

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

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

MEETING AGENDA

September 24, 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) 834-8794 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

ROLL CALL

APPROVAL OF THE AGENDA

APPROVAL OF MINUTES

- July 23, 2024 Regular Board Meeting Minutes

PRESENTATIONS

Investment Consultant

Tyler Grumbles, Paul Murray – Mariner Consulting

- 3/31 Pension Fund Executive Summary (Finalized Results)
- Pension Fund Flash Report (as of 8/31/2024)
- 6/30 DC Plans Quarterly Results and Fiduciary Training
- DC Funds Flash Report (as of 8/31/2024)
- Update on Putnam Stable Value
- Recommendation on committing to Mavik Fund II (\$10 Million)
- Scheduling of Future October IC Meeting

Administrator

Cherie Watson, Lakeland Retirement Services

- Scott Rosner, Pension Benefits Specialist
- Adoption of Summary Plan Descriptions (Plans A, B & C)
- Experience Study
- DROP Language in Resolution for Pension Bonus' Discussion
- ROTH Conversion While Active – 457 Only
- Rick Lilyquist – Renewing Term in January (Commission Appointed)
- Retirement & Refund Report July/August

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 a.m., October 22, 2024 in the Building Inspection Conference Room, Large, 228 South Massachusetts Avenue, Lakeland, Florida 33801.

ADJOURNMENT

**EMPLOYEES' PENSION & RETIREMENT SYSTEM
 RETIREMENTS AND REFUNDS
 JULY/AUGUST 2024**

ENTER DROP				
Name	Job Title	Hire Date	Retire Date	Monthly Amount
Janice Williams	Recreation Assistant	5/28/2003	7/28/2024	\$1,494.50
EXIT DROP				
Name	Job Title	Principal	Interest	Total
Gwen Bryant	Permit Technician	\$173,509.14	\$13,443.36	\$186,952.50
Joseph Paholski	Solid Waste Supervisor	\$314,306.84	\$20,977.89	\$335,284.73
Nancy Graves	Fiber Design Technician	\$258,890.59	\$23,538.43	\$282,429.02
TOTAL		\$ 746,706.57	\$57,959.68	\$ 804,666.25
PENSION BENEFIT MODIFICATIONS				
Name	Option	Eff Date	Old Amount	New Amount
REFUND CONTRIBUTIONS				
Name	Job Title	Hire Date	Term Date	Amount
Alexander Bordin	Library Associate	9/22/2023	6/7/2024	\$948.69
Tyler Mathews	Grounds Maint Worker I	1/8/2024	5/17/2024	\$399.38
Chad Dekle	Safety Technician	11/1/2021	5/23/2024	\$3,893.74
Dawn Tondini	Emergency Communicator II	2/17/2021	5/18/2024	\$5,662.12
Abimael Rodriguez	Grounds Maint Worker I	7/18/2022	6/24/2024	\$2,049.31
Dylan Stinson	Grounds Maintenance Worker II	4/3/2023	6/20/2024	\$1,450.73
Richard Pounders	Grounds Maintenance Worker II	9/1/2022	6/28/2024	\$2,002.56
Kalen Drayton	Grounds Maint Worker I	11/13/2023	6/28/2024	\$693.66
Jordan O'Brien	Water Utilities Pipefitter II	9/11/2023	6/21/2024	\$994.61
Derek Pena Rosado	Building Maintenance Worker I	7/8/2019	1/8/2021	\$2,493.80
Keith Mccawley	Water Meter Repairer II	7/18/2022	6/28/2024	\$2,624.48
Reece Ryan*	Lifeguard	4/27/2021	8/17/2024	\$970.26
Michael Clayton	Automotive Technician Helper	3/12/2018	1/16/2019	\$1,390.53
Jarrett Perkins	Accountant I	3/4/2024	7/26/2024	\$735.32
<i>*Was P/T Temp</i>			Total	\$26,309.19
RETIREMENTS				
Name	Job Title	Hire Date	Retire Date	Monthly Amount
Nau Castillo	Equipment Operator I	1/13/2015	7/26/2024	\$706.36
Susan Cook	HR Assistant	11/14/2016	8/1/2024	\$796.70
ROLLOVER CONTRIBUTIONS				
Name	Job Title	Hire Date	Term Date	Amount
John Calhoun	Lifeguard II	11/9/2020	6/20/2024	\$5,338.86
			Total	\$5,338.86
VESTED DEFER				
Name	Job Title	Hire Date	Term Date	Monthly Amount
Joey Phoa	Telecommunications Technician	9/4/2013	8/2/2024	\$1,899.40
Hancock, Andrew	Grounds Maintenance Worker II	6/30/2013	8/8/2024	\$692.65
Nicholas Cilley	Engineering Tech II - LE	11/9/2008	8/10/2024	\$2,682.60
VESTED REFUND				
Name	Job Title	Hire Date	Term Date	Amount
Monique Jack**	Engineering Tech II - LE	3/4/2002	6/5/2021	\$97,145.01
**Paid to Beneficiary			Total	\$97,145.01
VESTED ROLLOVER				
Name	Job Title	Hire Date	Term Date	Amount
			Total	\$0.00

