

**City of Wilton Manors General Employee & Police
Pension Board of Trustees Minutes March 5, 2019**

I. Pledge of Allegiance

II. Call To Order

Chairman Balistreri called the meeting of the Wilton Manors GE & Police Pension Board of Trustees to order at 5:30 p.m.

III. Roll Call

Barbara Bihus, George Farrell, John Pilch, Brian Vodicka and Chairman Biagio Balistreri.

Others Present: Joan Wall, Administrator and Bob Mays, Finance Director, Carol Conol, Finance
Theora Braccialarghe, Actuary

IV. Additions/Deletions

None

V. Comments from the Public

None

VI. Consent Agenda

Chairman Balistreri asked for a motion to approve the consent agenda and also asked if anyone wanted any item pulled from the Consent Agenda for further discussion and if not he would like a motion to approve the Consent Agenda. Trustee Farrell made the motion, seconded by Trustee Bihus. Vote: Ayes: Trustees Pilch, Vodicka, Bihus, Farrell & Chairman Balistreri Nays: None

Approval of Minutes:

- December 4, 2018

Motion to Receive and File:

Warrant 2018-029	
• Hoekstra – Recording/Secretarial Services	\$987.50
Warrant 2018-030	
• FPPTA Annual Membership Invoice #1352	\$600.00
• FPPTA Annual CPPT Re-Certification Invoice #1353	\$120.00
Warrant 2018-031	
• KSDT & Co. Invoice #65518 \$395.00 & #67888 \$115.00	\$510.00
Warrant 2018-032	
• Klausner, Kaufman, Jensen & Levinson Invoice 11/29/18	\$1,375.00
• FPPTA Registration Winter School	\$1,950.00

Warrant 2019-001	
• International Foundation 2019 Dues Membership	\$1,050.00
Warrant 2019-002	
• Garcia Hamilton & Associates Invoice #29921	\$4,284.15
• Gabriel Roeder Smith & Co. Invoice #444433	\$4,850.00
• Klausner Kaufman Jensen & Levinson Invoice 12/31/18	\$500.00
• Southeastern Advisory Services quarter ending 12/31/18	\$4,621.67
Warrant 2019-003	
• KSDT & Co. Invoice #69047	\$100.00
Warrant 2019-004	
• Trustees per diem – FPPTA Winter School	\$440.00
Warrant 2019-005	
• Trustees expense reimbursement FPPTA Winter School	\$1,961.38
• Klausner Kaufman Jensen & Levinson, Attorney Invoice 1/31/19	0
• January 16, 2019 – Refund Check #8929 FPPTA	
• 4Q18 Rate of Return is -8.98% Net of Fees	
• January 2019 – Klausner Memo House Bill 265 proposed	
• February 6, 2019 – Klausner Memo Data in the Division of Retirements Annual Report	
• Fiscal Year September 30, 2018 11.10 Net of Fees	
• Garcia Hamilton & Associates QE 12/31/2018	
• Saxena White Q4 2018 Select Investor Monitoring Report	

VII. New Business

1. Gabriel Roeder Smith – Study (showing the effect of lowering Investment return assumption)

Theora Braccialarghe from GRS was present to go over the Study that was requested by the Board.

- Page 6 of Report – For All Employees
- Required City Contribution – 2017 Valuation \$1,667,049
2017 6.90% interest and 15 Year Amortization - \$1,704,385 difference \$37,336
2017 6.85% interest and 15 Year Amortization - \$1,723,201 difference \$56,152
- Page 4 gives an overview of what is in the report and the change requested
- Lower the investment return assumption from 7% to 6.9%, net of investment expenses and change the amortization for new bases to 15 years.
- Lower the investment return assumption from 7.0% to 6.85%, net of investment expenses and change the amortization period for new bases to 15 years.
- With the exception of the changes as described, all other Actuarial Assumptions and Methods are the same as October 1, 2017 Actuarial Valuation Report
- The data used in the report is the same that was used for the October 1, 2017 Actuarial Valuation.
- The actuarial impact of proposal(s) is in the report that is being discussed with the Board.

Attorney Levinson said the background is, there are all kinds of assumptions the boards have to make and the most important one is the investment return assumption because these are future liabilities that get paid over time. The mortality table is now controlled by the State. We are talking about the investment return assumption which right now is 7%. At the last meeting to the credit of our Finance Director came forward with a summary of his recommendation, we do not have to follow the City's recommendation but we do have to listen to it and make sense of it. At the last meeting the Board decided after going over the Finance Director's recommendation to request this study from our actuary. The one most common assumption right now is 7.5%, we are more conservative than the plans that are at 7.5%. The trend right now is that everyone is lowering the investment return assumption.

Chairman Balistreri asked Bob Mays, Finance Director if he would like to talk to the Board with regards to the study. Mr. Mays thanked Theora for the report and said it was very helpful. He also said if the board decides to make a decision he would hope they will adopt an incremental approach especially over a multiyear period. His recommendation would be to reduce to 6.9% and then consider next year whether we want to reduce again. It is the Boards decision as to what they want to do.

