



# AGENDA

## GENERAL EMPLOYEE PENSION BOARD REGULAR MEETING

July 25, 2019

8:30 a.m.

City Administration Building  
City Manager's Conference Room

---

### AGENDA ITEM:

**1. CALL TO ORDER**

**2. ROLL CALL**

**3. COMMUNICATIONS AND PETITIONS**

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.

**4. APPROVAL OF MINUTES**

- June 26, 2019

**5. KLAUSNER, KAUFMAN, JENSEN & LEVINSON**

- Contract discussion
- Summary of current plan

**6. RAYMOND JAMES**

- Contract discussion

**7. NEW BUSINESS**

- Invoices

**8. OTHER NEW BUSINESS**

- Announcements

**ACTION TAKEN**

---

---

---

---

---

---

**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**  
**June 26, 2019 – 8:30am**

The regular, quarterly meeting of the City of Lake Wales General Employees' Pension Board was held June 26, 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,  
Linda Kimbrough,  
Sarah Kirkland,  
Violeta Salud,  
James Slaton

**BOARD MEMBERS ABSENT:**

No members absent

**CITY REP PRESENT:**

Carmen Ortiz, Recording Secretary

**OTHER ATTENDEES:**

Sandra Davis, City of Lake Wales;  
Dorothy Abbott, City of Lake Wales  
Ryan Higgins, Raymond James;  
Chris Rafool, Raymond James;  
Todd Wishnia, Highland Capital Management, LLC

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

No comments from the public.

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

**April 25, 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, 5/0 vote

**Agenda Item 5: RAYMOND JAMES:**

**Portfolio Performance Report**

Mr. Rafool presented the Portfolio Performance Report for the second quarter of 2019, period ending May 31, 2019 as shown below:

**Summary of Investment Growth this Quarter:**

Beginning Market Value	\$11,048,857.44
Contributions/Withdrawals	\$57,260.69
Income	\$41,227.65
Change in Market Value	-\$442,846.71
<b>Ending Market Value</b>	<b>\$10,589,978.69</b>

**Net Money-Weighted Returns 6.38%**

	<b>Market Value on May 31, 2019</b>	<b>% of Portfolio</b>
<b>Cash &amp; Cash Alternatives</b>	<b>\$183,324.92</b>	<b>1.73%</b>
Cash *	\$181,247.10	1.71%
Cash Alternatives	\$2,077.82	0.02%
<b>Fixed Income</b>	<b>\$3,799,542.17</b>	<b>35.88%</b>
<b>Equity</b>	<b>\$6,607,110.63</b>	<b>62.39%</b>
U.S. Equity	\$5,397,560.08	50.97%
Non U.S. Equity	\$894,837.05	8.45%
Real Estate	\$314,713.50	2.97%
<b>Alternative Investments</b>	<b>\$0.00</b>	<b>0.00%</b>
<b>Allocation Strategies</b>	<b>\$0.00</b>	<b>0.00%</b>
<b>Non-Classified</b>	<b>\$0.00</b>	<b>0.00%</b>
<b>Total Portfolio</b>	<b>\$10,589,977.72</b>	<b>100%</b>

\*\$138,458.20 is held in cash and cash sweep products

The plan had a return of 6.38% for the quarter, which is less than the target return rate of 7.16%. The one-year return is 7.0% and the return since inception (June 1988) is 8.09% (since Raymond James is 5.86%). The plan's top holding is SPDR S&P Dividend ETF at 11.7% of the portfolio. This is a diversified investment vehicle of 111 different stocks. The Morning Star gives it a 5 Star rating.

**Agenda Item 6: HIGHLAND CAPITAL MANAGEMENT:**

Todd Wishnia spoke about the second fiscal quarter to date 06/24/19. The 2nd quarter and Fiscal Year (to date) show the same ending Market Value of \$10,377.902 which is different from Raymond James, due to Highland Capital numbers reflect totals to June 24 2019, and Raymond James show totals to May 31 2019, plus the SPDR ETF. The quarter to date through 6/24/19 is about 15 basis points ahead of the value benchmark, Fiscal year to date was tough due to 4<sup>th</sup> quarter of 2018 with the market being down. The five-year number is in the good spot of 8.19% over 7.36%. The Fixed Income Quarter to date is 2.63% over the 2.92% benchmark, Fiscal Year to date is 7.10% over 7.68% and Five Year to date is 3.30% over the 2.93% benchmark. When the quarter ends, a full report will be submitted with the final numbers.

