PENSACOLA
FLORIDA'S FIRST & FUTURE

Police Officers' Retirement Fund

MINUTES OF MEETING
POLICE PENSION BOARD
MAY 8, 2024

The trustees of the Police Pension Plan met this date.

Members Present:
Shawn Thompson (attended by TEAMS meeting)
Pat Bradley
Stephanie Taylor
Rodney Randle
Bryan Ball

Members Absent:
None

Others Present:
Joe Griffin, Foster & Foster
Richard Russo, Help Desk Technician
Tyler Grumbles, AndCo Consulting
Gary Leuchtman, Police Pension Board Attorney
Lauren Pride, Attorney
Michelle Madril, Payroll & Retirement Manager
Amy Lovoy, Finance Director
Alexandra Daily, Executive Assistant to Finance Director

The meeting was called to order by Acting Chairman Bradley at 9:03 a.m. Acting Chairman Bradley stated there was a quorum present.

Mr. Ball made a motion to approve the minutes of the February 14, 2024 meeting. Ms. Taylor seconded the motion and it passed unanimously.

Mr. Joe Griffin, Foster & Foster, presented the Actuarial Valuation Report for Fiscal Year ending September 30, 2023. He stated that the City's contribution for Fiscal Year 2024 will be $3,905,743 which is an increase of $570,985 from the current year. Mr. Griffin noted that the City has access to the Contribution Surplus Account Balance of $1,214,870 to offset in whole or part such increase in funding. The total unfunded liability is $25,139,156 as of October 1, 2023. The market value of assets has increased by $5,868,211 to $115,484,891 while the liabilities (future benefits) increased by $5,635,546 to $149,875,498. The Funded Ratio is now 83.2%.

After some discussion, Ms. Taylor made a motion to accept the Actuarial Report. Mr. Randle seconded the motion and it passed unanimously.

Ms. Taylor made a motion to send a letter to the State of Florida stating that the Fire Pension Board finds 7.125% a reasonable assumption rate for this year and the next few years. Mr. Randle seconded the motion and it passed unanimously.

Mr. Grumbles with Mariner (formally AndCo) addressed the Board and provided a report on quarterly performance. He stated the total value of the Fund was $130,064,869 as of March 31, 2024 and the return for the quarterly period ending March 31, 2024 was 5.77%. Mr. Grumbles stated that the one-year return was 12.24%, the three-year return was 3.34% and the five-year return was 7.86% all for the period ending on March 31, 2024. All net of fees.

The report from Mariner is on file.

Mr. Grumbles presented and reviewed a US Mid Cap Growth Fund Analysis. He noted that the purpose of this search is to evaluate options for the replacement of Allspring Dynamic All Cap Growth due to relative performance concerns. After some discussion, Mr. Grumbles made a recommendation to hire J.P. Morgan Investment Management, Inc. and to move $5,500,000 from the Fidelity Large Cap Growth Fund to the J.P. Morgan Investment Management Mid Cap Growth Fund.

Mr. Randle made a motion to hire J.P. Morgan Investment Management, Inc. and to move $5,500,000 from the Fidelity Large Cap Growth Fund to the J.P. Morgan Investment Management Mid Cap Growth Fund. Mr. Ball seconded the motion and it passed unanimously.

Mr. Grumbles also presented and reviewed a US Small Cap Growth Equity Fund Analysis. He noted the purpose of this search is to evaluate options in active small cap growth given the Board's decision to terminate Allspring All Cap Growth. After some discussion, Mr. Grumbles made a recommendation to hire Hood River Capital Management, LLC and to move $2,750,000 from Fidelity Large Cap Growth Fund to the Hood River Small Cap Growth Retirement.

Ms. Taylor made a motion to hire Hood River Capital Management, LLC and to move $2,750,000 from Large Cap Growth Fund from Fidelity to the Hood River Small Cap Growth Retirement. Mr. Randle seconded the motion and it passed unanimously.

Mr. Leuchtman reminded the Police Pension Board that they needed to file Form 1 electronically by July 1st.

Mr. Leuchtman updated the Police Pension Board on the FIGS litigation. He noted that the case had been dismissed. The court ended up dismissing the complaint with "leave to amend" and allowed the plaintiffs 45 days to amend the complaint. An amend the complaint was filed. Then a "new" motion to dismiss was filed by the defendants. Currently, Mr. Leuchtman is waiting for the judge to make a determination on the "new" motion to dismiss.

Mr. Leuchtman also reviewed the Travel Policy with the Police Pension Board. He noted that currently the Police Pension Board is operating under the same Travel Policy as the City of Pensacola with that travel being reimbursed at the lesser of (a) the cost of a flight (coach) versus (b) the cost of mileage based upon IRS reimbursement rate (regardless of the mode of transportation used). He also noted that Fire Pension Plan travel policy allowed the Trustees to be reimbursed based upon the actual mode of transportation chosen and not the lesser of the two methods.

After some discussion, Mr. Randle moved that the Police Pension Board amend its Travel Policy to allow for the Board members discretion on the travel method to future conferences. Ms. Taylor seconded the motion. After some further discussion, Mr. Randle withdrew his motion.

Ms. Tayler then made a motion to accept a travel policy, in terms of paying for the travel, to identically match the Fire Pension Board Travel Policy. Mr. Randle seconded the motion and it passed unanimously.

Mr. Leuchtman brought forth a discussion regarding developing an Attendance Policy for the Police Pension Board. After a brief discussion, the Police Pension Board decided not to make an Attendance Policy.

Ms. Lovoy noted that the Contribution Surplus Account Balance of $1,214,870 noted by Mr. Griffin could be used to offset in whole or part of the City's contribution.

Ms. Taylor made a motion to approve the following invoices for the period ending March 31, 2024:

- DePrince, Race & Zollo, Inc. in the amount of $28,788.00
- Integrity Fixed Income Management, LLC in the amount of $17,254.08
- Law Office of Gary B. Leuchtman, PLLC in the amount of $8,977.00
- AndCo Consulting in the amount of $15,000.00

Mr. Randle seconded the motion and it passed unanimously.

Mr. Randle made a motion to approve the following Notice of Pensions.

James C. Reese, Jr.
Type of Pension: Normal
Effective Date: 4.15.24
Monthly Pension: $6,404.98
Annual Pension: $76,859.76

Matthew D. Maracle
Type of Pension: Vested
Effective Date: 4.10.28
Monthly Pension: $1,695.80
Annual Pension: $19,689.60

Patrick D. Burns
Type of Pension: Vested
Effective Date: 9.5.29
Monthly Pension: $1,640.80
Annual Pension: $19,689.60

Ms. Taylor seconded the motion and it passed unanimously.

Chairman Thompson noted the following information items:

- State of Changes to Cash Balances for January 2024 and February 2024

There being no further business to come before the Board, the meeting was adjourned at 10:34 a.m.

Amy Lovoy
Amy Lovoy
Fund Administrator