

**CITY OF ST. PETE BEACH  
POLICE OFFICERS' RETIREMENT SYSTEM BOARD OF TRUSTEES  
QUARTERLY MEETING MINUTES  
City Hall, 2<sup>nd</sup> Floor Conference Room, 155 Corey Avenue, St. Pete Beach, FL 33706**

Thursday, January 18, 2024, at 1:30PM

**TRUSTEES PRESENT:** Richard German  
Bob Micklitsch  
Tricia Cucchiara

**TRUSTEES ABSENT:** Chris Centofanti  
Frank Wood

**OTHERS PRESENT:** Lindsey Garber, Klausner, Kaufman, Jensen & Levinson  
Kerry Richardville, AndCo Consulting  
Jorge Friguls, AndCo Consulting  
Chrissy Stoker, Foster & Foster  
Patrick Donlan, Foster & Foster

- I. **Call to Order** – Chrissy Stoker called the meeting to order at 1:33PM and led the Pledge of Allegiance and a quorum was determined.
- II. **Roll Call** – As reflected above.
- III. **Public Comments** – None.
- IV. **Approval of Minutes**

**The October 19, 2023, quarterly meeting minutes were approved as presented, upon motion by Bob Micklitsch and second by Richard German; motion carried 3-0.**

**V. New Business**

1. Update on trustee terms
  - a. Chrissy Stoker commented Chris Centofanti and Bob Micklitsch were both reelected for another term.
2. Actual expenses
  - a. Chrissy Stoker reviewed the budget requirement and each expenditure type. The total amount of administrative expenses as of September 30, 2023, was \$71,531.76 compared to the total budgeted amount of \$89,700.

**The actual expenses as of September 30, 2023, were approved as presented, upon motion by Richard German and second by Bob Micklitsch; motion carried 3-0.**

**VI. Reports**

1. Foster & Foster, Patrick Donlan, Board Actuary
  - a. October 1, 2023, actuarial valuation report

- i. Plan experience was unfavorable overall on the basis of the plan's actuarial assumptions. Sources of actuarial loss included an investment return of 3.19% (Actuarial Asset Basis) which fell short of the 6.20% assumption and inactive mortality experience. There were no significant sources of actuarial gain.
- ii. Patrick Donlan commented 2023 was a good year for investments, and they would recognize 20% of that gain (approximately \$201,456) each year for the next four years. The investment losses from 2022 would continue to be phased in for the next three years so the City's funding requirement would increase for the next three years.
- iii. Patrick Donlan reviewed the statement of changes in fiduciary net position. Total contributions were \$226,400 and total distributions were \$1,352,022.60. The Plan was paying out more than it was receiving in contributions, but it also earned money on investments.
- iv. The valuation participant reconciliation showed there were twenty-eight (28) retirees receiving benefits and two (2) vested members due a future monthly benefit.
- v. Patrick Donlan reviewed the detailed actuarial gain/loss analysis. The Unfunded Actuarial Accrued Liability (UAAL) increased from \$1,845,948 as of October 1, 2022, to \$2,464,491 as of October 1, 2023, which was significantly more than expected.
- vi. Patrick Donlan reviewed how the funding requirement was determined. The City and State required contribution amount increased from \$226,400 to \$290,688 with this valuation.
- vii. The funded ratio was 87.40%, which Patrick Donlan confirmed was in the healthy range.

**The October 1, 2023, actuarial valuation report was approved as presented, upon motion by Bob Micklitsch and second by Richard German; motion carried 3-0.**

**The Board voted to approve the declaration of returns for the Plan shall be 6.20% for the next year, the next several years, and the long-term thereafter net of investment related expenses, upon motion by Bob Micklitsch and second by Tricia Cucchiara; motion carried 3-0.**

2. AndCo Consulting, Kerry Richardville/Jorge Friguls, Investment Consultants
  - a. Quarterly report as of December 30, 2023
    - i. Kerry Richardville announced Jorge Friguls would be attending future meetings in her place though she was not going anywhere and would still be a resource for the Board.
    - ii. Jorge Friguls gave an overview of the market environment over the quarter. The severe recession that was forecasted in 2023 did not take place. The Federal Reserve cut rates to moderate inflation. The S&P 500 returned 11.69% for the

quarter and 26.29% for the year-to-date. The US Aggregate Bond index returned 6.82% for the quarter and 5.53% for the year-to-date. Jorge noted fixed income returns would have been negative, but they rallied at the end of 2023.