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Chairman Rick Lilyquist, CPPT
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MEETING MINUTES

July 23, 2024
8:30 AM

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



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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, Ruffin Gray, Brenden Hahn, Jeff Michel, Jim Studiale

Staff: Cherie Watson, Carla Bibby

Guests: Tyler Grumbles, Kerry Richardville, Paul Murray (Virtual) - Mariner; Robb Upthegrove, Barbara Jordan – COLAR; David Anders - Employee

APPROVAL OF THE AGENDA

Jeff Stearns moved approval of Agenda. All approved.

APPROVAL OF THE MINUTES

*Jeff Stearns moved approval of May 28, 2024 Regular Board Meeting Minutes.
All Approved.*

PRESENTATIONS

Investment Consultant

Tyler Grumbles from Mariner reviewed Michael Bertz with Kennedy Capital is stepping down, Kennedy was skewed to value and covers a spectrum of small cap. Two different searches – Small Cap Value and Small Cap Growth – split 50/50, style neutral with Benchmark. Jeff Stearns stated \$16M and \$16M each. Tyler reminded Board they can select a manager or have them come to meeting in August at an Investment Committee meeting.

Small Cap Growth – only doing \$16M:

Investment Options for this Manager Evaluation Report				
Firm Name	Strategy Name	Vehicle	Management Fee	Investment Minimum
Allspring Global Investments Subadvisor: Peregrine Capital Management	Allspring Small Company Growth R6 (WSCRX)	MF	0.86%	No Minimum
Hood River Capital Management LLC	Hood River Small Cap Growth Ret. (HRSRX)	MF	0.99%	No Minimum
Summit Creek Advisors LLC	Summit Creek Small Cap Growth	SA	1.00% on first \$50M, 0.95% on next \$50M, 0.75% thereafter	\$5,000,000
Vanguard Group, Inc. Subadvisors: Wellington Mgmt Co., Arrowmark Partners, ClearBridge Investments, Stephens Investment Mgmt, Vanguard Group	Vanguard Explorer Adm (VEXRX)	MF	0.34%	\$50,000

Allspring is a mutual fund company, Peregrine is managing. Cherie inquired if Summit Creek is chosen how will their transaction fees effect Principals fee and Tyler responded they have less transactions as compared to Kennedy. Rick noted Vanguard fee is lower than all others and according to Tyler, is so large we may not get fast service. In relation to Hood River – performance is solid, they attend conferences and talk to people, they stand out and is recommended. If wanting two managers, include Vanguard. Ruffin reiterated if someone retires, we reevaluate that manager. As an overview, Tyler stated Hood River has pure stock selection, more diversified, with 100 stocks and beating index.

Kerry in reviewing Small Cap Value selection (\$16M), we currently have American Beacon in our DC Plan:

Investment Options for this Manager Evaluation Report				
Firm Name	Strategy Name	Vehicle	Management Fee	Investment Minimum
American Beacon Advisors, Inc. (Subadvised by Barrow Hanley Mewhinney & Strauss, Brandywine Global, DePrince, Race & Zollo, Hotchkis & Wiley, and Newton Investment Management)	American Beacon Small Cap Value R6 (AASRX)	MF	0.77%	None
Dimensional Fund Advisors, LP (DFA)	DFA US Targeted Value I (DFFVX)	MF	0.29%	None
J.P. Morgan Investment Management, Inc.	JPMorgan Small Cap Value R6 (JSVUX)	MF	0.74%	\$15,000,000

DFA is looking at universe to choose size of investments, not doing onsite visits but following model, DFA has attractive fee, small companies over time outperform broader market. JPM is sole decision maker. We recommend DFA.

***Ruffin Gray motioned to fund \$16M each to Hood River and DFA.
 All approved. Motion carries.***

Tyler recommended using Capis to handle transition from Kennedy to Hood River and DFA.

***Jeff Stearns motioned to hire Capis to complete transition from Kennedy to Hood River and DFA.
 All approved. Motion carries.***

Tyler discussed Terra Cap and how they have exercised an extension on their investment fund. They have 3 properties in Atlanta and they extended maturity on those debts.

