date Approved by the Pension Board:

April 30, 2025