



# AGENDA

## GENERAL EMPLOYEE PENSION BOARD

### REGULAR MEETING

September 19, 2019

8:30 a.m.

City Administration Building  
City Manager's Conference Room

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#### AGENDA ITEM:

- |   |                              |
|---|------------------------------|
| <b>1. CALL TO ORDER</b>   |                              |
| <b>2. ROLL CALL</b>   |                              |
| <b>3. COMMUNICATIONS AND PETITIONS</b><br>Public participation is encouraged. If you are addressing the Commission, step to the podium and state your name and address for the record. Please limit your discussions to five (5) minutes. |                              |
| <b>4. APPROVAL OF MINUTES</b> <ul style="list-style-type: none"><li>July 25, 2019</li></ul>   | <b>ACTION TAKEN</b><br>_____ |
| <b>5. HIGHLAND CAPITAL</b> <ul style="list-style-type: none"><li>Investment Review</li></ul>  | _____                        |
| <b>6. SALEM TRUST</b> <ul style="list-style-type: none"><li>General Pension Plan transition discussion</li></ul>  | _____                        |
| <b>7. KLAUSNER, KAUFMAN, JENSEN &amp; LEVINSON</b> <ul style="list-style-type: none"><li>Contract discussion</li><li>Summary of current plan</li></ul>  | _____                        |
| <b>8. RAYMOND JAMES</b> <ul style="list-style-type: none"><li>Revised Contract discussion</li></ul>   | _____                        |
| <b>9. NEW BUSINESS</b> <ul style="list-style-type: none"><li>Invoices</li></ul>   | _____                        |
| <b>10. OTHER NEW BUSINESS</b> <ul style="list-style-type: none"><li>Pension Enhancement Discussion</li></ul>  | _____                        |

#### **NEXT MEETING: October 31, 2019**

Minutes of the General Employee Pension Board meetings can be obtained from the office of the City Clerk. The minutes are recorded, but are not transcribed verbatim. Persons requiring a verbatim transcript may make arrangements with the City Clerk to duplicate the recordings, or arrange to have a court reporter present at the meeting. The cost of duplication and/or court reporter will be at the expense of the requesting party. Persons who wish to appeal any decision made by the General Employee Pension Board with respect to any matter considered during this meeting will need a record of the proceedings, and for such purpose 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 based.

In accordance with Section 286.26, Florida Statutes, persons with disabilities needing special accommodations to participate in this meeting should contact the office of the City Clerk no later than 5:00 p.m. on the day prior to the meeting.

# **AGENDA ITEM No. 4**

**Approval of Minutes**

**General Employees' Pension Board Regular, Quarterly Meeting**  
**July 25, 2019 – 8:30am**

The regular, quarterly meeting of the City of Lake Wales General Employees' Pension Board was held July 25, 2019 in the City Administration Building, City Manager's conference room beginning at 8:30a.m. Violeta Salud, Chairperson, conducted the meeting.

**Agenda Item 2: BOARD MEMBERS PRESENT:**

Commissioner Robin Gibson,  
Sarah Kirkland,  
Violeta Salud,  
James Slaton

**BOARD MEMBERS ABSENT:**

Linda Kimbrough

**CITY REP PRESENT:**

Carmen Ortiz, Recording Secretary

**OTHER ATTENDEES:**

Sandra Davis, City of Lake Wales;  
Ryan Higgins, Raymond James;  
Chris Rafool, Raymond James;  
Todd Wishnia, Highland Capital Management, LLC  
Debbie Kocsis, Salem Trust  
Mindy Johnson, Salem Trust

**Agenda Item 3: COMMUNICATIONS AND PETITIONS:**

No comments from the public.

**Agenda Item 4: APPROVAL OF MINUTES:**

**June 26, 2019 Regular Meeting Minutes**

James Slaton made a motion to approve the minutes of the April 25, 2019 regular meeting. Sarah Kirkland seconded the Motion.

