



**AGENDA
SPECIAL MEETING
CITY OF FERNANDINA BEACH
BOARD OF TRUSTEES
GENERAL EMPLOYEES' PENSION PLAN
JUNE 17, 2021
2:30 PM
CITY HALL COMMISSION CHAMBERS
204 ASH STREET
FERNANDINA BEACH, FL 32034**

- 1. CALL MEETING TO ORDER**
- 2. ROLL CALL**
- 3. APPROVAL OF MINUTES**
 - 3.1 FEBRUARY 11, 2021 REGULAR MEETING
- 4. APPROVAL OF INVOICES ALREADY PAID AS PER AGREEMENT OR CONTRACT**
 - 4.1 ANDCO CONSULTING, LLC INV. #37629 -- \$5,250.00
 - 4.2 SUGARMAN AND SUSSKIND INV. #155603 -- \$680.00
 - 4.3 SUGARMAN AND SUSSKIND INV. #157189 -- \$1,020.00
 - 4.4 HIGHLAND CAPITAL MANAGEMENT, LLC INV. #27489 -- \$6,222.69
 - 4.5 AGINCOURT CAPITAL MANAGEMENT, LLC INV. #14033 -- \$3,029.59
 - 4.6 FIDUCIARY TRUST INTERNATIONAL QUARTERLY FEES -- \$3,403.92
 - 4.7 AMERICAN CORE REALTY QUARTERLY FEES -- \$6,556.80
- 5. REQUEST FOR CONTRIBUTION REFUNDS**
 - 5.1 FRANK WALDEN -- \$5,076.59
 - 5.2 CHRISTOPHER BEDFORD -- \$12,726.79
 - 5.3 ALAN WELLS -- \$2,853.81
- 6. OLD BUSINESS**
- 7. REQUESTS FROM THE PUBLIC TO BE HEARD ON ITEMS NOT ON THE AGENDA**

8. OTHER BOARD DISCUSSION

9. ADJOURNMENT

All members of the public are invited to be present and be heard. Persons with disabilities requiring accommodations in order to participate in this program or activity should contact the City Clerk at (904) 310-3115 or TTY/TDD 711 (for the hearing or speech impaired).

The Board of Trustees of the General Employees' Pension Plan met on Thursday, February 11, 2021 at 3:00 pm in the City Commission Chambers in City Hall. Members present were: Susan Carless, Steven Gibb and Chair Jeremiah Glisson. Member Andre Desilet participated via Zoom.

4. APPROVAL OF MINUTES: The Minutes of the November 12, 2020 Regular Meeting were presented for approval. **A motion was made by Member Gibb, seconded by Member Carless, to approve the Minutes. Vote upon passage of the motion was taken by ayes and nays and being all ayes, carried.**

