

**CITY OF DAYTONA BEACH POLICE AND FIRE PENSION FUND
PENSION BOARD OF TRUSTEES QUARTERLY MEETING**

City Hall Conference Room 149
301 S. Ridgewood Ave, Daytona Beach, FL 32115
Tuesday, September 17, 2024, 10:30AM

TRUSTEES PRESENT: Erin Masters
Michael Rowley
Gregg Gurdak (via Zoom)
Jay Maher
Brenda Fischer

TRUSTEES ABSENT: None.

OTHERS PRESENT: Ferrell Jenne, Foster & Foster
Pedro Herrera, Sugarman, Susskind, Braswell, & Herrera
(via Zoom)
Steven Cottle, Segal Marco
Bill Cottle, Segal Marco (via Zoom)
Steven Taft, Plan Member
Paul Rosi, Disability Applicant
Fraser Thomson, Baillie Gifford
Inez Garcia, Salem Trust
Morgan Holzaepfel, Adams Street (via Zoom)
Kristina Milberg, Adams Street
Eric Wilcomes, Taurus
Kevin Campbell, Taurus
Steven Cottle, Segal Marco
Members of the public

- 1) **Call to Order/Roll Call/Determination of a Quorum**
 - a) The meeting was called to order at 10:30AM by Ferrell Jenne.
- 2) **Public Comments**
 - a) Steven Taft requested permission for the Board's actuary to run some cost studies regarding the pension cap and multiplier. Steve confirmed the Union would pay the cost of all studies.

The Board voted to authorize the Union to work with the Board actuary to perform various cost studies with all costs to be paid by the requestor, upon motion by Michael Rowley and second by Erin Masters; motion carried 4-0.

- 3) **Approval of Minutes**
 - a) June 18, 2024, quarterly meeting minutes

The June 18, 2024, quarterly meeting minutes were approved as presented, upon motion by Michael Rowley and second by Brenda Fischer; motion carried 4-0.

- 4) **New Business**
 - a) 2025 Meeting Dates
 - i) Ferrell Jenne presented the 2025 meeting dates. By consensus, the board approved the meeting dates as presented.
 - b) Proposed 2024-2025 budget

- i) Ferrell Jenne reviewed the requirement to set an administrative budget for the upcoming fiscal year. Ferrell reminded the board they are mandated to spend the funds allocated to each expenditure type.

The Board voted to approve the 2024-2025 budget as presented upon motion by Michael Rowley and second by Erin Masters; motion carried 4-0.

5) Reports (Attorney/Consultants)

- a. Salem Trust, Inez Garcia, Board Custodian
 - i. Update on Salem Trust
 - 1. Inez Garcia introduced herself and thanked the Board for their business. Inez stated they would be rolling out the retiree pensioner portal in the next few weeks. Inez reminded the Board there was no cost for this service and would allow retirees electronic access to their deposit statements, 1099s, and the ability to update their address and withholding information.
 - 2. Inez Garcia stated Mark Rhein would be retiring, but they had a new CEO that would attend a future meeting.
- b. Baillie Gifford, Fraser Thomson, Investment Manager
 - i. Quarterly report as of June 30, 2024
 - 1. Fraser Thomson reviewed the US equities team and the current portfolio holdings. Fraser reviewed their exposure to important future trends.
- c. Adams Street, Kristina Milberg/ Morgan Holzaepfel, Investment Manager
 - i. Quarterly report as of June 30, 2024
 - 1. Kristina Milberg reviewed the 2024 global private equity program, its highlights, target allocations, and geographic exposure.
 - 2. Kristina Milberg stated the plan had a total commitment of \$20M to the ASP 2018 and 2022 Global funds. Kristina stated the plan had an added value of 5% as of March 31, 2024.
 - 3. Kristina Milberg reviewed the portfolio construction of each program. Kristina stated the 2025 fund would be open in October and the close date was January 31, 2025. Kristina stated there was a 5% management discount fee to be in the first close.
 - 4. Morgan Holzaepfel reviewed the key themes in health care and their portfolio model.
 - 5. Kristina Milberg reviewed the investment commitments by vintage year.
- d. Taurus, Eric Wilcomes/ Kevin Campbell, Investment Manager
 - i. Quarterly report as of June 30, 2024
 - 1. Kevin Campbell thanked the Board for their business and gave an overview of team, fund, and investments.
 - 2. Eric Wilcomes reviewed the investment team's experience and stated the same team would be investing assets for Fund III.

3. Kevin Campbell reviewed the portfolio construction with 85% of invested capital going into primary fund commitments and 15% going into co-investments and secondaries. Kevin confirmed all investments were with the U.S.
 4. Eric Wilcomes reviewed the fundraising for Fund III and stated there was a first close discount of approximately 10% and the target fund size was \$225M. Kevin Campbell stated they do 5 investments a year on average and they reviewed their due diligence process.
 5. Kevin Campbell reviewed Fund I and Fund II and their associated investment timing and associated returns.
- e. Segal Marco, Steven Cottle/Bill Cottle, Investment Manager
- i. Quarterly report as of June 30, 2024
 1. Steven Cottle stated they recommend keeping the PE program going with committing \$10M to Adams Street Fund 2025 and Taurus Fund III. Steven reviewed the current private equity portfolio and the funds inside the portfolio. Steven reviewed the closing dates for the two new funds, stating the Adams Street documents would need to be returned by the end of the year and the Taurus document by the end of Q1 2025.

The Board authorized a \$10M commitment to Adams Street Fund 2025 and \$10M to the Taurus Fund III, upon motion by Michael Rowley and second by Erin Masters; motion carried 4-0.

