

**EAST LAKE TARPON SPECIAL  
FIRE CONTROL DISTRICT  
PENSION BOARD QUARTERLY MEETING  
October 20, 2021**

**Roll Call:** The Administrator called the Hybrid meeting of the Board of Trustees of the East Lake Fire Rescue Pension Plan to order at 7:30 a.m. on October 20, 2021

**Trustees Present:** Doug Stryjewski, Michael Handoga, Scott Papes, Sharon Bonnem and Jeff Jackson

**Others Present:** Fire Chief Jason Gennaro, Attorney Stuart Kaufman of Klausner, Kaufman ETAL, John Thinnies of AndCo Consulting, Patrick Donlan of Foster and Foster and Pete Prior and Livia Giuliani of Benefits USA, Inc.

**Approval of Minutes  
July 21, 2021 Quarterly Meeting**

The Chairman asked if there were any changes or corrections to the minutes. Hearing and seeing none, he said a motion would in order. Trustee Papes moved to approve the minutes as submitted and Trustee Handoga seconded the motion and the motion passed.

**Public Comments:**  
There were no public comments.

**New Business:  
2022 Proposed Meeting Dates**

The Administrator presented the 2022 meeting dates as follows: January 19, April 20, July 20 and October 19, 2022 all starting at 7:30 am.

**Letter from State Regarding prior years actuarial valuations**

The Chairman reported that this item be placed on the agenda for discussion. He noted that the prior year valuations and impact statements have been state accepted. Mr. Donlan spoke on the assumption rate noting that the State would like the Investment Return assumption to be between 5.25% and 6.50%. Mr. Donlan recommended that the Board lower the assumption rate ¼ of percent to 7.25%. Trustee Bonnem moved to accept the Consultant's recommendation and Trustee Papes seconded the motion and it passed.

**Unfinished Business:  
Summary Plan Description**

The Attorney reported that the changes were made to the Plan Summary and it can be adopted by the Trustees. Trustee Papes moved to approve the Summary Plan Description and Trustee Handoga seconded the motion and it passed. The Chairman noted that Benefits USA, Inc. can print and mail 60 copies to his attention.

**Pension Resolution**

Mr. Kaufman spoke on the changes that were made to the resolution noting that members of the system are now required to make regular contributions to the Fund in the amount of seven (7%) percent of his or her Salary. This additional 2% increase was to fund the increase in the benefit multiplier from 3% to 4% effective October 1, 2021.

This benefit increase shall not apply to credited service prior to the effective date of this resolution. Mr. Kaufman noted that if the plan assets fall below 77%, the benefit multiplier will revert back to the 3% until the Funded ratio equals or exceeds 77% at which time the multiplier will once again increase to 4%. The members asked what happens to their contributions if the Fund does not meet the 77% and the multiplier reverts back to 3%. It was noted that they have to go back to negotiations. That being said, the Board will defer the adoption of this resolution until after the negotiations.

Mr. Kaufman reported on the Share plan noting that any monies received from Chapter 175 in excess of the base amount of \$258,650 would be credited to all members who are actively employed on or after October 1, 2012. He further noted that effective with the calendar year 2021 and all subsequent years, all monies received from Chapter 175 shall be used to offset District contributions to the Pension Fund.

**Consent Agenda: Consent Agenda: For Approval: Warrant #204:**

Dana Inv Advisors (Q3-2021 Mgmt Fee-LC Inv #85618 dated 10/7/2021)	\$13,778.54
Dana Inv Advisors (Q3-2021 Mgmt Fee-FI Inv #85602 dated 10/7/2021)	\$1,917.90
Salem Trust Co. (Q3-21 Custodian Fee-Invoice dated 10/8/2021)	\$1,750.00
Saltmarsh ETAL (Progress Billing for 9/30/21 audit; Inv #707912 dated 10/8/21)	\$500.00
<b>Total</b>	<b>\$17,946.44</b>

**For Ratification: Warrants #201-203**

Benefits USA, Inc. (Flat Monthly Fee for August 2021)	\$1,600.00
KKJ&L (Legal Fees-(Bill #28961 dated 7/31/2021)	\$2,524.50
<b>Total</b>	<b>\$4,124.50</b>

Benefits USA, Inc. (Flat Monthly Fee for September 2021)	\$1,600.00
FPPTA (Virtual Trustees School Registration for Sharon Bonnem)	\$750.00
KKJ&L (Legal Fees-(Bill #29142 dated 8/31/2021)	\$2,432.70
<b>Total</b>	<b>\$4,782.70</b>

AndCo (Q3-21 Consulting Fee-Invoice #39155 dated 9/30/2021)	\$5,000.00
Benefits USA, Inc. (Flat Monthly Fee for October 2021)	\$1,600.00
Foster & Foster (Services Rendered; Invoice #21495 dated 9/30/2021)	\$1,440.00
KKJ&L (Legal Fees-(Bill #29325 dated 9/30/2021)	\$596.70
<b>Total</b>	<b>\$8,636.70</b>

**Pension Payments for Ratification:**

James Kyper (Refund of Contributions)	\$4,701.02
COLA increases effective 10/1/2021	\$182.68

Trustee Jackson moved to approve the Consent Agenda and Trustee Bonnem seconded the motion and it passed.