5. QUARTERLY/ANNUAL REPORTS:

5.1. ACTUARIAL VALUATION PRESENTATION BY FOSTER AND FOSTER FOR FISCAL YEAR ENDING SEPTEMBER 30, 2020: Mr. Doug Lozen explained to the board that as the actuary it was his job to go over the report which establishes the assumptions used for funding the plan and for the City's budgeting purposes. He referred the board to page 5 of the report and explained that the funding requirement for the City is a required contribution of the percentage of payroll and that he always shows the same two columns on page 5 and updates the dates. He explained that the column on the right was approved by the board at the November 2019 meeting which is for the current fiscal year. This gives the City a year and a half to budget which is why you see 9/30/2021, which is for the current fiscal year for funding. The City's requirement is at 21.54% of payroll. He explained that you take all the active members in the plan except for DROP retirees, approximately 120 employees, who are contributing their 6.5% each pay period, they take the pay they are taking the 6.5% on and tell the City to put in 21.54%. He stated that in the last fiscal year the City put in 1.5 million dollars. The goal of those deposits is to make sure that over time, as members work through a career, retire, and start drawing checks, and are replaced by younger employees, these contributions keep the plan sufficient so it can be kept running in perpetuity. This exercise must be done once a year because assumptions are always different than reality. The current funding year is 21.04% and once the report is approved this will become the City's funding requirement, with very little change from the previous year. There is a slight reduction due to the increase in payroll because there are more members in the plan and everyone got a raise. When you increase payroll more than is expected the payment for things that have happened in the past, the unfunded liability, is a fixed dollar amount. If this is expressed as a percentage of a bigger payroll the percentage goes down. He referred the board to page 7 which shows no plan changes and one assumption change, which was life expectancy, or the mortality rate. The mortality table is linked by law to the Florida Retirement System, and they adopted a new mortality assumption in July 2019 so we must adopt the new assumption. He stated he believes it is more realistic based on a study of public sector plans such as ours rather than the general population. He referred to the chart on page 18 which shows the funding status increase over the years and indicates that the pension plan is operating as it should. He stated that the funding status in 2011 was 57% and that since then, with contributions and investment income, it has grown every single year since that time and is now very close to 80%. He referred to page 33 which shows the assets. The fair market value of assets in 2004 started at 10 million and 16 years later the value is over 23 million, an addition of almost 14 million. **A motion was made by Member Desilet, seconded by Member Gibb, to approve the actuarial valuation report as presented. Vote upon passage of the motion was taken by ayes and nays and being all ayes, carried.** Mr. Lozen requested that the board invite him back to the May meeting to update the experience study and look at all of the assumptions, especially the investment return assumption. He informed the board that the current 7.75% return assumption has been in place since 10/1/2016 and the rest of the state is around 7%. **A motion was made by Member Gibb, seconded by Member Glisson, to authorize Foster & Foster to conduct the experience study and present the results at the May pension meeting. Vote upon passage of the motion was taken by ayes and nays and being all ayes, carried.** He informed the board that they must declare a rate of return today, which is an annual exercise and a letter which goes to the state. He suggested using the same number as the last couple of years, which is 7.75%. **A motion was made by**

Member Gibb, seconded by Member Carless, to declare the rate of return at 7.75%. Vote upon passage of the motion was taken by ayes and nays and being all ayes, carried.

5.2. ANDCO CONSULTING QUARTERLY PERFORMANCE EVALUATION REPORT FOR QUARTER ENDING DECEMBER 31, 2020: Mr. John Thinnies referred to page one of the Investment Performance Review report, which is the annual letter from the owner, Mike Welker, thanking the board for allowing them the opportunity to serve. He directed the board to page 4 and 5 and explained that the market was positive, and the big story is in the chart on the bottom right of page 5 which shows the tech companies (red bars) essentially driving the market over the entirety of the year during the pandemic and with the vaccine news during the fourth quarter you can finally see for the first time in a long time sectors other than tech companies (blue bars) starting to outperform. He referred back to the chart on page 4, the light blue bars, Russell MidCap and Russell 2000, smaller companies and mid cap companies, and they outperformed for the first time in a while. He referred the board to page 11, interest rates, the fed intends to keep interest rates low for a while at least until effective distribution of the vaccine, which is one reason to lower the rate of return. Page 13 shows the market value at \$25.9 million to end the year and as of this morning the value was at \$27.2 million, which is approximately 4.5% higher halfway through this quarter. Page 20 shows the returns with the fund up just under 11% for the quarter, a very strong start for the fiscal year. He had a few notes on the managers on page 21, value did better than growth and you can see that with the returns for Highland Core Value, who returned 15.9% and the growth managers were in the high single digits. The best performing manager is Vanguard S&P Mid-Cap 400, as small and mid-cap companies outperformed, and they were up over 24% which drove our outperformance versus the benchmark and peers. On the international side, Europacific Growth had a great year, outperforming by 14%. He reported that they are watching Transamerica but they are in line with the benchmark and they are a value manager as well. He stated that over the long term Europacific Growth and Transamerica blend very well. Agincourt had a good year, as reflected on page 22, and were in line with the benchmark. With rates at zero there was not a lot of money to be made in fixed income right now. American Realty has faced a challenging year with so many people losing their jobs or not going to the office, but this quarter is back to what we expect from them, which is 1 ½% to 2% a quarter.