**Agenda Item 7: NEW BUSINESS:**

City Finance Director, Dorothy Abbott, stated that the Finance Department will be unable to get in compliance with what is required at the end of the Fiscal year audit time, because there are problems reconciling the financial data with what is provided by the investment consultant/custodian Raymond James. She made a recommendation to change Raymond James to Salem Trust Company. City attorney Adam Levinson, who attended by phone, provided the following options:

1. Use Raymond James solely as investment consultant and Salem Trust as asset custodial
2. Changing both asset custodial and investment consultant to Salem Trust for a year
3. Keep what we have and find a way of fixing the issue of reconciling the financial data

Sarah Kirkland made a motion to take Dorothy's recommendation, and go with Salem Trust as our Asset Custodial Company. James Slaton seconded the Motion.

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

Motion passed, 5/0 vote

A new contract for Salem Trust and a revised contract as Independent Consultant for Raymond James will be brought in before the Board members for review on the next Pension Board meeting on July 25, 2019.

**Agenda Item 8: KLAUSNER, KAUFMAN, JENSEN & LEVINSON:**

Adam Levinson attended by phone, stated he would contact Karen Russo from Salem Trust so that she can see about attending our next Pension Board meeting. He will also be sending out emails to Raymond James with samples of what our contract with Independent Consultants looks like.

**Agenda Item 9: OTHER NEW BUSINESS:**

**Invoices:**

Raymond James Consulting Invoice, 1/15/19 to 3/31/19	\$3,227.67
Raymond James Consulting Invoice, 4/15/19 to 6/30/19	\$4,025.73

James Slaton made a motion to approve the payment of invoices. Sarah Kirkland seconded the motion.

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

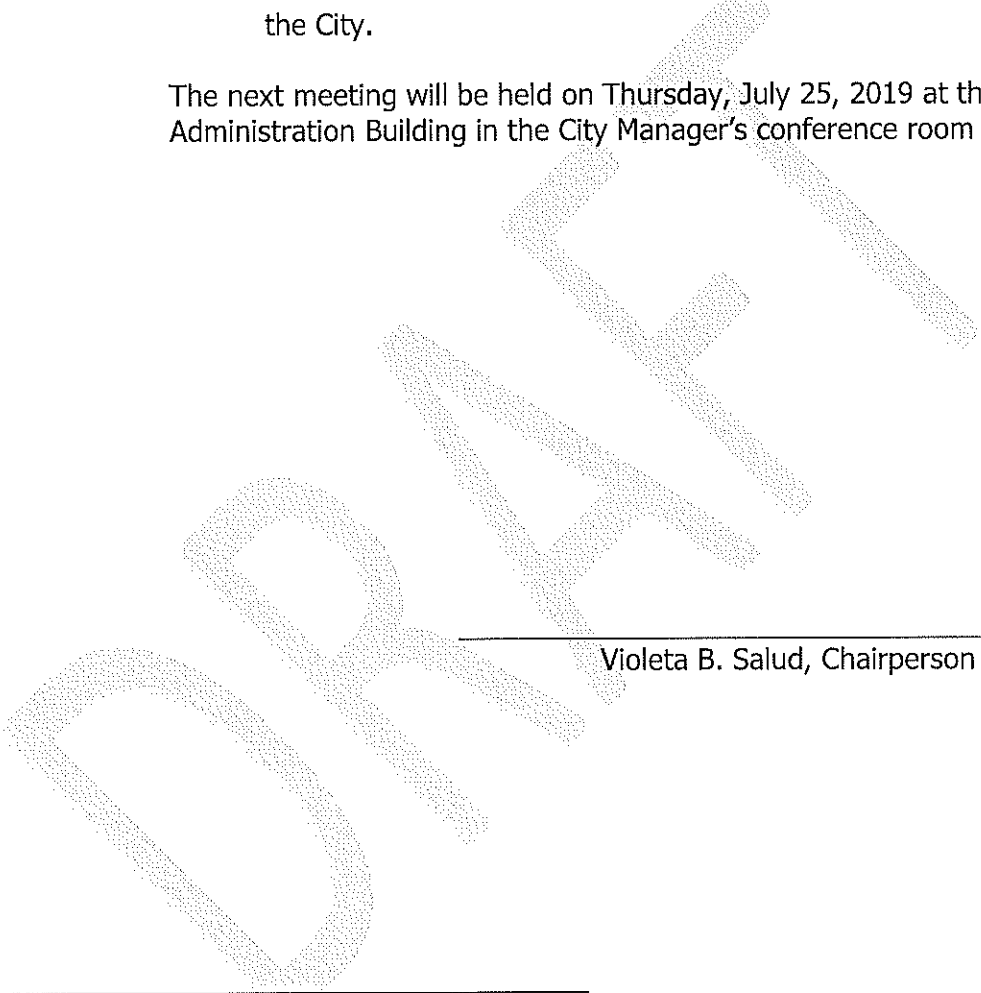
Motion passed, 5/0 vote

**Announcements**

Sandra Davis stated that the City Manager wanted 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.

