

## CITY OF MARATHON FIRE PENSION BOARD MEETING MINUTES

**MONDAY, MAY 20, 2025, AT 09:00 A.M.**

The regular meeting of the Fire Pension Board of the City of Marathon, Florida was called to order at 09:08 A.M. by Chairman Christopher Cameron.

### ROLL CALL

**Present:**

- Christopher Cameron, Chairman
- Edwin Marquez, Secretary, FF
- Michael Puto, Appointed
- Mary Rice, Appointed
- Jeremy Langley, FMPTF, Plan Administrator
- Chuck Carr, Southern Actuarial Services, Plan Actuary (via phone)
- Jessica Johnson, FMPTF (via phone)

**Absent:**

- Michael Card, 5th Member

### 1. PUBLIC COMMENT

There was no public comment as no members of the public were in attendance.

### 2. APPROVAL OF MINUTES DATED FEBRUARY 26, 2025

Board Member Mary Rice moved to approve the minutes from the February 26, 2025, Board meeting. Board Member Edwin Marquez seconded the motion. All were in favor, and the motion carried.

### 3. DISCUSSION REGARDING SIGNED MINUTES

The Board discussed the decision that moving forward, no signature will be needed for meeting minutes. Approved minutes will be stored in the pension meeting software system.

### 4. PRESENTATION OF ACTUARIAL VALUATION AS OF OCTOBER 1, 2024

**Presenter:** Chuck Carr

Mr. Carr noted that the actuarial valuation determines the minimum required contribution for the 2025/26 fiscal year, which is 43.25%. He highlighted that the average pay increase for the previous fiscal year was **22.34%**, with a total increase of over **50%** in the last three years. Mr. Carr emphasized that significant pay increases lead to increased projected benefits and liabilities, resulting in a higher required contribution. Chairman Cameron

mentioned there will be several new hires with younger participants at base salary. Mr. Carr confirmed that it will reduce and stabilize the contribution rate over the next few years. The market value of assets was \$16,970,759. Only 1/5<sup>th</sup> of the market returns are reflected due to the 5-year smoothing method of recognizing gains and losses.

The city has an advanced employer contribution of \$121,367

The plan's funded percentage is 125.04%

The board elected to table the approval of the actuarial valuation until the next meeting.

## 5. SET EXPECTED RATE OF RETURN

Tabled until next meeting.

## 6. DISCUSSION REGARDING SHARE PLAN AND STABILIZATION FUND

Mr. Carr reviewed the stabilization fund and share plan historical data. The discussion regarding the Share Plan and Stabilization Fund highlighted the financial calculations and projections related to the share plan deposits as of October 1, 2017. The target net contribution rate for the city has increased from **12%** (since inception) to **23%** as of October 1, 2024. The initial share plan deposit totaled **\$165,909**, which included excess Chapter 175 monies from prior years and allowable deposits for the fiscal years 2013/14 and 2022/23. By October 1, 2024, the total amount of share plan deposits is projected to reach **\$375,056**, aligning with the total excess Chapter 175 monies as indicated in the actuarial valuation report. There were deposits for 2022/23 and 2023/24 fiscal years, amounting to **\$124,298** and **\$84,849**, respectively.

As of 23/24, the stabilization fund balance was \$67,015.

For 25/26 fiscal year, the estimated city contribution net of \$195,515 of Chapter 175 distributions is 36.24% of payroll, which is 13.24% higher than 23%. Because the stabilization fund is expected to be zero as of 10/1/25, it is estimated that up to 13.24% of pensionable earnings of the Chapter 175 distribution in excess of \$195,515 will be allowed to offset the city's required contribution. It is estimated that the employee contribution rate for 25/26 will need to be increased by up to 5.25% of pensionable earnings for a total employee contribution rate of 10.25% for that year. Mr. Carr recommends that the 10.25% employee contribution rate be assessed starting October 1, 2025.

Chairman Cameron asked if there an option for participants to give up part of their annual share balance to lower their contribution rate. Mr. Carr stated that is probably a legal question, but from an actuarial standpoint it could be done if negotiations and language was included in the pension ordinance.

## 7. RATIFICATION OF EXPENSES AND DISTRIBUTIONS

Requisition and Invoice #	Date	Description	Amount
R-2025-Qrtrly1-001	2/1/2025	Quarterly Fees	\$8,333.22
R-2025-ANNL-002	2/1/2025	Fiduciary Liability Renewal for FY2526	\$1,566.51
R-2025-LGL-003	2/1/2025	Legal Services	\$2,275.00
R-2025-MTG-004	2/26/2025	Board Meeting	\$750.00
		<b>Total</b>	<b>\$12,924.73</b>

Board Member Mary Rice made a motion to approve the expenses as presented. Board Member Michael Puto seconded the motion. All were in favor, and the motion carried.

## 8. RETIREMENTS AND LUMP SUM PAYMENTS

**Status:** There were no retirements or lumpsum payments this quarter.

## 9. QUARTERLY INVESTMENT REPORT AS OF MARCH 31, 2025

Mr. Langley presented the quarterly investment report as of March 31, 2025. The report highlighted several key financial metrics and observations regarding market performance and investment strategies.

- The quarter ending balance as of March 31, 2025 was \$17,392,184.75
- The fiscal year to date return was (1.15%), the three-year return was 3.95%, and the five-year return was 9.80%.

### 9.1 ACG Memos-Market Update and Navigating Tariffs in 2025

- ACG Memos provided a market update and discussed navigating tariffs in 2025.
- The report noted that the S&P 500 index has experienced a significant decline, down **13%** year-to-date and **19%** since its peak on February 19, placing it in correction territory. Despite this volatility, the Bloomberg Aggregate Bond Index has shown resilience, increasing by **3.7%** year-to-date.
- The report emphasized the importance of maintaining a diversified portfolio during periods of market instability, as historical data suggests that major market declines can occur unexpectedly. It also advised trustees to avoid panic and to review their strategic investment goals, suggesting that rebalancing portfolios may be necessary to align with long-term objectives.

## 10. ATTORNEY REPORT

No new updates

## 11. ADJOURNMENT

The meeting was adjourned at 11:05 A.M.

**Next Meeting:** August 13, 2025, at 09:00 A.M.

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