

**City of Oakland Park Police Officer's & Firefighter's Pension Fund
Summary of Virtual Meeting Minutes, Tuesday, April 27, 2021**

CALL TO ORDER:

The regular meeting of the Board of Trustees of the City of Oakland Park Police & Firefighters' Pension Plan was called to order by the Fund Administrator on April 27, 2021 at 5:30 pm via Zoom.

ROLL CALL:

TRUSTEES PRESENT: Chairman Gatanio, Sheryl Dickey, Joe Filkowski and Ernest Olivas

ABSENT AND EXCUSED: James Wilson

OTHERS PRESENT:

Fund Attorney Milton Collins, Fund Actuary Don DuLaney, Fund Consultant Brendon Vavrica, City Representatives Rhea Rivera and Andrew Thompson, Fund Actuary Don DuLaney and Fund Administrator Livia Giuliani

APPROVAL OF MINUTES:

January 26, 2021 Regular meeting minutes

February 10, 2021 Special meeting minutes

The Chairman asked if anyone had any comments for the minutes. Hearing and seeing none, Trustee Dickey moved to approve the January 26 and the February 10, 2021 minutes and Trustee Olivas seconded the motion. The motion passed 4-0.

PUBLIC COMMENTS:

There were no public comments at this meeting.

NEW BUSINESS:

Presentation of 10/1/2020 Actuarial Valuation

Mr. DuLaney reported that the required Contribution for the fiscal year 10/1/2021-9/30/2022 is \$2,761,961. Anticipating the State money to be \$372,863 (\$226,958 from Chapter 175 and \$145,905 from Chapter 185 less 1/7 of the Excess Chapter 175 contributions of \$1,033,813 of \$147,688. The remaining funding requirement of \$2,761,961 (\$3,282,512 minus \$372,863 and minus \$147,688) is to be contributed by the city for the fiscal year 10/1/2021 through 9/30/2022. The amortization period was set at 7 years beginning with the 2019 valuation. All future amortization periods will decline as follow: 6 years at 10/1/2020, 5 years at 10/1/2021 and 4 years as of 10/1/2022 up to the year 2025.

Mr. DuLaney noted that there were no changes to the Plan provisions and certain actuarial assumptions and methods used in this valuation have been revised. The changes included a decrease in the administrative expenses from \$116,281 to \$113,947. The covered payroll decreased by 12% and the number of active memberships decreased by 17%. The unfunded liability decreased from \$16,196,651 to \$15,290,896. The City's cost increased by \$281,390 from \$2,480,571 to \$2,761,961. The Fund experienced a small actuarial loss of \$20,785. The components of this loss were salary increase by 4.3% vs. the salary assumption of 5.0%; the employee turnover was 0% and the actuarial rate of return was 8.1% vs. the investment return of

7.125% investment return.

Mr. DuLaney reported on the participant data noting that as of 10/1/2020 there were 10 active employees, 23 vested terminated members, 127 retirees which includes 3 disability retirees receiving benefits and 5 DROP retirees and 23 terminated vested members.

Finally, Mr. DuLaney reported on the COLA noting that based on the chapter 185 Tax revenue for 2019, of \$466,552.04 less the base amount of \$145,905 totaled \$320,647.04 which was allocated out to each of the 26 police retirees received \$12,332.58. Mr. DuLaney also reported on the COLA reserve noting that this fund had been set up in 1998 in order to provide retirees with an additional monthly check each year. However, no payments have been made to the reserve since 2000 and very unlikely that payments would be made in the future. As a result, the COLA fund accumulated \$983,626 which retirees did not have access to. The city contacted each of the police retirees and beneficiaries to agree in writing that the city could dissolve the COLA reserve and disburse \$4,000 to each of the Police retirees. That concluded Mr. DuLaney's report. That being said, the Chairman entertained a motion to accept the Actuary's report. Trustee Dickey moved to accept the 10/1/2020 actuarial valuation and Trustee Olivas seconded the motion and it passed.

Mr. DuLaney also noted that after the valuation is approved that the Board has to approve the assumed rate of return of 7.125% for this year, next year and for the long term thereafter. Trustee Olivas moved to approve the rate of return at 7.125% and Trustee Filkowski seconded the motion and it passed.