2. Steven Cottle reviewed the June 30, 2024, quarterly report. Steven reviewed the current asset allocations and stated there was an overweight to the real estate portfolio, but reminded the Board they were in the redemption queue and it would take 1-2 years for capital to be returned.
 3. The market value of assets (MVA) as of June 30, 2024, was \$215,079,216.
 4. The total fund gross earnings for the quarter were 0.6%, underperforming the policy benchmark of 1.2%. The 1, 3, 5, and 7-year trailing total fund gross returns were 6.5%, -0.9%, 6.0% and 6.6%, compared to the respective benchmarks of 11.0%, 2.3%, 7.0%, and 7.0%. Since inception (10/01/1997) total fund gross returns were 6.4%, slightly underperforming the policy benchmark of 6.7%. Steven Cottle reminded the Board the returns were preliminary, as they were still waiting on some of the returns from the alternative managers.
 5. The market value of assets from August 31, 2024, Flash report, was \$222,844. Fiscal Year-to-Date total fund returns were 14.5%. Steven Cottle reviewed the recent portfolio changes.
- ii. Core Infrastructure manager analysis
1. Steven Cottle reviewed the core infrastructure manager search and reminded this was being looked at, as the

- plan moves out of real estate. Steven identified four candidates, IFM, Brookfield, Blackstone, and Stonepeak. Steven stated he would like to narrow it down to two managers and then bring them into the next quarterly meeting for an interview.
2. Steven Cottle reviewed the attributes, fund details, strategy, and performance of each of the candidates. Steven stated he liked Brookfield and Blackstone. The Board discussed the four candidates. By consensus, the Board requested Brookfield and Blackstone attend the next meeting for an interview.
- f. Sugarman, Suskind, Braswell & Herrera, Pedro Herrera, Board Attorney (via Zoom)
- i. Legal update
 1. Pedro Herrera stated there were no pre-filed bills that would impact pension plans.

Board took a recess from 11:55am-12:05pm.

iii. **Old Business**

- a. Disability continuance hearing-Paul Rosi
- i. Pedro Herrera reminded the Board this was a continuance of the informal hearing. Pedro stated the Board requested Paul Rosi went to two additional Independent Medical Examination (IME) appointments with a cardiologist and a psychiatric examination. Pedro stated the Board would need to decide to grant, deny, or table a decision, if the Board determines additional information was needed in order to make a decision.
 - ii. Paul Rosi confirmed he would like to proceed with the hearing, with four voting trustees present.
 - iii. Pedro Herrera reminded the Board the burden of proof was on the applicant and it was a preponderance of the evidence. Pedro stated the disability must be total, permanent, and the Board would need to make the determination if it occurred In Line of Duty (ILOD) or non ILOD.
 - iv. The Board discussed the two IMEs and the conflicting results of each. Paul Rosi confirmed the propranolol was the only drug that had helped with his symptoms. Paul discussed his history of trying different medications prior to the propranolol.
 - v. Pedro Herrera reviewed the NFPA guidance on beta blockers. Paul Rosi stated both fire chiefs told him he could not return to work while taking the beta blocker. Paul commented if he could stop taking the beta blocker, not have symptoms, and be able to return to work, he would do so.
 - vi. Pedro Herrera further explained a preponderous of evidence, stating that if the Board was 51% in one direction, the Board could grant or deny the disability.

The Board approved an ILOD disability for Paul Rosi, upon motion by Michael Rowley and second by Erin Masters; motion carried 4-0.

- vii. Pedro Herrera reminded Paul Rosi if he was awarded a workers compensation benefit, there could be an offset for the disability benefit. Pedro reminded Paul there would be a

disability affidavit that would go out to him, which provides evidence that he was still eligible to receive the disability benefit. Pedro confirmed the disability benefit was effective as of September 17, 2024.

- iv. **Consent Agenda**
 - a. Payment ratification
 - i. Warrants #117, # 118, #119, #120, #121, #122, #123, #124, #125, #126, #127
 - b. New invoices for payment approval
 - i. None
 - c. Fund activity report January 31, 2024- September 10, 2024

The consent agenda was approved as presented, upon motion by Brenda Fischer and second by Michael Rowley, motion carried 4-0.

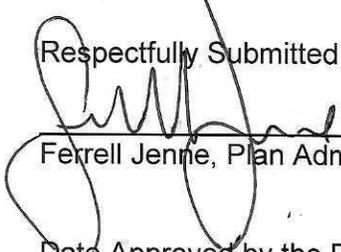
- v. **Staff Reports**
 - a. Foster & Foster, Ferrell Jenne, Plan Administrator
 - i. Update on State Money
 - 1. Ferrell Jenne reviewed the State Money and commented the plan received approximately \$232,000 more than the prior year. Ferrell reminded the Board the City could use these funds to offset their funding requirements.
 - ii. Educational opportunities
 - 1. FPPTA Fall Trustee School, September 22-25, 2024, Bonnet Creek, FL
 - 2. Segal Marco Client Conference, October 24-26, 2024, St. Pete, FL.
 - 3. Division of Retirement 53rd Annual Conference, November 13-15, 2024, Daytona Beach Shores, FL.
 - 4. Taurus Private Markets 2024 Investor Meeting, December 10-11, 2024, Boca Raton, FL.
 - a. Ferrell Jenne reviewed the upcoming educational opportunities.

vi. **Trustee Reports, Discussion, and Action** – None.

vii. **Adjournment** - The meeting adjourned at 12:33PM.

viii. **Next Meeting** –January 31, 2025, at 10:30AM, Quarterly Meeting

Respectfully Submitted By:



Ferrell Jenne, Plan Administrator

Approved By:



Jay Maher, Chairman

Date Approved by the Pension Board: _____

1/31/2025