Our 12-31-23 Executive report was reviewed:

Pension- Performance and Attribution

Quarterly Results

Preliminary Flash Return: +6.2% (Net)

Final Return: +7.0% (Net)

Plan Benchmark: +8.7%

Performance vs. Benchmark: -1.7%

Peer group Ranking: 78th Percentile

Primary drivers of benchmark relative performance for the quarter

- Domestic Equity (+11.8%) underperformed the benchmark (+12.1%)
- Non-Core Real Estate generally outperformed traditional core real estate during the quarter
- Private Equity (+2.0%) underperformed public equities (+12.1%)
- Private Fixed Income (+3.2%) underperformed core fixed income (+7.5%)

Pension- Performance and Attribution

	FYTD	3 Year	5-year	10 Year
Total Plan (Net)	7.0%	5.3%	9.7%	7.6%
Benchmark	8.7%	5.1%	10.2%	7.8%
vs Benchmark	-1.7%	0.2%	-0.5%	-0.2%
vs Peergroup (% Rank)	78 th	11 th	12 th	7 th

- Primary drivers of benchmark/peergroup relative performance
 - **Private Equity:** Earned 23.6% vs Domestic Equity return of 14.0% over last 5-years
 - **Private Fixed Income:** +8.2% vs Core Fixed Income return of 1.5% over last 5-years
 - **Private Multi-Asset:** +1.6% vs Total Plan return of 9.7% over the last 5-years
 - **Domestic Equity:** +10.9% vs index return of 11.5% over the last 5-years
 - Domestic Equity has ranked in 45th percentile over the last 5 years

Kerry with Mariner, reviewed our June 2024 performance reflecting market value at \$745M, private market is lagging in returns, up 1.9%, index up 1.7%. Jeff Stearns inquired about JPM redemption, which Tyler stated they are not paying a significant amount. Investments are close to all targets:

	Asset Allocation \$	Current Allocation (%)	Minimum Allocation (%)	Maximum Allocation (%)	Target Allocation (%)	Min. Rebal. (\$000)	Max. Rebal. (\$000)	Target Rebal. (\$000)
Total Fund	744,706,779	100.0	N/A	N/A	100.0	-	-	-
Domestic Equity	252,866,498	34.0	27.5	47.5	32.5	-48,074,134	100,867,222	-10,838,795
International Equity	121,723,317	16.3	10.0	25.0	15.0	-47,252,639	64,453,378	-10,017,300
Private Equity	88,613,317	11.9	0.0	20.0	15.0	-88,613,317	60,328,039	23,092,700
Core Fixed Income	116,402,476	15.6	10.0	40.0	15.0	-41,931,798	181,480,236	-4,696,459
Private Fixed Income	52,800,970	7.1	0.0	15.0	10.0	-52,800,970	58,905,046	21,669,707
Core Real Estate	22,492,847	3.0	0.0	10.0	5.0	-22,492,847	51,977,831	14,742,492
Non-Core Real Estate	36,746,307	4.9	0.0	10.0	5.0	-36,746,307	37,724,371	489,032
Private Multi-Asset	26,010,849	3.5	0.0	10.0	0.0	-26,010,849	48,459,829	-26,010,849
Private Infrastructure	24,218,264	3.3	0.0	5.0	2.5	-24,218,264	13,017,075	-5,600,595

Jeff Michel wanted details of 2 Emerging Market investments, per Kerry Wellington is Sector neutral and RBC sticks to ½ weight in China. Per Tyler, Wellington is on watch and may do a review.

Paul stated value in DC Plans increased \$3M. Jeff Stearns mentioned Stable Value percentage may be incorrect. Tyler is reviewing and stated money markets are around 5%. Cherie mentioned, a lot of people getting close to retirement likes to move their funds into a more conservative fund, Jim stated he moved a lot into Putnam when he got ready to retire. Tyler stated there is no limit to moving funds in or out of Putnam. Paul stated there are certain limitations if Sponsor pulls out and will provide rules. Ruffin mentioned Putnam used to contain 50% of investments and is now reflecting 22%. Accordingly, Tyler stated Putnam has better returns than some of our Target Funds. Rick requested Mariner to bring in an Overview at our next Board meeting.

Administrator

Cherie Watson reminded Board a new Authorized signer list is required as one Signer is no longer with City to cosign Capital Call requests from money managers.

Cherie also reviewed a request to allow ROTH conversions inside our 401(a)/457 accounts. Lowell Walters, Deferred Comp Attorney, provided legal points and they were reviewed with Trustee's.

***Ruffin Gray moved to allow ROTH Conversions.
Motion passed, Jim Studiale Nay.***

Carla Bibby discussed new FPPTA requirements for new Trustee participation as well as an additional Trustee Leadership Council – which will replace NY Stock Exchange event. Per Kerry, the next Council event has been filled, they may be looking to fill next year.

Cherie Watson presented Retirements & Refunds report for May/June 2024, with a note on Jaime H. is a rehire that was already vest deferred and we have added to their existing deferred pension amount.