Trustee Farrell said he would like to make a motion to go with the 6.9% as per the recommendation of the Finance Director, seconded by Trustee Pilch.

Vote: Ayes: Trustees Bihus, Vodicka, Pilch, Farrell and Chairman Balistreri Naves: None

Trustee Farrell asked before the valuation next year could we have the current along with new projected. Theora said what they can do is prepare the valuation showing a decrease of .1% showing this is old assumption and this is the new assumption, reviewing it with the Board and if they decide they don't want that then they can always take it out. This way we would have both numbers at the meeting. Another approach is to have a funding policy that whenever they have a gain they use the gain to lower their return. Theora said they can certainly do the .1% with the next valuation include it and then the board is in the same position at making that decision at the meeting when they review the valuation. Theora asked if the board agreed with the 15 years and the answer was yes.

2. Southeastern Advisory Services Fourth Quarter – December 31, 2018

John Small was present to go over the 4th quarter performance with the Board.
It was a tough 4th quarter

- S&P 500 -13.5% for the quarter, one year -4.4%
- Russell 2000 Index -20.2%for the quarter, one year -11.0%
- The EAFE Index -12.5% for the quarter, -13.8% for the one year
- BbgBarc U.S. Aggregate 1.6% for the quarter, 0.0% for the one year
- 91 Day Treasury Bills 0.6% for the quarter, 1.9 % for the one year
- CPI -0.5% for the quarter, 1.9% for the one year

Portfolio Growth

- Loss for the quarter (\$2,581,986)
- \$27,014,135 for the quarter ending 12/31/18

Performance Comparison

Total Fund Analysis

- Fourth Quarter -9.0%/71st – 1 year -3.0%/32nd

Equity Analysis

4th Quarter

- Vanguard Russell 1000 -13.8%/71st one year number -4.9%/60th
*Vanguard Russell 1000 was funded on June 16, 2016
- Vanguard Mid Cap Value -15.1%/28th one year -12.4%/62nd
*Vanguard Mid Cap Value was funded on June 14, 2016
- Eaton Vance SMID Cap -16.3%/19th, one year -5.3%/20th
*Eaton Vance SMID Cap was funded on June 16, 2016
- Garcia Hamilton Fixed 1.2%/75th, one year 1.5%/18th
- Vanguard Ultra Short Bond 0.8%/30th, one year 2.1%/4th
*Vanguard Ultra Short Bond Fund was funded on June 12, 2017

Allocation of Assets for the Quarter Ending December 31, 2018

- Equity 58.0% - International 0.0% - Fixed Income 31.6% - Cash 10.4%

Objectives and Policy Review

The total rate of return should equal or exceed the Consumer Price Index plus 5% over a rolling three-year period.

- Not Achieved 6.2%

The total rate of return should rank in the top half of the Wilshire Cooperative Public Fund Universe over a rolling three year period.

- Achieved 47th

Each security class to exceed the appropriate selected unmanaged market index over a rolling three year period.

- Garcia Hamilton – Fixed – Achieved 2.3%

Percentile Rank of Manager in Appropriate Universe Must Exceed the Median (50th percentile)

- Garcia Hamilton Fixed Income – N/A

Percentile Rank of Manager in Appropriate Universe Must Place Within the Top Third (33 1/3 percentile).

- Garcia Hamilton Fixed Income – N/A

Asset Allocation – Actual – Quarter Ending 12/31/18

Equity – Within Range 58.0% - Fixed Income – Within Range 31.6% - Cash – Within Range 10.4%

Everything within range and no violations of policy.

No changes right now

Good position

No International

Trustee Farrell inquired about the Objective – Exceed CPI + 5.0% (7.2%) on page 4 of Southeastern Advisory Report. Where does this come from? John Small said this is in the investment policy which was adopted many years ago. John said that at the next meeting this Board can look at the investment policy for discussion on any changes that need to be made. Chairman Balistreri said instead of trying to change this every single time maybe we can make the investment policy state that it changes with our assumption rate so every year or two they will not have to make changes.

Trustee Vodicka had a question about the Garcia Hamilton Associates Portfolio and saw there were mortgage-backed securities in the portfolio and wanted to know what kind of a risk are we taking. John Small said to turn to tab 4 page 29 of his report and that will show a list of the securities and said they are all high quality. Garcia Hamilton has a very high quality portfolio.

VIII. Joan Wall, Administrator

The Audit is not ready yet.

Some problems with Regions, they made some changes.

Trustee Bihus asked if this is something we want to look into. Trustee Farrell said when he was on other boards the administrators had the same problem so it's not just Regions making changes. Joan was told to reach out to Regions to resolve these problems.

IX. Attorney Report

Attorney Levinson went over the two memo's briefly with the Board.

- January 2019 Memo - House Bill 265 (proposed) – If adopted HB 265 would necessitate advance preparation by municipal pension boards.
- February 6, 2019 Memo – Data in the Division of Retirement's Annual Report Page 2 of the memo highlights how other plans are doing.

