

GENERAL PENSION BOARD

MINUTES

JANUARY 17, 2019

10:30 A.M.

CALL TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL

PRESENT:

William Schroeder, Chairman
Samantha Brem, Vice Chair
Ray Gallant, Secretary
Tim McLean, Member

ALSO PRESENT:

Vince Tenaglia, Assistant City Manager
Mary Jo Murphy, Deputy City Clerk
Lee Dehner, Christiansen & Dehner
Patrick Donlan, Foster & Foster
Charles Mulfinger, Graystone Consulting
Scott Owens, Graystone Consulting
Andy McIlvaine, Graystone Consulting

1. Changes to the Agenda

The following changes were made to the agenda:

Chairman Schroeder requested to add the following items:

- Foster & Foster invoice: add to Item No. 5, Action Items, Authorization of Payments as 5.d.
- Employees' terms: add to Item No. 6, Discussion Items, as 6.c.
- Pension Analysis: add to Item No. 6, Discussion Items, as 6.d.

2. Audience Comments

There were no comments from the audience.

3. Approval of Minutes

a. December 5, 2018 – Quarterly Meeting

Chairman Schroeder stated the minutes will be approved with the removal of the name "Wayne Saunders, City Manager" under "ALSO PRESENT" because City Manager Saunders was not present at the meeting.

Secretary Gallant made a motion to approve the amended minutes from the December 5, 2018 meeting. The motion was seconded by Vice Chair Brem and unanimously approved by a voice vote.

4. Presentations

A. Foster & Foster

Patrick Donlan, Consultant, gave a presentation to the board in regard to the Actuarial Valuation Report as of October 1, 2018.

After board discussion, Chairman Schroeder asked for a motion to approve the Actuarial Valuation Report.

Vice Chair Brem made a motion to approve and adopt the Foster & Foster report. The motion was seconded by Secretary Gallant and unanimously approved by a voice vote.

Attorney Dehner instructed the board, by motion, to determine the total expected annual rate of return for the current year, the next several years and the long term thereafter based on recommendations from Charles Mulfinger, Scott Owens and Patrick Donlan.

Chairman Schroeder stated that the advisors had recommended 7.5 as a reasonable rate for today and into the future.

Vice Chair Brem made a motion to approve the expected rate of 7.5 percent over the next year, several years and the long-term thereafter. The motion was seconded by Secretary Gallant and unanimously approved by a voice vote.

Having approved the Actuarial Valuation Report, Attorney Dehner instructed the board to perform the following actions:

- Mr. Donlan shall provide additional calculations, within 60 days, to the Division of Retirement and the City of St. Pete Beach
- Mr. Charles Mulfinger shall provide investment information, the 60 T report, within 60 days to the City of St. Pete Beach
- Mr. Charles Mulfinger shall file an itemization of investments to the City of St. Pete Beach

B. Graystone Consultants

Andy McIlvaine, Scott Owens and Charles Mulfinger, Graystone Consulting, explained and reviewed a document entitled "Quarterly Performance Summary as of December 31, 2018."

Mr. Mulfinger presented and reviewed the following items with the board:

- An email from Insight Investment, Robert Alan, in regard to "Investment Management Agreement Review - City of St. Pete Beach General Employees' Retirement Pension Fund"
- One-page letter to Capital Research Management Company, Attn: Carl M. Kawaga, dated January 16, 2019; RE: Investment in American Funds Europacific Growth Fund
- Four-page document entitled "Protecting Florida's Investments Act 'Scrutinized Companies' Chapter 287.135, Florida Statutes"
- Two-page document entitled "City of St. Pete Beach General Employees' Pension Plan, Anchor vs. Vanguard Russell 1000 Value Comparison"
- Four-page document entitled "Important Morgan Stanley Disclosures"

Salem Trust Company

There was no one present from Salem Trust. However, Chairman Schroeder informed the board that he had spoken with Lynn Skinner with Salem Trust, and he updated the board in regard to the annual verification letters. There are four individuals that have not returned any response to the final notice, and Salem Trust recommended initiating the stop payment.

C. Attorney Report

Attorney Dehner discussed the following with the Board:

- Gave approval to Mr. Mulfinger to send the one-page letter to Capital Research Management Company referenced during the Graystone presentation
- Prepared compliance amendments to the ordinance and recommended that the City adopt the ordinance as amended

Chairman Schroeder asked for a motion to approve the updated ordinance.

Secretary Gallant made a motion in regard to the ordinance for compliance and clarification and recommended adoption by the City. The motion was seconded by Member McLean and unanimously approved by a voice vote.

Attorney Dehner discussed the following with the Board:

- IRS guidelines for the procedure if a retiree or beneficiary, that is in pay status, cannot be found
- Memorandum in regard to avoidance of benefit overpayments

5. Action Items

Payment of Invoices:

There was board discussion in regard to three invoices received from the following entities:

Graystone Consulting	\$8,750.00
Thompson, Sizemore, Gonzalez and Hearing P.A. fees:	\$1,185.77
Foster & Foster	\$ 952.00

Chairman Schroeder also mentioned an invoice received after the agenda was published from Foster & Foster for approximately \$17,652.00. After board discussion, the invoice will be placed on the April 18, 2019 agenda.

Chairman Schroeder asked for a motion to approve the three invoices listed on the agenda.

Member McLean made a motion to approve the invoices. The motion was seconded by Secretary Gallant and unanimously approved by a voice vote.

6. Discussion Items

- a. Board secretarial responsibilities and coordination with City

Assistant City Manager Tenaglia recommended the following to the board:

- Include Ray Gallant's name on the records management compliance statement
- In regard to the preparation of agendas, there is a work station in the Finance Department two days a week available for Member Gallant to use to prepare agendas
- Recommended to not hire an external third-party administrator
- Asked for time to address outstanding issues before the April 2019 meeting

Chairman Schroeder asked for a motion to update the records management liaison officer from Bill Palmer to Ray Gallant.

Vice Chair Brem made a motion to appoint Ray Gallant as the records liaison for the board. The motion was seconded by Member McLean and unanimously approved by a voice vote.

b. Fees associated with Anchor and Insight funds

Assistant City Manager Tenaglia stated that invoices for the General Pension Board should be sent to the board's secretary, Ray Gallant, and to copy Mr. Tenaglia and Chairman Schroeder.

c. Employees' terms

Chairman Schroeder informed the board Ray Gallant's term expired and there needs to be an election.

Chairman Schroeder asked that there be an election for both employee seats before the April 2019 meeting.

d. Pension Analysis

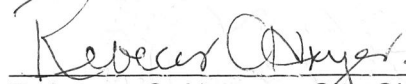
Assistant City Manager Tenaglia commented, for discussion purposes, on a Memo of Understanding attached to a CWA, Communications Workers of America, agreement dated September 20, 2016. Mr. Tenaglia noted the memo stated the following: The City agrees to review the General Employees' Pension Plan and consider possible modifications to the plan.

Attorney Dehner stated that the board had discussed some substantive proposals but recommended that the board wait until pending litigation is concluded.

7. Adjournment

There being no further business, the meeting was adjourned at 11:36 a.m.

Attest:


Rebecca C. Haynes, City Clerk


Samantha Brem, Vice Chair

Minutes approved on: 4-17-2019