

BOARD OF TRUSTEES
City of Longwood Police Officers and Firefighters
Pension and Trust Fund
Longwood City Commission Chambers
175 West Warren Avenue
Longwood, Florida

REGULAR MEETING
MINUTES
May 5, 2021
6:00 P.M.

Present: **Robert Redditt, Chair**
 Kevin Little, Secretary
 Cole Copertino, Member (Via Zoom)
 Chris Eichler, Member
 Pedro Herrera, Board Attorney (Via Zoom)
 Jeremy Langley, Florida League of Cities
 Michelle Longo, City Clerk
 Judith Rosado, Finance Director

Absent: **Bruce Kubec, Vice-Chair**

1. **Call to Order.** Chair Redditt called the meeting to order at 6:00 p.m.
2. **Pledge of Allegiance.**
3. **Election of Officers**
 - A. **Chair**
 - B. **Vice-Chair**
 - C. **Secretary**

Mr. Herrera confirmed there is a physical quorum present for voting. He advised one of the attendees is attending by telecom. As required under the Sunshine Law, a Trustee can only vote if they are physically present in the room unless there are exigent or extenuating circumstances. The Attorney General's opinions in the past have held that if there are extenuating circumstances and these are adopted or accepted by the rest of the Board of Trustees, an absent member can participate in the discussion and also have his vote count if attending via teleconference or electronic media. He provided examples of possible extenuating circumstances. He asked the Board if they would accept Member Copertino's current extenuating circumstances before opening the floor for nominations.

It was the consensus of the Board to allow Member Copertino to participate and hear his thoughts but his vote would not be counted.

Chair Redditt opened the floor for nominations.

Secretary Little moved to retain all incumbent officers. Seconded by Member Eichler and carried by a unanimous voice vote with Vice-Chair Kubec absent.

4. Approval of Minutes: February 3, 2021, Regular Meeting

Member Eichler moved to approve the minutes as presented. Seconded by Secretary Little and carried by a unanimous voice vote with Vice-Chair Kubec absent.

5. Review of Agenda Packet Material.

A. Quarterly Performance Review.

Mr. Langley went over the Quarterly Performance Review ending December 30, 2020, and provided an updated review on numbers from March 2021. He then answered questions.

B. Plan Account Statements (December 2020, January 2021, and February 2021).

The Beginning Balance for December 2020 was \$23,861,473.36, the Contributions were \$58,183.17, the Earnings were \$843,596.14, the Distributions were \$22,522.60, the Fees and Expenses were \$4,696.25, and the Ending Balance was \$24,736,033.82.

The Beginning Balance for January 2021 was \$24,736,033.82, the Contributions were \$85,011.89, the Losses were \$281,432.66, the Distributions were \$22,522.60, the Fees and Expenses were \$21,676.51, and the Ending Balance was \$24,495,413.94.

The Beginning Balance for February 2021 was \$24,495,413.94, the Contributions were \$57,867.62, the Earnings were \$608,398.68, the Distributions were \$22,522.60, the Fees and Expenses were \$0, and the Ending Balance was \$25,139,157.64.

Mr. Langley answered questions related to the market. He noted changes in the Core Plus Fund including removing Frank Templeton as manager and moving all assets over to Pioneer.

Discussion ensued on inflation, interest rates rising, the stock market, and the current economy.

Member Eichler moved to accept the Plan Account Statements as presented. Seconded by Secretary Little and carried by a unanimous voice vote with Vice-Chair Kubec absent.

C. Expense Report.

Secretary Little moved to approve the Expense Report as presented. Seconded by Member Eichler and carried by a unanimous voice vote with Vice-Chair Kubec absent.

D. Actuarial Report 2020

Chair Redditt reviewed the Actuarial Report.

Discussion ensued on the refunds that are due to the 37 participants that are no longer in the Plan and ensuring the money is paid to them.

Mr. Herrera suggested trying to resend letters to those who have not responded, attempting to find a different address to the letters that were returned, and inquiring about free services to find the participants. He also suggested, after reasonable attempts to find them with no success, turning it over to the States' Unclaimed Property Division. He said if at some point these individuals do resurface, they can get their money as opposed to forfeiting the funds or holding the liability on the books which is not recommended.

Discussion continued about how to handle the current unclaimed contributions. It was also noted per Florida Statute 175/185 one is allowed to keep their contributions in the Plan for up to five years.

Chair Redditt continued reviewing the Actuarial Report.