6. REPORT FROM ATTORNEY PEDRO HERRERA: Attorney Pedro Herrera joined the meeting remotely and shared with the board a new statute regarding E-Verify, which was enacted by the legislature last session and was signed by the governor July 1 and technically would become effective for any contract entered into by the pension fund after January 1, 2021. E-Verify is a database that would cross reference a number of other federal databases such as social security, Medicare, Medicaid, INS or Homeland Security and would verify the individual's work status here in the United States. It verifies that an individual is legally permitted to work here in the United States. He advised the board that the statute is written in very broad terms and under the definition of a public employer our pension plan would qualify. In order to comply he requested that a letter be sent to all service providers essentially advising them of the new statute and requiring that they acknowledge compliance therewith. Going forward with any contract for anyone that is hired, language will be included verifying the acknowledgement of the statute and compliance therewith. The statute requires that the parties to an agreement, one of them being a public employer, in this case the pension fund, and the other engaging party both must acknowledge or verify that they are compliant with E-Verify. If one party does not, they would be considered in default of the agreement and therefore the agreement could be voided.

He referenced the updated Summary Plan Description which was sent late yesterday and the trustees received this morning. He stated that there were a couple of minor tweaks and he had updated the trustee names if the board felt comfortable adopting today or it could be tabled to the next meeting. Action would be taken on this under item 10.1 under Old Business.

7. APPROVAL OF INVOICES ALREADY PAID AS PER AGREEMENT OR CONTRACT:
The following invoices were on the agenda for consideration:

7.1	ANDCO CONSULTING, LLC INV. #36759	\$ 7,875.00
7.2.	SUGARMAN & SUSSKIND INV. #154711	\$ 765.00
7.4.	HIGHLAND CAPITAL MANAGEMENT, LLC INV. #26843	\$ 5,463.04
7.5.	AGINCOURT CAPITAL MANAGEMENT, LLC INV. #13618	\$ 3,951.84
7.6.	FIDUCIARY TRUST INTERNATIONAL QUARTERLY FEES	\$ 3,242.08
7.7.	AMERICAN CORE REALTY QUARTERLY FEES	\$ 6,454.47
7.8	FOSTER & FOSTER INV. #18913	\$19,677.00

A motion was made by Member Gibb, seconded by Member Carless, to approve the invoices already paid as per agreement or contract. Vote upon passage of the motion was taken by ayes and nays and being all ayes, carried.

8. REQUEST FOR CONTRIBUTION REFUNDS: According to the agenda support documents, the following individuals requested contribution refunds: Ms. Jodi Almela-Pitcherale in the amount of \$7,807.54 and Ms. Cortney Gray in the amount of \$2,862.00. A motion was made by Member Gibb, seconded by Member Carless, to approve the contribution refund requests. Vote upon passage of the motion was taken by ayes and nays and being all ayes, carried.

9. REQUEST FOR RETIREMENT APPROVAL: According to the agenda support documents, the following individuals requested approval of retirement. Mr. Lawrence "Larry" Pratt retirement commencing December 31, 2020. A motion was made by Member Gibb, seconded by Member Carless, to approve the retirement request. Vote upon passage of the motion was taken by ayes and nays and being all ayes, carried.

10. OLD BUSINESS:

10.1 SUMMARY PLAN DESCRIPTION UPDATE: This was discussed under the Report from Board Attorney. A motion was made by Member Carless, seconded by Member Gibb, to approve the Summary Plan Description update. Vote upon passage of the motion was taken by ayes and nays and being all ayes, carried.

11. NEW BUSINESS: There were no items for discussion under New Business.

12. REQUESTS FROM THE PUBLIC TO BE HEARD ON ITEMS NOT ON THE AGENDA: There were no requests to be heard at this time.

13. OTHER BOARD DISCUSSION: There was discussion regarding the process of filling the vacancy left by the resignation of Chair Steve Herbert and it was noted that his resignation letter had been submitted to the Clerk's office and the vacancy has been advertised. It was also noted that the trustee must reside within the City limits. Ms. Bryan reminded the board that they would need to elect a chair as Mr. Herbert had resigned from the board. A motion was made by Member Gibb, seconded by Member Carless, to nominate Jeremiah Glisson as Chair. Vote upon passage of the motion was taken by ayes and nays and being all ayes, carried. A motion was made by Member Carless, seconded by Member Glisson, to nominate Steven Gibb as Secretary. Vote upon passage of the motion was taken by ayes and nays and being all ayes, carried.

14. ADJOURNMENT: There being no further business to come before the Board of Trustees of the General Employees' Pension Plan the meeting was adjourned.

