City of Boynton Beach Municipal Firefighters Pension Trust Fund

MINUTES

May 07, 2025
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 May 07, 2025, at 9:07 A.M.

TRUSTEES PRESENT:
Mr. Jon Raybuck – Chairman; Mr. Conner Flechaus – Board Secretary; Ms. Desirae Patterson, Trustee; Mr. Tyler Hoffmann – Trustee; Mr. Robert Taylor, Trustee & Chief Hugh Bruder.

OTHERS PRESENT:
Ms. Renee Lewis & Mr. Mike Lucci, Bloomfield Capital; Mr. Georgio Salame; Mr. Cameron Hershler; Mr. Vance Carpenter; Mr. Pete Strong, GRS Consulting; Mr. David West – Mariner Institutional; Mr. Dave Williams, Plan Administrator.

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

PUBLIC DISCUSSION:
No public discussion ensued.

CONSENT AGENDA:

APPROVAL OF THE MINUTES:
Mr. Raybuck asked if everyone had an opportunity to review the minutes of February 05, 2025. A Motion was made by Mr. Taylor to approve the minutes, seconded by Mr. Flechaus. Motion passed 5-0.

APPROVAL OF THE WARRANTS:
Warrants 743 through 760 were presented with all the supporting back-up to the Board for approval. After review & consideration a motion was made by Mrs. Patterson to approve the Warrants as presented, seconded by Mr. Taylor. Motion passed 5-0.

ACTUARY'S REPORT:
Mr. Pete Strong presented the results of the October 1, 2024 Annual Actuarial Valuation of the City of Boynton Beach Municipal Firefighters' Pension Trust Fund are presented in this report.

This report was prepared at the request of the Board and is intended for use by the Retirement System and those designated or approved by the Board. This report may be provided to parties other than the System only in its entirety and only with the permission of the Board. GRS is not responsible for unauthorized use of this report.

The purposes of the valuation are to measure the System's funding progress, to determine the employer contribution rate for the fiscal year ending September 30, 2026, and to determine the actuarial information for Governmental Accounting Standards Board (GASB) Statement No. 67. This report also includes estimated GASB Statement No. 67 information for the fiscal year ending September 30, 2025. This report should not be relied on for any purpose other than the purpose described herein. Determinations of financial results associated with the benefits described in this report, for purposes other than those identified above may be significantly different.

The contribution rate in this report is determined using the actuarial assumptions and methods disclosed in this report. This report includes risk metrics but does include a robust assessment of the risks of future experience not meeting the actuarial assumptions. A robust assessment of risks was outside the scope of this assignment.

This valuation assumed the continuing ability of the plan sponsor to make the contributions necessary to fund this plan. A determination regarding whether or not the plan sponsor is actually able to do so is outside our scope of expertise and was not performed.

The findings in this report are based on data and other information through September 30, 2024. The valuation was based upon information furnished by the Plan Administrator concerning Retirement System benefits, financial transactions, plan provisions and active members, terminated members, retirees and beneficiaries. We checked for internal reasonability and year-to-year consistency but did not audit the data. We are not responsible for the accuracy or completeness of the information provided by the Plan Administrator.

This report was prepared using certain assumptions approved by the Board and prescribed by the Florida Statutes as described in the section of this report entitled Actuarial Assumptions and Cost Methods. The prescribed assumptions are the assumed mortality rates detailed in the Actuarial Assumptions and Cost.

Methods section in accordance with Florida Statutes Chapter 112.63. All actuarial assumptions used in this report are reasonable for purposes of this valuation.

This report was prepared using our proprietary valuation model and related software which in our professional judgment has the capability to provide results that are consistent with the purposes of the valuation and has no material limitations or known weaknesses. We performed tests to ensure that the model reasonably represents that which is intended to be modeled.

This report has been prepared by actuaries who have substantial experience valuing public employee retirement systems. To the best of our knowledge the information contained in this report is accurate and fairly presents the actuarial position of the City of Boynton Beach Municipal Firefighters' Pension Trust Fund as of the valuation date. All calculations have been made in conformity with generally accepted actuarial principles and practices, with the Actuarial Standards of Practice issued by the Actuarial Standards Board and with applicable statutes.

