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**City of Lake Wales Police Pension  
Plan and Trust Fund  
July 27, 2020  
MINUTES**

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**Call To Order & Roll Call**

**Members Present**

Bill Raebig - Chairman  
David Black – Secretary  
Robert Plummer – Trustee  
Thomas McKeon – Trustee  
Carlos Unzueta - Trustee

**Also Present**

Pedro Herrera – Attorney  
Frank Wan – Consultant  
Caleb Hynson – Administrator  
Frank Mega - Administrator  
Steve Stack – Highland Capital

**Absent/Excused**

Meeting called to order at 1:10 p.m. by Chairman Raebig. A quorum was in attendance.

**I. Open Forum**

No members or concerned parties requested to address the Board of Trustees.

**II. Minutes /Accounting Report**

Minutes offered for Board consideration. A motion was made by Thomas McKeon to approve the minutes as presented; the motion was seconded by David Black and passed unanimously.

Accounting Report offered for Board consideration. A motion was made by David Black to approve accounting report as presented; the motion was seconded by Robert Plummer and passed unanimously

**III. Investment Manager Report**

Steve Stack presented Highland Capital Report for quarter ending Q2. The quarterly return for the fund was 11.09 %. Growth stocks (28.86% return Q2) outperforming Value (7.7% Q2 return) - historically uncommon. Current PO fund has 8.8% in Growth and 41.1% in Value. Steve recommended adjusting portfolio to be more inline. Fund rating requirements of plan also discussed as currently required A or better rating. Recommend a BBB or better as most of the growth in lower than A equities ratings. Current amendment to make plan change held up in City Council for review. Pedro to reach out to city for update / next steps. Steve also proposed new fee schedule reducing the to be more in-line with industry and standards.

**IV. Consultant Report**

Frank Wan provided an overview of the fund. Fund is out of compliance with Equities: 60% max limit, stand at 60.1%. Recommendation of a 5-10% rebalancing over the next 3-6 months by taking small steps (1.25%-1.50% per month) to come back in-line with Plan requirements. Moving bonds to stocks and fixed to growth. This will avoid hurting the plan negatively with market gains to rebalance. Frank confirms in the underperforming of Value equities and the need to move to BBB rating or better.

**V. Attorney Report**

- **Executive Order 20-150 Update** – Public Meetings order has been extended to meet virtually until Aug 1, 2020.

- **Executive Order 20-166 Update** – Emergency Management Extension for an additional 60 days from 7/7/2020. Further clarification has been submitted to State for further clarification on what 20-166 covers (i.e. Virtual Meetings).
- Reviewed Maximum Allowable Contribution Amendment rafted for submission (\$75,000 or 3%). Mr. Wilkinson expressed some concerns over the protentional for over/under payment of funds and the length of time (30 days) as member has to repay if overcompensated. Foster and Foster stated this was unlikely that this would occur but understood his apprehension. He would like Pedro to change to (90 days). Open discussion continued on what protocols to follow in How to Limit, How to Track, How to Correct. Further discussion to include City HR for any corrections and tracking. Tabled until future meeting.
- Discussed Plan requirements on Purchase of Credited Service (prior Military and internal department transfers only qualify) to include other municipalities. Open discussion to continue next meeting.

## **VI. New Business**

**Amendments** – need to include S.E.C.U.R.E Act (Setting Every Community Up for Retirement Enhancement Act) amendment to Plan to account for mandatory retirement draw from 70.5 years to 72 years. This will be included in total with other amendments by calendar year end 2020.

**Form 1** – Board reminded of annual Form 1 Disclosure Forms due by July 1<sup>st</sup>. Trustees must submit Supervisor of Elections in the county where you reside to avoid penalty.

**Budget Projection** – A motion was made by David Black to approve Budget Projection as presented; the motion was seconded by Robert Plummer and passed unanimously.

**Fee Reduction** – Steve Stack proposed new fee schedule to be more in-line with industry and standards. A motion was made by David Black to approve accounting report as presented; the motion was seconded by Robert Plummer and passed unanimously. Pedro recommended new contract and agreement be drawn up and reviewed each 5-year period.

## **VII. Adjournment/Next Meeting**

A motion to adjourn was made adjourn meeting by Chairman Raebig. The next regularly scheduled meeting is October 26, 2020.

**DISABILITY INFORMATION:** In accordance with the Americans with Disabilities Act and F.S.S. 286.26, persons with disabilities needing special accommodation to participate in this meeting should contact Susy Pita, Plan Administrator, within 48 hours subsequent to the proceeding at 352-787-9795 for assistance. If hearing impaired, call the Florida Relay Service Numbers at 800-955-8771 (TDD) or 800-955-8770 (VOICE) for assistance.

**APPEAL NOTICE:** If a person decides to appeal any decision made by the Board, with respect to any matter considered at such meeting or hearing, that person will need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which appeal is to be based.