- iii. Jorge Friguls noted the quarterly report was preliminary as they were still waiting on some peer group data. The market value of assets as of December 31, 2023, was \$16,719,453.
  - iv. Total fund gross returns for the quarter were 7.57%, slightly outperforming the policy benchmark of 7.47%. Trailing returns for the 1, 3, and 5-year periods were 15.10%, 2.20%, and 8.11%, compared to the respective benchmarks of 14.78%, 2.44%, and 8.13%. Since inception (10/01/1994), total gross returns were 7.82%, outperforming the benchmark of 7.49%.
  - v. Jorge Friguls reviewed the asset allocations of the portfolio and did not recommend any rebalancing. All asset classes performed well this quarter. Dodge & Cox returned 7.32% and Baird returned 3.00%.
  - vi. Jorge Friguls pointed out the Board beat the investment return assumption in fiscal years 2023, 2021, 2020, 2018 and 2017.
3. Klausner, Kaufman, Jensen & Levinson, Lindsey Garber, Board Attorney
    - a. Salem Trust custodial services addendum
      - i. Lindsey Garber presented a revised contract and reviewed the changes she made due to the merger with Argent Financial Group. The fee structure would remain the same.
    - b. Financial disclosure forms
      - i. Lindsey Garber advised the Board the annual financial disclosure forms (Form 1) would no longer be filed with the Supervisor of Elections in the county where each trustee resided. The forms must be submitted online to the Florida Commission on Ethics via the Electronic Financial Disclosure Management System (EFDMS). The due date was still July 1.
    - c. IRS mileage rate
      - i. Lindsey Garber advised the IRS mileage rate increased from \$0.655 to \$0.67 per mile in 2024.
    - d. Lindsey Garber confirmed the comprehensive report required by House Bill 3 had been filed by the deadline.

**VII. Old Business – None.**

**VIII. Consent Agenda**

1. Payment ratification
  - a. Warrants #43 and #44
    - i. AndCo, investment consulting, invoice #46096, \$4,300.00
    - ii. Foster & Foster, plan administration, invoice #28609, \$855.00
    - iii. Salem Trust, 3rd quarter fees (AUTO DEDUCT), \$2,875.00
    - iv. KKJL, legal services, invoice #33811, \$2,015.37

- v. Foster & Foster, plan administration, invoice #28986, \$996.47
  - vi. KKJL, legal services, invoice #34014, \$388.50
  - vii. Foster & Foster, plan administration, invoice #29435, \$855.00
  - viii. AndCo, investment consulting, invoice #46904, \$4,300.00
  - ix. Foster & Foster, plan administration, invoice #29634, \$855.00
- 2. New invoices for payment approval
    - a. None
  - 3. Fund Activity Report for October 13, 2023, through January 11, 2024

The consent agenda was approved as presented, upon motion by Bob Micklitsch and second by Tricia Cucchiara; motion carried 3-0.

**IX. Staff Reports, Discussion, and Action**

- 1. Foster & Foster, Chrissy Stoker, Plan Administrator
  - a. Chrissy Stoker reminded the Board the next quarterly meeting would begin at 8:30AM.

**X. Trustees' Reports, Discussion, and Action – None.**

**XI. Adjournment – The meeting adjourned at 11:12AM.**

**XII. Next Meeting – Thursday, April 18, 2024, at 8:30AM, Quarterly Meeting**

Respectfully submitted by:

*Chrissy Stoker*

Chrissy Stoker, Plan Administrator

Approved by:

*Richard German*

Richard German, Secretary

Date Approved by the Pension Board:

April 18, 2024