



Legislation Details (With Text)

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Type: Resolution **Status:** Adopted
File created: 6/9/2022 **In control:** Board of Trustees/General Employees' Pension Plan
On agenda: 6/16/2022 **Final action:** 6/16/2022
Title: City Commission Resolution No. 211008 Recommendations to the Board of Trustees for the General Employees' Retirement Plan (B)

This item involves City Commission Resolution No. 211008 recommendations concerning divestment and restriction of Russian and Belarusian investments in the Gainesville General Employees' Retirement Plan.

Sponsors:

Indexes:

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Attachments: 1. 211329-A_211008 Resolution_20220616, 2. 211329-B_Pension Review Committee Resolution 211008 Memo_20220616, 3. 211329-C_2022 City Attorney Fiduciary Duty Memo_20220616

Date	Ver.	Action By	Action	Result
6/16/2022	1	Board of Trustees/General Employees' Pension Plan	Adopted (Resolution)	Pass

City Commission Resolution No. 211008 Recommendations to the Board of Trustees for the General Employees' Retirement Plan (B)

This item involves City Commission Resolution No. 211008 recommendations concerning divestment and restriction of Russian and Belarusian investments in the Gainesville General Employees' Retirement Plan.

The Gainesville City Commission approved Resolution No. 211008 at their March 17, 2022 meeting. The Resolution requests that the Board of Trustees of the Gainesville Employees Pension Plan divest of any current holdings in Russian or Belarusian securities as soon as practicable, and that the Board consider a new investment policy opposed to future investment of City funds in Russian or Belarusian securities.

The Pension Review Committee (PRC) is an advisory committee for the Gainesville Employees Pension Plan whose purpose is to work with City staff and the Plan's investment consultant to make investment related recommendations to the Board of Trustees. At their March 24th 2022 meeting, the City's Pension Review Committee discussed City Commission Resolution No. 211008, and voted unanimously to make recommendations concerning Resolution No. 211008 to the Board of Trustees for the Gainesville Employees Pension Plan. A PRC Recommendations Memo is attached as backup for this Agenda Item.

Divestment and restriction of Russian and Belarusian securities in the General Employees' Retirement Plan may affect the Plan's investment returns and employer contribution requirements, which would have a financial impact on the City. However, because the Plan rarely invests in Russian or Belarusian securities, any financial impact is expected to be minimal. The actuarial assumed investment rate of return for the General Employees' Retirement Plan is currently 7.9% annually, and is included in the City's annual budgets and the Fund's actuarial valuations.

Recommended Motion: The Board of Trustees for the General Employees' Retirement Plan: 1) consider City Commission Resolution No. 211008 requests for the City of Gainesville General Employees' Retirement Plan, and take any action deemed appropriate.