



City of Sanibel

800 Dunlop Road
Sanibel, FL 33957

Meeting Minutes - Draft Municipal Police Officers' Retirement Trust Fund

Wednesday, February 12, 2025

1:00 PM

MacKenzie Hall - 800 Dunlop Road

1. Call to Order

The meeting convened at 1:04 P.M.

2. Pledge of Allegiance

3. Roll Call

Present: 5 - Board Member Donald McDonald, Chairperson Craig Holston, Board Member Christofer Chiappy, Board Member Matt Casola, and Secretary Jeffery Lemma

a. Motion to excuse absent Trustee(s):

All members were in attendance at this time.

4. New Trustee

a. Jeffery Lemma

Mr. Lemma gave a brief introduction of himself and detailed his professional history for the group. He concluded by thanking City Council for his appointment.

5. Election of Chair and Secretary (Continued from November 2024)

Trustee McDonald nominated Trustee Holsten for the position of Chair. Mr. Holsten accepted the nomination for Chair.

Discussion ensued regarding whether the officers are available for the position of Secretary. Mr. Chaipel spoke the role and noted the Secretary would be responsible for signing invoices should the Chair not be available.

Trustee Casola nominated Trustee Chiappy. Trustee Chiappy accepted the nomination.

Trustee McDonald moved, seconded by Trustee Lemma to approve Craig Holsten as Board Chair and Officer Chiappy as Board Secretary. The motion carried.

6. Approval of the Meeting Minutes

a. Meeting Minutes

b. Meeting Minutes

Trustee McDonald moved, seconded by Trustee Lemma to adopt the August 14th meeting minutes and the November 13th meeting minutes. The motion carried.

7. Consultant's Report

e. Presentation by Foster & Foster

The City's actuary, Ms. Sara Carlson from Foster and Foster provided a brief background of her work with the City in light of the new membership. She continued in her report detailing the smoothing of the portfolio, how that disperses large fluctuation over a 5 year period, from an actuarial standpoint; returns being 7.16% just under the 7.5% projected. Although there was favorability shown on the liabilities side which will be later reported. Looking at contribution requirements, considering the 8% contribution provided by officers on the plan this brings the City and State contribution to 81.57%. Premium Tax revenues being pulled from either Homeowners insurance or auto Insurance to cover municipal pension. Estimating the City requirements to 75.47%. Reported that State contributions increased last year, increased 2.2% year over year.

Ms. Carlson reported on the numbers related to participants and members related to the drop program. Comparing payroll to contribution rates, market value of assets showing what is actually in the fund, determining unfunded liability and contribution requirements being done with the smoothing factor. Recognizing either large gains or losses over a 5 year period. Expects to see actuarial gains on the investment side due to meeting or exceeding the 7.5% projected. Funded ratio being unfunded liability vs. assists showing on page 11. She spoke to assumptions being lower due to loss in contributions and lower staffing numbers from last year. Ms. Carlson wrapped up her report regarding mortality rates, how they have increased, living slightly longer, and expects minimal impacts to liabilities.

Board Secretary Chiappy moved, seconded by Trustee McDonald to approve the report provided by Foster & Foster. The motion carried.

a. Presentation by Burgess Chambers & Associates, Inc.

The board's investment advisor, Mr. Burgess Chambers from Burgess Chambers and Associates detailed his tenure with the group for the new member and further detailed his role in working with the plan. He gave a brief overview of the portfolio, and spoke to previous work done with Centennial Bank and the challenges the bank had in

working with the board related to signatures and approvals. Mr. Chambers continued his reporting on indexes, bonds and international markets.

Discussion ensued regarding the international equities and overall exposure to the European market.

Mr. Chambers then spoke to the intermediate bond portfolio, money market funds, and high yield funds within his report.

Discussion ensued regarding the spread duration and checking figures against that of the interest duration, as well as yields related to bond funds.

b. Discussion and direction on update to Investment Policy Statement

Discussion ensued regarding the action from the last meeting. Staff noted if a new draft policy was presented, it was not able to be voted on due to the lack of quorum. Staff spoke in regards to there being two investment policies, one for the City and one from Burgess Chambers and Associates. Staff and Mr. Chambers spoke to reviewing and potentially bringing back at a subsequent meeting if necessary.

Discussion ensued regarding adding reporting to Chambers report when moving monies and summarizing the previous actions by the board, adding Centennial Bank moving to Vanguard to the report. Mr. Chaipel spoke to working with the clerk for the inclusion of this information.

Trustee McDonald moved, seconded by Secretary Chiappy to approve the Quarterly Reports. The motion carried.

c. VOYA Investment Management Quarterly Report

d. SSI Investment Management Quarterly Report

8. Reports

a. Attorney

Attorney Levine spoke to a change regarding the firms retainer agreement, charging an hourly rate for disability applications for review, the rate being \$350 an hour, not effecting retainer fees of the plan.

Secretary Chiappy moved, seconded by Chair Holsten to approve the new Attorney fee for Disability application review, and not further altering the retainer fees associated with the agreement. The motion carried.

b. Chair

Chair Holsten inquired about the reduction of the staffing, Ms. Carlson spoke to how important smoothing is in this aspect of the plan. She further spoke to attempting to smooth back in 2023 when the overtime for Hurricanes was realized. Attempting to remove non-recurring expenses.

Deputy City Manger/CFO Chaipel spoke to the plan and it's reports being audited through the City's Annual audit with the CliftonLarsonAllen Firm and further expects to present at the May meeting the results of that audit.

9. Public Comment

No comments provided at this time.

10. Next Meeting Date

- a. May 14, 2025

11. Adjournment

There being no further business, the meeting adjourned at 2:05 P.M.