

City of Boynton Beach Municipal Firefighters Pension Trust Fund

MINUTES

August 02, 2023

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 03, 2023, at 9:03 A.M.

TRUSTEES PRESENT:

Mr. Jon Raybuck – Chairman; Mrs. Desirae Patterson, Trustee; Mr. Conner Flechaus.

OTHERS PRESENT:

Mr. David West – AndCo Consulting; Mr. Adam Levinson, Board Attorney – Klausner, Kaufman, Jensen and Levinson; Mr. Michael Williams and Mr. Dave Williams, Plan Administrator.

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

PUBLIC DISCUSSION:

Mr. Raybuck opened the meeting to public comments. No comments were provided, and this item was closed.

CONSENT AGENDA:

APPROVAL OF THE MINUTES:

Mr. Raybuck asked if everyone had an opportunity to review the minutes of May 03, 2023. A Motion was made by Mr. Flechaus to approve the minutes, which was seconded by Mrs. Patterson. Motion passed 3-0.

APPROVAL OF THE WARRANTS:

Warrants 575 through 593 were presented with all the supporting back-up to the Board for approval. After review & consideration a motion was made by Mr. Flechaus to approve the Warrants as presented, which was seconded by Mrs. Patterson. Motion passed 3-0.

PLAN ADMINISTRATOR:

- Mr. Williams advised that the Confirmation of Annual Retirement was conducted.
- Mr. Williams was informed that the new payroll codes were developed by payroll for members staying beyond 60 months in the DROP.
- Notice to Members using forms on-line posted for security purposes.
- Additional steps have been taken to transmit warrants to the custodian to further safeguard data.
- The 2024 meeting dates were presented for review.
- Upcoming education events were announced for the Trustees to consider.
- FY 2023/24 Annual Administrative Budget was presented for consideration. After review and discussion, Mr. Flechaus made a motion to approve, which was seconded by Mrs. Patterson. Motion passed 3-0. The Budget may be viewed on-line at the following link:

http://bbffp.org/docs_state/AnnualBudget/2023-24%20BBFF%20Adm%20Expense%20Budget%20approved%2008-02-2023%20MEETING.pdf#zoom=100

**City of Boynton Beach Municipal Firefighters Pension Trust Fund
Minutes – August 02, 2023
Page 2 of 3**

ATTORNEY'S REPORT:

Mr. Levinson reviewed House Bill 3 and the reporting issues.

<http://bbffp.org/docs/announcements/HB3%2005-04-2023.pdf#zoom=100>

Mr. Levinson reminded the members to file the Form 1 by July 1, 2023.

INVESTMENT MONITOR:

Quarterly Investment Report: Mr. West advised that on June 30, 2023 the Fund's value was \$156,695,839.00, which was an increase from \$154,558,624.00 for the quarter ending March 31, 2023.

Mr. West provided the following report about the economy:

- Though the Atlanta Fed GDPNow model forecasted weak GDP growth in 2023 as the impact from higher interest rates continued to spread through the broader economy, the first quarter GDP final revision of 2% was markedly higher than the 1.3% first reported.
- The US Federal Reserve Bank (the Fed) continued to increase interest rates during the quarter with an additional 0.25% increase in the Fed Funds rate in May, followed by a pause in June. The Fed continues to prioritize fighting high inflation with the press release from the June meeting detailing the extent that additional policy firming (i.e., rate increases) will consider the cumulative tightening of monetary policy, the lags with which monetary policy affects economic activity and inflation, and economic and financial developments.
- June brought some weakness in the US labor market as nonfarm payrolls increased by 209,000, below the expected 240,000 new jobs. This represented the slowest month for job creation since December 2020. Initial jobless also rose for the week ending July 1st.
- The global banking sector came under duress in the first quarter of 2023, triggered by the second and third-largest regional bank failures in US history. Fears of deterioration in the banking sector have waned, likely helped by aggressive intervention from the FDIC and Federal Reserve.

In a spirit of transparency, the entire investment report may be viewed at:

<http://bbffp.org/docs/investments/2023-06-30%20Boynton%20Beach%20Firefighters%20Quarterly%20Report.pdf#zoom=100>

Mr. West proposed the following investment recommendation for the Board to consider. Mr. West felt 6 million dollars should be withdrawn from the S&P 500 Fund and deposited into a VSBIX Fund¹. After consideration, Mr. Cale placed the foregoing recommendation in the form of a motion. This was seconded by Mr. Taylor.

Mr. West recommended no changes to the asset allocation, and the 175-chapter funds should go to the R&D Account. Mr. Flechaus made a motion as outlined by Mr. West, which was seconded by Mr. Raybuck. Motion passed 3-0.

Mr. West proposed that the cash balance be addressed at the next meeting. Mr. Flechaus made a motion as outlined by Mr. West, which was seconded by Mrs. Patterson. Motion passed 3-0.

¹ Vanguard Short-Term Treasury Index Fund Institutional Shares.

**City of Boynton Beach Municipal Firefighters Pension Trust Fund
Minutes – August 02, 2023
Page 3 of 3**

Investment Policy Statement (IPS): Mr. West presented the revised IPS for consideration as a result of HB 3. After review and consideration, Mr. Flechaus made a motion to approve the IPS, which was seconded by Mrs. Patterson. Motion passed 3-0.

In a spirit of transparency, the entire IPS may be viewed at the following link:
<http://bbffp.org/modules/guidelines/index.asp>

Mr. West presented a Senior Direct Lending Review for the Board to consider. Mr. West recommended the Fund invest 6 million dollars. Mr. Raybuck confirmed AndCo's due diligence process. At the conclusion of the presentation, Mr. Flechaus made a motion to retain DeerPath Capital Management & Monroe Capital Advisors for 3 million dollars each². Mr. Raybuck seconded the motion. Motion passed 3-0.

NEW/UNFINISHED BUSINESS

- Chapter 175 – Contract Cities: It was reported this matter was still pending.
- Retiree Banquet: Tabled.
- Recalculation of Benefit or Restatement of DROP Date: Mr. Raybuck stated the city attorney has been replaced, so this matter is pending. Mr. Levinson will contact the new city attorney.
- Bookkeeper Engagement: JKennedy Bookkeeping proposal reviewed. Motion to engage by Mrs. Patterson, seconded by Mr. Raybuck. Motion passed 3-0.

OPEN DISCUSSION:

No open discussion ensued.

ADIJOURN:

Meeting adjourned at 11:09 A.M.

Next next regular meeting is November 01, 2023 at 9:00 A.M.

DocuSigned by:
Jon Raybuck
B01A6891CB414A7...

FOR THE BOARD

DocuSigned by:
Stan Cale
277B2EE143CD454...

² If terms cannot be reach with Deerpath the entire allocation will go to Monroe as per the motion.