[illegible]

[illegible]

SUGARMAN & SUSSKIND

PROFESSIONAL ASSOCIATION
ATTORNEYS AT LAW

Robert A. Sugarman
Howard S. Susskind
Kenneth R. Harrison, Sr.
D. Marcus Braswell, Jr.
Pedro A. Herrera
David E. Robinson

100 Miracle Mile
Suite 300
Coral Gables, Florida 33134
(305) 529-2801
Broward 763-2566
Toll Free 1-800-329-2122
Facsimile (305) 447-8115

March 15, 2021

Fernandina Beach General Employees' Pension Plan
Attn: Ms. Teresa Bryan
204 Ash Street
Fernandina Beach, FL 32034

CURRENT FEES:	1,020.00
CURRENT COSTS:	0.00
PREVIOUS BALANCE:	680.00
PAYMENTS RECEIVED:	680.00-#101000694635611

TOTAL AMOUNT DUE:	1,020.00

SUGARMAN & SUSSKIND

100 Miracle Mile
Suite 300
Coral Gables, Florida 33134
Telephone: 305-529-2801
Fax: 305-447-8115
www.sugarmansusskind.com

Fernandina Beach General Employees' Pension Plan
Attn: Ms. Teresa Bryan
204 Ash Street
Fernandina Beach, FL 32034

March 15, 2021
Invoice # 157189

Client:Matter CD-FBGE:MEET

In Reference To: Meeting

Professional Services

	<u>Hrs/Rate</u>	<u>Amount</u>
2/11/2021 Attend meeting. Prepare for meeting.	1.20 \$425.00/hr	\$510.00
For professional services rendered	1.20	\$510.00
Balance due		<u>\$510.00</u>

Client:Matter CD-FBGE:MISC

In Reference To: Miscellaneous

	<u>Amount</u>
Previous balance	\$680.00
3/3/2021 Payment - Thank You Trace #101000694635611	(\$680.00)
Total payments and adjustments	<u>(\$680.00)</u>
Balance due	<u>\$0.00</u>

Client:Matter CD-FBGE:RSPD

In Reference To: Summary Plan Description

Professional Services

	<u>Hrs/Rate</u>	<u>Amount</u>
2/10/2021 Review and edit SPD.	1.20 \$425.00/hr	\$510.00
For professional services rendered	1.20	\$510.00
Balance due		<u>\$510.00</u>



April 2, 2021

Invoice Number: 27489

MANAGEMENT FEE:

FERNANDINA BEACH GENERAL EMPLOYEES VALUE

3/31/2021 Portfolio Value:	\$ 4,978,151.96
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Quarterly Fee Based On:

\$ 4,978,152 @ 0.50% per annum	\$ 6,222.69
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\$ 0 @ 0.375% per annum	\$ 0.00
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Quarterly Fee:	<u>\$ 6,222.69</u>
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For the Period 1/1/2021 through 3/31/2021

Paid by Debit Direct	(\$ 0.00)
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Please Remit	<u>\$ 6,222.69</u>
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Mailing Check:

Wiring Instructions:

Highland Capital Management, LLC

Contact: srunyan@highlandcap.com

6075 Poplar Ave, Suite 703

Memphis, TN 38119

*****Note new checking account number*****

4/12/2021



INVOICE

#14033

INVOICE FOR PAYMENT

Ms. Teresa Bryan

City of Fernandina Beach General Employees' Pension Plan
204 Ash Street
Fernandina Beach, FL 32034

COPY SENT TO

Amed Avila

FERNANDINA BEACH GENERAL EMPLOYEES' PENSION PLAN

Per Our Investment Management Agreement, the fees to Agincourt Capital Management in payment for investment services rendered from 1/1/2021 - 3/31/2021

MONTHLY MARKET VALUE

FGE - Fernandina Beach General Employees' Pension Plan \ 450079940	3/31/2021	\$4,847,340.63
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\$4,847,340.63	x	0.2500 %	=	\$12,118.35
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Total Annual Fee	\$12,118.35
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Total Quarterly Fee Due	\$3,029.59
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PLEASE MAKE PAYMENT TO AGINCOURT CAPITAL MANAGEMENT, WITHIN 30 DAYS:

IF BY ACH

Branch Banking Trust (BBT) 901 East Byrd Street, Richmond, VA 23219
ABA# 021052053 | Account# 72169911 | FBO: Agincourt Capital Management

IF BY WIRE

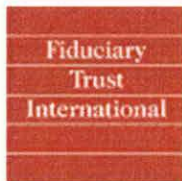
Previous wire instructions are valid. Please send wire to account ending with #1778. If you need instructions, please call 804-915-1308.

