MEETING MINUTES
SESSION OF THE FIRE PENSION BOARD
CITY OF KISSIMMEE
CITY HALL, COMMISSION CHAMBERS
101 CHURCH STREET, KISSIMMEE, FLORIDA 34741-5054
TUESDAY, FEBRUARY 7, 2023 AT 10:00 AM

1. MEETING CALLED TO ORDER

Members Present: Board Member Jeffrey Booher, Vice Chairman Dan Garaguso Jr., Board Member Dr. R. LeWayne Johnson, Board Member Reginald Hardee, Chairman John McCommon
Staff Present: Director of Human Resources Roxane Walton, Pension Administrator Linda Gomez
Members Absent: None

John McCommon called the meeting to order at 10:00AM.

1.A <u>ROLL CALL</u>

2. HEAR AUDIENCE

No one was in the audience.

3. FINANCIAL AGENDA

3.A <u>Review of 1st Quarter Financial Report for FY 2023</u>

BCA Burgess Chambers, President, provided a review of the 1st Quarterly Financial Report for FY 2023. No recommendations were made for this quarter.

3.B <u>Approval of FY 2022 Actuarial Valuation Report</u>

Foster & Foster Doug Lozen, Senior Consulting Actuary, provided a review of the FY 2022 Actuarial Valuation Report.

Board Member Booher made a motion to Approve the FY 2022 Actuarial Valuation Report. Board Member Dan Garaguso seconded the motion.

AYE: Board Member Booher, Board Member Garaguso Jr., Board Member Dr. Johnson, Board Member Hardee, Board Member McCommon
NAY: None
Motion to Approve Passed 5 - 0.

Doug recommended an experience study. It is usually done every five years. The last one was done seven years ago.

Board Member Booher made a motion to Approve the recommended experience study, not to exceed $10,000.00 to be presented during the scheduled November meeting. Board Member Dr. Johnson seconded the motion.

AYE: Board Member Booher, Board Member Garaguso Jr., Board Member Dr. Johnson, Board Member Hardee, Board Member McCommon
NAY: None
Motion to Approve Passed 5 - 0.

4. ADMINISTRATIVE AGENDA

4.A <u>Approval of Fire Pension Board Minutes for November 1, 2022</u>

Board Member Dr. Johnson made a motion to Approve the Fire pension minutes for the meeting held on November 1, 2022. Board Member Garaguso Jr. seconded the motion.

AYE: Board Member Booher, Board Member Garaguso Jr., Board Member Dr. Johnson, Board Member Hardee, Board Member McCommon
NAY: None
Motion to Approve Passed 5 - 0.

4.B <u>Approval of 1st Quarterly Retirements, Return of Contributions, and Share Allocation for FY 2023</u>

Board Member Booher made a motion to Approve the 1st Quarterly Retirements, Return of Contributions and Share Allocation for FY 23. Board Member Garaguso Jr. seconded the motion.

AYE: Board Member Booher, Board Member Garaguso Jr., Board Member Dr. Johnson, Board Member Hardee, Board Member McCommon
NAY: None
Motion to 5 - 0.

4.C <u>Approval of 1st Quarter Expenses for FY 2023</u>

Dan Garaguso made a motion to approve the 1st Quarterly Expense Report for FY 2023. Jeff Booher seconded the motion.

AYE: Board Member Booher, Board Member Garaguso Jr., Board Member Dr. Johnson, Board Member Hardee, Board Member McCommon
NAY: None
Motion to 5 - 0.

4.D <u>Approval for 2023 Firefighters' Summary Plan Description</u>

This item was tabled.

4.E <u>Email from retiree Duane Hunter requesting consideration for a cost of living adjustment for the retirees</u>

The Board discussed the request that was made by retiree Duane Hunter for a Cola to the Fire retirees. The ordinance states that the Board shall review the status of retirees and beneficiaries. The city commission shall, every three years, commencing October 1, 2000, review the status of all service retirees, disability retirees, and beneficiaries who are receiving payments from the system for the purpose of considering an ad hoc increase in benefits for all such retirees. In determining the adjustment, if any, the city commission shall consider the actuarial soundness of the system as set forth in the most recent actuarial valuation, the prevailing rate of inflation as reflected in the Consumer Price Index, and the recommendations of the board.

Board Member Dr. Johnson made a motion to approve the two scenarios listed below for the proposed Cola Board Member Booher seconded the motion.

Proposed Scenario 1:
Effective October 1, 2023, a one-time increase in monthly benefits for all retirees and beneficiaries in pay status (including DROP retirees) is equal to 2% for each full year of retirement as of October 1, 2017. The maximum increase is 10%.
Proposed Scenario 2:
Effective October 1, 2023, a one-time increase in monthly benefits for all retirees and beneficiaries in pay status (including DROP retirees) is equal to 2% for each full year of retirement as of October 1, 2022. The maximum increase is 10%.

AYE: Board Member Booher, Board Member Garaguso Jr., Board Member Dr. Johnson, Board Member Hardee, Board Member McCommon
NAY: None
Motion to 5 - 0.

4.F <u>Memo attached for discussion on options to consider the E-Z payment option for the buy-back of credited service and prior military service.</u>

Scott stated that your plan has provisions for buy-backs of credited service for fire and military service. Many of my plans have an option in the plan to allow payments of the buy-back amount to be made by a series of payments, by payroll deduction, instead of in one lump sum. There are several options available to the Board with regard to the period of time to make payments. This would have no cost to the plan.

Dr. Johnson made a motion to have Scott Christiansen prepare an ordinance to provide payroll deduction options for the buyback of prior credited service and prior military service. Dan Garaguso seconded the motion.

AYE: Board Member Booher, Board Member Garaguso Jr., Board Member Dr. Johnson, Board Member Hardee, Board Member McCommon
NAY: None
Motion to 5 - 0.

5. **HEAR THE ATTORNEY** Christiansen & Dehner Scott Christiansen, Pension Attorney, indicated that now that we have approved the FY 2022 Actuarial Valulation Report we should make a motion to declare the expected rate of return.

Board Member Garaguso Jr. made a motion based on the advice from our consultant, BCA, who discussed the total expected annual rate of return for our fund. It is reasonable to expect that for the current year, the next several years, and the long-term thereafter, we shall earn 7.2% net of investment expenses. Seconded by Board Member Dr.Johnson.

Motion to Approve Passed 5 - 0.
AYE: Board Member Booher, Board Member Garaguso Jr., Board Member Dr. Johnson, Board Member Hardee, Board Member McCommon
NAY: None
Motion to 5 - 0.

Scott informed the Board that he has created a new form for those that are term vested and are entitled to a share allocation. The form clarifies that should they request a return of their contributions, they would forfeit their share allocation.

6. **OLD BUSINESS** No old business for discussion.

7. **NEW BUSINESS** No new business for discussion.

8. **ADJOURNMENT**

There being no further business to come before the Fire Board, Chairman John Mc Common adjourned the meeting at 01:56 PM.

Board Chairman John McCommon

ATTEST:

VLS

Board Secretary Dan Garaguso