

## City of Boynton Beach Municipal Firefighters Pension Trust Fund

### MINUTES

May 5, 2021

3:00 P.M.

Chairman Raybuck called to Order a remote meeting<sup>1</sup> of the Board of Trustees of the City of Boynton Beach Municipal Firefighters' Pension Trust Fund, on May 5, 2021, at 3:00 P.M.

#### **TRUSTEES PRESENT:**

Mr. Jon Raybuck – Chairman; Mr. Stan Cale – Board Secretary; Mr. Christopher Simmons<sup>2</sup> – Trustee; Mr. Conner Flechaus – Trustee and Ms. Desirae Watler<sup>3</sup> – Trustee. Also, in attendance was Mr. Jim Stables – Fire Chief, Ex-Officio.

#### **OTHERS PRESENT:**

Mr. David West – AndCo Consulting; Mr. Adam Levinson, Board Attorney – Klausner, Kaufman, Jensen and Levinson; Mr. Dave Williams, Plan Administrator; Mr. Michael Williams, Administrative Plan Assistant.

It should be noted that there was a quorum for the Board to have an official meeting.

#### **PUBLIC DISCUSSION:**

None

#### **CONSENT AGENDA:**

#### **APPROVAL OF THE MINUTES:**

Mr. Raybuck asked if everyone had an opportunity to review the minutes. A Motion was made by Mr. Cale to approve the minutes. The Motion was seconded by Mr. Raybuck. The Motion passed 4-0<sup>4</sup>. Mr. Levinson outlined the purpose of the minutes for the benefit Mr. Simmons.

#### **APPROVAL OF THE WARRANTS:**

Warrants 361 through 377 were presented to the Board for approval. After review & consideration a motion was made by Mr. Cale to approve Warrants as presented. The Motion was seconded by Mr. Flechaus. The Motion passed 4-0<sup>5</sup>.

#### **INVESTMENT MONITOR'S REPORT:**

Mr. West introduced himself and explained what his duties and responsibilities are for the benefit of Mr. Simmons.

Mr. West advised that on March 31, 2021 the Fund's value was \$156,436,791, up from \$153,904,443 of December 31, 2020. Market Review:

Mr. West reported to the Board the following investment report for the portfolio: Broad US equity markets produced positive returns for the 1st quarter of 2021.

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<sup>1</sup> Pursuant to the City of Boynton Beach Ordinance 20-030. Affirmed by Board Counsel.

<sup>2</sup> First meeting attended since being appointed.

<sup>3</sup> Ms. Desirae Watler arrived 3:07 P.M.

<sup>4</sup> Ms. Desirae Watler not present.

<sup>5</sup> Ms. Desirae Watler not present.

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Performance during the period was largely driven by the effects of the American Rescue Plan (the 3rd round of US fiscal stimulus) and the growing deployment of COVID-19 vaccines. In March, President Biden signed the Plan into law providing an additional \$1.9 trillion of economic stimulus to the US which only served to bolster investors' optimism. As a result, for the 1st quarter, higher beta, small company stocks outperformed, returning 12.7% compared to 8.1% for mid-caps and 5.9% for large company stocks. The FDA also approved a third COVID-19 vaccine, a single dose treatment from Johnson & Johnson, for use. This approval created a better alignment of vaccine supply with countywide demand. The equity market has grown immensely over the past year as evidenced by the trailing 1-year chart which details the stellar rebound following a dramatic selloff in the 1st quarter of last year. Despite the sharp downturn at the onset of the pandemic, all broad US equity market indexes have rebounded and are trading at near-record levels. Most notably, domestic small cap stocks have returned 94.9% while US large caps returned 56.4% over the trailing 1-year period.

Mr. West outlined the portfolio return for the fiscal year and other relevant time periods.

	QTR	FYTD	1 YR	3 YR	5 YR	7 YR	10 YR	Inception	Inception Date
Total Fund (Net)	2.57 (70)	12.15 (74)	36.09 (46)	11.51 (22)	11.58 (12)	9.41 (6)	9.27 (10)	6.58 (62)	01/01/2002
Total Fund Policy	3.24 (41)	13.30 (58)	34.96 (54)	11.06 (31)	10.83 (31)	8.91 (16)	9.14 (13)	6.78 (49)	
Difference	-0.67	-1.15	1.13	0.45	0.75	0.50	0.13	-0.20	
All Public Plans-Total Fund Median	3.04	13.78	35.39	10.16	10.17	7.95	8.06	6.74	

Mr. West outlined the asset allocation for the plan. As a result, Mr. West recommended the following rebalance: SELL: \$4.5M Vanguard Mid-Cap Index Fund and transfer the proceeds to SCHRODERS CORE FIXED INCOME. After discussion, Mr. Raybuck made the motion as outlined by Mr. West. Motion seconded by Ms. Watler. All Trustees voted yes, and the motion was passed 5-0.

