

**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

March 26, 2024
8:30 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 8:30 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: Kerry Richardville, Paul Murray (virtual) - AndCo Consulting; Robb Upthegrove, Barbara Jordan, Mike Stewart – COLAR; Joey Phoa – EA; Wendy Valentine – Asst Treasurer; Asha Patel - Finance

APPROVAL OF THE AGENDA

Chris Diaz moved approval of Agenda. All approved.

APPROVAL OF THE MINUTES

Minutes from February 27, 2024:

Page 6, Paragraph 5, line 4 – "...\$5.00 per month of service for those retiring from Plan A..." restated as "...\$5.00 per month **for each year** of service for those retiring from Plan A..."

Page 6, Paragraph 5, line 6 – "Chris D. - \$400M to \$800M?" restated as "Chris D. - \$400K to \$800K?"

Page 8, Paragraph 1, line 1 – "Motion passed. Brenden Hahn and Chris Diaz voted for Pension to pay Bonus." restated as "Motion passed. Brenden Hahn and Chris Diaz **opposed**."

Ruffin Gray moved approval of February 27, 2024 Regular Board Meeting Minutes with corrections. All Approved.

PRESENTATIONS

Investment Consultant

Kerry Richardville of AndCo Consulting presented the Investment Performance Review for period ending February 29, 2024. The markets were strong for the first quarter of 2024. For February, public markets were up about 2.5%. The total fund was up approximately 1.8% for February and 8% FYTD. Once all numbers are returned for private markets, the fund should be up approximately 12% FYTD. This will be close to the benchmark. Total assets in the fund are \$736,532,807.

In Domestic Equity, the weakness was with large cap growth funds. Total Domestic Equity was up just over 4% for the month. International Equity Managers were strong for the month except Wellington. In the next few months, we'll see how Wellington performs and may need to have discussion on keeping them in portfolio. JP Morgan was down 2.4% for the month in Real Estate. Distributions from JP Morgan are slow with receipt of only a couple percent per quarter. The Plan's asset allocation is within the policy, so no changes need to be made.

Paul Murray of AndCo attended virtually and gave an update on the DC Plans. Total assets in DC Plans were \$149.6M at the beginning of February and \$153.3M at the end of the month. Alger was up 8% for the month and 53% for 1 year. AQR continues to be on watch, but offers downside protection. In International Equity, Invesco continues to perform below benchmarks. A search will be performed at a future meeting. Options would be to replace Invesco or eliminate Invesco and map to a current fund such as a Target Date Fund. Baird and Pimco look good and there are no concerns in Real Estate. American Funds replaced Vanguard as Target Date Funds effective March 22. The annual fee for American Funds will be higher than Vanguard's 0.29% due to American Funds being actively managed. Performance is anticipated to not only cover higher fees, but deliver a higher return.

Paul Murray of AndCo also presented an educational module for trustees. Information included confidence level of participants making investment decisions, Target Date Funds (based on age), and Qualified Default Investment Alternatives (QDIA). Information shows 38% of participants are confident in making investment decisions and 83% of plan participants are allocated to a Target Date Fund. It was mentioned that the City's Voya representative meets with each new employee.

An Investment Committee Meeting will be scheduled in April to discuss Invesco in DC Plans and Domestic Equity performance in Pension Plan. ICM will be scheduled for April 23rd at 8:30 am and regular Pension Board Meeting will begin at 9:00 am.

Administrator

Cherie Watson presented Retirements & Refunds report for February 2024.

Chris Diaz motioned to approve February 2024 Retirements and Refunds Report.

Motion passed unanimously.

Cherie Watson mentioned that Pedro Herrera, attorney, will be at the April Pension Board Meeting. He will discuss Resolution 4968/5114, pertaining to Pension Bonuses, accounting for DROP being extended to 8 years. Pedro will also discuss updating the Pension Plan Document, any updates on the Windfall Elimination Provision, and give a 30-minute fiduciary educational meeting immediately after the Pension Board Meeting.

Cherie Watson gave an update on the transition of the Retiree Health Savings Plan from TASC to Voya/BPAS. There were issues with legal documents, so the effective date of the transfer is now May 1, 2024. The blackout period begins on April 12, 2024.

Cherie Watson reminded trustees about the Municipal Boards Dinner on May 3, 2024

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 9:30 AM, Tuesday, April 23, 2024, Building Inspection Conference Room, Large, 228 South Massachusetts Avenue, Lakeland, Florida 33801.

ADJOURNMENT

Upon motion, the meeting adjourned at 9:05 am.

Respectfully Submitted,

Approval Date: April 23, 2024

Signed: _____

Rick Lilyquist, Chairman

Signed: _____

Jeffrey Stearns, Vice Chairman