

**CITY OF PUNTA GORDA, FLORIDA  
FIREFIGHTERS' PENSION BOARD MEETING MINUTES  
DECEMBER 16, 2021, 8:30 A.M.**

**MEMBERS PRESENT:** Albers, Chair  
Baird, Briggs, Gerow, Jones

**OTHERS PRESENT:** Kristin Simeone, Finance Director; Board Attorney Ken Harrison;  
Kerry Richardville, AndCo Consulting; Braeleen Scott, Foster and  
Foster; Danny Felico; Holden Gibbs

**CALL TO ORDER**

Mr. Albers called the meeting to order at 8:30 a.m.

**PUBLIC COMMENTS**

None.

**1) APPROVAL OF MINUTES**

1.a Minutes, 9-16-2021 meeting

***Exhibits:***

*Cover Page*

*09-16-2021 Minutes FFPB*

Mr. Baird **MOVED** approval of the September 16, 2021, minutes, **SECONDED** by  
Mr. Gerow.

**MOTION UNANIMOUSLY CARRIED.**

**2) REPORTS**

2.a *AndCo Consulting, Kerry Richardville, Investment Consultant: Quarterly Report  
as of September 30, 2021*

***Exhibits:***

*Cover Page*

*2021-09-30 Punta Gorda Firefighters (Quarterly Report)*

Ms. Kerry Richardville, AndCo Consulting (ACC), drew members' attention to ACC's Investment Performance Review for the period ending September 30, 2021, reviewing the results for domestic and international markets from a quarterly and one-year basis (pages 3-4). She pointed out the one-year performance on page 9 illustrated the risk on environment in fixed income, explaining there was almost a 15% difference between the higher quality and lower quality high-yield bonds. She summarized asset allocations by segment (page 12), noting the Fund finished the quarter slightly over \$22 million. She stated the Total Real Estate Composite was slightly overweight at 5.2%, recommending the Board rebalance 1% (approximately \$220,000) within same to maintain the 15% maximum range required for the Fund.

Mr. Baird spoke in opposition to same, opining the Fund had adequate cash liquidity and had no performance potential in bonds.

Ms. Richardville concurred the return potential for fixed income was low; however, maintaining targets within the Fund's policy was part of risk control.

Board Attorney Ken Harrison indicated the State reviewed the allocations annually which provided some flexibility during the year; however, there was an obligation to stay within the guidelines of the policy, advising members take action toward same due to the reporting requirements.

Discussion ensued regarding the details of allocating funds while maintaining compliance based on the guidelines of the policy, with member consensus to continue the discussion to the March 17, 2022, meeting.

Ms. Richardville then summarized the Total Fund Performance (page 17) as follows: quarter, .41% (25<sup>th</sup> percentile); fiscal year to date, 23.92% (12<sup>th</sup> percentile); 3 year, 13.76% (net); 5 year, 13.39% (net). She provided an overview of the individual investment managers' performance as compared to the benchmark (17-18), noting there were no additional changes recommended at this time. She noted Brookfield had deals currently in the pipeline, anticipating the capital call for same would occur prior to the next meeting.

2.b [AndCo Consulting, Kerry Richardville, Investment Consultant: Flash Report as of November 30, 2021](#)

**Exhibits:**

[Cover Page](#)

[2021-11-30 Punta Gorda Firefighters \(Monthly Flash Report\)](#)

Ms. Richardville announced the Fund was down more than 2.5% for the period ending November 30, 2021, noting November 2021 was a challenging month; however, the Fund remained marginally positive for the fiscal year.

Mr. Baird recalled Eaton Vance Atlanta Capital had expressed aversion to investing in the energy sector at the September 16, 2021, meeting, opining same was a mistake.

Ms. Richardville explained many investment managers avoided the energy sector as it tended to be cyclical and was difficult to predict supply versus demand.

