

**I. Pledge of Alligence**

**II. Call to Order**

Chairman Balistreri called the meeting of the Wilton Manors GE & Police Pension Board of Trustees to order at 5:32 pm

**III. Roll Call**

Barbara Bihus, John Pilch, Brian Vodicka and Chairman Balistreri – George Farrell was absent

**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.

**Approval of Minutes:**

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

Trustee Pilch approved the Consent Agenda as presented, seconded by Trustee Bihus. Approved Unanimously

**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

Trustee Vodicka made a motion to ratify all the disbursements under receive & file, seconded by Trustee Bihus

Approved Unanimously

**VII. Other Business**

1. Gabriel Roeder Smith & Company  
Presentation of Actuarial Valuation October 1, 2018

Theora Braccialarghe was present to go over the Valuation with the Board.

**1. Summary of Plan Provisions/Assumptions**

Normal Retirement Benefit	3% * AFC * Years of Service
Monthly Stipend	\$10 * Years of Service (max \$200) – for members hired before September 30, 2005
Normal Form of Benefits	Life annuity
Normal Retirement Date*	Age 60 & 5 YOS or 20 YOS
Early Retirement Date	Age 50 & 15 YOS
Early Retirement Factor	3% per year (maximum of 12%)
Average Earnings	Average Compensation over the highest three consecutive YOS
Cost of Living Adjustment "COLA"	Certain ee's of the police bargaining unit, including non-sworn members participating in the General Employees Plan who retire or DROP during the 02-05 CBA receive a delayed 3% COLA PBA members with 10 or more YOS as of 10/1/06 receive a 3% COLA starting six years after retirement.
Plan Status	Closed to new entrants hired on or after August 1, 2007 (the effective Date of the City's participation in FRS)
Funding Method	Entry Age Normal; amortization through 2029/30
Employee Contribution Rate	Police Officers 10% of pay and General Employees 11% of pay
Mortality Assumption	Mortality Tables used for Regular Class Members (General) and Special Risk Class Members (Police) of the Florida Retirement System (FRS)
Investment Return Assumption	6.9% rate, net of investment expense, compounded annually

\*Active members with 15 or more YOS as of 10/1/06 who retired by September 30, 2009, retired with unreduced benefits, payable when the member would have reached NR if they had remained employed.

**City Contributions**

General Employees - Annual Required Contribution	\$743,396
Police Officers - Annual Required Contribution	\$931,072
Combined Annual Required Contribution	\$1,674,468
As Percentage of Payroll	379.28%

**3. Gain / (Loss)**

	<b>General</b>	<b>Police Officers</b>
Gain / (Loss) due to investments	(\$14,049)	(\$15,776)
Gain / (Loss) due to other sources	<u>\$19,974</u>	<u>(\$67,269)</u>
Total Gain / (Loss)	\$ 5,925	(\$83,045)

**4. Historical Gain / (Loss)**

<b>Year Ending</b>	<b>Gain / (Loss)</b>
9/30/2018	(\$77,120)
9/30/2017	\$184,340
9/30/2016	\$138,520
9/30/2015	\$450,252
9/30/2014	\$636,721

**5. Variability of Future Contributions**

- The market value (MV) exceeds the actuarial value (AVA) as of October 1, 2018 by about \$700k.
- If the MV had been used instead of the AVA the required city contributions would have decreased by about \$77k.

**6. Key Considerations**

- The Plan was closed to new entrants June 12, 2007. At this point about 89% of the accrued liability is for inactive members.
- The Current Funding Method is Entry Age Normal. Under this funding method the City is making a long term commitment to continue funding the plan even after the last member retires.

**7. Recommendations**

- Steps have been taken to improve the funded position of the Plan such as lowering the investment earnings assumption and gradually lowering the amortization period. We recommend continuing to lower the investment return assumption.

Theora said the first two pages of the Valuation are disclosures. The third paragraph explains the purpose of the valuation is to measure the System’s funding progress, to determine the employer contribution rate for the fiscal year ending September 30, 2019 and to determine the actuarial information for GASB Statement No. 67 for the fiscal year ending 2018. This report should not be relied on for any purpose other than the purposes described herein. Determinations of Financial results associated with the benefits described in this report, for purposes other than those identified above may be significantly different.

