

## City of Boynton Beach Municipal Firefighters Pension Trust Fund

### MINUTES

November 01, 2023

9:00 A.M.

Chairman Raybuck called to Order the meeting of the Board of Trustees of the City of Boynton Beach Municipal Firefighters' Pension Trust Fund, on November 01, 2023, at 9:03 A.M.

#### **TRUSTEES PRESENT:**

Mr. Jon Raybuck – Chairman; Mr. Stan Cale, Board Secretary; Mrs. Desirae Patterson, Trustee; Mr. Conner Flechaus & Mr. Robert Taylor.

#### **OTHERS PRESENT:**

Mr. Michael Smollen, Retired Member; Mr. Georgio Salame & Mr. Aria Home, Active Members; Mr. David West – AndCo Consulting; Mr. Adam Levinson, Board Attorney – Klausner, Kaufman, Jensen and Levinson; Mr. Michael Williams and Mr. Dave Williams, Plan Administrator.

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

#### **PUBLIC DISCUSSION:**

Mr. Michael Smollen spoke to the Board about receiving ongoing spam e-mails. Mr. Smollen was under the belief that the e-mail issue was because of the cyber issue he was notified about by the Plan. It was clarified by Mr. Williams that Mr. Smollen's e-mail address was not part of the cyber issue whatsoever. That he (Smollen) was unfortunately subject to spam, just like the rest of the population on the internet. The Board thanked Mr. Smollen for his input.

#### **CONSENT AGENDA:**

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

Mr. Raybuck asked if everyone had an opportunity to review the minutes of August 02, 2023. A Motion was made by Mr. Flechaus to approve the minutes, which was seconded by Mrs. Patterson. Motion passed 5-0.

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

Warrants 594 through 615 were presented with all the supporting back-up to the Board for approval. After review & consideration a motion was made by Mr. Flechaus to approve the Warrants as presented, which was seconded by Mrs. Patterson. Motion passed 5-0.

#### **PLAN ADMINISTRATOR:**

PPCC Award: Mr. Williams congratulated the Board of Trustees and the Plan Sponsor (City of Boynton Beach) for attaining the Public Pension Standards Award for Funding and Administration 2023.

The Public Pension Coordinating Council (PPCC) is a coalition of three national associations that represent public retirement systems and administrators: NASRA, the National Council on Teacher Retirement (NCTR) and the National Conference on Public Employee Retirement Systems (NCPERS). Together, these associations represent more than 500 of the largest pension plans in the United States, serving most of the nation's 18+ million state and local government employees.

## **City of Boynton Beach Municipal Firefighters Pension Trust Fund**

**Minutes – November 01, 2023**

**Page 2 of 4**

The PPCC established the Public Pension Standards to reflect minimum expectations for public retirement system management, administration, and funding. The Standards serve as a benchmark to measure public defined benefit plans. All public retirement systems and the state and local governments sponsoring them are encouraged to meet the standards.

### **RECOGNITION AWARD FOR ADMINISTRATION**

To receive the Recognition Award for Administration, the retirement system must certify that it meets the requirements in five areas of assessment.

Those areas are:

1. Comprehensive Benefit Program. The system must provide a comprehensive benefit program including service retirement benefits, in-service death benefits, disability benefits, vesting, and provisions for granting a cost-of-living adjustment.
2. Actuarial. An Actuarial Valuation must be completed at least every two years using generally-recognized and accepted actuarial principles and practices.
3. Audit. The system must obtain an unqualified opinion from an independent audit conducted following government auditing standards generally accepted in the United States.
4. Investments. The system must follow written investment policies and written fiduciary standards and the system must obtain an annual investment performance evaluation from an outside investment review entity.
5. Communications. Members must be provided a handbook or summary plan description, regular updates to the documents, and an annual benefit statement. Meetings of the governing board of the system are conducted at least quarterly with adequate public notice.

