THE CITY OF OCOEE POLICE OFFICERS'/FIREFIGHTERS' RETIREMENT FUND BOARD MEETING – May 3, 2023

called the meeting of the City of Ocoee Police Officers'/Firefighters' Retirement Trust Fund to order at 1:00 p.m. in the Commission Chambers of City Hall.

Trustees Present: Bryan Pace, Joe Moy, Trey Littlefield and William Maxwell

Absent & Excused: Chairman Charles Brown

Others present:
Brad Hess of AndCo Consulting, Board Attorney Pedro Herrera of Sugarman, Susskind, Braswell & Herrera, Chuck Landers of Saltmarsh, Doug Lozen of Foster and Foster and Pete Prior of Benefits USA, Inc.

Call to Order:
Roll call and determination of quorum: The roll was called and a quorum declared present.

Approval of Minutes from Regular Meeting dated January 26, 2023
asked the board if there were any corrections, deletions, or additions to the minutes. Hearing and seeing none Trustee Moy moved to approve the minutes and Trustee Pace seconded the motion and the motion passed.

Public Comments:
There were no Public Comments at this meeting.

Unfinished Business:
Foster and Foster Fee Agreement (Ratification of Chairman's signature)
The Administrator reported that the agreement had already been signed by the Chairman and the Board just needed to ratify his signature. Trustee Littlefield moved to ratify the Chairman's signature. The motion was seconded by Trustee Moy and passed.

Quarterly Investments Update: Q/E 3/31/2023
AndCo Consulting
Mr. Hess reported on the economy noting that the GDP was down to 1.7%. The Global GDP growth has been challenging with higher energy prices and Europe and China reopening a after almost 3 years of COVID restrictions. The Fed continues raising interest rates with 2 increases of 0.25% in January and February. The US labor market continues to recover adding approximately 236 thousand jobs in the 1st quarter resulting in 3.5% unemployment rate in March. U S equity returns were higher during the quarter. Domestic equities started the year with solid returns as the S&P returned 7.5% vs. 4.1% and 2.7% for mid and small cap respectively. International stocks also had strong returns during the 1st quarter.

Bond markets returned similar to equities with US mortgage backed and Government issues being the least negative and returning -4.9% and -4.4% respectively. US TIPS posted the largest decline for the year, falling -6.1%.

Mr. Hess reported on the performance noting that the plan did well returning 3.84% for the quarter and 9.70% for the fiscal year to date. Equity and Domestic Equity returned 5.39% and 4.70% vs. the policy of 7.14% and 7.18% respectively. Brandywine and DePrince returned 0.13% and -0.01% vs. the Russell 1000 Value index of 1.01%. Alger and Mar Vista returned 13.63% and 5.02% vs. the Russell 1000 Growth index of 14.37%. Vanguard returned 7.14% vs. the CRSP index of 7.15%. International Equity returned 7.83% vs. the International Equity Policy of 7.00%. American Funds returned 9.87% vs. the MSCI Growth index of 8.69% and Dodge & Cox returned 6.15% vs. the MSCI Value index of 5.33%. The fixed income fund returned 3.70% vs. the Policy of 2.96%. Garcia Hamilton returned 4.00% vs. 2.96%. The global fixed income fund returned 2.25% vs. the policy of 3.51%. PIMCO returned 2.61% vs. the Blmbg Global Credit index of 2.97%; PIMCO 1.92% vs. the Blmbg Global Aggregate index of 2.90%. Real estate returned -3.28% vs. the NCREIF ODCE index of -3.31%. Finally, Mr. Hess reported that the Alger Fund has not been performing well and he will discuss more about this at the next meeting.

New Business:

Presentation of September 30, 2022 Financial Statements

Mr. Landers addressed the Board and provided an unmodified opinion of the financial statements noting that the statements presented fairly in all material aspects. The total pension liability as of September 30, 2022 was $78,247,075 minus the plan fiduciary net position of $63,838,911 resulting in a city net pension liability of $14,408,084 or as a percentage of 81.61% vs. the 2021 amount of 102.88%.

Mr. Landers reported on the Administrative Expenses noting that the actuary fees were $67,643; the Administrator's fees were 28,000; the Audit fees were $18,000; the liability insurance was $4,511; dues and memberships were $1,060 seminars and Travel were $19,165 and the legal fees were $17,446 totaling $155,825. Mr. Landers reported on the participant data noting that there are a total of 71 retired members receiving benefits, 6 DROP and 52 vested terminated members. There are currently 146 active members with and 63 vested members and 83 non-vested members. That concluded Mr. Landers report. That being said, Trustee Moy moved to approve the financials. Trustee Littlefield seconded the motion and the motion passed.