***Jeff Stearns motioned to approve May/June 2024 Retirements and Refunds Report.
Motion passed unanimously.***

Tyler mentioned they are doing search for managers for co-investments in Private Equity and doing due diligence for Crescent.

OTHER BUSINESS

Chairman Lilyquist mentioned hearing discussions about outsourcing Retirement Services (RS) and staff and how this would be a dis-service to Retirees/Active Employees. City is looking at saving funds. Solid waste was reviewed at a time, to privatize, created an uproar. Barbara Jordan is alarmed by this discussion, as Retirees need one on one attention. Jim stated RS creates a personal relationship, we do not have Social Security. Rick stated if this gains traction we will need as a Board, to decide how to handle. Cherie – this discussion could be from me Retiring next year and Kerry Wisler resigning from her position. We currently have an experienced prospect that has passed interviews and will keep Board up to date.

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, September 24, 2024, Building Inspection Conference Room, Large, 228 South Massachusetts Avenue, Lakeland, Florida 33801.

ADJOURNMENT

Upon motion, the meeting adjourned at 10:35 am.

Respectfully Submitted,

Approval Date: September 24, 2024

Signed: _____
Rick Lilyquist, Chairman

Signed: _____
Jeffrey Stearns, Vice Chairman

**CITY OF LAKELAND
EMPLOYEE PENSION PLAN (EPP-A & EPP-B)**

**SUMMARY PLAN DESCRIPTION
PLANS A & B**

August 2024

IS YOUR BENEFICIARY FORM CURRENT?

IN THE EVENT YOU DIE, YOUR BENEFIT CONTRIBUTIONS WILL BE DISTRIBUTED TO THE PERSON OR PERSONS DESIGNATED BY NAME ON THE BENEFICIARY FORM ON FILE WITH THE PENSION PLAN. NO PROVISIONS IN YOUR LAST WILL AND TESTAMENT WILL CHANGE THIS SELECTION. PLEASE BE SURE THAT YOUR BENEFICIARY FORM DESIGNATES THE PERSON OR PERSONS YOU INTEND TO RECEIVE YOUR BENEFITS AND THAT YOU REVIEW THIS CHOICE IN THE EVENT OF A MAJOR LIFE CHANGE SUCH AS DIVORCE OR DEATH OF YOUR BENEFICIARY.

1. INTRODUCTION

The Board of Trustees of the City of Lakeland Employees' Pension and Retirement System (or "System") is pleased to present this summary which briefly explains the provisions of Plans A and B of the Employee Pension Plan (EPP-A, EPP-B). The information presented is only a summary of the pension plan established by and in the Lakeland City Charter (as amended) and is not a contract between the member and the System. If there are any conflicts between the information in this document and the Charter, the Charter shall govern. If there are any conflicts between the information in this document and the rules and procedures adopted by the Board of Trustees, the Board's policy and procedures shall govern.

2. AUTHORITY

- A. Internal Revenue Code and amendments
- B. Chapter 112, Part VII, Florida Statutes.
- C. Division II, Article II, Charter of the City of Lakeland, Florida, as may be amended.
- D. Administrative rules and procedures adopted by the Board of Trustees.

3. BOARD OF TRUSTEES

- A. The EPP is administered by a Board of Trustees consisting of seven (7) members:
 - (1) Three (3) appointed by the City Commission
 - (2) Three (3) elected by majority of active employee Plan members
 - (3) One (1) chosen by the first six (6) Trustees
 - (4) Trustees serve a three (3) year term
- B. The EPP Administrator is the Retirement Services Director.
- C. Trustees and professional service providers contained in Appendix A.
- D. The Retirement Services Director is the agent for the service of legal process.

4. PLAN TYPE:

Defined benefit with a defined contribution option for eligible Employees, qualified under provisions of IRC 401(a).

- Plan A. That version of the plan applicable to members hired prior to October 1, 2003 and who have not made an irrevocable election to convert their prospective benefit calculation to Plan C as of February 26, 2012, or the certain period of time not exceeding eighty-five days following ratification of a collective bargaining agreement for certain eligible bargaining unit members.
- Plan B. That version of the plan applicable to members hired on or after October 1, 2003 and who have not made an irrevocable election to convert their prospective benefit calculation to Plan C as of February 26, 2012, or the period of time not exceeding eighty-five days following ratification of a collective bargaining agreement for certain eligible bargaining unit members.
- Plan C. That version of the plan applicable to members hired after February 26, 2012 or those who have made an irrevocable election to convert their prospective benefit calculation to Plan C as of February 26, 2012, or the period of time not exceeding eighty-five days following ratification of a collective bargaining agreement for certain eligible bargaining unit members.

