

**CITY OF DADE CITY
POLICE OFFICERS' PENSION FUND &
FIREFIGHTERS' RELIEF & PENSION FUND
BOARD OF TRUSTEES
QUARTERLY MEETING MINUTES**

Governor Ron DeSantis signed Executive Order 20-69 which suspends all statutes that require a quorum to be present in person or require a local government body to meet at a specific public place. It also provides that local government bodies may utilize communications media technology, such as telephonic and video conferencing, as provided in section 120.54(5)(b)2, Florida Statutes. Under Executive Order 20-69, the board meeting was held via video conference using Zoom.

Monday, April 27, 2020 at 9:30AM

TRUSTEES PRESENT: Joseph Wubbena, Fire Trustee
James Parker, Fire Trustee
Bob Cabot, Fire Trustee
William Rowe, Police Trustee
Robert Tungate, Police Trustee
Lois Alston, Police Trustee

TRUSTEES ABSENT: Dwight Carson, Fire Trustee
John Evenhouse, Fire Trustee
Richard Griner, Police Trustee
Sherrie Case, Police Trustee

OTHERS PRESENT: Scott Schechinger, Wells Fargo Advisors
Nancy Cook, Wells Fargo Advisors
Jeff Woei, Wells Fargo Advisors
Scott Christiansen, Christiansen & Dehner
Jonathan Davidson, Kessler Topaz Meltzer & Check
Patrick Donlan, Foster & Foster
Sara Carlson, Foster & Foster
Ferrell Jenne, Foster & Foster

1. **Call to Order** – Meeting was called to order at 9:35am by Joseph Wubbena.
2. **Public Comments** - None
3. **Approval of Minutes**

The Fire Board voted to approve the December 16, 2019, quarterly meeting minutes, upon motion by Bob Cabot and second by James Parker; motion carried 3-0.

The Police Board voted to approve the December 16, 2019, quarterly meeting minutes, upon motion by Robert Tungate and second by Lois Alston; motion carried 3-0.

4. **New Business**
 - a. Update on ratification of 5th trustee
 - i. Ferrell Jenne commented both 5th trustee seats were ratified by Council at the January 14, 2020 meeting. Scott Christiansen reminded the Fire Board that Bob Cabot's term would be expiring in June. Ferrell commented she would send out a notice to the membership asking if anyone wanted to run against Mr. Cabot.

- b. Kessler Topaz Meltzer & Check (KTMC) claims administration client letter
 - i. Jonathan Davidson reviewed the role of a securities litigation firm. Jonathan commented they had been filing proof of claims at no cost. However, they would no longer be able to file the proof of claims at no charge as they had a portion of their clients who could not accept these services for free. Jonathan stated KTMC would begin charging a 4% contingency fee applicable to all claim recovery payments relating to claims filed on or after January 1, 2020. Jonathan confirmed they were not charging the claims processing fee to generate revenue. Scott Christiansen reminded the Boards they did not write a check to KTMC, all fees were taken from the amount that was recovered.

The Fire Board voted to accept the Kessler Topaz Meltzer & Check 4% claims processing fee effective with filings on or after January 1, 2020, upon motion by Bob Cabot and second by James Parker; motion carried 3-0.

The Police Board voted to accept the Kessler Topaz Meltzer & Check 4% claims processing fee effective with filings on or after January 1, 2020, upon motion by Robert Tungate and second by William Rowe; motion carried 3-0.

5. **Old Business** – None

6. **Reports (Attorney/Consultants)**

- a. Foster & Foster, Patrick Donlan and Sara Carlson, Board Actuary
 - i. October 1, 2019, actuarial valuation report, Fire Board
 - 1. Patrick Donlan commented Sara Carlson would be attending future meetings. Patrick stated Sara had the same actuarial credentials he had.
 - 2. Patrick Donlan reviewed the valuation report for the Fire Plan.
 - 3. The City required contribution for September 30, 2021, would be \$227,172 compared with the City required contribution for September 30, 2020 of \$234,189.
 - 4. Patrick Donlan reviewed the 4-year smoothing technique and commented the annualized rate of return for the prior 4 years was 7.15%. Patrick reviewed the GASB 67 information and commented the City's net pension liability decreased to \$1,127,276.

The Fire Board approved the October 1, 2019, valuation report as presented, upon motion by James Parker and second by Bob Cabot; motion carried 3-0.