**Investment Report: Quarter Ending 09/30/2021**

**AndCo Consulting**

Mr. Thinnes reported on the economy noting that the growth in the US economy slowed in the 3<sup>rd</sup> Quarter. Inflation rate remains well above the Fed's target of 2% increasing to 5.3% in August. The job market recovers as the unemployment rate decreased from 5.2% to 4.8% in August as unemployment benefits expired in September as Employers continue to struggle to fill job openings. The Fed reported that they will begin evaluating when interest rates would start to rise. The US market climbed in September but pulled back towards the end of the period.

The variety of factors led to the increase in volatility which include concerns related to the spread of the Delta variant, supply shortages, higher US interest rates, rising inflation and fiscal policies in Washington. Developed international equities outperformed the domestic equities while Emerging Markets dropped sharply. The EAFE index posted a negative return of -0.4% vs. the Emerging Market index of -8.1%. For the quarter, the Bond market returns were muted as interest rates remained unchanged.

The Bloomberg Barclays Aggregate index returned 0.1%, and the US TIPS returned 1.8%. Domestic small cap stocks returned 47.7% for the 1-year period. US large cap returned 30.0% over the trailing 1-year period. International markets performed well with the EAFE index returning 25.7% vs. the Emerging markets index of 18.2%. Bond market returns were muted with the Barclays Blmbg index returning -0.9% over the trailing 1-year period. The TIPs index returned 5.2% for the period while the investment grade corporate bonds returned 1.7%. For the quarter, large cap led the equities followed by mid and small cap issues. The Russell 1000 returned 0.2% vs. the 0.9% for mid cap and -4.4% for the Russell 2000 index. Growth outperformed Value for the 2<sup>nd</sup> consecutive quarter with the Russell 2000 value returning -3.0% vs. the Russell 2000 Growth of -5.7%. The MSCI EAFE index returned -0.4% vs. the MSCI emerging markets index of -8.1%.

Mr. Thinnes reported on the Fund's performance noting that for the quarter, the total fund returned -1.10% vs. the fund policy of 0.28%, the Equity Fund returned -1.54% vs. the policy of -0.79%; the domestic equity returned -1.32% vs. the domestic policy of 0.10%. Dana Equity returned -0.39% vs. the S&P 500 of 0.58%. Vanguard returned -3.27% vs. the completion index of -3.30%. American Funds Euro Pacific returned -2.35% vs. the MSCI AC World ex USA index of -2.88%. The Fixed income fund returned -0.01% vs. the policy of 0.05%; Dana fixed income returned -0.07% vs. the Dana fixed policy of 0.05%; Dodge and Cox returned 0.10% vs. the Bloomberg Barclay's Aggregate index of 0.05%; Intercontinental Real Estate returned 0.00% vs. the NCREIF index of 6.95%.

Finally, Mr. Thinnes recommended rebalancing the Dana portfolio back to the target. He noted that he will work with Dana and Salem to complete this transaction. Trustee Handoga moved to rebalance the Dana portfolio back to 50% and Trustee Jackson seconded the motion and it passed.

#### **Miscellaneous Correspondence**

No Action Required

#### **REPORTS:**

##### **Attorney**

Attorney Kaufman reported that a on legislature noting that a bill was filed for COVID to be on the job presumption.

##### **Administrator**

Ms. Giuliani reported that she has provided the information to the auditors and the 2021 audit is in progress and will be presented at the January 19, 2022 meeting as well as the Valuation.

Mr. Prior reported that he was happy to be able to attend this meeting and that he is looking forward to seeing everyone in the New Year.

##### **Trustees**

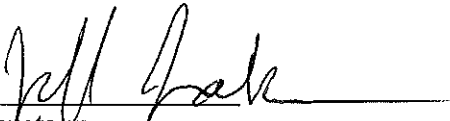
The Trustees had nothing further to report.

**NEXT MEETING:**

The Administrator reported that the next meeting is January 19, 2022 @ 7:30am

**ADJOURNMENT:**

Trustee Bonnem moved to adjourn and Trustee Handoga seconded the motion which was passed unanimously. The meeting was adjourned at 8:33 a.m.

  
Secretary