5. PLAN YEAR AND RECORDS

- A. Plan year begins on October 1 and ends on September 30.
- B. Plan records are maintained on the Plan year basis.

6. MEMBERSHIP ELIGIBILITY

All full-time Employees become a member of the Plan as a condition of employment except for those specific employees having the option to exclude themselves from the Plan and enter the City of Lakeland Defined Contribution Plan.

7. BENEFITS

- A. General
 - (1) Claims for Plan benefits shall be made in writing to the Board.
 - (2) *Credited Service* means a member's period of employment while contributing to the Plan as a full-time Employee with the City of Lakeland measured in years and parts of years and will include breaks for military service provided the Employee is reemployed within one year of discharge and deposits the amount of member contributions that he or she would have contributed had he or she remained an employee. These contributions must be deposited upon return to employment or interest charged as determined by the Board.

- (3) The choice of retirement option is an irrevocable decision once benefits commence.
- (4) A refund of a member's contributions terminates any future benefits claim by that member.

B. Retirement Eligibility:

- (1) Plan Members as of September 30, 2003 (Plan A) who have not elected to transition to Plan C and have ten (10) or more years of credited service in the Plan, and who have attained age fifty (50), shall be entitled to retire and to receive pension benefits. Except as otherwise indicated, Normal Retirement Age under Plan A shall be the attainment of age sixty (60) with contributions to the Plan for ten (10) or more consecutive years.
- (2) Plan Members who entered the Plan on or after October 1, 2003, (Plan B) who have not elected to transition to Plan C and have ten (10) or more consecutive years of credited service in the Plan, and who have attained age fifty-two (52), shall be entitled to retire and to receive pension benefits. Except as otherwise indicated, Normal Retirement Age under this Plan B shall be the attainment of age sixty-two (62) with contributions to the Plan for ten (10) or more consecutive years.
- (3) Plan Members who enter the Plan on or after February 26, 2012, (Plan C), and all members who have elected to transition to Plan C, who have five (5) or more consecutive years of credited service in the Plan, and who have attained age fifty-two (52), shall be entitled to retire and to receive pension benefits. Except as otherwise indicated, Normal Retirement Age under this Plan C shall be the attainment of age sixty-two (62) with contributions to the Plan for five (5) or more consecutive years.

C. Retirement Benefit:

- (1) For plan members as of September 30, 2003 who have not elected to transition to Plan C, the monthly benefit is determined by multiplying the average monthly salary in any consecutive thirty-six (36) month period of the member's credited service period by a service factor and a benefit factor. The service factor is based on the length of credited service determined as follows: three (3) percent per year for the first 25 years of service plus one (1) percent per year for all service above 25 years. The benefit factor is based on age ranging from 44.8% at age 40 and 100% at age 60.

- (2) For members entering the plan after September 30, 2003 who have not elected to transition to Plan C, the monthly benefit is determined by multiplying the average monthly salary in any consecutive sixty (60) month period of the member's credited service period by a service factor and a benefit factor. The service factor is based on the length of credited service determined as follows: two (2) percent per year for the first 10 years of service plus three (3) percent per year for all service between 10 and 30 years of service plus one (1) percent for all service above 30 years. The benefit factor is based on age ranging from 0% at age 42 and 100% at age 62.
- (3) Members who enter the plan after February 26, 2012 should refer to the Summary Plan Description for Plan C (EPP-C) for a description of benefits.

D. Benefit Options: A member may elect to receive retirement benefits in an optional form so long as the form elected is of equal actuarial value as the normal benefit. Available optional forms are:

- (1) Monthly benefit payable only for the member's lifetime
- (2) A Joint Pensioner benefit option of 100%, 75%, 66 2/3%, or 50% of the member's benefit payable for the life of the Joint Pensioner following the death of the member
- (3) An actuarially reduced income payable during the lifetime of the member, or to the extent an optional form of benefits has been elected to the member's joint pensioner with a guaranteed annual increase in the member's Joint Pensioner retirement benefit of one (1), two (2) or three (3) percent.
- (4) For a Member who attains either, normal retirement status, or 30 years of Credited Service regardless of age, or qualifies under the "Rule of 75" (age plus Credited Service), and who elects to terminate membership in the Plan shall be eligible for the following options:
 - a. Lump Sum payment of current value of future benefit; or
 - b. Join the City of Lakeland Defined Contribution Plan; or
 - c. For Members who qualify based on the "Rule of 75" - Enter the Deferred Retirement Option Plan ("DROP").