Required City Contributions

	General	Police	Total
Total Required Employer Contribution	\$743,396	\$931,072	\$1,674,468
As a % of Payroll	333.81%	425.57%	379.28%
Expected State Premium Tax Refund	N/A	\$0	\$0
Remaining City Contribution	\$743,396	\$931,072	\$1,674,468
As a % of Payroll	333.81%	425.57%	379.28%

Theora went over the valuation report with the board and addressed a few items to explain the summary in more detail.

- Total Remaining Required City Contribution went up by about \$7,000 because of the assumption change.
- The size of the group is the same before and after the change in the assumption
- The long range cost went from \$38,114,416 to \$38,510,018 because of the change
- Valuation Assets are the same \$26,065,028
- The unfunded Actuarial Accrued Liability went up from \$11,864,370 to \$12,255,047
- Trustee Vodicka had a question on the Payment Required to Amortize UAAL. He wanted to know how long and over what time period are we amortizing the unfunded accrued liability?
- Up to 2006 they had a practice of amortizing over 30 years, in 2006 the Board agreed to start reducing that amortization by one every year. Last year we were at thirteen and then the board said it was okay to leave it at 15 but let's work on the interest rate, let's start getting that down. The bulk of the amortizations are over 12 years and new pieces are coming on at 15 years now going forward.
- The cost for benefits for General Employees that are accruing during the next year is \$52,932 with the change and another \$43,781 for the General Employees share of Administrative Expenses for a total of \$96,713.
- The Police Officers are similar, cost for benefits accruing during the year is \$40,206 with the change and \$49,310 for the Police Officers share of Administrative Expenses for a total of \$89,516.
- The total liability for General Employees for active members is about 2 million and the liability for inactive member is 15 million. Most of the liability for this plan is for inactive members.
- For Police Officers for active members is \$2.4 million and for inactive members it is \$18.5 million. The liability for the Police plan is for inactive members.
- Theora went over the recent history of valuation results with the board.
- Actuarial Gains and Losses – For General Employees the expected UAAL Current Year After Changes \$5,305,172 – Actual UAAL Current Year is \$5,299,247 a minimal Actuarial Gain of \$5,925
- For Police Officers the expected UAAL Current Year After Changes \$6,872,755 – Actual UAAL Current Year \$6,955,800 Actuarial Loss (\$83,045)
- Schedule of Funding Progress – the past 5 years 2014 61.1% 2015 63.7% 2016 64.9% 2017 67.0% and 2018 68.0% Funded Ratio this headed in the right direction.
- Single Discount Rate – GASB Statement No. 67  
Current Single Discount Rate Assumption 6.90% \$10,739,722  
1% Decrease 5.90% \$14,994,886 and 1% Increase 7.90% \$7,198,952
- Theora went over the Mortality Table with the Board

- Statement of Assets at Market Value – all the money for general – police and fire are put together because a larger plan can afford better investment consulting and the cost is usually incrementally less as you get a larger amount.
- Value of Assets for General Employees
  - Preliminary Actuarial Value as of End of Year \$12,169,876
  - Adjustment for DROP Reserves \$32,234 – Net Value Assets \$12,137,642
- Value of Assets for Police Officers
  - Preliminary Actuarial Value as of End of Year \$13,927,386
  - Adjustment for DROP Reserves \$0 – Net Value Assets \$13,927,386
- Reconciliation of DROP Accounts – General - Beginning Balance \$179,882  
Withdrawals during Period (\$203,782) – End of Year Balance \$32,234
- Police Officers Beginning Balance (\$5,628) Withdrawals During Period \$0  
End of Year Balance (\$5,628). This credit balance has been on the books for several years and this needs to be addressed as to how to handle this credit.
- Statistical Data-General Employees – 4 Active Participants – 43 Members receiving benefits  
1 DROP Participant and 1 Vested Member  
Police Officers – Everything the same – 2 Active Participants – 31 Members receiving benefits
- Trustee Vodicka asked about the decrease in the investment return that the Board adopted. Theora said it went from 7% to 6.9%. Trustee Vodicka said then it will go to 6.8% and wanted to know if that was reasonable enough. Theora said as an actuary she always likes to be conservative. She is more concerned how the money is invested and the message that is given to the manager.  
Trustee Vodicka also inquired about the Firefighter Plan they are at 6%.  
Chairman Balistreri said their investment rate is at 6%, but if it tanked it wouldn't cost the City any money because they get the State 185 money and the GE & Police Plan would cost the City so we have to be very careful. If next year we see this just isn't working we do not have to lower it again. As a Board we can decide to pause for 1 or 2 years. Every year we will reevaluate that decrease.  
Trustee Vodicka asked, who is actually paying for the unfunded pension liability?  
Theora said that is the City contribution.
- Theora went over the GRS letter of June 4, 2019 with the board. They are required by the State to do this when there are any changes. Required City Contribution at 6.9% \$1,674,468 if we went down to 6.8% the Required City Contribution would be \$1,711,387. A decision would have to be made by the end of the year if the board wants to go down to 6.8%.

