

General Employees' Pension Board Regular, Quarterly Meeting

January 26, 2023 - 8:30am

The regular, quarterly meeting of the City of Lake Wales General Employees' Pension Board was held on January 26, 2023 via in-person and Telephonic Conference call, beginning at 8:30a.m. Violeta Salud, Chairperson, conducted the meeting.

Agenda Item 1: CALL TO ORDER:

The meeting was called to order at 8:34 A.M.

Agenda Item 2: BOARD MEMBERS PRESENT:

Violeta Salud
Commissioner Robin Gibson
Linda Kimbrough
Sarah Kirkland
Kevin Sunderland

BOARD MEMBERS ABSENT:

CITY REP PRESENT:

Carmen Ortiz, Recording Secretary

OTHER ATTENDEES:

Sandra Davis, City of Lake Wales
Todd Wishnia, Highland Capital Management, LLC
Adam Levinson, Klausner, Kaufman, Jensen & Levinson
Patrick Donlan, Actuary, Foster & Foster
Debbie Kocsis, Pension Custodian, Salem Trust

Agenda Item 3: COMMUNICATIONS AND PETITIONS:

There were no communications or petitions.

Agenda Item 4: APPROVAL OF MINUTES:

October 27, 2022 Regular Meeting Minutes

Linda Kimbrough made a motion to approve the minutes, Commissioner Robin Gibson seconded the Motion.

VOTE: All "AYE", None "NAY" Motion passed, 5/0 vote

Agenda Item 5: Klausner, Kaufman, Jensen & Levinson:

Maintaining Internal Controls to Protect Against Fraud and Abuse

Adam talked about being aware of the Pension Internal Controls; he brought some real examples of fraud committed in other companies regarding employees utilizing funds and forging documents and signatures to gain money from pension funds. He also stated that there are hackers that may try to send fake emails to get money from the funds as well. He suggested that we share this with the Auditors in the Plan.

Secure 2.0 Act

Adam spoke about a topic that deals with a Legislation that passed through Congress, the Secure 2 Act, that pertains to the Omnibus Bill. This contains tax provisions regarding the age in which a person can take money out of an IRA or 401K account does not pertain to Nationwide). The Secure 2 Act extends the age to 73. He also spoke about changes made to the W4P form regarding Pension taxes.

Agenda Item 6: SALEM TRUST

Debbie Kocsis provided information regarding the above, about the security measures in place for the Pension funds.

Debbie also spoke about the Pensioner Portal, which is a free application that allows the Retirees to log into their accounts and view and print their Pension information and Tax forms, and also make changes to some bank information, deposit amounts, addresses, tax withholdings or other info.

It was suggested to Debbie that we need to provide only certain capabilities to the Retirees in order to avoid any issues, since it is dealing with our Retiree funds. It was agreed upon to allow Retirees to make changes only to their financial institutions and their tax withholdings.

Agenda Item 7: FOSTER & FOSTER

Patrick Donlan provided a copy of the Actuarial Valuation Report as of October 1, 2022 which contained contributions applicable to the Plan/Fiscal year ending September 30, 2024, and also GASB 67/68 disclosure information as of September 30, 2022.

Violeta inquired on the possibility of the Plans' Assumption Target Rate of 7.5 to be lowered to 7.25 due to actuarial loss for investment return of 1.87% (Actuarial Asset Basis) which fell short of the 7.50% assumption, and the increase of the Minimum Required Contribution.

Linda Kimbrough made a motion to approve the Valuation Report, Commissioner Robin Gibson seconded the Motion.

VOTE: All "AYE", None "NAY" Motion passed, 5/0 vote

Patrick Donlan made a recommendation to change the Plans' Assumption Target Rate from 7.5 to 7.25 over 5 years.

Commissioner Robin Gibson made a motion to approve above recommendation, Sarah Kirkland seconded the Motion.

VOTE: Roll call

Commissioner Gibson "Yes"

Linda Kimbrough "Yes"

Sarah Kirkland "Yes"

Violeta Salud "Yes"

Kevin Sunderland "Yes"

Motion passed, 5/0 vote

Agenda Item 8: HIGHLAND CAPITAL:

Investment Review

	Quarter to date (10/1/22 – 12/31/22)	One Year (1/1/22 – 12/31/22)
Beginning Market Value	\$10,749,549	\$13,712,865
Ending Market Value	\$11,253,934	\$11,252,934
Difference	\$504,385	-\$2,459,932
Contributions	\$6,221	\$16,596
Withdrawals	-\$148,000	-\$358,006
Gain/Loss	\$646,164	-\$2,118,522
Cumulative Return	6.02%	-15.54%

Commissioner Robin Gibson made a motion to approve above recommendation, Sarah Kirkland seconded the Motion.

VOTE: All "AYE", None "NAY" Motion passed, 5/0 vote

Agenda Item 9: RAYMOND JAMES:

Portfolio Performance Report

Chris Rafool was not present, however, he had provided a copy of the Portfolio Performance Report through email for review.

Agenda Item 10: NEW BUSINESS:

Approval of Invoices:

Klausner, Kaufman, Jensen & Levinson

\$502.50 (# 32057, December 31, 2022)

Foster & Foster

Invoice # 25782 (only page 1 of 2 was presented in error, both pages will be submitted at next meeting)

Highland Capital

Equity \$9,581.73 (# 31673, 4th qtr. 2022)

Fixed income \$2,230.26 (# 32336, 4th qtr. 2022)

Raymond James

\$2,933.81 (# 150178, 4th qtr. 2022)

Commissioner Robin Gibson made a motion to approve paying the above invoices, except for Foster & Fosters', so that the 2 pages can be provided at the next meeting; also, withhold Raymond James' invoice for lack of performance, Sarah Kirkland seconded the Motion.

VOTE: Roll call

Commissioner Gibson "Yes"

Linda Kimbrough (had left the meeting)

Sarah Kirkland "Yes"

Violeta Salud "Yes"

Kevin Sunderland "Yes"

Motion passed, 4/0 vote

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Commissioner Gibson made a motion to send out an RFP for a new Investment Consulting Services; Sarah Kirkland seconded the Motion.

VOTE: Roll call

Commissioner Gibson "Yes"

Linda Kimbrough (had left the meeting)

Sarah Kirkland "Yes"

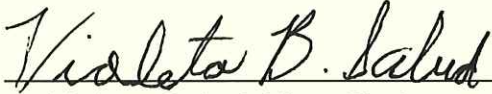
Violeta Salud "Yes"

Kevin Sunderland "Yes"

Motion passed, 4/0 vote

Next meeting was scheduled for Thursday, April 27th, 2023 at 8:30 am.

The meeting was adjourned at 10:15 am.



Violeta Salud, ~~Vice~~ Chairperson

ATTEST:



Prepared by: Carmen Ortiz for the Board of Trustees