E. Death before Retirement: If an Employee dies prior to retirement from the City of Lakeland, his beneficiary shall receive the following benefit:

- (1) If the Employee is not vested or has no surviving spouse, a refund of the Employee's contributions

- (2) In the event of the death of an active employee of the City who at the time of death has ten (10) years of continuous contributions to the Plan, the surviving spouse or, where there is no spouse, the eligible dependent(s) of such employee shall receive 50% of the monthly retirement benefit the employee would have received had they retired on the date of death with a benefit factor of one (1.0), payable as stipulated in the Plan.
- (3) In the event of the death of an active employee who has attained retirement eligibility: i) Plan A age fifty (50) or B age fifty-two (52), and has ten (10) or more of continuous contributions to this plan; or ii) Plan C: age fifty-two (52) and has five (5) or more years of continuous contributions to this Plan; the surviving spouse or, where there is no spouse, the eligible dependent(s) of such employee shall receive a monthly retirement benefit which would be the actuarial equivalent to seventy-five (75%) percent of the retirement benefit the employee would have received had they retired on the date of death with a benefit factor of one (1.0), payable as stipulated in the Plan.

F. Termination of Employment and Vesting: If an Employee's employment is terminated, either voluntarily or involuntarily, the following benefits are payable:

- (1) If the Employee has less than 10 years of credited service upon termination, the Employee shall be entitled to a refund of the money he has contributed to the Fund.
- (2) If the Employee has ten or more years credited service, he will be entitled to the vested portion of his accrued monthly retirement benefit to commence on his retirement eligibility date, provided he leaves his contribution in the Plan.
- (3) A terminated Employee may also elect to receive a benefit on his retirement eligibility date. In the event, the benefit provided for in (2) above shall be computed as described in subsection C. above.

G. Additional Credited Service: An Employee may receive credited service for periods of prior employment with the City of Lakeland by contributing to the Plan an amount actuarially determined such that the crediting of such service results in no cost to the Plan in accordance with the provisions of the Plan.

H. Contributions and Funding: The City is liable for any plan costs not covered by Employee contributions. Employee contributions shall be adjusted annually and effective as of each October 1st as calculated by the Plan actuary and approved by the Board. These contributions are made under the provisions of IRC Section 414(h) and as such are excluded from gross income and not subject to federal income tax.

I. Minimum Benefits. Benefits paid to the member will not be less than the greater of either the member's accumulated contributions or their respective accrued benefit.

J. Maximum Benefits. The total benefits paid to the member under this plan and any other city sponsored plan to which the member is eligible will not exceed the limits specified in IRC Section 415 and Chapter 112, F.S.

K. Forfeiture of Pension. Any employee who is convicted of a "specified offense" listed in Chapter 112.3173, F.S., committed prior to retirement, or whose employment is terminated by reason of his admitted commission, aid or abetment of these crimes shall forfeit all rights and benefits under the Plan, except for the return of his or her contributions as of the date of termination.

L. Claims Procedure before the Board. Any member may request in writing that the Board review any denial of any claim for benefits under the Plan. If the request is not resolved by the Retirement Director, the member claiming benefits may be heard by the Board. The Board can grant, deny or continue the claim. If the claim is denied after the hearing, the Board will provide the claimant with a written order with the reasons for its decision. A copy of the Claims Procedure adopted by the Board is available to members upon request.

8. NON-FORFEITURE OF PENSION BENEFITS

A. Liquidation of Pension Fund Assets. In the event of repeal, or if contributions to the Fund are discontinued by the City, there will be a full vesting of benefits accrued to date of repeal.

B. Interest of Members in Pension Fund. At no time prior to the satisfaction of all liabilities under the Plan shall any assets of the Plan be used for any purpose other than for the Employees' exclusive benefit. An Employee's contributions to the Plan are non-forfeitable.

9. VESTING OF BENEFITS

Retirement benefits are fully vested after 10 years of credited service.

10. APPLICABLE PROVISIONS OF COLLECTIVE BARGAINING AGREEMENTS

Existing collective bargaining agreements include all above provisions.

11. FINANCIAL AND ACTUARIAL INFORMATION

Financial and actuarial information on the solvency and actuarial soundness of the Plan is available upon request.

APPENDIX A

Names of Trustees

Rick Lilyquist
Chairman
Jeffrey Stearns
Vice-Chairman

Trustees Elected / Appointed By

City Commission Appointment

City Commission Appointment

Chris Diaz
Ruffin Gray
Brenden Hahn
Jeff Michel
Jim Studiale

Board Member Appointment
Elected by Employees
City Commission Appointment
Elected by Employees
Elected by Employees

ACTUARIAL VALUATION

*Gabriel Roeder Smith
Jeffrey & Trisha Amrose
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**CITY OF LAKELAND
EMPLOYEE PENSION PLAN C (EPP-C)**

**SUMMARY PLAN DESCRIPTION
PLAN C**

August 2024

IS YOUR BENEFICIARY FORM CURRENT?