Mr. Peter N. Strong and Mr. Jeffrey Amrose actuaries are members of the American Academy of Actuaries. These actuaries meet the Academy's Qualification Standards to render the actuarial opinions contained herein. The signing actuaries are independent of the plan sponsor. This actuarial valuation and/or cost determination was prepared and completed by us or under our direct supervision, and we acknowledge responsibility for the results. To the best of our knowledge, the results are complete and accurate. In our opinion, the techniques and assumptions used are reasonable, meet the requirements and intent of Part VII, Chapter 112, Florida Statutes, and are based on generally accepted actuarial principles and practices. There is no benefit or expense to be provided by the plan and/or paid from the plan's assets for which liabilities or current costs have not been established or otherwise taken into account in the valuation.

All known events or trends which may require a material increase in plan costs or required contribution rates have been taken into account in the valuation.

A comparison of the required employer contribution developed in this, and the last actuarial valuation is shown below. The required contribution dollar amounts shown below are estimates only. The contribution policy of the City is to contribute the dollar amount determined by multiplying the required percentage of payroll determined as of the valuation date by the projected pensionable payroll for the year.

	For FYE 9/30/26 Based on 10/1/2024 Valuation if contributed on 10/1/2025	For FYE 9/30/25 Based on 10/1/2023 Valuation if contributed on 10/1/2024	Increase (Decrease)
Required Employer/State Contribution	$ 8,468,439	$ 8,100,635	$ 367,804
As % of Covered Payroll	61.19 %	55.25 %	5.94 %
State Contribution Allocated (Including Amounts from State contribution reserve)	$ 1,566,534	$ 1,566,534	$ 0
As % of Covered Payroll	11.32 %	10.68 %	0.64 %
Net Required Employer (City) Contribution	$ 6,901,905	$ 6,534,101	$ 367,804
As % of Covered Payroll	49.87 %	44.57 %	5.30 %

The required employer contribution has been computed under the assumption that the amount to be allocated from current and prior excess State money this year and next year will be $1,566,534, based on the re-evaluated cost of the COLA. The required employer contribution for the fiscal year ending September 30, 2025 (calculated based on the October 1, 2023 valuation, as updated by the results of the May 3, 2024 Actuarial Impact Statement) was revised to reflect this updated State allocation amount.

The employer contribution listed above is for the City's fiscal year ending September 30, 2026 and has been calculated as though payment is made in a single lump sum on October 1, 2025. The total minimum required employer contribution for the fiscal year ending September 30, 2024 was $7,164,753. The actual employer contribution during the fiscal year ending September 30, 2023 was $7,164,753.

Ordinance 06-002 (adopted in 2006), which added the 2% deferred COLA and increased member contributions by 5.0% of covered payroll, was intended to be cost neutral. Under the terms of this Ordinance, the actuarial cost of the COLA must be reevaluated every three years to ensure it remains cost neutral. The last regular reevaluation was completed as of October 1, 2021 (applicable to State money received during the fiscal year ending September 30, 2022), and since then benefit changes related to the COLA (including further deferred COLA commencement for DROP participants and future disabled retirees and an enhanced 2.8% deferred COLA for DROP participants who contribute a total of 6.0% of pay employee pick-up contributions for at least three years while in the DROP) had increased the allocation from the Chapter 175 State Money to $1,266,025. Under the three-year regular schedule, a new reevaluation has recently been completed as of October 1, 2024 (applicable to State money received during the fiscal year ending September 30, 2025). This latest reevaluation has shown that the annual actuarial cost of the COLA is $300,509 higher than it was as of the last reevaluation. Therefore, the base amount of regular Chapter 175 State Contributions increased by this amount, from $1,266,025 to $1,566,534, beginning with the fiscal year ending September 30, 2025. If the actual amount received by the State is lower than this amount, the shortfall may be made up by using the Accumulated Excess Premium Tax Revenue currently being held in reserve (this amount is $2,987,017 as of October 1, 2024).

There have been the following revisions in benefits since the previous valuation:
• Effective June 1, 2024 (or as soon as administratively possible thereafter), all current and future DROP participants shall make mandatory 6% of pay employee pick-up contributions (with 5% of pay being applied toward funding the COLA and 1% of pay being applied toward the unfunded liabilities of the Plan) for the next three years for current DROP participants (and for the first three years of DROP participation for future DROP participants). This initial three-year period of 6% of pay employee pick-up contributions during DROP participation shall be in lieu of resuming 6% of pay employee pick-up contributions during years 6 through 8 of the DROP.

