

City of Gainesville

*City Hall
200 East University Avenue
Gainesville, Florida 32601*



Minutes - Final

October 28, 2020

9:00 AM

Room 016, City Hall, 200 East University Avenue

Also Available Via Teleconference

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.

CALL TO ORDER

Chairperson Dugan called the meeting to order at 9:00 a.m.

ROLL CALL

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

STAFF PRESENT: William Johnston, Investment Manager; Cintya Ramos, Finance Director

OTHERS PRESENT: Cole Jacobs, Willis Towers Watson; Zach Paris, Willis Towers Watson; Bob Klausner, Board Attorney; Mike Schiboula, Police Lieutenant

ADOPTION OF THE AGENDA

The Agenda was revised to move the Board Attorney Update after Presentations.

Adopted

APPROVAL OF MINUTES

[200458.](#) Regular Meeting Minutes of August 26, 2020 (B)

RECOMMENDATION

The Consolidated Board of Trustees review the Regular Meeting Minutes of August 26, 2020 and take any action deemed appropriate.

Approved as Recommended

PRESENTATIONS

[200459.](#) Presentation by Willis Towers Watson (B)

RECOMMENDATION

The Consolidated Board of Trustees hear a presentation by Cole Jacobs of Willis Towers Watson reviewing the most recent plan performance and take any action deemed appropriate.

Discussed

[200460.](#) Investment Schedule for the Plan's 2020 Pension Obligation Bond Proceeds (B)

After discussing Willis Towers Watson's recommended 2020 Pension Obligation Bond proceeds investment allocation schedule, the Board approved a motion to accept the recommended investment allocation

schedule. Another motion was approved to remove the POB proceeds from the Parametric cash overlay program due to concerns about near term market volatility and downside risk. A final motion was approved to allow staff and WTW the flexibility to make 50% of the scheduled December investment allocations in November if the S&P 500 Index loses 5% from its close on 10/28/20, and to make all of the scheduled December investment allocations in November if the S&P 500 Index loses 10% from its close on 10/28/20.

RECOMMENDATION

The Consolidated Board of Trustees review the recommended Investment Schedule for the Plan's 2020 Pension Obligation Bond Proceeds, and take any action deemed appropriate.

Approved, as shown above

NEW BUSINESS

[200461.](#)

Independent Administrator Discussion

The Board decided to defer this discussion until the December 16th, 2020 meeting.

RECOMMENDATION

The Consolidated Board of Trustees discuss the concept of using an independent third party administrator for the Police Officers' and Firefighters' Pension Plan, and take any action deemed appropriate.

Deferred

INFORMATIONAL ITEMS

FY19 Police Pension Fund 607 and Fire Pension Fund 608 Administrative Expenses (B)

Discussed

BOARD ATTORNEY UPDATE (BOB KLAUSNER) (B)

Bob Klausner discussed the City's ongoing dispute and Administrative Hearing with the Florida Division of Retirement (DOR) concerning payroll growth rates used in the Plan's 2016-2019 Actuarial Valuations. The City is considering resolving the dispute by resubmitting the Actuarial Valuations using reduced payroll growth rates as demanded by the DOR. The City's contribution increases from reducing the payroll growth rates as specified by the DOR have been greatly reduced due to the City's issuance of the 2020 Pension Obligation Bonds, and the City now believes that accepting the DOR's demands is the best course of action. Staff requested that the Board approve a motion recommending that the City moves forward with accepting the Division of Retirement's

requirements to resolve the Actuarial Valuation dispute. The Board approved that motion.

PUBLIC COMMENT

Mike Schibuola asked Bob Klausner to review and provide an opinion on two issues related to the 185 Police Share Plan. 1) Can Vested Terminated police officers take their 185 Share Plan distribution when they terminate, or do they have to wait until they reach retirement age? 2) Are there limits on the number of 185 Police Share Plan checks that can be distributed to a Plan member? Because there is one year lag between when the State Premium Taxes are earned and when they are received by the Plan, should retirees who received their 185 Share Plan distribution at retirement also be able to receive a second 185 Share Plan distribution the following year if eligible? Bob Klausner indicated that he would review the Share Plan Ordinance eligibility requirements, and provide a response at the Board's December meeting.

NEXT MEETING DATE

The Board discussed their December 16th, 2020 9:00 a.m. meeting, and requested that staff schedule the meeting to be in-person. Staff indicated that they would arrange to have the Board's December 16th, 2020 in-person at City Hall, 200 East University Avenue, Gainesville, Florida 32601. A quorum of three Trustees will be required to be present, but other Trustees and attendees can attend via Zoom or teleconference. Trustee Lewis also requested that at the December meeting, the Board discuss having a special strategy meeting in January.

ADJOURNMENT

The meeting was adjourned at 10:55 a.m.

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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.