- ii. October 1, 2019, actuarial valuation report, Police Board
 - 1. Sara Carlson introduced herself and reviewed the valuation report for the Police Board.
 - 2. Sara Carlson reminded the Board an experience study was done in 2019 that changed some of the plan assumptions.
 - 3. The City required contribution for September 30, 2021, would be \$31.8% of projected annual payroll as compared with the City required contribution for September 30, 2020, of 39.4% of projected annual payroll.
 - 4. Plan experience was favorable overall on the basis of the plan's actuarial assumptions. Sources of actuarial gain included inactive mortality experience and an average salary increase of 2.96%, which fell short of the 5.50% assumption. These gains were offset in part by losses associated with unfavorable turnover experience and an investment return of 7.01% (Actuarial Asset Basis) which fell short of the 7.30% assumption.
 - 5. Sara Carlson reviewed the 4-year smoothing technique and commented the 4-year annualized return was 7.01%. Sara reviewed the GASB 67 information and commented the City's net pension liability increased to \$1,892,132. Sara commented the increase was due primarily to the changes that were made to the assumptions as outlined in the experience study. Sara briefly reviewed the new assumptions and methods that were adopted by the Police Board.

The Police Board approved the October 1, 2019, valuation report as presented, upon motion by Robert Tungate and second by William Rowe; motion carried 3-0.

- b. Wells Fargo Advisors, Jeffrey Woei, Scott Schechinger, and Nancy Cook, Investment Consultant
 - i. Quarterly report as of December 31, 2019
 - 1. Jeffrey Woei gave a market overview as of December 31, 2019 and as of March 31, 2020. Jeffrey reviewed the impact on the market due to the COVID-19 pandemic. Jeffrey commented it was important for the plans to mitigate risk and have realistic expectations for returns.
 - 2. Nancy Cook reviewed the quarterly returns.
 - 3. The market value of assets for the Firefighters' Pension Fund as of December 31, 2019, was \$6,937,944.
 - 4. The net time-weighted return for the Firefighters' Pension Fund as of December 31, 2019, was 5.18%. The trailing returns for the 1, 3, and 5-year periods were 18.18%, 8.63%, and 5.77% respectively.
 - 5. The market value of assets for the Police Pension Fund as of December 31, 2019, was \$10,084,436.
 - 6. The net time-weighted return for the Police Pension Fund as of December 31, 2019, was 4.94%. The trailing returns for the 1, 3, and 5-year periods were 17.42%, 8.16%, and 5.74% respectively.
 - 7. Nancy Cook reviewed the performance of each manager and commented Delaware was on the watch list due to poor performance. Nancy commented Delaware earned a 5.33% return versus the 7.41% benchmark as of December 31, 2019. Nancy commented if they did not see outperformance from Delaware over the next couple of quarters, they would make a recommendation for a manager replacement.
 - 8. Nancy Cook reviewed Reinhart and commented they provide cash flow to the City to make benefit payments and pay plan expenses.
 - ii. Monitoring report
 - 1. Scott Schechinger reviewed the monitoring report as of December 31, 2019. Scott commented the goal was for all funds to be in the top 50th percentile.
 - iii. Bond fund search
 - 1. Scott Schechinger reviewed the DoubleLine Total Return Bond Fund and commented they had underperformed for the fourth quarter of 2019 and the first quarter of 2020. Scott commented he was recommending replacing DoubleLine as this fund had mostly mortgage-backed securities. Scott stated they had done a manager search and three funds were identified. Scott briefly reviewed the JP Morgan Core Bond R6, Tributary Income, and Wells Fargo Core Bond R6. Scott commented JP Morgan came out on top.

The Fire Board approved selling the DoubleLine Total Return fund and move the proceeds to the JP Morgan Core Bond R6 Fund, upon motion by Bob Cabot and second by James Parker; motion carried 3-0.

The Police Board approved selling the DoubleLine Total Return fund and move the proceeds to the JP Morgan Core Bond R6 Fund, upon motion by Lois Alston and second by Robert Tungate; motion carried 3-0.

- 2. Scott Schechinger briefly reviewed the Fidelity Money Market Fund that was recently added.
- iv. Asset allocation report
 - 1. Nancy Cook reviewed the current asset allocations for each plan and commented everything was within the Investment Policy Statement (IPS) limits. Nancy commented the plans had a lot of cash on hand. Nancy commented at the next meeting they would look further into this and possibly put some money to work in the market.
- v. The Boards discussed the current return assumptions. Nancy Cook confirmed that the current investment return assumptions were reasonable long term.