### **RECOGNITION AWARD FOR FUNDING**

To receive the Recognition Award for Funding, the retirement system must certify that it meets the requirements for funding adequacy, as defined as meeting one or more of the following criteria:

- a. A funded ratio of 100 percent;
- b. Contribution rates equal to or greater than 100 percent of the Annual Required Contribution; or
- c. A plan has been approved by the governing body to achieve one or both of these criteria within five years.

The PPCC Award may be viewed on-line at:

<http://www.bbfp.org/docs/announcements/BBFF%20Pension%20PPCC%20Award%202023.pdf#zoom=100>

PROXY NOTICE: Mr. Williams advised the Board that a letter<sup>1</sup> was sent to Mr. West, to deliver to all investment managers related to Florida Statutes 112.662 Proxy Voting.

*The letter stated:* In the most recent legislative session, the Florida legislature passed a bill which governs Boards of Trustees of Florida governmental pension plans in their decisions regarding investments and their exercise of shareholder rights, including proxy voting.

Since you vote proxies on behalf of the Board, please be aware that when deciding whether to exercise or when exercising shareholder rights on behalf of the Board, only pecuniary factors may be considered. This includes the voting of proxies. The interests of the participants and beneficiaries of the system or plan may not be subordinated to other objectives, including sacrificing investment return or undertaking additional investment risk to promote any non-pecuniary factor. Florida Statute §112.662(3).

---

<sup>1</sup> Created by Mr. Levinson.

**City of Boynton Beach Municipal Firefighters Pension Trust Fund****Minutes – November 01, 2023****Page 3 of 4**

As used in the law, the term “pecuniary factor” means a factor that a fiduciary determines is expected to have a material effect on the risk or returns of an investment based on appropriate investment horizons consistent with the investment objectives and funding policy of the retirement system or plan. The term does not include the consideration of the furtherance of any social, political, or ideological interests. Florida Statute §112.662(1)

Please apply these standards when exercising shareholder rights, including the voting of proxies on behalf of the Board and as always, please retain records of the proxy votes on behalf of the Board.

**ATTORNEY’S REPORT:**

Mr. Levinson presented an updated professional agreement for the Board to consider for his services. Mr. Levinson the fee for his services were increased due to inflation, but felt the adjustment was reasonable. Travel time was also added to the agreement at half of his billable rate. The Board wanted some assurances the fee would be locked in for a period of years. After discussion, Mr. Levinson agreed to a 4-year lock. Mr. Taylor made the motion to approve the agreement, with the 4-year lock in fees, which was seconded by Mrs. Patterson. Motion passed 5-0.

Mr. Levinson briefed the Board on the status of the Monroe and Deerpath contracts.

Mr. Levinson updated the Board on HB3 compliance, noting Mr. Williams will be responsible to file the bi-annual report with the State of Florida.

**NEW/UNFINISHED BUSINESS**

- Chapter 175 – Contract Cities: Mr. Raybuck advised Chief Bruder is addressing this matter. Mr. Williams was advised by Mr. Raybuck to remove this issue from future agendas.
- Retiree Banquet: Tabled - Mr. Williams was advised by Mr. Raybuck to remove this issue from future agendas.
- Recalculation of Benefit or Restatement of DROP Date: Mr. Raybuck will be speaking to the new city attorney, so this matter is pending. Mr. Levinson will contact the new city attorney.

**Recess 10:15 AM to 10:25 AM****INVESTMENT MONITOR:**

Quarterly Investment Report: Mr. West advised that on September 30, 2023 the Fund’s value was \$152,837,495, which was an decrease from \$156,695,839 for the quarter ending June 30, 2023.

