

**CITY OF OAKLAND PARK POLICE & FIREFIGHTERS PENSION FUND  
SUMMARY OF MINUTES; JULY 23, 2019**

**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 at 5:32 pm at the City of Oakland Park, Commission Room.

**ROLL CALL:**

**TRUSTEES PRESENT:** Sal Gatanio, James Wilson, Joe Filkowski, Ernest Olivas and Sheryl Dickey

**ABSENT & EXCUSED:**

**OTHERS PRESENT:**

Fund Attorney Anthony Soroka of Weiss and Serota, Fund Actuary Don DuLaney, Fund Consultant Dave West, City Representative Rhea Rivera, Fire Members Bob Rogers and Greg Chesley and Fund Administrator Livia Giuliani

**APPROVAL OF MINUTES:**

**July 24, 2018**

The Administrator noted that she has corrected and resubmitted the July 24, 2018 minutes for approval because there was a typo on the actuary's report. That being said, Trustee Olivas moved to approve the minutes as amended and Trustee Dickey seconded the motion and it passed 5-0.

**April 23, 2019 Meeting**

Trustee Olivas moved to approve the minutes as presented and Trustee Dickey seconded the motion and it passed 5-0.

**PUBLIC COMMENTS:**

**The Chairman opened the floor for public comments.**

The Chairman opened the floor for public comments. DROP member Robert Rogers was present and commented about the excess money in the Pension Fund to pay a 13<sup>th</sup> check. He noted that this has been an ongoing issue for several years and there has been no resolution. He noted that in 2013 the City made changes to pension and stopped contributing to the 13<sup>th</sup> check. He commented that since this is a new Board and they have a new Attorney, he asked if this issue can be resolved and if the retirees can be paid the excess money currently in the Plan. He would like the Board to revisit this issue. Trustee Wilson commented that they have been going over this issue since 2013 and asked that the Attorney research this issue and change the ordinance. The Attorney noted that he would research this issue and report back to the Pension Board.

Fire member Greg Chesley addressed the board that the multiplier in the FRS is 2.75% and asked why this Fund's multiplier is 2.25% and why it can't be increased. The attorney noted that the multiplier was changed in 2013 and that the multiplier cannot go any lower than 2.25%. It was noted that the Multiplier would have to be changed by Ordinance.

Mr. Chesley also asked why the plan cannot be split into 2 separate plans. The actuary commented that in order to separate the plan, the assets would have to be split. He would have to look back at the contributions that came in by the City and the members and he would have to back out the benefits paid and compare to liabilities.

Mr. DuLaney said the Board would need to authorize him to go back about 20 years and it would be a very involved process and it would be a lot of work would be very costly to the Fund. Trustee Wilson commented that this would be a big expense for only 3 members involved. No action was taken.

#### **NEW BUSINESS:**

##### **Selection of Chairman**

Trustee Olivas moved to nominate Sal Gatania as Chairman and Trustee Dickey seconded the motion and the motion passed 4-1 with Trustee Gatania abstaining.

##### **Selection of Secretary**

Trustee Olivas moved to nominate Sheryl Dickey as Secretary and Trustee Wilson seconded the motion and it passed 4-1 with Trustee Dickey abstaining.

##### **Proposed Administrative Budget**

The administrator reported that she increased the 2018 expenses by 5% with the exception of the Auditor and Benefits USA. A brief discussion ensued and the regarding the actuary expenses for 2018. It was noted that the increase was due to the transitioning of the members to the Florida Retirement System. That being said Trustee Dickey moved to approve the Budget of \$227,288 and Trustee Olivas seconded the motion and it passed.

#### **INVESTMENT REPORTS: Quarter Ending 06/30/2019**

##### **AndCo Consulting**

Mr. West reported briefly on the economy noting that large cap stocks outperformed small cap equities during the quarter with the S&P 500 Index returning 4.3% versus a 2.1% return on the small cap Russell 2000 Index. US equity returns over the 1-year period were positive within large and mid-cap stocks, returning 10.4% and 7.8% respectively, but small cap stocks posted a loss, falling -3.3%. Developed markets outperformed emerging markets during the period with the MSCI EAFE Index returning 3.7% versus a 0.6% return on the MSCI Emerging Markets Index. Both developing and emerging markets posted modest gains over the 1-year period, returning 1.1% and 1.2% respectively. The large cap Russell 1000 Index gained 4.2% during the period versus a 4.1% return for the Russell Midcap Index and a 2.1% gain on the small cap Russell 2000 Index. The Russell Midcap Growth Index was the best performing style index for the period, returning 5.4% for the quarter with the small cap value index posting the lowest relative return, a gain of 1.4%.

Fixed income returns were in line with equities during the 2nd quarter. The broad market Bloomberg Barclays Aggregate Index returned 3.1%. Corporates also outperformed the other major fixed income sectors over the 1-year period, returning 10.7% versus a 7.9% return for the Bloomberg Barclays Aggregate Index.

Mr. West reported on the Fund's performance noting that the Fund return was 3.67% for the quarter, 3.39% for the fiscal year to date and 6.59% for the 1-year period vs. the policy of 3.39%, 4.12% and 7.71% respectively.