**VOTE: All "AYE", None "NAY"**

Motion passed, 4/0 vote

**Agenda Item 5: KLAUSNER, KAUFMAN, JENSEN & LEVINSON:**

**Contract Discussion**

Adam Levinson attended by phone, gave an overview of the contract for Salem Trust. Debbie Kocsis and Mindy Johnson provided copies and an overview of the content on each page. They also provided an overview of the transition process from Raymond James to Salem Trust. Retiree benefits payments would start on October 1<sup>st</sup>. A copy of a letter that would be mailed to the Pension Members was provided. Required paperwork for the transition to Salem Trust was also provided with the Contract for signatures.

Commissioner Robin Gibson made a motion to approve the Contract with Salem Trust. James Slaton and Sarah Kirkland seconded the motion.

**VOTE: All "AYE", None "NAY"**

Motion passed, 4/0 vote

There were some corrections made on the Contract with correct email addresses and names, and the Contract was signed. Copies were provided to the Board Secretary.

Violeta Salud made a motion to authorize Adam to rewrite the Contract with Raymond James. James Slaton and Sarah Kirkland seconded the motion.

**VOTE: All "AYE", None "NAY"**

Motion passed, 4/0 vote

A special Board Meeting was scheduled for September 19, 2019 so that Adam can present the new revised contract to Raymond James.

**Agenda Item 6: RAYMOND JAMES:**

Todd Wishnia from Highland Capital spoke about the results of the fourth quarter for the fiscal year to date 06/30/19. April was very strong; trade tensions brought market down about 7% in May but went back up in June. Consumer is about 68% of economic output. They did hold 2 triple B bonds that they sold, which were Lowes and Starbucks, and are caught up and back in the portfolio as a gain.

Mr. Rafool presented the Portfolio Performance Report for the second quarter of 2019, period ending June 30, 2019 as shown below:

<b><u>Summary of Cash Flows - 2nd Quarter 2019</u></b>	
<b>Beginning Market Value</b>	<b>\$10,793,533</b>
<b>Contributions</b>	<b>\$140,246</b>
<b>Withdrawals</b>	<b>\$219,530</b>
<b>Net Cash Flow</b>	<b>- \$79,284</b>
<b>Net Investment Change</b>	<b>\$375,657</b>
<b>Ending Market Value</b>	<b>\$11,089,907</b>

City of Lake Wales General Employee Pension Plan account trailed its Primary benchmark for the 2nd quarter of 2019, and is trailing the primary benchmark for the year-to-date period, however the account is out performing its primary Benchmark for the trailing 1-year period. Additionally, the account is out performing its fixed target rate of return of 7.5% annually for the 2nd Quarter of 2019, year to date and the trailing 1-year period.

A copy of our IPS will be provided at the next meeting.

**Agenda Item 7: NEW BUSINESS:**

**Invoices:**

Klausner, Kaufman, Jensen & Levinson – Professional Fees \$2512.50

Violeta Salud made a motion to approve payment of invoice. James Slaton and Sarah Kirkland seconded the motion

**VOTE: All "AYE", None "NAY"**

Motion passed, 4/0 vote

**Agenda Item 8: OTHER NEW BUSINESS:**

Sarah Kirkland requested information on Sandra Davis's previous announcement regarding the City Manager wanting to let the Board know that there are a couple of benefits that have been discussed that would probably come before the Board at some point:

1. There is currently a \$75,000 CAP of benefits on General Employees, Police and Fire, and there is a request to at some point remove that CAP.
2. There are requests from employees to be able to buy Municipal Service from different cities in Florida to count towards their vesting period with the City.

Sandra Davis stated that there would be additional costs and it is under their agenda on one of their up-coming meetings.