Presentation of October 1, 2022 Valuation

Mr. Lozen reviewed the valuation noting the required contribution from the combination of City and State sources for the year ending September 30, 2023, is 30.41% of the actual payroll. The required contribution from city and state sources for year ending September 30, 2024 is 24.36%. Mr. Lozen noted that the city has access to a prepaid contribution of $1,397,237.73 available to offset a portion of the stated requirements for the fiscal year ending September 30, 2023. The plan had an unfavorable experience based on the actuarial assumptions. Sources of the loss were due to the investment assumption return of 3.42% which is short of the assumption rate of 7.00%, a salary increase of 9.93% exceeding the 4.73% and unfavorable retirement experience. However, these losses were offset in part by gains associated with a favorable turnover experience and inactive mortality experience.

Trustee Pace asked Mr. Lozen about the funding of the plan, as well as the status of the liabilities that were supposed to fall off the summary. Mr. Lozen noted that the fund is 89.5% funded and the liabilities have fallen off. Finally, Mr. Lozen reported that the net position restricted for pensions was $62,536,777.46.

That being said, Trustee Littlefield moved to accept the October 1, 2022 Actuarial Valuation as presented and Trustee Moy seconded the motion and it passed. A second motion was made by Trustee Littlefield to accept the rate of return of 7.00% for the short-term, long-term and over the next several years. The motion was seconded by Trustee Moy and passed.

CONSENT AGENDA:

For Approval: Warrant #240

Benefits USA, Inc. (Flat Monthly Fee for April 2023)	$2,500.00
Benefits USA, Inc. (Flat Monthly Fee for May 2023)	$2,500.00
Brandywine Global (Q1-2023 Mgmt. Fee-Inv #BW7356 dated 4/18/2023)	$6,833.43
DRZ (Q1-23 Mgmt Fee; Invoice #202301034 dated 4/11/2023)	$7,144.00
Foster & Foster (Services Rendered; Invoice #26762 dated 4/25/2023)	$28,609.00
FPPTA (Trustees School Registration Brown, Littlefield & Moy @ $875 each)	$2,625.00
FPPTA (Trustees School Registration for Maxwell)	$875.00
Garcia Hamilton Assoc. (Q1-2023 Mgmt Fee; Invoice #37687 dated 4/6/2023)	$11,391.93
Mar Vista (Q1-2023 Mgmt Fee; Invoice #12845 dated 4/4/2023)	$5,854.97
Joe Moy (Hotel and Per diem for FPPTA Annual Conference 6/25-6/28/2023)	$706.89
Sugarman, Susskind ETAL (Legal Fees-Invoice #177263 dated 4/6/2023)	$4,950.40
Total	**$73,990.62**

For Ratification: Warrants #238-239

Benefits USA, Inc. (Flat Monthly Fee for February 2023)	$2,500.00
Brandywine Global (Q4-2022 Mgmt. Fee-Inv #BW7356 dated 1/19/2023)	$6,619.03
Professional Indemnity Ins. (Fiduciary Liability Insurance Renewal 2023-2024)	$5,026.56
Saltmarsh ETAL (Progress Billing Re: 9/30/22 Audit; Inv #717934 dated 2/8/23)	$9,500.00
Total	**$23,645.59**
Benefits USA, Inc. (Flat Monthly Fee for March 2023)	$2,500.00
Sugarman, Susskind ETAL (Legal Fees-Invoice #175685 dated 2/9/2023)	$5,701.80
Sugarman, Susskind ETAL (Legal Fees-Invoice #174497 dated 3/8/2023) $	3,801.20
Total	**$12,003.00**

Trustee Littlefield moved to approve the consent agenda as presented and Trustee Moy seconded the motion and the motion passed.

Pension Payments for Ratification:

Ron Howard (Partial DROP distribution)	$19,000.00
Kevin Benkel (Refund of Contributions/Rollover)	$10,897.77
Marissa Cummins (Refund of Contributions/Rollover)	$14,421.82
Aiden Herrera (Refund of Contributions/Rollover)	$2,661.07
Richard Hunt (Refund of Contributions/cash out)	$8,367.05
Total	**$81,848.88**

Trustee Moy moved to approve the consent agenda and Trustee Littlefield seconded the motion and the motion passed.

Attorney's Report:

Attorney Herrera reported on House Bill 3 noting that anyone who is authorized to invest on behalf of a client must make investment decisions based solely on pecuniary factors. If a manager corresponds with a company concerning ESG factors, the manager has to disclose it in a letter.

In December of this year, a report will need to be filed with the State requiring certain investment advisors or managers to certify in writing that investment decisions are based solely on pecuniary factors.

Attorney Herrera reminded the Board that the financial disclosure forms are due July 1st. They should be submitted to the supervisor of elections in the county which you reside.

Administrator's Report:
Mr. Prior reported that FPPTA was holding their Annual Conference June 25-28, 2023 at the Rosen Shingle Creek. Anyone wishing to attend should contact the office.

Miscellaneous Correspondence:
No action was needed.

Comments from Trustees:
The Trustees had nothing to report.

Next Regular Meeting date: Wednesday, August 2, 2023 at 1:00 pm.

Adjournment: The meeting adjourned at 2:30 pm.

Respectfully submitted by,

Chairman

Contact the City Clerk's Office to listen to an electronic copy of the complete minutes.