IF BY CHECK

Agincourt Capital Management, LLC
ATTN: Elsie Rose
200 South 10th Street, Suite 800
Richmond, VA 23219

Agincourt's Federal Tax ID: 54-1947440

Please let us know if you would like a copy of our latest SEC Form ADV Part 2, our Code of Ethics or our Privacy Statement.



Quarterly Fees for quarter ending March 31, 2021

General Employees:		
Account#	Fee Period	Amount
450079900.1	01/01/2021-03/31/2021	\$2,056.29
450079930.1	01/01/2021-03/31/2021	\$684.50
450079940.1	01/01/2021-03/31/2021	\$663.13
Total		\$3,403.92



Investor Summary as of March 31, 2021

AMERICAN CORE REALTY FUND

City of Fernandina Beach General Employees' Pension Plan Account No. 1321

For the Quarter Ended March 31, 2021					
	Date	Transaction	Unit Value	Units	Total
Beginning Net Asset Value	12/31/20		\$ 122,662.4269	19.0818	\$ 2,340,625.75
Contributions	-	\$ -	-	-	-
Redemptions	-	-	-	-	-
Net Income Before Fees		23,480.66			23,480.66
Distributions Declared	03/31/21	23,406.26			
Asset Management Fees		(6,556.80)			(6,556.80)
Available for Reinvestment/Distribution		16,849.46			(16,849.46)
Amount Reinvested	03/31/21	16,849.46	123,724.1037	0.1362	16,849.46
Distribution Payable		-			-
Unrealized Gain/(Loss)		20,184.36			20,184.36
Realized Gain/(Loss)		\$ -			-
Ending Net Asset Value	03/31/21		\$ 123,724.1037	19.2180	\$ 2,377,733.97

Total Number of Units	19.2180
Current Unit Value	\$ 123,724.1037
Percentage Interest in the Fund	0.05%

Performance History

	1Q2021	One-Year	Three-Year*	Five-Year*	Ten-Year*	Since Inception*
Gross of Fees	1.00%	3.96%	3.91%	3.93%	n/a	4.24%
Income Return	1.00%	3.96%	3.91%	3.93%	n/a	4.24%
Appreciation Return	0.86%	-2.01%	1.42%	2.17%	n/a	3.94%
Total Return	1.87%	1.90%	5.37%	6.17%	n/a	8.30%

	1Q2021	One-Year	Three-Year*	Five-Year*	Ten-Year*	Since Inception*
Net of Fees	0.72%	2.83%	2.77%	2.79%	n/a	3.08%
Income Return	0.72%	2.83%	2.77%	2.79%	n/a	3.08%
Appreciation Return	0.86%	-2.01%	1.42%	2.17%	n/a	3.94%
Total Return	1.59%	0.78%	4.21%	5.00%	n/a	7.11%

Inception Date: January 2, 2014

Performance Disclaimer:

The returns above for the investor's investment in the American Core Realty Fund include leveraged returns before (gross) and after (net) the deduction of investment management fees and may include the reinvestment of some income. The sum of annualized component returns may not equal the total return due to the chain-linking of quarterly returns. American Realty Advisors will supplement this performance information with the distribution of the Fund's full quarterly report within 45 days following the close of the quarter. Past performance is not a guarantee of future results and it is important to understand that investments of the type made by the Fund pose the potential for loss of capital over any time period. Many factors affect fund performance including changes in market conditions and interest rates in response to other economic, political, or financial developments including the impact from the COVID-19 outbreak. Please refer to the Risk Factors in the Fund's offering memorandum. Investment returns, and the principal value of any investment will fluctuate, so that when an investment is sold, the amount received could be less than what was originally invested. Use of leverage may create additional risks.

*Annualized. Since inception returns are not reported for periods less than one year.
Returns are not reported on accounts invested less than a full period.