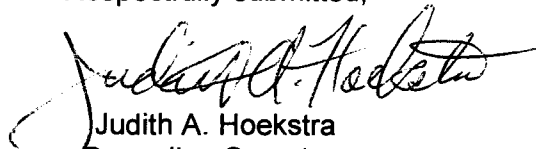
X. Reports from Board Members

XI. Participant Section

XII. Adjournment

Trustee Pilch made the motion to adjourn the meeting, seconded by Trustee Bihus.

Respectfully submitted,


Judith A. Hoekstra
Recording Secretary

AGENDA
WILTON MANORS GENERAL EMPLOYEE & POLICE PENSION
BOARD OF TRUSTEES REGULAR MEETING Tuesday June 4, 2019
COMMISSION CHAMBERS 5:30 PM

I. PLEDGE OF ALLIGENCE

II. CALL TO ORDER

III. ROLL CALL

IV. ADDITIONS/DELETIONS

V. COMMENTS FROM THE PUBLIC

Any member of the Public may speak on any issue for three (3) minutes

VI. CONSENT AGENDA

Items listed under Consent Agenda, Item VI, are viewed to be routine and One Motion will enact the recommendation in the form listed below. If discussion is desired, then the items(s) will be removed from the Consent Agenda and will be considered separately.

Approval of Minutes:

- March 5, 2019
- April 18, 2019 Special Audit Meeting

Motion to Receive and File:

Warrant 2019-006	
• Joan Wall Bookkeeper Invoice	\$1,561.75
• NPEA 2019 Membership Dues	\$600.00
Warrant 2019-007	
• Judith Hoekstra March 15, 2019 Invoice & Supplies	\$904.28
Warrant 2019-008	
• Trustee Pilch reimbursement FPPTA Winter School	\$809.22
Warrant 2019-009	
• KSDT & Co. Invoice #72136	\$5,615.00
Warrant 2019-010	
• Judith Hoekstra Reimburse for Notary Renewal	\$195.00
Warrant 2019-011	
• Joan Wall, Bookkeeper Services & Supplies	\$2,046.06
Warrant 2019-012	
• Gabriel Roeder Smith & Co. Invoice #4461583	\$10,241.00
• Garcia Hamilton & Associates Invoice #30344	\$4,284.15
• Klausner Kaufman Jensen & Levinson Invoice 12/31/18	\$650.00
• Southeastern Advisory Services quarter ending 3/31/18	\$4,709.48
Warrant 2019-013	
• Judith Hoekstra – April 18, 2019 Special Meeting	\$518.75
Warrant 2019-014	
• Garcia Hamilton & Associates difference owed Invoice #30344	\$84.95
Warrant 2019-015	
• KSDT & Co. Invoice #73509	\$4,650.00

Warrant 2019-016

- Klausner, Kaufman, Jensen & Levinson Invoice 4/30/2019 \$525.00

Klausner, Kaufman, Jensen & Levinson, Attorney Invoice 2/28/2019 0
1Q19 Rate of Return is 9.15% Net of Fees
March 11, 2019 Letter from GRS – 2018 Actuarial Confirmation of the
Use of State Moneys
April 22, 2019 Letter from GRS – GASB No. 67 Disclosure Information for
Fiscal Year Ending September 30, 2018
Renewal Notice for Fiduciary Insurance
Saxena White – First Quarter 2019 Monitoring Report
Garcia Hamilton & Associates QE March 31, 2019

VII. NEW BUSINESS

- Gabriel Roeder Smith & Co. Presentation Actuarial Valuation

VIII. OTHER BUSINESS

- Southeastern Advisory Services QE 3/31/2018
- Asset Allocation June 30, 2019
- Review Investment Policy

IX. JOAN WALL, ADMINISTRATOR

X. ATTORNEY REPORT

- March 12, 2019 Memo Tax treatment of duty-related disability pensions for first responders
- April 2, 2019 Memo – Changes in Tax Rules for Alimony
- May 21, 2019 Memos
 1. Statutory Death Benefits and Expanded Public Records Exemptions (SB 7098 & SB 248)
 2. Public Records Exemptions for Employees of a Law Enforcement Agency (SB 248)

XI. REPORT FROM BOARD MEMBERS

XII. ADJOURNMENT

Pursuant to FS 286.015, if a person decides to appeal any decision made by the Board, agency or commission with respect to any matter considered at such meeting, or hearing, he/she will need a record of the proceedings and that, for such purposes, he/she may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based.

ANY PERSON REQUIRING AUXILIARY AIDS AND SERVICES FOR THIS MEETING MAY CALL THE ADA COORDINATOR AT 390-2122 AT LEAST TWO WORKING DAYS PRIOR TO THE MEETING. IF YOU ARE HEARING OR SPEECH IMPAIRED, PLEASE CONTACT THE FLORIDA RELAY SERVICE BY USING THE FOLLOWING 2 PHONE NUMBERS: 1-800-995-8770 (VOICE) 1-800-955-8771 (TDD)

POST: City Hall Bulletin