UNFINISHED BUSINESS:

There was no unfinished business discussed.

INVESTMENT REPORTS: Quarter Ending March 31, 2021

Mr. Vavrica reported on the economy noting that the markets continue with positive returns for the 1st quarter of 2021. This performance was driven by the 3rd round of stimulus payments and the rollout of the COVID vaccine. Small cap stocks outperformed returning 12.7% compared to midcap of 8.1% and large cap of 5.9%. Despite the downturn of the pandemic, the US equity market indexes have rebounded. Small cap stocks returned 94.9% and large cap returned 56.4% for the one-year period. International equity markets also posted positive returns as the EAFE Index returned 3.5% outperforming the Emerging Markets of 2.3%. Fixed income returns were negative for the quarter as the interest rate rose. For the quarter, the Bloomberg Barclay's Aggregate index returned -3.4%; US Government Bonds returned -4.1% and Corporate Bonds returned -4.6%. For the one-year period, Corporate Bonds returned 8.7% and TIPs returned 7.5%.

Mr. Vavrica reported on the Fund's performance noting that for the quarter the fund return was 1.48% vs. the policy of 2.27%; the equity composite returned 3.02% vs. the policy of 5.66%; the domestic equity returned 4.28% vs. the policy of 6.35%. For the managers, Anchor returned 8.51% vs. the Russell 3000V of 11.89%; Wells Large returned 1.44% vs. the Russell 1000G of 0.94%; Vanguard returned 7.18% in line with the Mid Cap index. American Funds International returned -0.43% vs. the International Policy of 3.60%. The Fixed Fund returned -2.72% vs. the policy of -3.61%. The domestic fixed income returned -2.77%; Garcia Hamilton returned -3.15% vs. the Barclays' Aggregate index of -3.38%; Vanguard TIPs returned -1.36% vs. the Blmbg Barclays' TIPs index of -1.47; PIMCO returned -2.53% vs. the Blmbg Barc Global Credit index of -2.64%; and Morgan Stanley Real Estate returned 2.12% vs. the Real Estate policy of 0.00%.

Mr. Vavrica reported on the financial reconciliation noting that the market value at 3/1/2021 was \$68,866,847; the contributions were \$436,558; the distributions totaled-\$1,389,035; the management fees were -\$60,749; the other expenses were -\$62,706; the income was \$241,986; and the appreciation was \$842,662 resulting in an ending market value at 3/31/2021 was \$68,875,563. Mr. Vavrica reported that as of this morning 4/27/2021 the fund was at \$71.7 million a 4.1% increase. Mr. Vavrica reported on the acquisition letter from Wells Fargo. Wells Fargo is selling all of their asset management firms in order to partnership with a couple of other firms.

They're asking the Board to consent to the assignment of this new entity to be able to take over the provisions of the existing contract.

Mr. Vavrica noted that they are not anticipating any changes, all of the personnel the portfolio managers, the strategies that they utilize are remaining the same. It's strictly a change in ownership of the entire group and he is comfortable with this transaction. He advised that Chair to sign it based on the opinion of the attorney. Mr. Collins said he reviewed the document and has no issues with it. That being said, Trustee Dickey moved to authorize the Chairman to sign the acquisition letter and Trustee Filkowski seconded the motion and the motion passed.

CONSENT AGENDA:

For Ratification: #Warrants #272-275

Anchor Capital Adv. (Q4-2020 Mgmt Fee-Invoice dated 1/20/2021)	\$17,882.95
DuLaney & Company (Services Rendered for April 2020)	\$4,890.00
DuLaney & Company (Services Rendered for December 2020)	\$4,610.00
KSDT (Final Billing for 9/30/2020 Audit; invoice #96121 dated 1/29/2021)	\$6,000.00
Salem Trust (Q4-2020 Custodian Fee-Auto Debit)	\$9,980.74
Weiss, Serota ETAL (Legal Fees-Invoice #237409 dated 2/16/2021)	\$4,332.64
Wells Fargo (Q4-2020 Mgmt Fee-Inv#13196382 dated 1/13/2021)	\$24,550.78
Total	\$72,247.11
AndCo (Q1-2021 Consulting Fee-Invoice #37821 dated 3/19/2021)	\$10,900.00
FPPTA (Virtual CPPT/CEU Registration for Dickey & Gatano 5/18-5/19/21)	\$900.00
FPPTA (Virtual Trustee School Registration for Ernest Olivas 4/22-4/23/21)	\$450.00
Weiss, Serota ETAL (Legal Fees-Invoice #238407 dated 3/12/2021)	\$3,114.26
Total	\$15,364.26
DuLaney & Co. (Services Rendered during February, 2021)	\$3,790.00
Weiss, Serota ETAL (Legal Fees-Invoice #239410 dated 4/12/2021)	\$852.49
Total	\$4,642.49
DuLaney & Co. (Services Rendered during March, 2021)	\$2,820.00
GHA (Q4-2020 Mgmt Fee-Invoice #33219 dated 1/5/2021)	\$4,893.23
GHA (Q1-2021 Mgmt Fee-Invoice #33749 dated 4/7/2021)	\$4,629.95
Total	\$12,343.18

Auto Payments for Ratification:

Benefits USA, Inc (Flat monthly Fee January 2021 Auto payment)	\$1,675.00
Benefits USA, Inc (Bookkeeping Fee for January 2021 Auto payment)	\$275.00
Benefits USA, Inc (Flat monthly Fee February 2021 Auto payment)	\$1,675.00
Benefits USA, Inc (Bookkeeping Fee February 2021 Auto payment)	\$275.00
Benefits USA, Inc (Flat monthly Fee for March 2021 Auto payment)	\$1,675.00

Benefits USA, Inc (Bookkeeping Fee March 2021 Auto payment)	\$275.00
Salem Trust (Q1-2021 Custodian Fee-auto debit Invoice dated 4/9/2021)	\$10,507.16
Total Auto payments	\$16,357.16

Pension Payments for Ratification:

Peter DeFalco effective 6/1/2021 (Inservice Withdrawal effective 6/1/21)

Trustee Olivas moved to approve the Consent agenda and Trustee Dickey seconded the motion and it passed.

ATTORNEY’S REPORT:

Mr. Collins reported that we did have a disability application filed by Kevin O'Connor and the Board made a preliminary decision to deny his application based on 2 reasons; one he is a member of the FRS and two, at the time of his application he was no longer a city employee.

Mr. Collins stated that we sent him and his attorney the notice of the preliminary decision in accordance with the board's determination back in February and we have not heard anything from him as yet. At this point we are not sure if he is going to proceed with his application there may be something else going on. He noted that the Board needs to make its decision with respect to this matter. He has not proceeded with any sort of appeal, any request for hearing or any additional information so was Mr. Collins’ recommendation that the board proceed to make a final decision on this on this matter using the same bases that it did for the preliminary decision. It was noted that he had 30 days to submit his application and it’s been over 60 days since anyone heard from him. He still has an opportunity to file an informal appeal with the board and if so, he’ll have to appear at the next meeting. Trustee Dickey moved to proceed with a final decision concerning Mr. O'Connor's application using the same rationale or bases that the Board used for its preliminary denial. Trustee Filkowski seconded the motion and it passed.

The attorney also noted that a motion was in order to send a formal notice to Mr. O’ Connor. Trustee Dickey moved to send a formal notice to Mr. O’Connor and his attorney and Trustee Olivas seconded the motion. The motion passed.

Finally, Mr. Collins addressed a question regarding in-service distribution. In particular, the question pertained to the benefit in the event of the death of the member. Mr. Collins explained that in the event the member dies while receiving the in-service distribution, the beneficiary would receive the benefit upon the death. He nevertheless indicated that the Pension Code was not clear on the issue and suggested providing clarity via a language revision. He explained that he would present proposed language to the City for review and discuss whether such change has collective bargaining implications. Thereafter, the language would be presented to the Board for review.

ADMINISTRATOR’S REPORT:

The Administrator reported that FPPTA will be hosting the Annual Conference in person on June 27-30, 2021 at the Omni Orlando. Anyone wishing to attend can contact her.


MISCELLANEOUS CORRESPONDENCE: (No action required)

NEXT MEETING DATE:

The next regular meeting is July 27, 2021 at 5:30 pm.

ADJOURNMENT:

The meeting adjourned at 6:53 PM.


Secretary

7/28/2021
Date