

City of Gainesville

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



Minutes - Final

February 24, 2021

9:00 AM

Gainesville City Hall Auditorium, 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 9:05

ROLL CALL

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

STAFF PRESENT: William Johnston, Investment Officer; Diane Wilson, Assistant Finance Director

OTHERS PRESENT: Cole Jacobs, Willis Towers Watson; Zach Paris, Willis Towers Watson; Bob Klausner, Board Attorney; Lt. Mike Schiboula, Police Plan Member & Bargaining Unit Representative

ADOPTION OF THE AGENDA

The Agenda was Adopted with the Police Share Plan Eligibility Discussion moved to the beginning of the meeting.
Adopted

APPROVAL OF MINUTES

[200706.](#) Regular Meeting Minutes of December 16, 2020 (B)

RECOMMENDATION *The Board of Trustees review the Regular Meeting Minutes of December 16, 2020 and take any action deemed appropriate.*
Approved as Recommended

BOARD ATTORNEY UPDATE

Bob Klausner updated the Board on current State pension legislation.

PRESENTATIONS

[200868.](#) Presentation by Willis Towers Watson (B)

Cole Jacobs from Willis Towers Watson reviewed capital markets and Plan investment performance for the period ending 12/31/2020. Zach Paris reviewed the Plan's investment portfolio strategy, and

recommended investment allocation and manager changes including combining the portfolio's current 20% alternative credit and 10% real asset allocations into a single 30% income allocation. WTW reviewed two new investment strategies and managers that they recommended adding to the Plan's investment portfolio: GI Partners ETS Fund (essential technology and science properties) and Pretium Single Family Rental Fund III. WTW also recommended removing Brandywine Global Sovereign Credit and Wellington Securitized Opportunities from the Plan's investment portfolio. WTW dropped out of the meeting to allow the Board to discuss their recommendations separately.

RECOMMENDATION

The Board of Trustees hear a presentation by Cole Jacobs and Zachary Paris of Willis Towers Watson covering Plan investment performance, strategic asset allocation recommendations, and investment manager recommendations, and take any action deemed appropriate.

Discussed

OLD BUSINESS

200716.

Plan Investments Discussion (B)

Staff and the Board discussed the current delegated investment services program provided by Willis Towers Watson, and how WTW's investment consulting services evolved over the last twenty years. The Board also discussed WTW's recommended Plan investment portfolio strategy and investment manager changes. Board members were concerned with the lock-up periods required by the GI Partners ETS Fund and Pretium Single Family Rental Fund, but liked the investment concepts involved. A motion was made and seconded that the Board accept all of WTW's recommendations including the Plan's new "Income" allocation, redemption of the Brandywine Global Sovereign Credit investment and the Wellington Securitized Opportunities investment, and funding of the GI Partners ETS Fund investment and the Pretium Single Family Rental Fund investment. The motion passed unanimously.

RECOMMENDATION

The Board of Trustees discuss the Plan's investments, including Alternative Credit Investments, and take any action deemed appropriate.

Approved, as shown above

200715.

Police Share Plan Eligibility Discussion (B)

Lt. Mike Schiboula spoke to the Board concerning the FY18 & FY19 185 Premium Tax Distributions which had been withheld by the State Division of Retirement during a dispute with the City concerning actuarial payroll growth rate assumptions. The City resolved its dispute with the State and those Premium Tax Distributions were received on 1/26/21. Lt.

Schiboula stated that the police bargaining units' position was that all Police Share Plan members who were eligible for 185 Premium Tax Distributions in FY18 and/or FY19, but had since retired, should receive additional payments for their share of those distributions. Lt. Schiboula requested that the City make the related FY18 & FY19 Police Share Plan payments to eligible Plan members as soon as possible, and also stated that going forward, all Police Share Plan members who separate service prior to the receipt of 185 Premium Tax Distributions collected during their final eligible year of service should receive an additional Share payment for that final eligible year of service. Steve Varvel agreed with Lt. Schiboula's statements. Lt. Schiboula asked that the Board approve the FY18 & FY19 185 Premium Tax Distribution lists that staff will prepare. Steve Varvel stated that the Board's doesn't have an approval role with respect to Share Plan payments because the City and unions have already agreed on the details of 185 Premium Tax Distribution eligibility, allocation and payment. Mr. Klausner agreed with Mr. Varvel, and stated that the terms of the Share Plan are dictated by an agreement between labor and management, and indicated that Board did not have a role in approving Share Plan payment details, but could authorize staff to proceed with appropriate Police Share Plan payments, and the Board could receive Share Plan eligibility lists as informational items. Mr. Klausner also mentioned that retired members would need to receive a tax notice concerning additional Share Plan payments, and be given the option to rollover the payment to a tax deferred account, rather than take the payment as cash with a 10% early distribution penalty depending on their age. Steve Varvel stated that it was standard for the City to provide all the required tax notices and payment options to all retiring/retired members.

A motion was made and seconded that the Board authorize staff to calculate and distribute FY18 & FY19 Police Share Plan payments to eligible members upon agreement and consent of the collective bargaining units that the payments meet the standards of the Plan, and that payment details come back to the Board as an informational item. The motion passed unanimously.

RECOMMENDATION

The Board of Trustees discuss Share Plan Eligibility, and take any action deemed appropriate.

Approved, as shown above

NEW BUSINESS

[200869.](#)

2020 Division of Retirement Annual Report (B)

The Board reviewed and approved the draft Annual Report for

submission to the State Division of Retirement.

RECOMMENDATION

The Board of Trustees review the 2020 Annual Report to the Division of Retirement, and take any action deemed appropriate

Approved as Recommended

INFORMATIONAL ITEMS

The Board reviewed staff's Pension Responsibilities Overview organizational chart.

Staff updated the Board on the Pensions & Investments senior analyst position hiring process.

PUBLIC COMMENT

MEMBER COMMENT

NEXT MEETING DATE

ADJOURNMENT

The meeting was adjourned at 10:55 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.