The Equity composite returned 4.76%, 2.57% and 7.27% respectively vs. the policy of 3.88%, 1.58% and 7.21% respectively. The Domestic Equity returned 5.12%, 2.51% and 9.39% vs. the Domestic Equity Policy 4.10%, 1.74% and 8.98 respectively. GAMCO All Cap Value 2.75%, -1.55% and 3.02% vs. the Russell 3000 Value Index 3.68%, 1.85% and 7.34% respectively. Wells Premier Large Cap Growth 7.00%, 5.76% and 15.05% vs. Russell 1000 Growth Index 4.64%, 2.19% and 11.56% respectively. Vanguard Mid-Cap Index returned 4.36%, 3.03% and 7.83% vs. CRSP U.S. Mid Cap TR Index 4.37%, 3.06%, and 7.85% respectively. American Funds EuroPacific International Equity returned 3.87%, 2.78% and 1.91% vs. MSCI AC World ex USA 3.22%, 0.99% and 1.80% respectively.

Total Fixed Income Composite returned 2.52%, 6.23% and 6.29% vs. the fixed income policy of 3.13%, 7.71% and 7.55%. The Domestic Fixed income returned 2.36%, 5.95% and 5.81% vs. the Policy of 3.08%, 7.85% and 7.87%. Garcia Hamilton returned 2.30%, 5.99% and 5.93% vs. the Blmbg. Barc. U.S. Aggregate Index 3.08% (73) 7.85% (58) 7.87% respectively. Vanguard TIPS returned 2.79%, 5.54% and 4.70% vs. the Bloomberg Barclays U.S. TIPS Index 2.86%, 5.70% and 4.84% respectively. Global Fixed Income Composite returned 3.59%, 8.23% and 10.04. vs. the Global Fixed Income Policy of 3.36%, 7.03% and 5.97% respectively. PIMCO Diversified Income Fund returned 3.59%, 8.23% and 10.04% vs. the Blmbg. Barc. Global Credit (Hedged) of 3.60%, 8.27% and 9.32% respectively. Morgan Stanley Real Estate returned 2.11%, 6.03% and 8.38% vs. the Real Estate Policy 1.35%, 4.59% and 6.34% respectively.

**ACTUARY’S REPORT:**

Mr. DuLaney presented the Chapter 112.664 report which is mandated by the State. This report is prepared to satisfy the requirements under the Florida Statutes assumptions and what actually happened in the pension plan. The schedules in this report show the projected number of years until the Fund becomes insolvent. This report contains figures using an investment assumption that is 2% higher and 2% lower than the actual funding assumption. Using the current assumption rate of 7.25% the number of years expected benefit payments sustained would be 15.71. Using a plan assumption of 8.40%, the number of years expected benefit payments sustained would be 18.38. Using a plan assumption of 6.40%, the number of years expected benefit payments sustained would be 14.38 and using a plan assumption of 10.40% the number of years expected benefit payments sustained would be 999.99.

Mr. DuLaney provided actual and hypothetical contributions as of the Valuation date of 10/1/18 noting that with the actual interest rate of 7.25% and the 2017 FRS mortality tables, the total required contribution would be \$2,271,616 or 186.42% of covered payroll. With the 8.40% interest rate and the FRS 2017 mortality tables, the required contribution would be \$1,077,913 or 88.46% of covered payroll. With the 6.40% interest rate, and the 2017 FRS mortality tables, the required contribution would be \$3,320,303 or 272.49% of covered payroll and finally with the 10.40% interest rate and the 2017 FRS mortality tables, the required contribution rate would be 0.

**CONSENT AGENDA:**

**For Approval: Warrant #251**

Weiss, Serota ETAL (Legal Fees-Invoice #217760 dated 7/8/19)	\$840.00
<b>Total</b>	<b>\$840.00</b>

**For Ratification: Warrants #249 & 250**

DuLaney & Company (Services Rendered during April 2019)	\$6,970.00
GAMCO (Q2-19 Mgmt Fee-Invoice #20190331-154-5255-A dated 4/11/19)	\$21,408.00
Weiss, Serota ETAL (Legal Fees-Invoice #215620 dated 5/7/19)	\$6,480.00
<b>Total</b>	<b>\$34,858.00</b>
AndCo (Q2-19 Consulting Fee-Invoice #32236 dated 6/14/19)	\$10,900.00
DuLaney & Company (Services Rendered during May 2019)	\$2,550.00
Goren, Cherof ETAL (Services Rendered; Stmt #24928 dated 04/02/2019)	\$1,510.25
<b>Total</b>	<b>\$14,960.25</b>
<b>Total Warrants:</b>	<b>\$50,658.25</b>

**Pension Payments for Ratification:**

Slade Bruce (Monthly Benefit payments effective 6/1/19)	\$5,816.99
Slade Bruce (Share Plan Distribution)	\$28,388.03
<b>Total Pension Payments</b>	<b>\$34,205.02</b>

**Auto Payments for Ratification:**

Benefits USA (Flat Monthly Fee-April-June 2019 auto debit)	\$5,025.00
Benefits USA (Bookkeeping Fee for April-June auto debit 2019)	\$825.00
Garcia Hamilton (Q2-19 Mgmt Fee-Invoice #30674 dated 7/5/19 auto debit)	\$4,553.32
Salem Trust (Q2-19 Custodian Fee-Invoice dated 7/5/19 auto debit)	\$9,842.21
<b>Total Auto payments</b>	<b>\$20,245.53</b>
<b>Grand Total of Disbursements:</b>	<b>\$105,108.80</b>

Trustee Dickey moved to approve the Consent agenda and Trustee Filkowski seconded the motion and it passed 5-0.

**UNFINISHED BUSINESS:**

There was no unfinished business discussed.

**NEXT MEETING DATE:** The Administrator reported that the next meeting is scheduled for Tuesday, October 22, 2019 at 5:30 PM.

**ADJOURNMENT:** Trustee Dickey moved to adjourn and Trustee Olivas seconded the motion and it passed. The meeting adjourned at 7:24 PM.

  
Secretary

10/22/2019  
Date