Trustee Vodicka made a motion to approve the actuarial valuation, seconded by Trustee Bihus.  
Approved Unanimously

## 2. Southeastern Advisory Services First Quarter – March 31, 2018

John Small was present to go over the 1<sup>st</sup> quarter performance with the Board and said it was a great quarter.

- S&P 500 13.7% for the quarter, one year 9.5%, 3 year 13.5%
- The EAFE Index 10.0% for the quarter, -3.7% for the one year, 3 year 7.3%
- BbgBarc U.S. Aggregate 2.9% for the quarter, 4.5% for the one year, 2.0% 3 year
- 91 Day Treasury Bills 0.6% for the quarter, 2.1% for one year, 1.2% 3 years
- CPI 1.2% for the quarter, 1.9% for the one year, 2.2% 3 years

### **Portfolio Growth**

For the quarter all funds were positive. The fund made \$2,450,147  
\$28,757,387 for the quarter ending 3/31/19

### **Performance Comparison**

#### **Total Fund Analysis**

1<sup>st</sup> quarter 9.2%/57<sup>th</sup> – 1 year 6.2%/21<sup>st</sup> – 3 years 8.6%/60<sup>th</sup> – 5 years 5.3%/99<sup>th</sup>

### **Equity Analysis**

#### **1<sup>st</sup> Quarter**

- Vanguard Russell 1000 14.0%/32<sup>nd</sup> – 1 year 9.2%/38<sup>th</sup>  
\*Vanguard Russell 1000 was funded on June 16, 2016
- Vanguard Mid Cap Value 13.8%/70<sup>th</sup> – 1 year 1.1%/67<sup>th</sup>  
\*Vanguard Mid Cap Value was funded on June 14, 2016
- Eaton Vance SMID Cap 15.9%/28<sup>th</sup> - 1 year 8.6%/21<sup>st</sup>  
\*Eaton Vance SMID Cap was funded on June 16, 2016
- Garcia Hamilton Fixed 2.0%/91<sup>st</sup> – 1 year 3.9%/91<sup>st</sup>
- Vanguard Ultra Short Bond 1.0%/76<sup>th</sup> – 1 year 3.1%/41<sup>st</sup>

#### **Allocation of Assets for the Quarter Ending March 31, 2019**

- Equity 62.3% - International 0.0% - Fixed Income 30.9% - Cash 6.7%

### **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. Achieved 8.6%
- The total rate of return should rank in the top half of the Wilshire Cooperative Public Fund Universe over a rolling three year period. Not Achieved 60<sup>th</sup>
- Each security class to exceed the appropriate selected unmanaged market index over a rolling three year period.
  - Garcia Hamilton – Fixed – Achieved 2.0%
- Percentile Rank of Manager in Appropriate Universe Must Exceed the Median (50<sup>th</sup> percentile)
  - Garcia Hamilton Fixed Income – Not Achieved 91<sup>st</sup>
- Percentile Rank of Manager in Appropriate Universe Must Place Within the Top Third (33 1/3 percentile).
  - Garcia Hamilton Fixed Income – Not Achieved 62<sup>nd</sup>

### **Asset Allocation – Actual – Quarter Ending 3/31/19**

Everything within range: Equity 62.3% - Fixed Income 30.9% - Cash 6.7%  
No violations of policy. Overall it was a pretty good quarter  
We are well situated the way we are.