Board Attorney Harrison commented positively on the results of the compliance checklist as of September 30, 2021, (pages 48-49 of the Quarterly Report).

2.c [AndCo Consulting, Kerry Richardville, Investment Consultant: Intercontinental Update](#)

**Exhibit:**

[Cover Page](#)

Ms. Richardville provided a detailed update on the information she received from an annual webcast by Intercontinental in September 2021, including the status of the workplace environment, statistics on the investors and underlying properties and the methods used for managing challenges faced from the COVID-19 pandemic. She then indicated an investment manager could provide an update at the March 17, 2022, meeting if members desired, recalling members expressed interest in receiving updates from the Fund's investment managers semiannually.

Members expressed interest in arrangement of same

Mr. Baird suggested Wells Fargo (All Spring) provide an update.

Mr. Albers concurred with same.

Mr. Baird concluded with an update on the information he received from a report by Intercontinental as well as his opinion regarding same.

2.d [Foster and Foster, Patrick Donlan, Board Actuary: October 1, 2021 Actuarial Valuation](#)

**Exhibit:**  
[Cover Page](#)

Ms. Braeleen Scott, Foster and Foster, drew members' attention to the October 1, 2021, Actuarial Valuation Report (Report), noting page 6 provided a summary of same. She then provided a detailed overview of the Report, which included the following: minimum required contributions (page 11); reconciliation of unfunded actuarial accrued liabilities (pages 14-15); difference between market value and actuarial value of assets (page 8); increase in the funded ratio (page 9); net position as a percentage of total pension liability (page 45). She pointed out the investment return assumption was 7.6%, recommending same be slightly reduced to avoid impacts to the City.

Mr. Baird spoke in favor of reducing the assumption provided it did not cost the City.

Ms. Scott indicated a study could be completed to verify same, noting clients had an average investment return assumption of 7.25%.

Board Attorney Harrison added most clients slowly reduced their basis points to meet their target.

Discussion ensued regarding the number of basis points the investment return assumption should be reduced to without impacting the City's contributions.

Mr. Baird questioned the cost of the study.

Ms. Scott responded \$1,000 for one scenario and \$1,800 for two scenarios, noting the study was recommended if members desired to evaluate potential outcomes prior to changing the basis points.

Ms. Kristine Simeone, Finance Director, indicated other pension plans had already reduced the return assumption.

Mr. Baird expressed preference for reducing the basis points as much as permitted rather than in smaller increments, speaking in favor of a study.

Mr. Baird **MOVED** to approve the Actuarial Valuation as of October 1, 2021, **SECONDED** by Mr. Gerow.

**MOTION UNANIMOUSLY CARRIED.**

Mr. Baird **MOVED** to approve the completion of a study by Foster and Foster to determine the amount return expectations could be reduced without interfering with the City's budget, **SECONDED** by Mr. Briggs.

**MOTION UNANIMOUSLY CARRIED.**

2.e [Pension Attorney, Ken Harrison](#)

**Exhibit:**  
[Cover Page](#)

Board Attorney Harrison pointed out his concerns regarding the pension plan being 95% funded, explaining monies from the State would stop if same was to become 100% funded. He indicated the first step to adjusting the percentage funded was to reduce the investment return assumption, reviewing some potential outcomes if adjustments were not made or were made improperly. He stated clients were being advised now was a sufficient time to evaluate the assumption rates as the market was performing well, cautioning members to be careful with investing the extra funds. He then stated members were required to

obtain education on the duties and responsibilities of a pension trustee, noting members had not completed much of same.

Mr. Baird stated the training conducted in Tallahassee regarded basic information that members were familiar with, recalling Ms. Richardville suggested the Board meet with investment managers telephonically to learn their methodologies and if same aligned with the Board's philosophies.

Board Attorney Harrison explained the training in Tallahassee was designed for individuals who weren't familiar with topics such as their personal liability, encouraging members to consider attending training at the Division of Retirement or the Public Pension Trustees Association as both operations were specific to Florida Law. He indicated an alternative option was to conduct a training session at the end of a meeting, noting same could include discussions regarding members' fiduciary duties.