**Manager Allocation:**

Allocation	Market Value	Allocation
Brandywine LCV	21,848,445	14.3
DSM Large Cap Growth	20,891,824	13.7
Vanguard 500 Index Admiral (VFIAX)	17,877,876	11.7
Schroders Core Fixed Income	17,496,343	11.4
American Funds EuroPacific Gr R6 (RERGX)	12,613,406	8.3
Intercontinental	11,882,047	7.8
Vanguard Mid-Cap Index Fund (VMCIX)	11,261,015	7.4
WCM International Growth Fund (WCMIX)	10,173,804	6.7
Harrison Street Core Property Fund	6,863,576	4.5
Vanguard Short-Term Treasury Index (VSBIX)	5,972,968	3.9
Schroders TIPS	5,294,224	3.5
Serenitas Gamma II Fund	4,474,653	2.9
Receipt & Disbursement	3,227,830	2.1
Crescent Direct Lending Levered Fund II	1,633,783	1.1
LBC Credit Partners III	377,547	0.2
Crescent Direct Lending Levered Fund	296,313	0.2
PIMCO Diversified Income Fund (PDIIIX)	265,678	0.2
Taurus Private Markets II	258,023	0.2
Mutual Fund Cash	128,140	0.1

**Allocation by Sector:**

Allocation	Market Value	Allocation
Domestic Equity	71,316,822	46.7
Foreign Equity Securities	22,787,210	14.9
Broad Market Fixed Income	17,308,482	11.3
Non-Core Fixed Income	18,297,416	12.0
Direct Real Estate	18,745,623	12.3
Private Equity	258,023	0.2
Cash	4,123,919	2.7

## City of Boynton Beach Municipal Firefighters Pension Trust Fund

Minutes – November 01, 2023

Page 4 of 4

Mr. West cited the good news was the fiscal year return of 9.03% exceeds the assumption rate for the plan, but the bad news is he felt money was left on the table. As a result, Mr. West recommended the termination of DSM (Active Manager) and purchase the Russell 1000 Growth Index Fund. After review and discussion, Mr. Taylor made a motion that was based on the recommendation of Mr. West to terminate DSM (Active Manager) and purchase the Russell 1000 Growth Index Fund. Mrs. Patterson seconded the motion. Motion passed 5-0.

Mr. West also cited it would be in the best interest of the Plan to engage CAPIS to conduct the liquidation and transition from active to passive. After review and discussion, Mr. Taylor made a motion that was based on the recommendation of Mr. West to engage CAPIS for the transition from active to passive. Mr. Flechaus seconded the motion. Motion passed 5-0.

In a spirit of transparency, the entire investment report may be viewed at:

<http://www.bbffp.org/docs/investments/2023-09-30%20Boynton%20Beach%20Firefighters%20Quarterly%20Report.pdf#zoom=100>

Investment Policy Statement (IPS): Mr. West presented the revised IPS for consideration as a result of HB 3 and after consultation with Mr. Levinson. After review and consideration, Mr. Flechaus made a motion to approve the IPS, which was seconded by Mr. Taylor. Motion passed 5-0.

In a spirit of transparency, the entire IPS may be viewed at the following link:

<http://www.bbffp.org/docs/guidelines/BBFF%20IPS%20Approved%2011-01-2023.pdf#zoom=100>

### **NEW/UNFINISHED BUSINESS**

- Chapter 175 – Contract Cities: Mr. Raybuck advised Chief Bruder is addressing this matter. Mr. Williams was advised by Mr. Raybuck to remove this issue from future agendas.
- Retiree Banquet: Tabled - Mr. Raybuck to remove this issue from future agendas.
- Recalculation of Benefit or Restatement of DROP Date: Mr. Raybuck will be speaking to the new city attorney, so this matter is pending. Mr. Levinson will contact the new city attorney.

### **OPEN DISCUSSION:**

Mr. Williams noted Taurus extended an offer to meet with Trustees to provide educational information related to their investments and methods.

### **ADJOURN:**

Meeting adjourned at 11:10 A.M.

Next next regular meeting is February 07, 2024 at 9:00 A.M.

DocuSigned by:

*Jon Raybuck*

B01A6891CB414A7...

**FOR THE BOARD**

DocuSigned by:

*Stan Cale*

277B2EE143CD454...