In a spirit of transparency, the Board of Trustees has posted the entire investment review on-line at: <http://bbffp.org/docs/investments/2021-03-31%20Boynton%20Beach%20Firefighters%20Quarterly%20Report.pdf#zoom=100>

Mr. Levinson asked Mr. West to highlight the investment policy for the benefit of all members, but particularly Mr. Simmons.

Mr. West advised the Board he is bringing *Carlyle Investment Management and Harrison Street Real Estate Capital* to the August meeting if the Board consents. Mr. West detailed the due diligence his firm takes in developing a short list of managers to be considered. The Board agreed by consensus.

**ATTORNEY'S REPORT:**

- Security Monitoring: Mr. Levinson reviewed what services security monitors offer to the Plan at no cost. Mr. Levinson felt it was beneficial to have multiple monitors. Mr. Williams was in agreement with the multi-layer approach to protect the Plan. When Mr. Levinson asked the Board about sending out a Request for Proposal (RFP), the Trustees felt that Mr. Levinson could prepare a shortlist and have the firms attend the next meeting. Mr. Raybuck placed the foregoing in a form of a motion, which was seconded by Mr. Cale. All Trustees voted yes, and the motion was passed 5-0.
- Mr. Levinson reminded the Board about the Form 1 filing requirements.
- Mr. Levinson presented the revised "Airtime Application" which was approved by consensus.

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- Mr. Levinson advised his firm is preparing a Trustee handbook that will be sent upon completion.

**PLAN ADMINISTRATOR:**

Actuary Study: Mr. Williams conveyed that he was contacted by Mr. Strong relative to conducting an AFC Study. Mr. Strong cited his observation that actual final average earnings based on the highest 3 periods of 26 consecutive biweekly paychecks (used for benefit calculations) seem to be consistently and significantly higher than the annual pays reported in the annual census data used for actuarial valuation purposes. Mr. Williams advised that Mr. Strong would like authorization for GRS to prepare an analysis / comparison using the data from the last 10-15 benefit calculations (comparing the annual valuation census data to the actual three highest 26-paychecks used for the benefit calculations) to illustrate how much they differ. The result may lead to needing to add a “loading factor” to our valuation runs to approximate the increase in average pay from using annual valuation census data to using the actual highest 3 periods of biweekly pays. The Board felt that they should hear directly from Mr. Strong before acting. Mr. Williams will notify Mr. Strong to attend the next meeting accordingly.

Refund of Contribution: Mr. Williams outlined an overpayment that was made and subsequently recovered from a former member. Further internal steps have been taken with our bank as well to improve checks and balances. Mr. Williams kept Mr. Raybuck up to date during this process. The Board appreciated the efforts taken and the transparency of Mr. Williams.

DROP Entry: Mr. Williams presented the option election of KEVIN REDDOCH - Date Entered DROP 8/31/2020 (Member elected 50% J&S). After review, Mr. Raybuck made the motion to approve the drop entry of this member. The motion was seconded by Mr. Cale. All Trustees voted yes, and the motion was passed 5-0.

Mr. Williams advised that the benefit calculation report is being revised to capture the airtime and cap methodology approved at the March 17, 2021, meeting<sup>6</sup>.

**OPEN DISCUSSION:**

A discussion ensued about the accuracy of the allocation of the chapter funds 175/185. Mr. Levinson will contact Mr. Cristini and discuss the options to test.

**ADJOURN:**

Meeting adjourned at 4:51 P.M.

Next meeting August 4, 2021, at 9:00 A.M.

DocuSigned by:

*Jon Raybuck*

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**FOR THE BOARD**

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<sup>6</sup> [http://bbffp.org/docs/minutes/Minutes%20Boynton%20Fire%20Pension\\_20210317.pdf#zoom=100](http://bbffp.org/docs/minutes/Minutes%20Boynton%20Fire%20Pension_20210317.pdf#zoom=100)