Mr. Langley went over changes and said one was the mortality table. He said this was the one assumption mandated by the State and mirrored what they were doing. On all other assumptions, the Actuary is making a recommendation and as a Board, you decide whether you like his assumptions and approve the report based on that. He suggested that the only assumption to look at to help build the health of the plan with extra assets would be the Assumed Rate of Return which is at 7%. He said that is appropriate, it is ahead of the curb, and it is slightly above average compared to other Plans in the State.

Member Eichler asked if overtime worked over 300 hours per year should be getting the 1% deduction of pensionable earnings. He said he understands it should not be but stated he knows it is occurring and wants to know how this can be fixed.

Mr. Herrera advised one should only be making a Pension contribution on pensionable wages/salaries. Anything above 300 hours is not a pensionable salary, therefore, the 1% should not apply to those extra hours worked.

Ms. Longo noted she and Ms. Rosado would go back to review the hours,

try to determine how it is being done, and bring it to the next meeting.

Discussion ensued on determining how voluntary overtime over 300 hours is being handled with payroll and what constitutes pensionable earnings.

Mr. Langley explained that the Overall Contribution Rate increased about two-thirds of 1%. He said a .34% reduction was due to investment gains/losses and the 1.49% decrease was due to the mortality change. He said the whole reason there was two-thirds of a percentage increase was because of a 2.75% increase due to demographic experience. He said you are assuming a 4% payroll increase annually. There was a 9½% increase last year in payroll. He said these were the only things that impacted the report from the prior year.

Mr. Langley noted there is an Advanced Employer Contribution that sits at \$271,359 it was at \$336,000 but \$64,000 was used last year. If you pay any amount less than the minimum required the Actuary will automatically take it out of the Advanced Employer Contribution.

Member Eichler moved to approve the Actuarial Report as presented. Seconded by Secretary Little and carried by a unanimous voice vote with Vice-Chair Kubec absent.

6. Other Business. None.

7. Board Attorney Report.

Mr. Herrera explained the changes made to the Summary Plan Description and answered questions.

Secretary Little moved to approve the Summary Plan Description as presented. Seconded by Member Eichler and carried by a unanimous voice vote with Vice-Chair Kubec absent.

A. Status update on the continuance of the Joshua Iamaio Disability Informal Hearing.

Mr. Herrera advised he followed up with Mr. Iamaio's attorney who said they are still in the process of doing stuff, they have additional medical records, and are ready for the Board to set the hearing for whenever is convenient. He asked when the Members would like to set the informal hearing.

Discussion ensued on reviewing the new medical documents and when to set the informal hearing.

It was the consensus of the Board to hold a special meeting for the

informal hearing whenever Mr. Lamaio and his attorney are prepared to present his case.

Mr. Herrera advised there were no Bills that passed in the Legislative session that affect the plan. He mentioned Senate Bill 84, the Bill seeking to close the defined benefit fund of the Florida Retirement System for non-special risks, did not pass. The other Bill for Police Officers Membership was signed by the Governor and effectively increases certain criminal liabilities for public protests. It also has new definitions for mobs. It similarly did restrict local entities from being able to divert funds from their respective police departments.

Mr. Herrera reminded the Members to fill out their Financial Disclosure forms that are due by July 1. He noted the Governor issued an Executive Order two days ago where he effectively invalidated any kind of emergency rule implemented by local legislative agencies concerning COVID. He did specifically issue an order giving the ability for local agencies to pass a law to amend their ordinance to provide for their COVID restrictions.

8. Member Comments.

Ms. Longo advised after the vote to approve the Actuarial Report the State requires the Board to set the expected rate of return for the next year, the next several years, and the long term thereafter.

Secretary Little moved to approve an expected rate of return at 7% for the next year, the next several years, and for the long-term thereafter. Seconded by Member Eichler and carried by a unanimous voice vote with Vice-Chair Kubec absent.

Mr. Langley advised the change on the target allocations is 9%. The large-cap goes from 34 to 25%, the small to mid-cap goes from 11 to 14% and the international goes up 15 to 21%. He also mentioned a full-service option the League offers where they would work to prepare the Board's agendas, record all the meetings, take notes, complete the minutes, and schedule the meetings. He said it would be \$3,000 a year.

9. Public Participation. None.

10. Adjournment. Chair Redditt adjourned the meeting at 8:55 p.m.

Minutes approved by the Board of Trustees: 08-04-2021

Robert Redditt, Chair

ATTEST:

Michelle Longo, Recording Secretary