GENERAL PENSION BOARD

MINUTES

JANUARY 21, 2016

10:30 A.M.

CALL TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL

PRESENT:

William Schroeder, Chairman
William Palmer, Member
Ray Radvilavicius, Member
Joanne Lentino, Member

ALSO PRESENT:

Mr. Charles Mulfinger, Graystone Consultant
Scott Owens, Graystone Consulting Tampa
Patrick Donlan, Foster & Foster
Lee Dehner, Christensen & Dehner
Mary Jo Murphy, Deputy City Clerk

1. Changes to the Agenda

Member Palmer advised the board that Lynn Skinner, Salem Trust, would not be attending the meeting.

2. Audience Comments

There were no comments from the audience.

3. Election Results for General Employee Board Member

Attorney Dehner advised Chairman Schroeder to count the votes and Deputy City Clerk Murphy to verify and confirm the tally. The election results were for Bill Palmer with a two-year term.

4. Approval of Minutes

a. October 15, 2015 – Quarterly Meeting

Member Radvilavicius made a motion to approve the minutes for October 15, 2015. The motion was seconded by Member Lentino and unanimously approved by a voice vote.

5. Payment of Invoices

Foster & Foster	Invoice # 8232, 01-15-16	$12,540.00
Christiansen & Dehner, P.A.	Invoice # 25824, 12-31-15	$394.34
Anchor Capital Advisors	10-01-15 to 12-31-15	$2,233.54
Salem Trust	10-01-15 to 12-31-15	$2,700.00
Morgan Stanley	10-01-15 to 12-31-15	$3,625.00
Insight Management	07-01-15 to 09-30-15	$2,321.09
Insight Management	10-01-15 to 12-31-15	$2,320.42
(Formally Cutwater Asset Management)		

Member Palmer made a motion to approve the payment of invoices collectively. The motion was seconded by Member Radvilavicius and unanimously approved by a voice vote.

6. Reports

a. Graystone (Morgan Stanley) Consultant – Quarterly Report

Charles Mulfinger, Graystone Consultant, will follow up on Cutwater's name change to Insight Management and report back to the General Pension Board during the April 2016 meeting.

In regard to the 60 T report, Mr. Mulfinger and Mr. Donlan, Foster & Foster, commented that the report needs to be placed on the City's website. Attorney Dehner commented that it also needs to be filed with the Division of Retirement.

Scott Owens, Graystone Consulting, and Mr. Mulfinger distributed copies and reviewed reports entitled: "All Cap Value Manager Search Analysis, January 21, 2016" and "Quarterly Performance Evaluation as of December 31, 2015."

Chairman Schroeder suggested tabling the All Cap Value Manager Search Analysis and asked Graystone to recommend how they would reallocate the 18 percent in a new strategy where it is dedicated to a sleeve level versus an all cap approach. The board agreed, and Mr. Mulfinger stated he would have it prepared for the next meeting.

b. Foster & Foster

The Foster & Foster report was discussed during Agenda Item No. 7.a., New/Old Business.

c. Salem Trust Company

There was no presentation from Salem Trust Company.

7. New/Old Business

a. Foster & Foster –
Actuarial Experience Study
Discuss changing actuarial fund rate from 7.75 to 7.68
Annual Evaluation

Mr. Donlan, Foster & Foster, distributed copies and reviewed a report entitled: "City of St. Pete Beach General Employees' Retirement System, Actuarial Valuation as of October 1, 2015, Contributions Applicable to the Plan/Fiscal Year Ended September 30, 2017."

Chairman Schroeder commented to the board that this rate should be reviewed annually to see if the assumption is achievable and appropriate.

Mr. Owens informed the board that he would bring an asset allocation study for the next meeting. Chairman Schroeder asked Attorney Dehner if changing the actuarial fund rate could be discussed at the next quarterly meeting, and Attorney Dehner replied yes. Mr. Mulfinger stated he would include in his notes to bring the study to the next meeting.

Mr. Donlan informed the board that the Florida Retirement System, FRS, went from 7.75 to 7.65 last year. Mr. Donlan advised the board they should consider approving that amount and they could take more steps next year based on the advice they receive.

Chairman Schroeder asked for a recommendation to approve the actuarial report with the one amendment of changing the actuarial fund rate from 7.75 to 7.65.

Member Radvilavicius made a motion to change the actuarial fund rate from 7.75 to 7.65 and approve the Actuarial Valuation Report. The motion was seconded by Member Palmer and unanimously approved by a voice vote.

Attorney Dehner instructed the board that a motion was needed to determine the total expected rate of return for the current year, next several years and long-term thereafter based on Mr. Owens' recommendation.

Mr. Owens recommended that 7.65 is a reasonable expected rate of return.

Member Lentino made a motion that the board determined the annual rate of return to be 7.65% for the current year, next several years and long-term thereafter. The motion was seconded by Member Palmer and unanimously approved by a voice vote.

Attorney Dehner advised the board that it needs to go in correspondence to the Division of Retirement, with a copy to the City and a copy to Mr. Donlan. After board discussion, it was decided that Bill Palmer would send the letter to the Division of Retirement.

b. Vacancy for Board Appointed Commission Approved Member

Agenda Item 7.b. was discussed after Agenda Item No. 8, Attorney Report.

8. Attorney Report

Attorney Dehner reported to the Board on the following topics:

- House Bill 1309: use mortality tables and assumptions that are being utilized by FRS, Florida Retirement System.
- annual reminder to the board members to file their financial disclosure forms: Statement of Financial Interests, Form 1, 2015

7. New/Old Business

b. Vacancy for Board Appointed Commission Approved Member

Chairman Schroeder encouraged the board members to actively recruit for a new board member and to place this item on the April 2016 agenda.

8. Adjournment

There being no further business, the meeting was adjourned at 12:20 p.m.

Attest:

Rebecca C. Haynes

Rebecca C. Haynes, City Clerk

William Schroeder, Chairman

Minutes approved on: 4/21/16