

GENERAL EMPLOYEE PENSION PLAN COMMITTEE MINUTES
Wednesday, May 6, 2020 3:00 PM
City Hall Council Chambers, Vero Beach, Florida

PRESENT: Monte Falls, City Manager; Tammy Bursick, City Clerk; Cindy Lawson, Finance Director; John Turner, City Attorney. **Also Present:** Glenn Thomas, Committee Attorney (by phone); Dean Molinaro, Prudential (by phone); Pamela Herkes, Prudential (by phone); Kathy Taube, Risk & Benefits Administrator.

1. CALL TO ORDER

Mr. Falls called the meeting to order at 3:01 p.m.

2. APPROVAL OF MINUTES

Mrs. Bursick made a motion to approve the minutes of the February 26, 2020 meeting. Ms. Lawson seconded the motion and it passed unanimously.

3. AGENDA ADDITIONS, DELETIONS & ADOPTIONS

Ms. Lawson made a motion to adopt the agenda. Ms. Bursick seconded the motion, and it passed unanimously.

4. PUBLIC COMMENT

None

5. NEW BUSINESS

A. Prudential – March 31, 2020 Quarterly Investment Review

Full report on file at City Clerk's Office.

Mr. Dean Molinaro, Vice President, Investment Strategy of Prudential, presented the Quarterly Investment Review:

1st Calendar Quarter Return (2nd Fiscal Quarter) -14.25%
Plan Year (Fiscal) Return -9.77%
1 year return -5.69%
3 year return 2.79%
5 year return 3.75%
10 year return 6.85%

Assets as of the end of March total \$84,899,669

Distribution of assets is overweight equities:

- 52.61% Traditional Equities (Diversified between Large, Mid & Small Cap US, and an allocation to Non-US Emerging Markets will develop)
- 4.49% Real Estate
- 42.91% Fixed Income

The following transfers will be implemented on May 1st, 2020 to rebalance the portfolio:

From:

\$3,905,000 Dryden S&P 500 Index

To:

\$1,500,000 Prudential Short-Term
700,000 Dryden S&P 500 Index
500,000 QMA Mid Cap Quantitative Core Equity Fund
350,000 International Blend /AQR
225,000 Small Cap Value / Silvercrest Asset Management Fund
200,000 Real Estate / Cohen & Steers Fund
180,000 Large Cap Value / Wellington
150,000 Small Cap Growth / TimesSquare #
100,000 Emerging Markets Equity / QMA Fund

All managers are in good standing and not on a watch list.

6. OLD BUSINESS

None

7. ATTORNEY'S MATTERS

A. Discussion Regarding Recovery of Overpayment for Deceased Participants.

Pamela Herkes from Prudential discussed Prudential's process to avoid overpayments to deceased participants. She explained that on a monthly basis the pensioner census is bumped up against three different sources. Those being the Social Security, State Medical and Obituary Databases. There are instances where a participant's death only becomes apparent when their bank account is closed and no other notification is provided. In all cases, Prudential immediately attempts recovery of overpayments. The City is notified when recovery is unsuccessful.

Ms. Lawson asked if there was any action that we need to take other than formally adopting self correction in the case where an overpayment is made to a deceased retiree. Mr. Thomas indicated that no other action was necessary.

8. NEXT MEETING DATE – Wednesday, August 5, 2020 at 3:00 p.m.

9. ADJOURNMENT

The meeting was adjourned at 3:35 p.m.

/kft