

**Minutes of the JOINT QUARTERLY MEETING of the Firefighters', General Employees', and Police Officers' Retirement Systems, held Tuesday, June 2, 2020, at 2:00 P.M., via video conference**



**Call to Order**

Christine Hoffman, of the General Employees' Board of Trustees, called the meeting to order at 2:00 P.M.

**Roll Call:** General Employees' Board: Nick Currie, Georgette Dumont, Christine Hoffman, Brandon Maresma, Eddie Vergara

Police Officers' Board: David Cohill, Marvin Dupree, John Galarneau (absent), John Gosztyla, Jason Sharp (late)

Firefighters' Board: Gaylord Candler, Ed Dawson (absent), John McDaniel (absent), Dennis Povloski, Debbie White

**Courtesy of the Floor to Visitors**

Windy Johnson from Salem Trust introduced herself to the Board.

**LEGAL**

1. Pension Board Attorney, Pedro Herrera with Sugarman & Susskind, P.A., advised the Board of meeting advisements and legislative updates on legal matters.

**ELECTIONS**

**Consideration by Police Officers' Board of Trustees**

2. Oath of Office – Chair
  - a. Marvin Dupree (Re-Appointment)
3. Oath of Office – Member
  - a. John Gosztyla (Re-Appointment)

**Consideration by Firefighters' Board of Trustees**

4. Oath of Office – Secretary
  - a. Gaylord Candler (Re-Appointment)
5. Oath of Office – Chair
  - a. Dennis Povloski (Re-Appointment)
6. Oath of Office – Fifth Member
  - a. Deborah White (Re-Appointment)

## **OLD BUSINESS**

### **Consideration by General Employees', Police Officers' and Firefighters' Board of Trustees**

7. Approve Minutes of Joint Quarterly Meeting held February 11, 2020

**Motion:** It was moved by Mr. Povloski and seconded by Ms. Dumont, to Approve Minutes of Joint Quarterly Meeting held on February 11, 2020.

**Discussion:** Mr. Candler suggested adding more details to the Pension Board minutes. Ms. Hoffman agreed. Ms. Dumont stated she was informed by the City Manager, Mike Staffopoulos there is a policy regarding Pension Board meeting minutes and more details could be addressed by Director of Human Resources Ann Meuse. Ms. Meuse stated she was unaware of the topic. Ms. Hoffman suggested Ms. Meuse look further into the policy regarding adding more details into the Pension Board minutes.

**Vote:** Voice vote resulted in one Nay and remaining Ayes by all three Boards

## **NEW BUSINESS**

### **Consideration by General Employee's Board of Trustees**

8. Applications for Retirement

- a. *Approve* Michael Taylor – Utility Plant Superintendent (Water Plant/Public Works) Back-DROP Retirement effective 11/01/2019; Separation date 7/06/2020; Meets age/service requirements for Back-DROP service retirement (20 Years 4 Months of service)

**Motion:** It was moved by Ms. Dumont and seconded by Mr. Maresma, to *Approve* Michael Taylor – Utility Plant Superintendent (Water Plant/Public Works) Back-DROP Retirement effective 11/01/2019; Separation date 7/06/2020; Meets age/service requirements for Back-DROP service retirement (20 Years 4 Months of service)

**Roll call vote:** Ayes – Dumont, Hoffman, Maresma, Vergara  
The motion passed unanimously.

- b. *Approve* Alan (David) Thompson – GIS Engineering Designer (Beaches Energy) Back-DROP Retirement effective 07/01/2017; Separation date 6/30/2020; Meets age/service requirements for Back-DROP service retirement (33 years 3 months of service)

**Motion:** It was moved by Ms. Dumont and seconded by Mr. Maresma, to *Approve* Alan (David) Thompson – GIS Engineering Designer (Beaches

Energy) Back-DROP Retirement effective 07/01/2017; Separation date 6/30/2020; Meets age/service requirements for Back-DROP service retirement (33 years 3 months of service)

**Roll call vote:** Ayes – Dumont, Hoffman, Maresma, Vergara  
The motion passed unanimously.

- c. *Approve* Ernest Knowles – Cut In-Cut Out Technician (Meter Shop/Beaches Energy) Back-DROP Retirement effective 06/01/2017; Separation date 05/31/2020; Meets age/service requirements for Back-DROP retirement (17 years 7 months of service)

