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

REGULAR MEETING
MINUTES
April 16, 2019
7:00 p.m.

Present: **Robert Redditt, Chair**
Kevin Little, Secretary (arrived 7:05 p.m.)
Johnnie Richardson, Member
Ryan Williamson, Member
Chris Eichler, Member
Scott Christiansen, Board Attorney
Jeremy Langley, Florida League of Cities
Charles Carr, Southern Actuarial Services Company, Inc.
Michelle Longo, Recording Secretary

Absent: **Lisa Snead, Financial Services Director**

1. Call to Order. Chair Redditt called the meeting to order at 7:00 p.m.

2. Pledge of Allegiance.

Added on: Certify Election of Trustee - Lieutenant Chris Eichler

Vice-Chair Robert Gibson submitted his resignation from the Board on January 17, 2019, and an election was held for a new member.

Member Richardson moved to certify the election of Trustee Lieutenant Eichler. Seconded by Member Williamson and carried by a unanimous voice vote.

Added on: Election of Vice-Chair

Member Williamson moved to nominate himself as Vice-Chair. Seconded by Member Richardson and carried by a unanimous voice vote

3. Approval of Minutes: January 15, 2019, Regular Meeting.

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

4. **Review of Agenda Packet Material.**

A. **Quarterly Performance Review.**

Mr. Langley went over the summary of the Quarterly Performance Review ending September 30, 2018, and answered questions.

B. **Plan Account Statements (December 2018, January 2019 and February 2019).**

Chair Redditt reviewed the statements and noted that the Beginning Balance for December 2018 was $17,519,432.81, the Contributions were $74,915.17, the Losses were $790,806.10, the Distributions were $12,723.91, the Fees and Expenses were $2,116.40, and the ending balance was $16,788,701.57.

Chair Redditt noted that the Beginning Balance for January 2019 was $16,788,701.57, the Contributions were $75,852.57, the Earnings were $927,532.40, the Distributions were $12,723.91, the Fees and Expenses were $6,822.18, and the ending balance was $17,772,540.45.

Chair Redditt noted that the Beginning Balance for February 2019 was $17,772,540.45, the Contributions were $157,135.59, the Earnings were $453,828.74, the Distributions were $12,723.91, the Fees and Expenses were $1,481.28, and the ending balance was $18,369,299.59.

> Vice-Chair Williamson moved to approve the Plan Account Statements as presented. Seconded by Member Richardson and motion carried by a unanimous voice vote.

C. **Expense Report.**

Discussion ensued on the report and questions were answered.

> Secretary Little moved to approve the Expense Report as presented. Seconded by Member Richardson and motion carried by a unanimous voice vote.

D. **Actuarial Report 2018.**

Mr. Carr with Southern Actuarial Services Company, Inc. introduced himself to the new member of the board, explained his role, shared numbers on assets, explained the DRAGO profit-sharing plan and GASB's report, and then presented the Actuarial Valuation as of October 1, 2018. He noted the results of the Actuarial Valuation are not effective until the next fiscal year. Throughout his presentation, he answered questions from Board Members and Mr. Christiansen.

Discussion ensued on the Gain and Loss Analysis numbers. Mr. Carr also said the consultants have suggested that 7% is the number we should use for the annual investment return and answered questions. A question was asked regarding what happens to the contribution rate when the salary goes up. Mr. Carr said when there are pay increases higher than expected, the contribution rate normally goes up, but not necessarily. It would depend on the participant receiving the increase. A question was asked if the pension statement produced yearly is based on the W2 pensionable earnings. Mr. Carr said it is and is transmitted through the Florida League of Cities who is the plan administrator and they receive this information periodically. They have a database they maintain and we work off of this database.

Discussion ensued and questions were asked and answered about specifics on pensionable earnings. Mr. Carr stated the employee contribution of 1% is only on pensionable earnings. The pensionable earnings shall not include more than 300 hours in voluntary overtime per fiscal year. This does not include the Fair Labor Standards Act (FSLA) time, required overtime. A question was asked if someone keeps track of these hours and requests made to get a report to show hours to be sure members are not paying in more because they will not get pension credit.

Vice-Chair Williamson moved to accept the 2018 Actuarial Valuation as presented. Seconded by Member Eichler and carried by a unanimous voice vote.

Mr. Christiansen said State law requires that each time they approve an Actuarial Evaluation, which they just did; the Board has to review the investment return for the next year, the next several years and for the long-term thereafter. He stated they typically look to the investment professionals to give them a recommendation. The consultants have suggested that 7% is the number they should use.

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

5. Other Business.

A. Discussion on legal representation.

Mr. Christiansen brought forth a proposal to transition from his firm to the Sugarman & Susskind, P.A. firm effective June 1, 2019. As of this date, a contract would be signed over which states there are to be no changes made for at least three years. However, if the transition is agreed, this does not mean you are locked in with them for the three year period. Pedro Herrera from this firm was recommended.

Mr. Herrera introduced himself and expressed that he would love to work with the City. Questions were answered regarding the transition process.

Vice-Chair Williamson moved to approve the transition from the current firm to Sugarman & Susskind. Seconded by Member Richardson and carried by a unanimous voice vote.

6. Board Attorney Report.

Mr. Christiansen reminded the Members to file their Financial Disclosure forms by July 1st. He gave an update on legislation pending in Tallahassee. There is a Bill proposing to provide additional benefits to Fire Fighters for cancer. When the Bill gets adopted we have to look closely into any changes it may have. Another Bill is proposing to change requirements for public meetings. The Bill says in addition to posting the agenda online, we would also have to post any additional back up and these documents need to be accessible and meet ADA requirements in order for those with impairments to be able to access accordingly.

Discussion ensued on ADA accessibility.

7. Member Comments.

Ms. Longo provided an update on the request to reach out to the employees who have left the city and are non-vested individuals in the Plan. She has reached out to the non-vested individuals who have made contributions to the Plan to request their money back. She said she mailed letters to 55 of these individuals, 4 of those are vested, 14 letters were returned, 10 requested their employee contribution back, and 27 have yet to respond. She confirmed she is processing the paperwork for those who have requested their contributions. She did confirm the letters mailed let them know they are not earning interest on the money still in the Plan.

8. Public Participation. None.

9. Adjournment. Chair Redditt adjourned the meeting at 8:17 p.m.

Minutes approved by the Board of Trustees: 07-16-2019

/S/
Robert Redditt, Chair

ATTEST:

/S/
Michelle Longo, Recording Secretary

The Official signed minutes are on file in the City Clerk's Office.