



Ocala

110 SE Watula Avenue
Ocala, FL 34471

www.ocalafl.gov

Firefighters' Retirement Fund Board of Trustees

Minutes - Final

Monday, February 24, 2025

9:00 AM

Teams Meeting Link: <https://bit.ly/3ZgIbS1>

Meeting ID: 258 422 065 149

Pass code: 2KfReq

Dial in by phone

+1 352-448-0342,,160700368# United States, Gainesville

Find a local number

Phone conference ID: 160 700 368#

1. Call To Order & Attendance

Present: Justin Hardy
Joshua Phillips
Glen Fiorello
Robert Davis

Absent: John Dozier

Others in Attendance: Alicia Gaither, Dave West, Anthony Webber, Janice Mitchell, Kerry Sipe, Lawrence Watts, Alan Peters, and Steve Hearing. Mr. Levinson attended online through Teams.

2. Public Noticed & Public Comments

Meeting was publicly noticed February 17, 2025.

No public comments.

3. Attorney Report

3b.

Attachments: [Board Memo - New Withholding Rules - 4884-4302-2067.2](#)

Mr. Levinson explained the IRS has amended the withholding rules to require anyone residing outside of the US to have withholding held from their pension checks. The change is mandated by the IRS, not the pension fund.

3a. 300 Hours Overtime Lawsuit Update

Mr. Levinson informed the Board that the City has the option to file an initial

brief in the ongoing lawsuit. If the City files, the Board will respond with an answer brief, followed by a possible reply from the City.

Ms. Gaither provided an update on the audit of wages, noting that it has been completed and forwarded to the actuary for further analysis.

4. Actuary Valuation

4a.

Attachments: [2024 Ocala Firefighters GASB 67 & 68 Report \(DRAFT for 02.24.2025 meeting\)](#)
[2024 Ocala Firefighters Valuation Report \(DRAFT for 02.24.2025 meeting\)](#)
[Ocala 2024 Board Summary](#)

Mr. Watts and Ms. Sipe presented the October 2024 actuarial valuation, focusing on the key factors affecting the plan's funding status and contribution requirements. The plan experienced a strong market return of 22.6%; however, due to actuarial smoothing, only a 9% return was recognized for the valuation. This still exceeded the assumed rate of return, providing a positive impact. On the other hand, significant salary increases across the department led to a substantial rise in liabilities, which negatively affected the funding ratio and increased projected costs.

In addition, changes in actuarial assumptions-specifically, the adoption of new mortality tables and a reduction in the discount rate to 6.75%-further increased liabilities. As a result, the plan's funded ratio dropped to 72.5% on a smoothed basis. These factors collectively led to an increase in the total contribution requirement, which rose to \$5.1 million. The City's share of that contribution increased to \$4.65 million, amounting to nearly 40% of total payroll.

The strong investment returns also allowed for an increase in the COLA Node, which rose from \$718 to \$738 for the year. Following a discussion of the COLA fund, it was recommended that the board consider potential policy changes regarding the use of the 10-year average return, as the current ordinance language may need clarification or revision for consistency.

Ms. Sipe also presented options for revising the COLA structure, including the possibility of switching to a flat percentage increase. She discussed the potential implications of such changes for both current and future retirees. Finally, Mr. Watts and Ms. Sipe addressed the need to formalize a policy for setting the Component B DROP interest rate. They proposed basing it on a 10-year average return, with a corridor of 1% to 3%. They also recommended that if the 10-year average return is not available at the time of DROP lump sum payment, the previous year's rate be used, with a true-up process implemented if necessary.

The actuaries will work on information on extending the DROP and Buy Back Updates.

Motion

A motion to accept the October 2024 Actuary Valuation Report was made by Mr. Fiorello and seconded by Mr. Hardy. Motion passed unanimously.

Approved

RESULT: APPROVED

MOVER: Glen Fiorello

SECONDER: Justin Hardy

AYE: Trustee Hardy, Trustee Phillips, Trustee Fiorello and Trustee Davis

ABSENT: Trustee Dozier

Motion

A motion made by Mr. Phillip that based on the advice of its investment professionals and actuary, determined that the total expected annual rate of investment return for the fund for the next year, the next several years, and the long-term thereafter, shall be 6.75%, net of investment related expenses. The motion was seconded by Mr. Fiorello. Motion passed unanimously.