IN THE EVENT YOU DIE, YOUR BENEFIT CONTRIBUTIONS WILL BE DISTRIBUTED TO THE PERSON OR PERSONS DESIGNATED BY NAME ON THE BENEFICIARY FORM ON FILE WITH THE PENSION PLAN. NO PROVISIONS IN YOUR LAST WILL AND TESTAMENT WILL CHANGE THIS SELECTION. PLEASE BE SURE THAT YOUR BENEFICIARY FORM DESIGNATES THE PERSON OR PERSONS YOU INTEND TO RECEIVE YOUR BENEFITS AND THAT YOU REVIEW THIS CHOICE IN THE EVENT OF A MAJOR LIFE CHANGE SUCH AS DIVORCE OR DEATH OF YOUR BENEFICIARY.

1. INTRODUCTION.

The Board of Trustees of the City of Lakeland Employees' Pension and Retirement System (or "System") is pleased to present this summary which briefly explains the provisions of Plan C of the Employee Pension Plan (EPP-C). The information presented is only a summary of the pension plan established by and in the Lakeland City Charter (as amended) and is not a contract between the member and the System. If there are any conflicts between the information in this document and the Charter, the Charter shall govern. If there are any conflicts between the information in this document and the rules and procedures adopted by the Board of Trustees, the Board's policy and procedures shall govern.

2. AUTHORITY.

- A. Internal Revenue Code and amendments.
- B. Chapter 112, Part VII, Florida Statutes.
- C. Division II, Article II, Charter of the City of Lakeland, Florida, as may be amended.
- D. Administrative rules and procedures adopted by the Board of Trustees.

3. BOARD OF TRUSTEES.

- A. Employees' Pension Plan (EPP) is administered by a Board of Trustees consisting of seven (7) members:
 - (1) Three (3) appointed by the City Commission
 - (2) Three (3) elected by majority of active employee Plan members
 - (3) One (1) chosen by the first six (6) Trustees
 - (4) Trustees serve a three (3) year term
- B. The EPP Administrator is the Retirement Services Director.
- C. The Retirement Services Director is the agent for the service of legal process.

4. PLAN TYPE.

Plan C is a defined benefit pension plan with a defined contribution option applicable to eligible Members hired on or after February 26, 2012, or those members who made an irrevocable election to convert their prospective benefit calculation from Plans A or B to Plan C. Plan C is qualified under pertinent provisions of IRC 401(a) and 414(h).

5. PLAN YEAR AND RECORDS.

- A. Plan year begins on October 1 and ends on September 30.
- B. Plan records are maintained on the Plan year basis.

6. MEMBERSHIP ELIGIBILITY.

All full-time Employees become a member of the Plan as a condition of employment except for those specific employees having the option to exclude themselves from the Plan and enter the City of Lakeland Defined Contribution Plan.

7. BENEFITS.

A. General

- (1) Claims for Plan benefits shall be made in writing to the Board.
- (2) 'Credited Service' means a member's period of employment while contributing to the Plan as a full-time Employee with the City of Lakeland measured in years and parts of years and will include breaks for military service provided the Employee is reemployed within one year of discharge and deposits the amount of member contributions that he or she would have contributed had he or she remained an employee. These contributions must be deposited upon return to employment with interest charged as determined by the Board.
- (3) The choice of retirement option is an irrevocable decision once benefits commence.
- (4) A refund of a member's contributions terminates any future benefit claims by that member.

B. Retirement Benefit. For plan members as of February 26, 2012, the monthly benefit is determined by multiplying the average monthly salary in any consecutive sixty (60) month period of the member's credited service period by a service factor and a benefit factor. The service factor is 2.41% for every year of service. The benefit factor is based on member age ranging from 0% at age 42 to 100% at age 62.

C. Benefit Options. A member may elect to receive retirement benefits in an optional form so long as the form elected is of equal actuarial value as the normal benefit. Available optional forms are:

- (1) Monthly benefit payable only for the member's lifetime
- (2) A Joint Pensioner benefit option of 100%, 75%, 66 2/3%, or 50% of the member's benefit payable for the life of the Joint Pensioner following the death of the member

- (3) An actuarially reduced income payable during the lifetime of the member, or to the extent an optional form of benefit has been elected, to the joint pensioner, or with a guaranteed annual increase in the member's Joint Pensioners' retirement benefit of one (1), two (2) or three (3) percent
- (4) For a Member who attains normal retirement status, or 30 years of credited service regardless of age, or qualifies under the "Rule of 75" (member age plus their Years of Service) and who elects to terminate membership in the Plan is eligible for the following options:
 - a. Lump Sum payment of current value of future benefit; or
 - b. Elect to join the City of Lakeland Defined Contribution Plan; or
 - c. For Members who qualify based on the "Rule of 75" - Enter the Deferred Retirement Option Plan ("DROP").