The next meeting will be held on Thursday, July 25, 2019 at the City Administration Building in the City Manager's conference room at 08:30 a.m.

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

ATTEST:

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

# **AGENDA ITEM No. 5**

**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. 7**

## **New Business**

Approval of Invoices

# Klausner, Kaufman, Jensen & Levinson

A Partnership of Professional Associations  
Attorneys At Law  
7080 N.W. 4th Street  
Plantation, Florida 33317

Tel. (954) 916-1202  
Fax (954) 916-1232

www.klausnerkaufman.com  
Tax I.D.: 45-4083636

LAKE WALES GENERAL EMPLOYEES PENSION FUND  
Attn: MS. CARLA BIBBY  
P. O. BOX 1320  
LAKE WALES, FL 33859

June 30, 2019  
Bill # 24113

CLIENT: LAKE WALES GENERAL EMPLOYEE PENSION PLAN : LWGEPP  
MATTER: LAKE WALES GENERAL EMPLOYEE PENSION : 060013

## Professional Fees

Date	Description	Hours	Amount
04/02/19	PREPARE MEMO RE IRC CHANGE/ALIMONY	0.10	33.50
04/12/19	REVIEW WEBSITE FOR SPD. EMAIL TO PLAN ADMIN.	0.20	67.00
04/12/19	RECEIPT AND REVIEW EMAILS RE ATTORNEY REPORT; DRAFTED EMAILS	0.20	67.00
04/15/19	RESEARCH ADA COMPLIANCE FOR DOCUMENTS & WEBSITES	0.50	167.50
04/15/19	RECEIPT AND REVIEW EMAIL FROM RAFOOL; DRAFTED EMAIL; REVIEW FILE	0.50	167.50
04/17/19	DRAFTED EMAILS; REVIEW FILE; CALL FROM CITY; REVIEW EMAIL FROM RAFOOL; REVIEW RELEASE	1.00	335.00
04/25/19	PREPARATION FOR BOARD MEETING; ATTENDED MEETING BY PHONE	1.00	335.00
05/07/19	RECEIPT AND REVIEW EMAILS AND FILE RE REIMBURSEMENT AND W9	0.50	167.50
05/08/19	RECEIPT AND REVIEW EMAILS; CALL FROM CITY	0.50	167.50
06/18/19	REVIEW CITY WEBSITE FOR SPD. FOLLOW UP EMAIL TO SANDRA DAVIS RE SPD	0.20	67.00
06/19/19	RECEIPT AND REVIEW AGENDA; REVIEW FILE	0.20	67.00
06/25/19	PREPARATION FOR BOARD MEETING	0.20	67.00
06/26/19	ATTENDED BOARD MEETING BY PHONE	1.00	335.00
06/26/19	DRAFTED EMAILS TO SALEM; CALL TO SALEM	0.20	67.00
06/26/19	DRAFTED EMAILS TO RAYFOOL; PREPARED DRAFT CONSULTING AGREEMENT; REVIEW FILE	0.50	167.50
06/27/19	PHONE CONFERENCE WITH SALEM AND RAYMOND JAMES; REVIEW FILE	0.50	167.50
06/27/19	RECEIPT AND REVIEW EMAILS RE TRANSITION	0.20	67.00

Continued . . .

Client: LAKE WALES GENERAL EMPLOYEE PENSION PLAN  
Matter: 060013 - LAKE WALES GENERAL EMPLOYEE PENSION

June 30, 2019  
Page 2

**Professional Fees Continued...**

<b>Date</b>	<b>Description</b>	<b>Hours</b>	<b>Amount</b>
	<b>Total for Services</b>	<u>7.50</u>	<u>\$2,512.50</u>
<b>CURRENT BILL TOTAL AMOUNT DUE</b>		<b>\$</b>	<u><u>2,512.50</u></u>