

City of Gainesville

City Hall
200 East University Avenue
Gainesville, Florida 32601



Minutes - Final

July 21, 2021

9:00 AM

Room 016, City Hall, 200 East University Avenue

Board of Trustees/Police & Fire Retirement Plan

Eugene Dugan (Chairperson)

Bruce Giles (Trustee)

Steve Varvel (Trustee)

Walter Barry (Trustee)

Harvey Lewis (Trustee)

If you have a disability and need an accommodation in order to participate in this meeting, please contact the Office of Equal Opportunity at (352) 334-5051 at least two business days in advance. TTY (Text Telephone Telecommunication Device) users please call 711 (Florida Relay Service). For Speech to Speech (STS) relay, please call 1-877-955-5334. For STS Spanish relay, please call 1-877-955-8773. For STS French Creole relay, please call 1-877-955-8707.

MEETING DETAILS

CALL TO ORDER

The meeting was called to order at 9:03 A.M.

ROLL CALL

MEMBERS PRESENT: Eugene Dugan, Bruce Giles, Stevel Varvel, Walter Barry, Harvey Lewis

Note; Harvey Lewis' virtual attendance through Zoom was approved by the Board of Trustees; audio issues prevented his vote from being cast during the meeting, however they were confirmed post meeting.

STAFF PRESENT: William Johnston, Investment Officer; Gregory Williams, Pension Senior Analyst; Cintya Ramos, Finance Director

OTHERS PRESENT: Robert Klausner, Board Attorney; Barbara Boyd, Purvis, Gray & Co.; Joe Griffin, Foster & Foster; Steven Sutherland, Foster & Foster; Ginger Bigbie, City Auditor

ADOPTION OF THE AGENDA

Adopted

APPROVAL OF MINUTES

[210091](#). Regular Meeting Minutes of May 26, 2021 (B)

Attachments: [210091 BOT P&F Pension Minutes 20210526](#)

RECOMMENDATION *The Board of Trustees review the regular meeting minutes of May 26, 2021 and take any action deemed appropriate.*

Approved as Recommended

BOARD ATTORNEY UPDATE

Board Attorney Robert Klausner updated the Board on several items, including the negotiation of investment agreements with alternative investment managers Pretium and GI Partners. Mr. Klausner was continuing to work with Willis Towers Watson to get the investment managers to amend their agreement language to comply with Florida statute language. Mr. Klausner advised the Board that it could choose to accept the investment agreements without his recommended changes,

but the Plan would not have the legal protections provided by Florida statutes.

PRESENTATION

[210102.](#)

Revised FY19 Actuarial Valuation Report for the Gainesville Consolidated Police Officers' and Firefighters' Retirement Plan (B)

Attachments: [210102_Gainesville P&F Actuarial Valuation 100119 Revised_20210623](#)

Joe Griffin of Foster & Foster discussed two major changes to the revised 2019 Valuation. The reduction of the Plan's payroll growth rate to 0.0%, and the inclusion of the 2020 pension obligation bond proceeds as a Plan receivable. As a result, the Plan became fully funded, resulting in a lower contribution rate. Foster & Foster also recommended continuing to use the ten year average payroll growth rate going forward.

City Auditor Ginger Bigbie inquired about the Plan's 7.9% assumed rate of return, and whether it would be lowered in the future. Investment Officer William Johnston responded that the current investment return assumption was lower than the Plan's actual historical investment returns, and that the Plan's investment asset allocation supported a higher investment return assumption. Plan Actuary Joe Griffin noted that Foster & Foster was completing an Actuarial Experience Study to evaluate all the Plan's actuarial assumptions, and to determine if any assumptions should be updated. Mr. Griffin did not expect the assumed rate of return would be increased, but expected it to remain constant, or be lowered slightly over time depending on Board and City discussions.

RECOMMENDATION *The Board of Trustees review and approve the revised Gainesville Consolidated Police Officers' and Firefighters' Retirement Plan Fiscal Year 2019 Actuarial Valuation Report for submission to the Florida Division of Retirement.*

Approved as Recommended

[210176.](#)

FY20 Actuarial Valuation Report for the Gainesville Police Officers' and Firefighters' Retirement Plan (B)

Attachments: [210176_FY20 Gainesville Police & Fire Pension Actuarial Valuation_202107](#);
[210176_FY20 Gainesville Police & Fire Pension Plan Actuarial Val Presentat](#)

Joe Griffin presented the results of the FY20 Actuarial Valuation, including FY22 employer contribution calculations of 5.73% for Firefighters and 8.84% for Police Officers based on projected FY22 payrolls, though FY22 employer contributions would be made as lump sum dollar amounts in October 2021. Notable Valuation items included the new 10 year average payroll growth rate of 0.16%, and the use of new mandatory mortality tables. Firefighter and Police Officer salaries

diverged in FY20, with Firefighters earning more than Police Officers due to length of tenure, retention rate, and bargaining agreements with the Unions on overtime, state mandates, etc. As of 10/1/2020, the Plan was over 100% funded. Mr. Griffin also discussed actuarial smoothing of returns, and the costs and expenses included in the valuation.

RECOMMENDATION *The Board of Trustees review and approve the Gainesville Police Officers' and Firefighters' Retirement Plan Actuarial Valuation Report Fiscal Year 2020 for submission to the Florida Division of Retirement.*

Approved as Recommended

[210177.](#)

FY20 Financial Statements and Independent Auditor's Report for the Gainesville Consolidated Police Officers' and Firefighters' Retirement Plan (B)

Attachments: [210177_Fiscal Year 2020 Consolidated Police Officers' and Firefighters' Reti](#)

Barbara Boyd of Plan Auditor Purvis Gray, gave a presentation of the 2020 Financial Statements and Independent Auditors Report, including the unmodified opinion and the Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliances and Other Matters letter. No findings or material adjustments impacted the financial statements.