• For members who entered the DROP and contribute 6% of pay for at least three years while in the DROP, the COLA changes from 2.0% commencing on the October 1st following the later of the five-year anniversary of retirement / DROP entry or the date of exit from the DROP, to 2.8% commencing on the October 1st following the 8-yeaar anniversary of DROP entry. For modeling purposes, all firefighters are assumed to participate in the DROP and complete at least three years of DROP participation while contributing 6% of pay employee pick-up contributions (to receive the higher 2.8% COLA after an 8-year delay).

• Effective June 1, 2024, the 2.0% COLA for disability retirees shall commence beginning five years after what would have been the member's normal retirement date.

• Effective June 1, 2024, the service incurred disability benefit shall be equal to the greater of sixty percent (60%) of the member's basic rate of earnings in effect on the date of disability or their accrued benefit, reduced by amounts payable under Social Security PIA with a minimum benefit equal to 42% of FAC.

The impact of the above revisions in benefits was measured in the Actuarial Impact Statement dated May 3, 2024 and reflect an increase in the total actuarially determined employer contribution (ADEC) for fiscal year ending September 30, 2025. The prior valuation results (as of October 1, 2023) shown in this valuation report reflect these changes.

There have also been the following revisions in benefits since the May 3, 2024 Actuarial Impact Statement:
• Effective October 1, 2024, the distinction for Tier 2 members' (members hired on or after February 9, 2019) normal retirement conditions were removed, such that all active Firefighters may retire on the first day of the month coincident with or next following the earlier of (1) age 55 with 10 years of Credited Service or (2) completion of 20 years of Credited Service, regardless of age.

The approximate impact of the above revisions in benefits was measured in the Actuarial Impact Statement dated September 25, 2024 (as if the Ordinance had gone into effect as of October 1, 2023). The final impact has been measured in this valuation to reflect the impact on the required contribution payable October 1, 2025. The net impact of this plan change is an increase in the annual required employer contribution of 2.61% of covered payroll, or $361,213.

Revisions in Actuarial Assumptions or Methods:
There have been no changes in actuarial assumptions or methods since the previous valuation[1].

[1] Mr. Strong cited a morality assumption change that will be required October 1, 2025, valuation.

Actuarial Experience:
There was a net actuarial experience loss of $1,535,388 for the year, which means that overall actual experience was less favorable than expected. The actuarial loss is primarily due to demographic experience. There were higher than expected retirements (17 actual vs 3 expected), higher than expected salary increases (9.8% actual vs 8.4% expected), fewer terminations than expected (1 actual vs 3 expected), and lower mortality experience among retirees than expected (a decrease of $46,151 in retiree payroll due to mortality versus an expected decrease of $119,493). The actuarial loss was partially offset by a higher than expected investment return on the actuarial value of assets. The net investment return on the actuarial value of assets was 7.89% versus an assumed return of 7.15%. The net investment return on the market value of assets was 19.65%.

The net actuarial loss for the year caused an increase in the annual required employer contribution of 0.74% of covered payroll, or about $102,000.

Funded Ratio:
The funded ratio was 73.1% this year compared to 72.4% last year (based on the May 3, 2024 Actuarial Impact Statement). The funded ratio is equal to the actuarial value of assets divided by the actuarial accrued liability.

Analysis of Change in Employer Contribution:

The components of change in the required employer contribution are as follows:

Contribution Rate Last Year	44.57	%
Revision in Benefits	2.61	
Experience (Gains) or Losses	0.74	
Revision in Assumptions/Methods	0.00	
Amortization Payment on UAAL	3.41	
Normal Cost Rate	(0.95)	
Administrative Expense	0.13	
State Contribution	(0.64)	
Contribution Rate This Year	49.87	%

Covered payroll as of October 1, 2024 was $13,502,029 versus $14,304,178 last year, a decrease of 5.6%. Amortization payments on the unfunded liability are scheduled to increase by 2.50% per year. When covered payroll increases less than 2.50%, the amortization payment as a percentage of covered payroll will increase. The 5.6% decrease in covered payroll caused the Amortization Payment on the UAAL (expressed as a percentage of pay) to increase by approximately 3.41% of covered payroll.