The Fire Board voted the declaration rate of return for the plan at 7.30% for the next year, the next several years, and the long-term thereafter net of investment related expenses, upon motion by Bob Cabot and second by James Parker; motion carried 3-0.

The Police Board voted the declaration rate of return for the plan at 7.00% for the next year, the next several years, and the long-term thereafter net of investment related expenses, upon motion by Robert Tungate and second by William Rowe; motion carried 3-0.

- c. Christiansen & Dehner, Scott Christiansen, Board Attorney
 - i. Legislative updates
 - 1. Scott Christiansen commented no bills passed that impacted the pension plans. Scott commented there was a change to the Notary law that allowed for remote notarizations. Scott commented they were updating the pension forms to allow members to use a remote notary.
 - ii. Financial disclosure forms
 - 1. Scott Christiansen reminded the trustees to file their financial disclosure forms prior to July 1, 2020, to avoid fines.
7. **Consent Agenda**
- a. Payment Ratification
 - i. Warrant #60 (POLICE BOARD)
 - 1. Christiansen & Dehner, invoice #33678, legal services, \$265.20
 - 2. Foster & Foster, invoice #16035, actuarial services, \$8,899.00
 - 3. Foster & Foster, invoice #16112, plan administration, \$913.97
 - ii. Warrant #61 (POLICE BOARD)
 - 1. Christiansen & Dehner, invoice #33727, legal services, \$764.90
 - 2. Christiansen & Dehner, invoice #33778, legal services, \$134.00
 - 3. Foster & Foster, invoice #16341, plan administration, \$900.00
 - iii. Warrant #62 (POLICE BOARD)
 - 1. Christiansen & Dehner, invoice #33836, legal services, \$88.40
 - 2. Foster & Foster, invoice #16506, plan administration, \$900.00
 - 3. Foster & Foster, invoice #16828, plan administration, \$900.00
 - iv. Warrant #59 (FIRE BOARD)
 - 1. Foster & Foster, invoice #16111, plan administration, \$853.97
 - 2. Christiansen & Dehner, invoice #33677, legal services, \$355.75
 - v. Warrant #60 (FIRE BOARD)
 - 1. Christiansen & Dehner, invoice #33726, legal services, \$764.90
 - 2. Christiansen & Dehner, invoice #33777, legal services, \$178.95
 - 3. Foster & Foster, invoice #16340, plan administration, \$840.00
 - vi. Warrant #61 (FIRE BOARD)
 - 1. Christiansen & Dehner, invoice #33835, legal services, \$88.40
 - 2. Foster & Foster, invoice #16505, plan administration, \$840.00
 - 3. Foster & Foster, invoice #16545, actuarial services, \$10,829.85
 - 4. Foster & Foster, invoice #16827, plan administration, \$840.00
 - b. New invoices for approval
 - i. None
 - c. Fund activity report for December 10, 2019 through April 20, 2020

The Fire Board approved the consent agenda as presented, upon motion by James Parker and second by Bob Cabot; motion carried 3-0.

The Police Board approved the consent agenda as presented, upon motion by Lois Alston and second by William Rowe; motion carried 3-0.

8. **Staff Reports, Discussion and Action**
- a. Foster & Foster, Ferrell Jenne, Plan Administrator
 - i. Update on Annual Report
 - 1. Ferrell Jenne commented both reports had been filed. They were waiting on the City's audit to be finalized.
 - ii. Ferrell Jenne commented she checked with the City on the proposed Ordinances and the City Clerk stated that no public hearings were being held unless absolutely necessary as Council was meeting virtually.
 - iii. Ferrell Jenne reviewed the safeguards Foster & Foster has in place to keep personal data secure.

9. **Trustees' Reports, Discussion, and Action**

- a. Joseph Wubbena commented Jeffrey Trujillo passed away. Ferrell Jenne commented the City informed them of his passing and she was working on getting additional information before getting the benefit set up to a joint annuitant.

10. **Adjournment** – The meeting adjourned at 11:15AM.

11. **Next Meeting** – June 11, 2020, at 9:30AM, Quarterly Meeting

Fire As: _____ Date _____

Fire As: _____ Date _____

Police As: _____ Date _____

Police As: _____ Date _____

Date Approved by the Pension Boards: _____

Respectfully submitted by:

Ferrell Jenne, Plan Administrator