Mr. Jones verified training would be useful for him as a new member of the Board.

Mr. Baird pointed out training was in the budget for members.

Discussion ensued regarding the educational responsibilities and opportunities for members as well as what met the training requirements for members.

Board Attorney Harrison next briefly spoke on the status of state legislation relating to mask mandates. He then introduced a representative in attendance with him from the State Attorney's Office, anticipating she would transition as the Board Attorney over time.

### 3) GENERAL BUSINESS

#### 3.a Update, Firefighters Contract Changes Related to Pension Items, Danny Felico, DVP

**Exhibit:**

*Cover Page*

Mr. Danny Felico, District Vice President, announced some changes to pension items had been made to the firefighters' contract to attract experienced personnel to the City, including an increase to members' contributions. He stated the proposed changes would move forward to City Council by January 2022, verifying all members of the plan would be at 9.5% contributions (3.5% multiplier) as of October 1, 2021, based on the study that was completed.

Mr. Albers recalled a study was authorized; however, the Board was never presented with the results from same, explaining he had no objections to the increased contributions as long as it would not cost the City.

Board Attorney Harrison advised members to include a stipulation that they receive a copy of the study when authorizing same, noting the changes would not affect existing unfunded liability.

Mr. Albers emphasized the Board should be presented with information obtained from the study as same would assist members with providing feedback to City Council if needed.

Board Attorney Harrison reiterated members needed to make that a stipulation when authorizing studies.

Ms. Simeone verified the changes caused an increase of approximately \$16,759 for the City.

### 3.b Upcoming Trustee Term Expiration-Justin Gerow, Fifth Member

**Exhibit:**

*Cover Page*

Mr. Albers announced Mr. Gerow needed to be reappointed to the Board as his term was expiring.

Mr. Baird **MOVED** to reappoint Mr. Gerow as the fifth member to the Board, **SECONDED** by Mr. Briggs.

**MOTION UNANIMOUSLY CARRIED.**

Board Attorney Harrison verified Mr. Gerow accepted his reappointment to the Board.

### MEMBER COMMENTS

Mr. Holden Gibbs questioned whether an ordinance was needed for the revisions made to the Firefighters' contract.

Board Attorney Harrison responded the Board should make a motion directing him to draft an ordinance amendment.

Mr. Gibbs noted the changes were not ratified as of yet and would move forward to the January 5, 2022, City Council meeting.

Ms. Someone advised the Board to authorize the Board Attorney to move forward with the draft following approval by City Council.

Mr. Briggs **MOVED** to approve Board Attorney Harrison to begin working on contract changes pending City Council approval, **SECONDED** by Mr. Jones.

**MOTION UNANIMOUSLY CARRIED.**

### ADJOURNMENT

**NOTE: Following initial adjournment, the audio system was briefly turned off. During this period, the meeting was reopened.**

Board Attorney Harrison announced his office made donations to charities on behalf of their clients as holiday gifts this year.

Ms. Richardville indicated a statement was typically included when the Board approved the actuary report, opining 7.6% was a reasonable evaluation for the next year, next few years and the long-term thereafter.

Mr. Baird **MOVED** to assume an investment return of 7.6% for the current year, the next few years and the long-term thereafter, **SECONDED** by Mr. Gerow.

**MOTION UNANIMOUSLY CARRIED.**

Mr. Jones inquired as to any updates on the portal for the online benefits calculator for pension members.

Ms. Someone replied the Finance Department was working to provide Foster and Foster with the information to move forward with same, verifying the Police Officers' Pension Board had not joined the program as of yet.

Ms. Scott confirmed the portal would be available for members to access once all the required data was received.

## ADJOURNMENT

The meeting was adjourned at 10:15 a.m.

---

Chair

---

Recording Secretary