Required Contributions in Later Years:
The current calculated City contribution requirement is 49.87% of payroll starting October 1, 2025. Under the asset smoothing method, market value gains and losses are recognized over five years. As of October 1, 2024, the market value of assets exceeds the actuarial value of assets by $4,428,276. Once all the gains and losses through September 30, 2024 have been fully recognized in the actuarial value of assets, the employer contribution rate will decrease by roughly 2.13% of payroll unless there are offsetting losses.

Relationship to Market Value:
If Market Value had been the basis for the valuation, the City contribution rate would have been 47.74% (a dollar amount of $6,607,122) and the funded ratio would have been 75.3%. The funded ratio on a market value basis was 65.5% last year (based on the May 3, 2024 Actuarial Impact Statement).

13th Check Provision:
The Plan provides for a 13th check if there is a net actuarial gain for the previous year. The Plan experienced a loss during the prior plan year and the cumulative balance of actuarial gains and losses is negative (a net loss), so no funds are available to provide 13th checks in 2024.

Conclusion:
The funded ratio is 73.1% this year (75.3% on a market value basis), whereas it was over 100% in the year 2000. Steps have been taken in recent years to address this issue, such as strengthening the actuarial assumptions, including lowering the investment return assumption from 8.5% to 7.15% over time, applying an additional $1,150,000 towards the unfunded liability, and reducing the amortization period in the amortization of the unfunded liability to a maximum of 25 years.

The remainder of this Report includes detailed actuarial valuation results, financial information, miscellaneous information and statistics, and a summary of plan provisions. In a spirit of transparency, the entire report may be viewed on-line at the following link: http://bbffp.org/modules/stateDocs/index.asp

The Board discussed the investment assumption of 7.15% with Mr. Strong and Mr. West. Mr. Strong felt that assumption was on the upper end of reasonableness based on capital market assumptions, but he felt was still reasonable. Mr. West concurred that the current assumption rate was reasonable. Mr. Strong that at some point when the opportunity presents itself, the Board may wish to take a phase in approach to reduce the assumption.

After review and discussion, Mr. Taylor made a motion to accept the report as presented, seconded by Mr. Flechaus. Motion passed 5-0.

At this point, after discussing the assumed rate of return with Mr. Strong and Mr. West, Mrs. Patterson made a motion to keep 7.15% as the assumed rate of return for the short, mid and long term. Mr. Flechaus seconded the motion. Motion passed 5-0.

Mr. Strong also presented the tri-annual COLA review. Ordinance 06-692, Ordinance 22-016, Ordinance 24-009 were highlighted. The summary of findings reflected that the annual actuarial cost of the COLA is $300,509 higher than it was as of the last reevaluation.

Therefore, the annual allocation of Chapter 175 State contributions towards the total required contribution has increased by this amount, from $1,266,025 to $1,566,534, beginning with the fiscal year ending September 30, 2025. If the amount received by the State in the fiscal year ending September 30, 2025 is less than this amount, the shortfall must be made up through the release of accumulated excess premium tax revenue reserves.

PLAN ADMINISTRATOR:
Mr. Williams advised the Board that Regions approved credit cards, that will be used for training and education purposes.

Mr. Williams provided the Bookkeeper's report for informational purposes.

ATTORNEY'S REPORT:

Mr. Levinson was not present, and updates were provided as follows by Mr. Williams:

Master Administrative Rule Booklet: Mr. Williams reflected it was his understanding that staff from Mr. Levinson's office were preparing. Upon receipt he will transmit for review and discussion at the August 06, 2025 meeting.

IWO Letter: Mr. Williams advised that he is awaiting the legal response by Mr. Levinson to send along to the member and his former spouse.

Mariner Agreement Addendum: Mr. Williams indicated that the cited document was reviewed and approved by Mr. Levinson and is before the Board for consideration. The changes were limited to legal verbiage. After review and discussion, Mr. Raybuck made the motion to approve the Mariner Agreement Addendum, which was seconded by Mr. Hoffmann. Motion passed 5-0.

