

City of Gainesville

City Hall
200 East University Avenue
Gainesville, Florida 32601



Meeting Agenda - Final

February 1, 2018

12:55 PM

City Hall Auditorium

Board of Trustees/General Employees' Pension Plan

Lauren Poe (Trustee)
David Arreola (Trustee)
Harvey Ward (Trustee)
Charles Goston (Trustee)
Harvey Budd (Trustee)
Helen Warren (Trustee)
Adrian Hayes-Santos (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.

ADOPTION OF THE AGENDA

AGENDA STATEMENT

"Citizens are encouraged to participate in City of Gainesville meetings. In general, speakers will be limited to 3 (three) minutes per agenda item. Additional time may be granted by the Mayor or by the City Commission as directed. The City of Gainesville encourages civility in public discourse and requests that speakers limit their comments to specific motions and direct their comments to the Chair. Signs or Props are not permitted in the meeting room. Citizens are encouraged to provide comments in writing to the Clerk of the Commission before meetings and/or during meetings for inclusion into the public record. Citizens may also provide input to individual commissioners via office visits, phone calls, letters and e-Mail, that will become public record. In some instances, i.e., Quasi-Judicial Hearings, these particular contacts may be prohibited.

ROLL CALL

[170750.](#)

2016 Actuarial Valuation Report for the City of Gainesville General Employees' Retirement Plan (B)

This item is a submission of the Gainesville General Employees' Retirement Plan Actuarial Valuation Report as of October 1, 2016 to the Board of Trustees for the General Employees' Retirement Plan.

Explanation: The 2016 City Of Gainesville General Employees' Retirement Plan Actuarial Valuation Report presents a statement of the financial position of the General Employees' Retirement Plan (the Plan) as of October 1, 2016 to the Board of Trustees for the General Employees' Retirement Plan. The actuarial valuation process assesses the fiscal status of the Plan, and is used to determine the annual contributions to the Plan which is expressed as a percentage of the covered payroll of active Plan members. The 2016 Actuarial Valuation also includes a reduction to the Plan's long term investment return assumption from 8.2% to 8.1%.

The 2016 Actuarial Valuation Report indicates that the Plan was 66.89% funded as of October 1, 2016, with an actuarial value of assets of \$352,075,915 and an actuarial accrued liability of \$526,326,537. The 2016 Actuarial Valuation Report determines that the employer contribution rate for the General Employees' Retirement Plan for Fiscal Year 2018 should be 18.41% of projected payroll, up from 17.45% for fiscal year 2017.

Fiscal Note: The fiscal year 2018 employer contribution rate of 18.41% calculated in the 2016 Actuarial Valuation Report is estimated to be approximately \$16,777,348 based on expected covered payroll. The projected fiscal year 2018 employer contributions for the General Employees' Pension

Plan are included in the City's Fiscal Year 2018 Budget.

RECOMMENDATION

The Board of Trustees for the City of Gainesville General Employees' Retirement Plan: 1) accept the 2016 Actuarial Valuation Report for the City of Gainesville General Employees' Retirement Plan; and 2) approve the Fiscal Year 2018 employer contribution rate of 18.41% for the General Employees' Retirement Plan submitted in the 2016 Actuarial Valuation Report.

[170750_October 1 2016 Valuation Report - General Employees Retirement Pla](#)

[170755.](#)

Parametric Portfolio Associates, L.L.C. Investment Management Services for the City of Gainesville General Employees' Retirement Plan (B)

Board of Trustees for the Gainesville General Employees' Retirement Plan to approve hiring an investment manager for the Gainesville General Employees' Retirement Plan.

Explanation: On December 14, 2017 the Pension Review Committee (PRC) for the City's General Employees' Retirement Plan heard a presentation from Parametric Portfolio Associates, L.L.C. related to their volatility reducing Defensive Equity Strategy and Cash Management Overlay Services. In response to City Staff and PRC interest in protecting the Plan's investment portfolio from equity market corrections, investment consultant Summit Strategies researched ways to manage equity market volatility in the Plan's investment portfolio. Summit Strategies subsequently recommended Parametric Portfolio Associates, L.L.C. for their risk management strategies. Following the presentation and discussion, PRC members voted unanimously (4-0) to recommend that the Board of Trustees consider hiring Parametric Portfolio Associates, L.L.C. to provide defensive equity and cash management services for the Plan. The minutes from the December 14, 2017 PRC meeting are attached.

Fiscal Note: Parametric Portfolio Associates, L.L.C. fees related to their volatility reducing Defensive Equity Strategy and Cash Management Overlay Services are 35 basis points and 15 basis points on assets under management, respectively. Investment Management Fees for the General Employees' Retirement Plan are included in its Fiscal Year 2018 Budget.

RECOMMENDATION

Recommended Motion: The Board of Trustees for the General Employees' Retirement Plan: 1) accept the recommendation by City Staff and the Pension Review Committee to retain Parametric

Portfolio Associates, L.L.C. to provide investment management services for the General Employees' Retirement Plan; 2) authorize City Staff to initiate contract negotiations with Parametric Portfolio Associates, L.L.C. for investment management services for the General Employees' Retirement Plan; and 3) authorize the City Manager as Trust Administrator or his designee to execute all related documents, including contract amendments and extensions, subject to approval by the City Attorney as to form and legality.

[170755A_PRC Minutes 12142017_20180201.pdf](#)

[170755B_Parametric Defensive Equity City of Gainesville Presentation Q317.CA](#)

[170755C_Parametric PIOS INST Presentation Q317.CA_20180201.pdf](#)

ADJOURNMENT