

Police Officers' Retirement Fund

Shawn Thompson, Chairman

Pat Bradley, Secretary

Bryan Ball, Trustee

Stephanie Taylor, Trustee

Rodney Randle, Trustee

MINUTES OF MEETING POLICE PENSION BOARD APRIL 12, 2023

The trustees of the Police Pension Plan met this date.

Members Present:

Shawn Thompson

Pat Bradley

Stephanie Taylor

Rodney Randle

Members Absent:

Bryan Ball

Others Present:

Robyn Tice, Assistant City Clerk

Tyler Grumbles, AndCo Consulting (attend by Teams)

Chris Johnston, Digital Media Specialist

Gary Leuchtman, Pension Attorney

Lauren Pride, Pension Attorney

Joe Griffin, Foster and Foster

Michelle Madril, Payroll & Retirement Manager

The meeting was called to order by Chairman Thompson at 9:02 a.m. Chairman Thompson stated there was a quorum present.

Robyn Tice, Assistant City Clerk, was in attendance and swore in Rodney Randle and Stephanie Taylor.

Mr. Bradley made a motion to approve the minutes of the February 8, 2023 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, 2022. He stated that the City's contribution for Fiscal Year 2024 will be \$3,407,553 which is an increase of \$206,316.00 from the current year. Mr. Griffin noted that the City has access to the Contribution Surplus Account Balance of \$1,063,956.18 to offset in whole or part such an increase in funding. The total unfunded liability is \$21,312,115 as of October 1, 2022. The market value of assets has decreased by \$24,536,125 to \$109,616,680 while the liabilities (future benefits) increased by \$3,988,070 to \$144,239,952. The Funded Ratio is now 85.2%. Mr. Griffin did not recommend any changes at this point.

After some discussion, Ms. Taylor moved that the Police Pension Board accept the actuarial report. Mr. Randle seconded the motion and it passed unanimously.

After discussion, Tyler Grumbles with AndCo Consulting made a recommendation to accept the 7.125% assumption rate of return for the current year and for the long term.

Ms. Taylor made a motion to accept the 7.125% assumption rate of return for the current year and for the long term and to write a letter to the State confirming the Police Pension Board's decision. Mr. Bradley seconded the motion and it passed unanimously.

Mr. Grumbles noted that AndCo Consulting has now put DePrince, Race & Zollo on watch due to personnel changes including losing the lead PM.

Mr. Grumbles also discussed Silicon Valley Bank failure. He stated that the Police Pension Board had no exposure to that failure. He did note that Credit Suisse was absorbed by UBS. During this absorption, all of Credit Suisse's AT1 bonds were wiped out. PIMCO Diversified did have 0.29% exposure in its portfolio of these bonds. Mr. Grumbles did review their performance for the past quarter and their performance was still above average. He does not feel that these bonds had a huge negative impact on PIMCO's performance.

Mr. Gary Leuchtman mentioned that in the FIGS security litigation, the period of the losses has increased. This increased the amount recoverable by the Police Pension Board to a total of \$201,000. Chairman Thompson has already signed the amended complaint and affidavit necessary for this change.

Mr. Randle made a motion to approve the following invoices:

- Leuchtman Law in the amount of \$5,891.75
- AndCo Consulting, LLC in the amount of \$10,000.00

Mr. Bradley seconded the motion and it passed unanimously.

Mr. Bradley made a motion to approve the City of Pensacola Municipal Police Officers' Pension Plan – Investment Policy Statement. Mr. Randle seconded the motion and it passed unanimously.

Chairman Thompson noted the following information items:

- Correspondence from DePrince, Race & Zollo, Inc.
- Email from DePrince, Race & Zollo, Inc.
- Correspondence – Reappointment of Stephanie Taylor
- Correspondence – Reappointment of Bryan Ball

There being no further business to come before the Board, the meeting was adjourned at 9:42 a.m.


Amy Lovoy
Fund Administrator