Form 1 Annual Filing: Mr. Williams reminded the Trustees of the annual reporting requirement and directed them to the appropriate location for filing purposes prior to July 01, 2025.

Recalculation of Benefits or Restatement of DROP dates: Mr. Williams provided an updated written timeline. Matter is still under consideration by the City.

INVESTMENT MONITOR:

Quarterly Investment Report: Mr. West advised that on March 31, 2025 the Fund's value was $187,614,300.00, which was a decrease from $190,649,719.00 for the quarter ending December 31, 2024.

Comparative Performance Trailing Returns:

Comparative Performance Trailing Returns	QTR	YTD	FYTD	1 YR	3 YR	5 YR	7 YR	10 YR	Inception	Inception Date
Total Fund (Net)	**-0.84 (65)**	**-0.84 (65)**	**-0.96 (31)**	**4.35 (77)**	**3.62 (75)**	**9.52 (72)**	**6.99 (45)**	**7.24 (19)**	**6.08 (70)**	**01/01/2002**
Total Fund Policy	-0.84 (66)	-0.84 (66)	-0.85 (29)	6.25 (13)	4.97 (23)	10.90 (25)	7.90 (12)	7.68 (9)	6.58 (34)	
Difference	0.00	0.00	-0.11	-1.90	-1.35	-1.39	-0.91	-0.44	-0.50	
All Public Plans-Total Fund Median	-0.43	-0.43	-1.35	5.16	4.27	10.13	6.87	6.67	6.32	

Mr. West's report includes data relative to the economy and may be viewed on-line at:
http://bbffp.org/docs/investments/2025-03-31%20Boynton%20Beach%20Firefighters%20Quarterly%20Report.pdf#zoom=100

Mr. West also provided a flash report for the period ending April 30, 2025.

	Allocation		Performance(%)							
	Market Value $	%	MTH	QTD	FYTD	1 YR	3 YR	5 YR	Inception	Inception Date
Total Fund (Net of Fees)	**187,453,617**	**100.00**	**0.22**	**0.22**	**-0.74**	**7.97**	**5.87**	**7.98**	**6.07**	**01/01/2002**
Total Fund Policy			N/A	N/A	N/A	N/A	N/A	N/A	N/A	
Difference			N/A	N/A	N/A	N/A	N/A	N/A	N/A	

Mr. West presented a proposal to the Board for an increase in the fees being paid to Mariner Institutional. On behalf of his firm, he was respectfully seeking an adjustment of $15,000.00 per year (paid quarterly) and outlined the reasoning behind the request. After review and discussion, the Board agreed to the request effective April 1, 2025. Motion by Mr. Taylor, seconded by Mr. Flechaus. Motion passed 5-0.

Mr. West took a few minutes to address the risks and benefits of an investment in Affiliated Housing (a local workforce housing developer). Upon doing so, there was no interest to pursue further.

Mr. West closed his presentation by advising the Board he a winding down his client base but wanted to let the Board know that he was not giving up his relationship with this Plan and will remain the consultant for years to come.

NEW/UNFINISHED BUSINESS

Bloomfield Capital: The representatives provided a detailed and thought-provoking presentation of the Bloomfield Capital Income Fund V, LLC. Founded in 2008, Bloomfield Capital's Income Funds have focused on delivering consistent risk-adjusted returns and quarterly cash flows to conservative investors seeking higher yields. Bloomfield's strategy focuses on identifying elusive, equity-rich small balance credit opportunities that are often overlooked or unseen by larger managers, providing Bloomfield the ability to seek high yields in a generally less competitive environment. Bloomfield's credit strategy focuses on niche credit investments that seek to provide consistent income and risk-adjusted returns.

At the conclusion of the presentation, Mr. West recapped his position in support of this investment product. Mr. West recommended the Board consider a 5-million-dollar investment.

After further discussion, Mr. Taylor made a motion to engage and invest 5 million dollars in the Bloomfield Capital Income Fund V, LLC. The motion was seconded by Mr. Flechaus. Motion passed 5-0.

Mr. West will coordinate with Mr. Williams and Mr. Levinson accordingly.

OPEN DISCUSSION:

No open discission ensued.

ADJOURN:

Meeting adjourned at 11:52 A.M.

Next next regular meeting is August 06, 2025 at 9:00 A.M.

FOR THE BOARD