CITY OF ST. PETE BEACH GENERAL EMPLOYEES' RETIREMENT SYSTEM PENSION BOARD OF TRUSTEES QUARTERLY MEETING MINUTES

City Hall, 2nd Floor Conference Room, 155 Corey Avenue, St. Pete Beach, FL 33706

Thursday, October 17, 2019 at 10:30AM

TRUSTEES PRESENT: Samantha Brem
Ray Gallant
Tim McLean
James Gaskins
Nancy Schultz

TRUSTEES ABSENT: None

OTHERS PRESENT: Bonni Jensen, Klausner, Kaufman, Jensen & Levinson
David Wheeler, Graystone Consulting
Andy Mcilvaine, Graystone Consulting
Kim Kilgore, Foster & Foster
Vince Tenaglia, Assistant City Director
Members of the Plan
Members of the Public

1. **Call to Order** – Samantha Brem called the meeting to order at 10:30AM.

2. **Roll Call** – As reflected above.

3. **Public Comments** – None.

4. **Approval of Minutes**

The board voted to approve the minutes from the July 18, 2019 quarterly meeting upon motion by Tim McLean and second by Nancy Schultz; motion carried 5-0.

The board voted to approve the minutes from the July 30, 2019 special meeting upon motion by Tim McLean and second by Nancy Schultz; motion carried 5-0.

The board voted to approve the minutes from the August 30, 2019 special meeting upon motion by Tim McLean and second by Nancy Schultz; motion carried 5-0.

The board voted to approve the minutes from the September 25, 2019 special meeting upon motion by Tim McLean and second by Nancy Schultz; motion carried 5-0.

5. **New Business**
    a. New Trustees
        i. Samantha Brem welcomed James Gaskins (member elected) and Nancy Shultz (commission appointed) as the newest trustees.
    b. Proposed 2020 Meeting Dates
        i. By consensus the board approved the proposed 2020 meeting dates.

6. **Consent Agenda**
    a. Payment of invoices
        i. Insight, invoice #1284-ISC-TRSA, April 1 to June 30, 2019, $2,451.21
        ii. Klausner, Kaufman, Jensen & Levinson, invoice #24255, July 31, 2019, $4,486.30

iii. Klausner, Kaufman, Jensen & Levinson, invoice #24502, August 31, 2019, $4,881.92
iv. Klausner, Kaufman, Jensen & Levinson, invoice #24654, September 30, 2019, $8,198.56
v. Graystone Consulting, invoice #10130019192, July 1 to September 30, 2019, $4,375.00
vi. Anchor Capital Advisors, April 1 to June 30, 2019, $2,417.33
vii. Christiansen & Dehner, invoice #28867, August 31, 2019, $132.60

b. Fund Activity Report for October 1, 2019 – October 10, 2019

The board voted to approve the Consent Agenda as presented upon motion by Tim McLean and second by Ray Gallant, motion carried 5-0.

7. **Reports**
   a. Graystone Consulting, David Wheeler/Andy Mcilvaine, Investment Consultant
      i. Quarterly report as of September 30, 2019
         1. David Wheeler reviewed his role as the investment consultant for the pension fund regarding asset allocation, investment manager search, strategy and performance monitoring.
         2. David Wheeler reviewed the market environment noting the economy was growing, unemployment rates were low and job creation and wage growth were good.
         3. David Wheeler reviewed the U.S. equity and S&P 500 sector returns for the period ending September 30, 2019.
         4. Andy Mcilvaine reviewed the total portfolio value of $12,488,090.90 as of September 30, 2019.
         5. Andy Mcilvaine stated no reallocation was needed at this time since all percentages were within the policy target ranges.
         6. Andy Mcilvaine reviewed each investment manager returns for the past quarter, 1-, 3-, and 5-year periods as well as since inception.
         7. Gross total fund returns for the quarter were 1.27% outperforming the policy benchmark of 1.00%. Trailing returns for the 1, 3 and 5-year periods were 4.24%, 7.18% and 6.21%. Since inception (7/31/2006) gross returns was 6.90% and since inception (6/30/1994) was 8.11%.
         8. Andy Mcilvaine reviewed the compliance checklist noting all were in compliance with the exception of the five-year exceeding the actuarial assumption rate of 7.50%.
      ii. Active versus Passive Management Discussion
         1. David Wheeler reviewed the blending of active and passive managers and the best strategy.
         2. David Wheeler reviewed the methods for evaluating the quality of an active manager.
      iii. Asset Allocation Analysis
         1. David Wheeler reviewed the asset allocation analysis performed and looked at Mix 1 adding the Core Fixed Income of 20% and lowering Short-Term Fixed Income to 20% from the current Investment Policy Statement (IPS) targets.
      iv. Core Fixed Income Manager/Fund Search
         1. David Wheeler presented a report with each investment manager considered for a possible new fixed income manager.
         2. David Wheeler recommended to cash out one-third of the existing holding with Insight and place it into the Western Core Bond Fund.

The board approved to cash out one-third of the current holding with Insight and place it into the Western Core Bond Fund upon motion by Tim McLean and second by Nancy Schultz; motion carried 5-0.

v. Investment Policy Statement (IPS)
1. David Wheeler reviewed the changes made to the IPS on the target allocations and the addition of the Core Fixed Income asset class.

The board approved the revised Investment Policy Statement (IPS) presented upon motion by Nancy Schultz and second by Ray Gallant; motion carried 5-0.

b. Klausner, Kaufman, Jensen & Levinson, Bonni Jensen, Board Attorney
  i. Ordinance update
    1. Bonni Jensen stated Ordinance No. 2019-10 passed by City Commission on July 23, 2019.
  ii. Plan Administration contract
    1. Bonni Jensen presented the plan administrator contract she had reviewed and recommended it for approval.

The board approved to execute the Foster & Foster plan administrator agreement upon motion by Ray Gallant and second by Tim Mclean; motion carried 5-0.

  iii. Johnson update
    1. Bonni Jensen reviewed the mediation settlement of $10,000.00 to Melanie Johnson, beneficiary of Pamela Prell.

The board approved the mediation settlement payment of $10,000.00 to Melanie Johnson upon motion by Nancy Schultz and second by Ray Gallant; motion carried 5-0.

8. **Old Business** - None.

9. **Staff Reports, Discussion, and Action**
  a. Kim Kilgore, Foster & Foster, Plan Administrator
    i. Number of calculations covered by the Plan
      1. Kim Kilgore asked the board how many actuarial studies for individual members are paid by the plan. The board was not sure of how many actuarial studies would be provided to the member at no cost. Kim Kilgore stated she will reach out to the City for the current Operating Rules and Procedures manual.

10. **Trustees' Reports, Discussion, and Action** – None.

11. **Adjournment** – The meeting adjourned at 1:10PM.

12. **Next Meeting** – January 16, 2020 at 1:30PM, Quarterly Meeting

Respectfully submitted by: Kim Kilgore

Kim Kilgore, Plan Administrator

Approved by: S Brem

Samantha Brem, Chairman

Date Approved by the Pension Board: 1/16/2020