Approved

RESULT: APPROVED

MOVER: Joshua Phillips

SECONDER: Glen Fiorello

AYE: Trustee Hardy, Trustee Phillips, Trustee Fiorello and Trustee Davis

ABSENT: Trustee Dozier

Motion

A motion to approve the drop interest rate policy for component B members, setting the rate between 1% and 3% based on a 10-year average return was made by Mr. Hardy and seconded by Mr. Phillips. Motion passed unanimously.

Approved

RESULT: APPROVED

MOVER: Justin Hardy

SECONDER: Joshua Phillips

AYE: Trustee Hardy, Trustee Phillips, Trustee Fiorello and Trustee Davis

ABSENT: Trustee Dozier

5. Consultant Report - Mariner

5a.

Attachments: [Ocala Fire - Senior Direct Lending Search 2025-01](#)

5b.

Attachments: [2024-12-31 Ocala Fire \(Quarterly Report\)](#)

Mr. West provided an update on the investment performance for the first quarter of 2025, reporting a marginally positive return of 0.1% despite ongoing market volatility. As of December 31, 2025, the fund's total assets stood at \$105,627,443, representing an increase of just under \$3 million from the previous quarter. While Mr. West did not recommend any changes to the current asset allocation, he proposed committing \$3 million to the new Crescent Fund, citing positive outcomes with the prior fund and the structural advantages of private lending. He also highlighted the benefits of recent rebalancing decisions, which included taking profits from technology stocks and reallocating to cash and short-term treasuries. This adjustment provided greater portfolio stability and yielded a return of 4.25% in that segment.

Mr. West will work with the manager to get the documents to Legal for review.

A motion to move \$3 million to the new Crescent Fund was made by Mr. Hardy, seconded by Mr. Fiorello. Motion passed unanimously.

Approved

RESULT: APPROVED

MOVER: Justin Hardy

SECONDER: Glen Fiorello

AYE: Trustee Hardy, Trustee Phillips, Trustee Fiorello and Trustee Davis

ABSENT: Trustee Dozier

6. Expenses

Attachments: [Fire Pension Expenses Dec 24 - Feb 25](#)

A motion to accept and approve the 2023-2024 Expenses Report as presented was made by Mr. Phillips, seconded by Mr. Hardy. Motion passed unanimously.

RESULT: APPROVED

MOVER: Joshua Phillips

SECONDER: Justin Hardy

AYE: Trustee Hardy, Trustee Phillips, Trustee Fiorello and Trustee Davis

ABSENT: Trustee Dozier

A motion to accept the quarterly expenses as presented was made by Mr. Phillips, seconded by Mr. Hardy. Motion passed unanimously.

Approved

RESULT: APPROVED

MOVER: Joshua Phillips

SECONDER: Justin Hardy

AYE: Trustee Hardy, Trustee Phillips, Trustee Fiorello and Trustee Davis

ABSENT: Trustee Dozier

7. Minutes

Attachments: [Fire Pension Board Meeting Minutes Dec 2, 2024](#)

A motion to accept and approve the Minutes from December 2, 2024 as presented was made by Mr. Hardy, seconded by Mr. Phillips. Motion passed unanimously.

RESULT: APPROVED

MOVER: Justin Hardy

SECONDER: Joshua Phillips

AYE: Trustee Hardy, Trustee Phillips, Trustee Fiorello and Trustee Davis

ABSENT: Trustee Dozier

8. Budget FY 25-26

8a.

Attachments: [Fire Budget FY 25-26 & Expenses FY 23-24](#)

A motion to accept the 2025-2026 Budget as presented was made by Mr. Hardy, seconded by Mr. Phillips. Motion passed unanimously.

RESULT: APPROVED

MOVER: Justin Hardy

SECONDER: Joshua Phillips

AYE: Trustee Hardy, Trustee Phillips, Trustee Fiorello and Trustee Davis

ABSENT: Trustee Dozier

9. Other Items For Discussion

Adjournment

Meeting Adjourned at 11:37.

A motion to approve the minutes as printed on this _____ day of _____; _____
was made by _____, seconded by _____,
votes for _____, votes against _____.

Chairman