\_\_\_\_\_  
Violeta B. Salud, Chairperson

ATTEST:

\_\_\_\_\_  
Prepared by: Carmen Ortiz for the Board of Trustees

DRAFT

# **AGENDA ITEM No. 7**

**Klausner, Kaufman, Jensen  
& Levinson**

Summary of current plan

SUMMARY OF CURRENT PLAN  
(Through Ordinance 2015-01)

<u>Eligibility</u>	Full-time employees who are classified as General Employees participate in the Plan as a condition of employment. Full-time employees in pay grades 119(a)-300 may opt out.
<u>Compensation</u>	Total pay (including the lesser of the amount of sick and annual leave time accrued as of July 1, 2011, or the actual amount of sick and annual leave time accrued at the time of separation from employment), but not including more than 300 hours of overtime per year, expense reimbursements, director's fees or contributions made by the City to this Plan or other fringe benefit plans.
<u>Average Monthly Compensation</u>	Average Compensation for the highest consecutive 5 calendar years preceding retirement or termination.
<u>Credited Service</u>	Total years and fractional parts of years of employment with the City as a General Employee.
<u>Normal Retirement</u>	
Date	Age 60 and 10 years of service.
Benefit	2.50% of Average Monthly Compensation <u>times</u> Credited Service. (Maximum Annual Benefit = \$75,000)
Form of Benefit	Life Annuity (options available).
<u>Early Retirement</u>	
Date	Age 55 and 10 years of Credited Service.
Benefit	Accrued benefit, reduced 1/15 <sup>th</sup> for each of the first 2.5 years and 1/30 <sup>th</sup> for each of the next 2.5 years that Early Retirement precedes Normal Retirement.
<u>Death Benefit</u>	
Pre-Retirement	Refund of accumulated contributions, with interest.
Post-Retirement	Benefits payable to beneficiary in accordance with option selected at retirement.
<u>Vesting</u>	
Schedule	100% after 10 years of Credited Service.



Benefit Amount Member will receive the vested portion of his (her) accrued benefit payable at age 55 (reduced) or age 60 (unreduced).

Disability Benefit

Eligibility 10 years of Credited Service for Not In Line-of- Duty benefits.

Benefit Amount Accrued pension benefit, reduced as for Early Retirement, or return of Member Contributions, with interest. Minimum benefit for In Line-of-Duty disability is 42% of Average Final Compensation.

Member Contributions 5.00% of Compensation (cease upon reaching the \$75,000 maximum annual accrued benefit).

City Contributions Remaining amount required in order to pay current costs and amortize unfunded past service cost, if any, over 30 years.

Deferred Retirement Option Plan

Eligibility Satisfaction of Normal Retirement requirements.

Participation Not to exceed 60 months.

Rate of Return At Member's election:  
(a) 91 T-Bill interest rate; or  
(b) actual net rate of investment return. The member may revise this election bi-annually.

Form of Distribution Cash lump sum payable at termination of employment.

# **AGENDA ITEM No. 9**

## **New Business**

Approval of Invoices



July 5, 2019

Invoice Number: 21269

MANAGEMENT FEE:

LAKE WALES GENERAL EMPLOYEES' PENSION

6/30/2019 Portfolio Value: \$ 10,357,239.78

Quarterly Fee Based On:

\$ 10,357,240 @ 0.50% per annum \$ 12,946.55

Quarterly Fee: \$ 12,946.55

For the Period 4/1/2019 through 6/30/2019

Paid by Debit Direct (\$ 0.00)

**Please Remit** \$ 12,946.55

<u>Account</u>	<u>Account Value</u>	<u>Quarterly Fee</u>
(lkwaleg4) LAKE WALES GENERAL EMPLOYEES' PENSION-ADR	\$ 1,082,272.10	\$ 1,352.84
(lkwaleg8) LAKE WALES GENERAL EMPLOYEES' PENSION FIXED INCOME	\$ 3,861,654.62	\$ 4,827.07
(lkwalg01) LAKE WALES GENERAL EMPLOYEES' PENSION VALUE	\$ 5,413,313.06	\$ 6,766.64
Total	<u>\$ 10,357,239.78</u>	<u>\$ 12,946.55</u>

Wiring Instructions:

First Tennessee Bank

ABA# 084000026

Acct# 22-0001278809

For Credit to: Highland Capital Management, LLC.

Mailing Check:

Highland Capital Management, LLC

6075 Poplar Ave, Suite 703

Memphis, TN 38119

\*\*\*\*\*Note new checking account number\*\*\*\*\*