**Asset Allocation**

John Small went over the Asset Allocation with the Board showing where changes need to be made. Estimated distribution for the quarter \$700,000. Trustee Pilch made the motion to approve John Small's Asset Allocation recommendation, seconded by Trustee Vodicka. Approved Unanimously John Small said he would notify Regions bank about the reallocation.

No provision in the Investment Policy pertaining to Real Estate. The question about Real Estate was brought up at the last pension meeting. Attorney Levinson & John Small had a brief discussion with the board.

Attorney Levinson asked John Small & Theora with the other closed mature plans they have how do they see their Equities and Fixed Income allocation are they 60/40 or what are they seeing. John Small said this is the only closed plan he deals with. John Small said we are pretty safe right now. Chairman Balistreri said the Board can made suggestions as they lower the assumption rate of return. As we are lowering this we need to have these conversations with John Small.

John Small went over the Returns over the last 10 years. On an average we were over 6% for all time frames. We are pretty safe right now.

Trustee Pilch made a motion to approve the Asset Allocation presented by John Small, seconded by Trustee Vodicka. Approved Unanimously

**VIII. Joan Wall, Administrator**

Discussion about the \$5,928 that was brought to the boards attention by Theora. Attorney Levinson & Chairman Balistreri asked Joan to bring the files to the next meeting to look into it further on how to handle it.

**IX. Attorney Report**

Attorney Levinson said there were three memos from his office and the board can read at their leisure and they can be put on the next agenda to go over if the board has any questions on them.

**X. Reports from Board Members**

None

**XI. Participant Section**

None

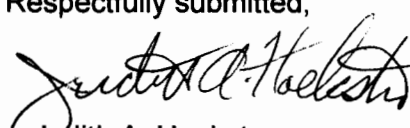
**XII. Adjournment**

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

Respectfully submitted,

Approved: \_\_\_\_\_

Date: 6/11/19



Judith A. Hoekstra  
Recording Secretary

**AGENDA**  
**WILTON MANORS GENERAL EMPLOYEE & POLICE PENSION**  
**BOARD OF TRUSTEES REGULAR MEETING Tuesday September 3, 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:**

- June 4, 2019

**Motion to Receive and File:**

Warrant 2019-017

- Trustee Balistreri registration FPPTA Conference \$775.00

Warrant 2019-0018

- Judith Hoekstra June 4, 2019 Invoice \$437.50

Warrant 2019-019

- Biagio Balistreri per diem FPPTA Conference \$220.00

Warrant 2019-020

- Gabriel Roeder Smith & Co. Invoice #447262 \$9,450.00

Warrant 2019-021

- Professional Indemnity Insurance Renewal #U718-52397 \$7,333.00

Warrant 2019-022

- Biagio Balistreri reimburse expenses FPPTA Conference \$1,134.30

Warrant 2019-023

- Gabriel Roeder Smith & Co. Invoice #448077 \$4,311.00

- Garcia Hamilton & Associates Invoice #30732 \$4,395.50

- Southeastern Advisory Services quarter ending 6/30/19 \$4,709.48

Klausner, Kaufman, Jensen & Levinson, Attorney Invoice 5/31/2019 0

Klausner, Kaufman, Jensen & Levinson, Attorney Invoice 6/30/2019 0

2Q19 Rate of Return is 4.00% Net of Fees

Saxena White – Second Quarter 2019 Monitoring Report

Garcia Hamilton & Associates QE June 30, 2019

GRS – August 5, 2019 Chapter 112.664, F.S. Compliance Report

GRS – August 20, 2019 GASB No. 68 Disclosure Information for Reporting  
Year Ending September 30, 2019

August 28, 2019 Letter to Region Deposit Checks #1111710 & #1111950



**VII. NEW BUSINESS**

- Southeastern Advisory Services QE 9/30/2019
- Asset Allocation September 30, 2019
- KSDT Audit Engagement Letter – Discussion/Approval  
2019 Fee \$11,200.00 – 2018 Fee \$10,875.00

**VIII. OTHER BUSINESS**

**IX. JOAN WALL, ADMINISTRATOR**

**X. ATTORNEY REPORT**

- July 2019 Cyberattack and Cyber Liability Insurance Coverage
- Discuss DROP Credit (\$5,628.26) 11 years
- 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)