515 S. Flower St.
49th Floor
Los Angeles, CA 90071
213.233.5700

www.aracapital.com

AMERICAN CORE REALTY FUND



CITY OF FERNANDINA BEACH
Finance Department

Pauline Testagrose
Comptroller

April 30, 2021

Fiduciary Trust International
Attn: Pension Payroll
100 Fountain Pkwy – Bldg 160/2nd Floor
St. Petersburg, FL 33716

Subject: City of Fernandina Beach General Employees
Pension Plan Account Number 450079900

Dear Pension Payroll:

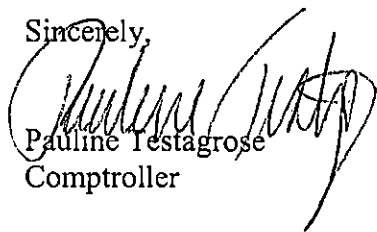
The following employee has terminated their employment with the City. They are not vested in the Pension Plan, and have requested a refund of their contributions that have been deposited in the above referenced Plan. Please see the ACH attached.

Frank A Walden

Name:	Frank A Walden
Social Security Number:	
Date of Birth	
Date of Hire	June 3, 2019
Date of Release	November 21, 2020
Pre-Tax Portion	\$5,076.59
Total Refund	\$5,076.59

A lump sum distribution election form has been signed by the employee and is enclosed for your records. Please notify us when payment has been made. If additional information is needed please let me know. Thank you for your assistance in the above matter.

Sincerely,


Pauline Testagrose
Comptroller

Enclosure(s)
cc: Personnel File (w/enclosure)



CITY OF FERNANDINA BEACH
Finance Department

Pauline Testagrose
Comptroller

May 12, 2021

Fiduciary Trust International
Attn: Pension Payroll
100 Fountain Pkwy – Bldg 160/2nd Floor
St. Petersburg, FL 33716

Subject: City of Fernandina Beach General Employees
Pension Plan Account Number 450079900

Dear Pension Payroll:

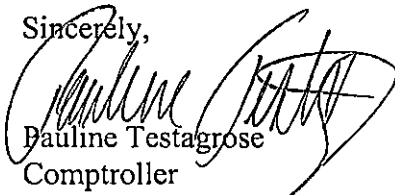
The following employee has terminated their employment with the City. They are not vested in the Pension Plan, and have requested a refund of their contributions that have been deposited in the above referenced Plan. Please see the ACH attached.

Christopher Bedford

Name:	Christopher Bedford
Social Security Number:	_____
Date of Birth	_____
Date of Hire	June 27, 2016
Date of Release	April 19, 2021
Pre-Tax Portion	\$12,726.79
Total Refund	\$12,726.79

A lump sum distribution election form has been signed by the employee and is enclosed for your records. Please notify us when payment has been made. If additional information is needed please let me know. Thank you for your assistance in the above matter.

Sincerely,


Pauline Testagrose
Comptroller

Enclosure(s)
cc: Personnel File (w/enclosure)



CITY OF FERNANDINA BEACH
Finance Department

Pauline Testagrose
Comptroller

April 16, 2021

Fiduciary Trust International
Attn: Pension Payroll
100 Fountain Pkwy – Bldg 160/2nd Floor
St. Petersburg, FL 33716

Subject: City of Fernandina Beach General Employees
Pension Plan Account Number 450079900

Dear Pension Payroll:

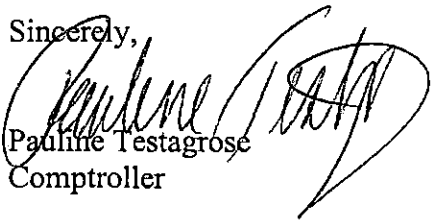
The following employee has terminated their employment with the City. They are not vested in the Pension Plan, and have requested a refund of their contributions that have been deposited in the above referenced Plan. Please see the ACH attached.

Alan S Wells

Name:	Alan S Wells
Social Security Number:	
Date of Birth	
Date of Hire	October 21, 2019
Date of Release	March 17, 2021
Pre-Tax Portion	\$2,853.81
Total Refund	\$2,853.81

A lump sum distribution election form has been signed by the employee and is enclosed for your records. Please notify us when payment has been made. If additional information is needed please let me know. Thank you for your assistance in the above matter.

Sincerely,


Pauline Testagrose
Comptroller

Enclosure(s)
cc: Personnel File (w/enclosure)