

**CITY OF LAKELAND  
EMPLOYEES' PENSION AND RETIREMENT SYSTEM  
BOARD OF TRUSTEES**

Chairman Rick Lilyquist, CPPT  
Vice-Chair Jeff Stearns  
Christopher Diaz, CPPT  
Ruffin Gray  
Brenden Hahn  
Jeff Michel  
Jim Studiale

**MEETING MINUTES**

April 23, 2024  
9:30 AM

Building Inspection Conference Room, Large  
228 South Massachusetts Avenue  
Lakeland, Florida 33801



In accordance with the Americans with Disabilities Act and Section 286.26, Florida Statutes, persons with disabilities needing special accommodation to participate in this proceeding should contact Cherie Watson no later than three (3) days prior to the proceeding at (863) 834-8797 for assistance; if hearing impaired, telephone the Florida Relay Service Numbers, (800) 955-8771 (TDD) or (800) 955-8770 (VOICE), for assistance.

**CALL TO ORDER**

Chairman Lilyquist called the meeting to order at 9:30 a.m.

**ROLL CALL**

**Trustees:** Chairman Rick Lilyquist, Vice Chairman – Jeff Stearns, Chris Diaz, Ruffin Gray, Brenden Hahn, Jeff Michel, Jim Studiale

**Staff:** Cherie Watson, Kerry Wisler

**Guests:** Mike Welker, Tyler Grumbles, Kerry Richardville, Paul Murray (virtual) - Mariner; Robb Upthegrove, Barbara Jordan, Mike Stewart – COLAR; Wendy Valentine – Asst Treasurer; Chris Holway – VOYA; Pedro Herrera, Veronica Ucros – Pension Attorney - Sugarman, Susskind, Braswell & Herrera

**APPROVAL OF THE AGENDA**

*Ruffin Gray moved approval of Agenda. All approved.*

**APPROVAL OF THE MINUTES**

Minutes from March 26, 2024:

Paul's presentation regarding AQR – stated downsize protection, but should have stated downside protection; and with transition of Vanguard Target Date funds to American Funds, stated: "annual fee for American Funds will be higher than Vanguard's .29%", should have stated "Vanguard's average fee of .29%."

*Ruffin Gray moved approval of March 26, 2024 Regular Board Meeting Amended Minutes. All Approved.*

**PRESENTATIONS**

Investment Consultant

Kerry Richardville of Mariner presented the Investment Performance Review for period ending March 31, 2024. March reflects assets up 1.7%, but April is showing some volatility. Total Fund up 10.49% FYTD.

Allocation is slight overweight in domestic equity and underweight in Fixed Income:

	FOF Allocation \$	Current Allocation (%)	Minimum Allocation (%)	Maximum Allocation (%)	Target Allocation (%)	Min. Rebal. (\$000)	Max. Rebal. (\$000)	Target Rebal. (\$000)
Total Fund	741,108,355	100.0	N/A	N/A	100.0	-	-	-
Domestic Equity	254,343,473	34.3	27.5	47.5	32.5	-50,538,401	97,683,470	-13,482,933
International Equity	120,018,439	16.2	10.0	25.0	15.0	-45,907,504	65,258,900	-8,652,036
Private Equity	86,343,785	11.7	0.0	20.0	15.0	-86,343,785	61,876,066	24,822,818
Core Fixed Income	116,180,746	15.7	10.0	40.0	15.0	-42,009,811	180,262,966	-5,014,343
Private Fixed Income	53,230,005	7.2	0.0	15.0	10.0	-53,230,005	57,935,799	20,880,331
Core Real Estate	22,980,150	3.1	0.0	10.0	5.0	-22,980,150	51,130,776	14,075,309
Non-Core Real Estate	35,210,727	4.8	0.0	10.0	5.0	-35,210,727	38,900,209	1,844,741
Private Multi-Asset	25,008,920	3.5	0.0	10.0	0.0	-25,008,920	48,502,015	-25,008,920
Private Infrastructure	23,487,572	3.2	0.0	5.0	2.5	-23,487,572	13,967,806	-4,969,838

Chris Diaz – requested update on JP Morgan liquidation. Kerry R. – returning 2% per quarter, may accelerate.

Paul Murray of Mariner attended virtually and gave an update on the DC Plans. Asset allocation modified to include Market Value in Target Date Funds:

Allocation	Market Value	Allocation	Allocation	Market Value	Allocation
Equity	60,389,925	39.4	Equity	62,075,288	39.9
Fixed Income	45,537,177	29.7	Fixed Income	44,779,238	28.7
Balanced	43,712,000	28.5	Balanced	10,867,384	7.0
REIT (Real Estate Funds)	1,368,242	0.9	REIT (Real Estate Funds)	1,368,654	0.9
Real Return	625,215	0.4	Real Return	800,174	0.5
Cash	1,875,422	1.1	Cash	1,809,087	1.0
Target Date		0.0	Target Date	34,252,291	22.0

Total assets in DC Plans at end of March were \$155.7M. American Funds performance is now reflected. Alger outperformed for 1 year return, 2022 was a difficult year, but rebounded in 2023 and 1Q24. Invesco RE is listed in report, in error and should be removed.