8. DEATH BEFORE RETIREMENT.

If an Employee dies prior to retirement from the City of Lakeland, his beneficiary shall receive the following benefit:

- A. If the Employee is not vested or has no surviving spouse, a refund of the Employee's contributions.
- B. If the Employee has five (5) or more years of credited service, but has not yet attained retirement eligibility on the date of death and has a surviving spouse, or where there is no spouse, the eligible dependent(s) shall receive a benefit actuarially equivalent to fifty (50) percent of the retirement benefit the member would have received upon retirement on the date of death with a benefit factor of one (1.0), payable as stipulated in the Plan.
- C. If the Employee has attained retirement eligibility (i.e., 5 or more years of credited service and at least age 52 for transitioned members or age 62 otherwise) and has a surviving spouse, or where there is no spouse, the eligible dependent(s) shall receive a benefit actuarially equivalent to seventy-five (75) percent of the retirement benefit the member would have received upon retirement on the date of death with a benefit factor of one (1.0), payable as stipulated in the Plan.

9. TERMINATION OF EMPLOYMENT AND VESTING.

If an Employee's employment is terminated, either voluntarily or involuntarily, the following benefits are payable:

- A. If the Employee has less than 5 years of credited service upon termination, the Employee shall be entitled to a refund of the money he has contributed to the Fund.
- B. If the Employee has five or more years credited service, he will be entitled to the vested portion of his accrued monthly retirement benefit to commence on his retirement eligibility date, provided he leaves his contribution in the Plan.
- C. A terminated Employee may also elect to receive a benefit on his retirement eligibility date. In the event, the benefit provided for in (2) above shall be computed as described in the "Benefits" section above.

10. ADDITIONAL CREDITED SERVICE.

An Employee may receive credited service for periods of prior employment with the City of Lakeland by contributing to the Plan an amount actuarially determined such that the crediting of such service results in no cost to the Plan in accordance with the provisions of the Plan.

11. CONTRIBUTIONS AND FUNDING.

The City is liable for any plan costs not covered by Employee contributions. Employee contributions shall be adjusted annually and effective as of each October 1st as calculated by the Plan actuary and approved by the Board. These contributions are made under the provisions of IRC Section 414(h) and as such are excluded from gross income and not subject to federal income tax.

12. MINIMUM BENEFITS.

Benefits paid to the member will not be less than the greater of either the member's accumulated contributions or their respective accrued benefit.

13. MAXIMUM BENEFITS.

The total benefits paid to the member under this plan and any other city sponsored plan to which the member is eligible will not exceed the limits specified in IRC Section 415 and Chapter 112, F.S.

14. FORFEITURE OF PENSION.

Any employee who is convicted of a "specified offense" listed in Chapter 112.3173, F.S., committed prior to retirement, or whose employment is terminated by reason of his admitted commission, aid or abetment of these crimes shall forfeit all rights and benefits under the Plan, except for the return of his or her contributions without interest as of the date of termination.

15. CLAIMS PROCEDURE BEFORE THE BOARD.

Any member may request in writing that the Board review any denial of any claim for benefits under the Plan. If the request is not resolved by the Retirement Director, the member claiming benefits may be heard by the Board. The Board can grant, deny or continue the claim. If the claim is denied after the hearing, the Board will provide the claimant with a written order with the reasons for its decision. A copy of the Claims Procedure adopted by the Board is available to members upon request.

16. NON-FORFEITURE OF PENSION BENEFITS

- A. Liquidation of Pension Fund Assets. In the event of repeal, or if contributions to the Fund are discontinued by the City, there will be a full vesting of benefits accrued to date of repeal.
- B. Interest of Members in Pension Fund. At no time prior to the satisfaction of all liabilities under the Plan shall any assets of the Plan be used for any purpose other than for the Employees' exclusive benefit. An Employee's contributions to the Plan are non-forfeitable.

17. VESTING OF BENEFITS.

Retirement benefits are fully vested after 5 years of credited service.

18. APPLICABLE PROVISIONS OF COLLECTIVE BARGAINING AGREEMENTS.

Existing collective bargaining agreements include all above provisions.

19. FINANCIAL AND ACTUARIAL INFORMATION.

Financial and actuarial information on the solvency and actuarial soundness of the Plan is available upon request.

APPENDIX A

Names of Trustees

Rick Lilyquist
Chairman
Jeffrey Stearns
Vice-Chairman

Trustees Elected / Appointed By

City Commission Appointment

City Commission Appointment

Chris Diaz
Ruffin Gray
Brenden Hahn
Jeff Michel
Jim Studiale

Board Member Appointment
Elected by Employees
City Commission Appointment
Elected by Employees
Elected by Employees

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