**Motion:** *Approve* Ernest Knowles – Cut In-Cut Out Technician (Meter Shop/Beaches Energy) Back-DROP Retirement effective 06/01/2017; Separation date 05/31/2020; Meets age/service requirements for Back-DROP retirement (17 years 7 months of service)

**Roll call vote:** Ayes – Dumont, Hoffman, Maresma, Vergara  
The motion passed unanimously.

**Consideration by General Employees', Police Officers' and Firefighters' Board of Trustees**

9. Consultant's Reports/Presentations

- a. Purvis Gray & Company (Ryan Tucker), Independent Auditors  
i. *Approve* September 30, 2019, Audited Financial Statements [on file]

George Candler inquired about the total pension liability and the formula that goes into its calculation. Ryan Tucker deferred to Brad Armstrong for discussion during his presentation. George Candler also inquired as to the Plan Fiduciary Net Position as a Percentage of Total Pension Liability for Ryan Tucker to provide some context as to what funded ratio the Plan should strive to achieve. Ryan Tucker replied that 80% is the benchmark and that this is a 50 year liability of which you don't need all assets today that you may need to pay out over 50 years. Brad Armstrong interjected that he would discuss further in his presentation.

Pedro Herrera stated that he wanted to clarify that there hasn't been any underfunding to the pension fund, the contributions have been made as required. George Candler commented that though we have made those contributions, they may not be enough to get the Plan to 100% funded.

**Motion:** It was moved by Mr. Maresma and seconded by Ms. Dumont to *Approve* September 30, 2019, Audited Financial Statements [on file]

**Roll call vote:** Ayes – Dumont, Hoffman, Maresma, Vergara  
The motion passed unanimously.

**Motion:** It was moved by Mr. Dupree and seconded by Mr. Cohill to *Approve* September 30, 2019, Audited Financial Statements [on file]

**Roll call vote:** Ayes – Cohill, Dupree, Gosztyla  
The motion passed unanimously.

**Motion:** It was moved by Mr. Povloski and seconded by Ms. White to  
*Approve* September 30, 2019, Audited Financial Statements [on file]

**Roll call vote:** Ayes – Candler, Povloski, White  
The motion passed unanimously.

- b. Gabriel, Roeder, Smith, and Company (Brad Armstrong) Actuary
  - i. *Approve* October 1, 2019, Sixty-Ninth Annual Actuarial Valuation [on file]

During Brad Armstrong's presentation he addressed some of the concerns that George Candler had raised by stating that in accordance with Florida Statute we are targeting a 100% funded ratio and we are on a schedule to pay the liability down according to the amortization schedule.

Georgette Dumont inquired of Brad Armstrong how close the now 9 year payoff of the net pension liability in the Firefighters' Plan was to the previous projection. Brad answered slightly below and that he would provide concrete information to Georgette via email.

Pedro Herrera requested that Brad Armstrong elaborate on how the contributions to the pension plans are distributed. For instance, is it safe to say that the City's contributions amount to less than 1/3 of pension plan contributions? Brad Armstrong replied that was a fair statement. He elaborated that about 2/3 are made of investment returns and 1/3 is made of employee and employer contributions.

**Motion:** It was moved by Ms. Dumont and seconded by Mr. Maresma to  
*Approve* October 1, 2019, Sixty-Ninth Annual Actuarial Valuation [on file]

**Roll call vote:** Ayes – Dumont, Hoffman, Maresma, Vergara  
The motion passed unanimously.

**Motion:** It was moved by Mr. Dupree and seconded by Mr. Cohill to  
*Approve* October 1, 2019, Sixty-Ninth Annual Actuarial Valuation [on file]

**Roll call vote:** Ayes – Cohill, Dupree, Gosztyla, Sharp  
The motion passed unanimously.

**Motion:** It was moved by Mr. Povloski and seconded by Mr. Candler to  
*Approve* October 1, 2019, Sixty-Ninth Annual Actuarial Valuation [on file]

**Roll call vote:** Ayes – Candler, Povloski, White  
The motion passed unanimously.

- c. AndCo Consulting (Brendan Vavrica), Investment Consultant
  - i. *Approve* March 31, 2020; Quarterly Investment Performance Report [on file]

Discussion ensued with Brendan Vavrica clarifying there is a difference between the assumed rate of return and the expected rate of return.

