

**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

January 23, 2024
8:30 AM

City Commission Conference Room, 3rd Floor
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.

Pension Plan Performance – Returns and Attribution

	FYTD	3 Year	5-year	10 Year
Total Plan (Net)	10.3%	6.6%	6.4%	7.6%
Benchmark	12.6%	5.6%	6.5%	7.5%
vs Benchmark	-2.3%	1.0%	-0.1%	0.1%
vs Peergroup (% Rank)	59 th	7 th	8 th	5 th

- Primary drivers of benchmark/peergroup relative performance
 - Private Equity: Earned 24.6% vs Domestic Equity return of 7.8% over last 5-years
 - Private Fixed Income: +7.5% vs Core Fixed Income return of 0.2% over last 5-years
 - Private Multi-Asset: -0.1% vs Total Plan return of 6.5% over the last 5-years
 - Domestic Equity: +7.8% vs index return of 9.1% over the last 5-years
 - Domestic Equity has ranked in 55th percentile over the last 5 years

Jeff M. – on quarterly report, contributions reflect \$0, doesn't the City make contributions? Tyler – this is only on the investment side, we do not track contributions, however we reimburse City for payouts. Jeff S. – number appears to be zero – contributions from Employees and Benefits paid wash out in the \$17M distributions.

Tyler – Pension Flash report – net for month 3.08%, 30% of assets are invested in private asset portfolio. Domestic Equity up 5.5%, trailed with each manager. Kennedy has done well for us, up 11.13%. Rick – Benchmark – based upon IPS? Tyler – Russell 3000 Index. International performed in line or out performed. Wellington is on watch for performance reasons. Rick – do you use Private Debt and/or Private Fixed in pacing model? Tyler – we will fix to have same name. Jeff S. – PE – 6% is good but lagging benchmarks. Tyler – PE will smooth – takes longer to mark down.

Kerry R. – DC Plan – Balance up from \$144M to \$149M in December. AQR is on watch and we continue to discuss; two American funds – Euro Pacific and Growth and Income – weighting between International and Domestic – we are comfortable with funds; Virtus – we are replacing with Victory Sycamore; T. Rowe & Invesco – continue to hit and we are watching.; Large Cap – Alger – hit some triggers, but in line with index. Cherie – can you review w/Jeff M., our new Trustee? Kerry R. – 3 or more triggers that violate IPS – we will tell you and review/recommend any changes.

Cherie tried to reach Pedro but was not able to make contact. Rick – lets comeback to Pedro.

Administrator

Cherie - presented Retirement & Refund report for November/December 2023.

Ruffin Gray motioned to approve November/December 2023 Retirements and Refunds Report.

Motion passed unanimously.

Cherie – Chris Diaz, Tonie Thompson and Kerry Wisler will be attending FPPTA January 28th through January 31st. Jeff Michel will begin attending at Fall School in October.

Cherie – Since Tory resigned from Board and was an Authorized Signer for any legal documentation, we need to update our form. Kerry W. and I sign jointly on Capital Calls, etc., but if one of us is out of office,

we need to get another signature. We currently have Tory, Rick and Jeff Stearns. Can we add Ruffin Gray in place of Tory? We may need Ruffin to meet us or come by our office if we cannot reach Rick or Jeff S. Ruffin – yes, I will sign.

Cherie – We wanted to review a handout for new Trustees. Pedro with Sugarman & Susskind has sent an updated version. I will send to Jeff M., Brendan, Ruffin and Jim S. If anyone has questions, we can schedule a Teams meeting with Pedro to review.

Attorney

Pedro (called in) – New Form 6 does not apply to Pension Board Trustees'. Still are required to file Form 1. Used to send back to Supervisor of Elections and file with Ethics Commission. Now file directly with State Ethics Commission – effective July 1st.

In reviewing Summary Plan Description –

Pedro Herrera, Pension Board Attorney joined meeting via telephone. – Reviewed changes to Pension Summary Plan Description "SPD" and Pension Plan Document. The changes to the SPD were primarily correcting data such as dates and typos. The SPD can be posted on the City's intranet and doesn't need to be mailed to employees.

The Pension Plan Document has corrections including incorrect dates, updating active death benefit for Plan C employees to 5 years employment, replacing word "beneficiary" with "joint pensioner" in some sections, and updating pension pay dates. Extending DROP to 8 years will also be updated and Cherie will forward Ordinance to Pedro. Discussion also included removing verbiage in section 25 – Guaranteed Raise in Benefits. Pedro will delete the verbiage about a guaranteed raise and add language referencing Resolution 5114 that speaks about a one-time benefit for retirees. Military leave was also reviewed. Pedro will contact Palmer Davis, City Attorney, and review whether City Commission needs to adopt the changes to the SPD and Pension Plan Document. Prior to contacting Palmer, Pedro will forward the changes to Cherie and Cherie will forward to trustees. The updated SPD and Pension Plan Document will be on agenda for the March Pension Board Meeting.

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, February 27, 2024, City Commission Conference Room, 3rd Floor, 228 South Massachusetts Avenue, Lakeland, Florida 33801.

ADJOURNMENT

Upon motion, the meeting adjourned at

Respectfully Submitted,

Approval Date: February 27, 2024

Signed: 
Rick Lilyquist, Chairman

Signed: 
Jeffrey Stearns, Vice Chairman