

**CITY OF NEPTUNE BEACH POLICE OFFICERS' RETIREMENT SYSTEM
BOARD OF TRUSTEES
QUARTERLY MEETING MINUTES
City Hall, Council Chambers
116 First Street, Neptune Beach, FL 32266**

Friday, August 11, 2023, at 1:00 PM

TRUSTEES PRESENT: John Jolly
Dustin Kamppi
Michael Phillips
Leona Sheddan
Joe Dzamko

TRUSTEES ABSENT: None

OTHERS PRESENT: John Thinnis, AndCo Consulting (via video)
Pedro Herrera, Sugarman, Susskind, Braswell & Herrera (via video)
Doug Lozen, Foster & Foster (via phone)
Michelle Rodriguez, Foster & Foster

1. **Call to Order** Dustin Kamppi called the meeting to order at 1:00 PM.
2. **Roll Call** As reflected above.
3. **Public Comments** – None.
4. **Approval of Minutes**

The minutes from the May 19, 2023, quarterly meeting were approved, upon motion by Leona Sheddan and second by Michael Phillips; motion carried 5-0.

5. **Consent Agenda**
 - i. Warrant for ratification
 1. Warrant #86, #87 and #89
 - ii. Warrant for approval
 1. None
 - iii. Fund activity quarterly report
 1. For the period of May 13, 2023 to August 7, 2023

The Consent Agenda was approved as presented, upon motion by John Jolly and second by Leona Sheddan; motion carried 5-0.

6. **New Business**
 - i. FY 2023-2024 Proposed Budget
 1. Michelle Rodriguez reviewed the budget and the actual expenses through June 30, 2023.

The Board voted to approve the FY 2023-2024 proposed budget as presented, upon motion by Leona Sheddan and second by Michael Phillips; motion carried 5-0.

- ii. 2024 Meeting Dates

1. The Board discussed the proposed 2024 meeting dates and agreed by consensus to change the 1st and 2nd quarter meetings to February 5, 2023, and May 17, 2023 respectively.

7. Old Business

i. COLA Study

1. Doug Lozen reviewed the Cost-of-Living Adjustment (COLA) study dated August 3, 2023, and explained the impact on the funding requirement of the City.
2. The Board agreed by consensus for trustee Leona Sheddan to meet with the City Finance Department to discuss.

8. Reports

i. Dana Investment Advisors, Greg Peters, Investment Manager

1. Quarterly Report as of June 30, 2023
 - i. Greg Peters reviewed the market environment over the last quarter and commented the shortest duration bonds outperformed the longest duration bonds, and the lower-rated debt outperformed the highest-rated debt.
 - ii. Greg Peters commented the Federal Reserve was nearing the end of its tightening process and were expected to return to a neutral policy in late 2025. Greg added inflation was returning to normal levels.
 - iii. Greg Peters reviewed the individual holdings of the fund and their returns over the last quarter.

iv. AndCo Consulting, John Thinnis, Investment Consultant

1. Quarterly report as of June 30, 2023
 - i. John Thinnis reviewed the asset allocations and commented they were underweight in the Domestic Fixed Income class.
 - ii. The market value of assets as of June 30, 2023, was \$11,295,685.
 - iii. The asset allocation at the end of quarter was Domestic Equity at 55.00%, International Equity at 10.20% and Domestic Fixed Income at 34.80%.
 - iv. Gross earnings for the quarter for the total fund were 4.14% outperforming the benchmark of 3.68%. The trailing returns for the FYTD, 3, 5, 7 and 10-year periods were 17.12%, 5.71%, 6.23%, 7.12% and 6.91%. Since inception (6/1/2002) returns were 6.54%, outperforming the policy benchmark of 6.26%.
 - v. John Thinnis reviewed the proposed changes in the Investment Policy Statement and commented the bulk of the changes incorporated the changes to House Bill 3.

v. Sugarman & Susskind, Pedro Herrera, Attorney

1. Environmental, Social and Governance (ESG) Legislation
 - i. Pedro Herrera reviewed the history of the legislation and commented it became effective on July 1, 2023. Pedro advised the Board a compliance report must be filed by December 15, 2023, and then every other year thereafter, however the State had not yet issued guidance on their reporting requirements.
 - ii. Pedro Herrera commented the Investment Policy Statement should be updated to include language from this legislation.

The Board voted to approve the updated Investment Policy Statement as presented, upon motion by Michael Phillips and second by Leona Sheddan; motion carried 5-0.

2. Financial Disclosure Forms

- i. Pedro Herrera reminded the Board to submit their financial disclosure forms as soon as possible if they had not done so already.

9. Staff Reports, Discussion, and Action

- i. Foster & Foster, Michelle Rodriguez, Plan Administrator
 - 1. State Annual Report update
 - i. Michelle Rodriguez advised the Board the 2021 Annual Report was approved by the State on August 9, 2023, and she had contacted the State to see if they were going to release the \$70,420.91 in premium tax money. Michelle commented the 2022 Annual Report cannot be submitted until the FY 2022 audit is complete.
 - 2. Educational opportunities
 - i. Michelle Rodriguez reviewed upcoming educational opportunities available to the Board.
 - ii. Michelle Rodriguez commented the 52nd Annual Police Officers' and Firefighters' Pension Conference would be held September 26-29, 2023, in Orlando, Florida.
 - iii. Michelle Rodriguez commented the FPPTA Fall Trustee School would be held October 1-4, 2023, in Ponte Vedra, Florida.

10. Trustee Reports, Discussion, and Action – None.

11. Adjournment The meeting adjourned at 2:24 PM.

12. Next Meeting November 6, 2023, quarterly meeting at 1:30 PM.

Respectfully submitted by:

Approved by:

Michelle Rodriguez, Plan Administrator

Dustin Kampfi, Chair

Date Approved by the Pension Board: _____