George Candler commented to Brendan Vavrica that he was concerned that the plan seems to have outperformed the assumed rate of return early in the plan's life but in recent years the plan has not performed as well. Brendan's response was that the plan has addressed this concern with recent and future planned reductions in the assumed rate of return.

Georgette Dumont requested that Brendan Vavrica estimate when we may see an upturn given how sharp of a downturn we have experienced. He replied that is completely dependent on controlling the spread of the virus.

**Motion:** It was moved by Ms. Dumont and seconded by Mr. Maresma to *Approve* March 31, 2020; Quarterly Investment Performance Report [on file]

**Roll call vote:** Ayes – Dumont, Hoffman, Maresma, Vergara  
The motion passed unanimously.

**Motion:** It was moved by Mr. Dupree and seconded by Mr. Cohill to *Approve* March 31, 2020; Quarterly Investment Performance Report [on file]

**Roll call vote:** Ayes – Cohill, Dupree, Gosztyla, Sharp  
The motion passed unanimously.

**Motion:** It was moved by Mr. Povloski and seconded by Mr. Candler to *Approve* March 31, 2020; Quarterly Investment Performance Report [on file]

**Roll call vote:** Ayes – Candler, Povloski, White  
The motion passed unanimously.

- ii. *Set* the Expected Rate of Return for this year, next year and long term thereafter

**Motion:** It was moved by Ms. Dumont and seconded by Mr. Maresma to *Set* the Expected Rate of Return for the General Employees' Retirement System for this year, next year and long term thereafter at 7.6%

**Roll call vote:** Ayes – Dumont, Hoffman, Maresma, Vergara  
The motion passed unanimously.

**Motion:** It was moved by Mr. Sharp and seconded by Mr. Cohill to *Set* the Expected Rate of Return for the Police Officer's Retirement System for this year, next year and long term thereafter at 7.6%

**Roll call vote:** Ayes – Cohill, Dupree, Gosztyla, Sharp  
The motion passed unanimously.

**Motion:** It was moved by Mr. Povloski and seconded by Mr. Candler to *Set* the Expected Rate of Return for the Firefighters' Retirement System for this year, next year and long term thereafter at 7.0%

**Roll call vote:** Ayes – Candler, Povloski, White  
The motion passed unanimously.

**Pension Administrator**

10. Pension Administrator's Report/Presentations

a. Approve 2021 Proposed Annual Budgets

**Motion:** It was moved by Ms. Dumont and seconded by Mr. Maresma to *Approve* 2021 Proposed Annual Budget for the General Employees' Retirement System

**Roll call vote:** Ayes – Dumont, Hoffman, Maresma, Vergara  
The motion passed unanimously.

**Motion:** It was moved by Mr. Sharp and seconded by Mr. Cohill to *Approve* 2021 Proposed Annual Budget for the Police Officers' Retirement System

**Roll call vote:** Ayes – Cohill, Dupree, Gosztyla, Sharp  
The motion passed unanimously.

**Motion:** It was moved by Mr. Povloski and seconded by Mr. Candler to *Approve* 2021 Proposed Annual Budget for the Firefighters' Retirement System

**Roll call vote:** Ayes – Candler, Povloski, White  
The motion passed unanimously.

b. Informational March 31, 2020: Quarterly Pension Plan Administrator's Report

Minutes of Quarterly Pension Board Meeting  
Tuesday, June 2, 2020

Chris Hoffman stated that she liked the idea of a pension software where employees could run their own estimates. Georgette Dumont inquired if the pension software would be integrated with the ERP system. Duston Scott replied that it would not and there is no ability tie in an outside pension software with the current ERP.

The meeting adjourned at 4:43 P.M.

Submitted by: Jodilynn Byrd  
Administrative Assistant

Approval: \_\_\_\_\_

Chair

Date: \_\_\_\_\_



9-24-2020