RECOMMENDATION *The Board of Trustees review and approve the Gainesville Consolidated Police Officers' and Firefighters' Retirement Plan Fiscal Year 2020 Financial Statements and Independent Auditor's Report.*

Approved as Recommended

OLD BUSINESS

NEW BUSINESS

Investment Officer William Johnston informed the Board that the City Commission had recently requested that all the City's advisory Boards and Committees make annual presentations to the City Commission reviewing their goals & objectives, their prior year activity and their upcoming projects. Although the Police & Fire Pension Board is a Florida Statutory Board, not a City Commission Board, the City Manager had requested that the Board also make a presentation to the City Commission. Mr. Klausner commented that this was common among other Florida cities, and recommended that one of the City appointed Trustees make the presentation. The Board discussed having either Trustee Barry or Trustee Varvel make a presentation to the City Commission. A draft presentation will be provided to the Board at its August 25th meeting for discussion prior to a City Commission

presentation.

INFORMATIONAL ITEMS

[210192.](#) **Florida Division of Retirement Actuarial Valuation Acceptance Letters for the Gainesville Consolidated Police Officers' and Firefighters' Retirement Plan (B)**

Attachments: [210192 State Acceptance P&F 2013 - 2016 20210721](#)
[210192 State Acceptance P&F 2017 - 2019 20210721](#)

State acceptance letters for the Plan's Revised FY16 - FY19 Valuations were presented to the Board. Actuary Joe Griffin mentioned that the Division of Retirement has suggested that the Board consider lowering the Plan's 7.9% investment return assumption, despite the Plan earning an annualized return of over 9.0% for the past 30 years. Foster & Foster's upcoming actuarial experience study will include a review of the Plan's investment return assumption. The Board discussed the Plan's investment return assumption, and Trustee Varvel and Board Attorney Robert Klausner both noted that the Florida Retirement System (FRS) does not follow their own recommendations on either payroll growth rates or investment returns. Mr. Klausner also noted he does not believe these comments require response.

RECOMMENDATION *The Board review Florida Division of Retirement Actuarial Valuation Acceptance Letters for the Plan. No action is necessary.*

[210193.](#) **FY20 and FY21 Gainesville Consolidated Police Officers & Firefighters Pension Plan Employer Contributions (B)**

Attachments: [210193 FY20 & FY21 Police & Fire Pension Plan Employer Contributions Cc](#)

As requested by the Board Chairman, staff prepared a breakdown of the City's FY20 and FY21 Police & Fire Pension Plan employer contributions by dollar amount and percent of payroll estimates.

RECOMMENDATION *The Board review the FY20 and FY21 actuarially determined employer contribution amounts & rates for the Gainesville Consolidated Police Officers & Firefighters Pension Plan. No action is necessary.*

Public Meeting Requirements

The Board Attorney gave an update on the requirements of the Sunshine Law and requirements that the Board has to meet. 1) For the public, there has to be access to the meetings and it has to be free, not necessarily physical access. 2) A physical quorum is not a requirement of the Sunshine Law (or any other law), an opinion by the Attorney

General states a recommendation to have a physical quorum, which the Board is following. 3) The Board is State, not locally regulated, and there is no requirement in State Law. 4) The Board is not required to record anything, however, if a recording is taken, it is public record.

Florida Statutes Chapter 175 and 185 Police & Fire Pension Board Officers Language

Staff responded to a question previously brought up by Trustee Varvel concerning the Board having a Vice Chairperson. Florida Statutes 175 & 185 require that Police & Fire Pension Boards elect a Chairperson and Secretary, but don't mention Vice Chairpersons. Mr. Klausner commented that the Board may still elect a Vice Chairperson if they like, and he thought it was a good practice. Staff indicated that an item would be added to the August 25th meeting agenda to discuss electing a Vice Chairperson for the Board.

PUBLIC COMMENT

MEMBER COMMENT

NEXT MEETING DATE

ADJOURNMENT

The meeting was adjourned at 10:50 A.M.

[990562](#)

REQUIREMENT

IN ACCORDANCE WITH THE AMERICANS WITH DISABILITIES ACT OF 1990, PERSON NEEDING A SPECIAL ACCOMMODATION TO PARTICIPATE IN THIS PROCEEDING ARE REQUESTED TO NOTIFY THE EQUAL OPPORTUNITY DEPARTMENT AT 334-5051 OR CALL THE TDD PHONE LINE AT 334-2069 AT LEAST 48 HOURS IN ADVANCE.

IF A PERSON DECIDES TO APPEAL ANY DECISION MADE BY THE BOARD WITH RESPECT TO ANY MATTER CONSIDERED AT THIS MEETING OR HEARING, THEY WILL NEED A RECORD OF THE PROCEEDING, AND FOR SUCH PURPOSE, THEY MAY NEED TO ENSURE THAT A VERBATIM RECORD OF THE PROCEEDING IS MADE, WHICH RECORD INCLUDES THE TESTIMONY AND EVIDENCE UPON WHICH THE APPEAL IS TO BE BASED. FLORIDA STATUTES 286.0105

THIS MEETING MAY BE CONDUCTED BY MEANS OF OR IN CONJUNCTION WITH COMMUNICATIONS MEDIA TECHNOLOGY, SPECIFICALLY A TELEPHONE CONFERENCE CALL. THE ABOVE LOCATION, WHICH IS ORDINARILY OPEN TO THE PUBLIC SHALL SERVE AS AN ACCESS POINT, PERSON WISHING TO

ATTEND SHOULD APPEAR AT THE ACCESS POINT, WHERE TELEPHONE
ACCESS TO THE MEETING WILL BE PROVIDED.