Investment Committee

Chris Diaz – Per Mariner

## Recommendations

- Index the growth portion of the portfolio.
- Utilize active management on the other parts of the portfolio where it has been successful.
- Change target allocations to managers so that tracking error is reduced and consistency of performance is improved.

Moving growth portion to an Index fund.

***Chris Diaz moved to adopt recommendation to replace Polen and Vanguard Large Cap Index Admiral to Vanguard Russell 1000 Growth Index I.***

***Motion carries.***

Chris Diaz – In DC plans, Mariner recommended a review of Emerging Market fund – Invesco and similar funds

Investment Options for this Manager Evaluation Report				
Firm Name	Strategy Name	Vehicle	Management Fee	Investment Minimum
Dimensional Fund Advisors	DFA Emerging Markets Core I (DFCEX)	MF	0.39%	No Minimum
GQG Partners	GQG Partners Emerging Markets Equity Inst (GQGIK)	MF	0.98%	\$500,000
RBC Global Asset Management	RBC Emerging Markets Equity R6 (RREMX)	MF	0.86%	\$250,000
Vanguard Group	Vanguard Emerging Markets Select Stock Inv (VMMSX)	MF	0.60%	\$3,000
Invesco Advisers	Invesco Developing Markets R6 (ODVIX)	MF	0.84%	\$1,000,000

Per Mariner recommendation, we voted to replace Invesco with DFA Emerging Markets.

***Chris Diaz moved to adopt recommendation to replace Invesco with DFA Emerging Markets.***

***Motion carries.***

Rick requested update to pension corrections. Cherie explained Pedro has completed updated document, containing newer Resolutions and/or Ordinances and we are now reviewing for the final corrections to any typos contained in document. Pedro also stated we are almost complete and ask if Board wanted a last review, prior to submitting to City Attorney for Commission approval of Amendment/Restatement of Pension Plan. After discussion, Board wants to send document to City Attorney after Retirement Services

reviews, ensuring all typos have been corrected, as they have already reviewed at prior meeting, but to copy Trustees for their records.

Legal Council

Pedro Herrera – Restatement of Pension will be finished within the next couple of weeks. Windfall Elimination Provision (WEP) and Government Pension Offset (GPO) can affect Social Security benefits for those receiving a public pension. The repeal of both rules picked up speed this year in the Legislature. April 16<sup>th</sup> House Ways & Means committee gained bi-partisan support. Not a political issue, discussion centered disagreement as to repeal entirely or use a modified formula. Letter was generated and sent from 2 bill sponsors, containing the two different approaches – what would impact to SS to pay benefits – fear of eliminating would pay more which creates funding concerns. Social Security Fairness Act is name of Bill. Mike Stewart stated this would affect Spouses and Retiree's receiving pension.

Form 1 Financial statement will be filed online through portal this year. You will need to create a name and password to upload. Form 6 is only for publicly elected officials, not Public Pension Trustees. When completing form, there used to be two ways, percentage and hard dollar, now only hard dollar option is available. Form requires you to list asset, but no value.

Administrator

Cherie Watson presented Retirements & Refunds report for March 2024.

***Jeff Stearns motioned to approve March 2024 Retirements and Refunds Report.***

***Motion passed unanimously.***

Rick requested an Alternative Investment review of funds from Mariner. Tyler explained these are reviewed with each Quarterly report, which 1Q24 will be reviewed at May meeting and he will do a deeper dive at that time. Tyler also mentioned when comparing General Plan to Police and Fire Plans, Police and Fire have done a little better, but looking back at FY22, Alternatives made General look a lot better. Police and Fire used more Index funds.

A review of New Trustee Program – Fiduciary – was completed w/Pedro after pension meeting ended.

**OTHER BUSINESS**

**PUBLIC COMMENTS**

**NEXT MEETING DATE**

The next regular meeting of the Board of Trustees of the City of Lakeland Employees' Pension & Retirement System is scheduled for 8:30 AM, Tuesday, May 28, 2024, Building Inspection Conference Room, Large, 228 South Massachusetts Avenue, Lakeland, Florida 33801.

**ADJOURNMENT**

Upon motion, the meeting adjourned at 10:24 am.

Respectfully Submitted,

Approval Date: May 28, 2024

Signed: \_\_\_\_\_

Rick Lyquist, Chairman

Signed: \_\_\_\_\_

Jeffrey Stearns, Vice Chairman