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

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

Thursday, January 16, 2020 at 8:30AM

TRUSTEES PRESENT: Patrick Strong
Marilyn Terry
Keith Beattie

TRUSTEES ABSENT: Phil Milner
Bruno Falkenstein

OTHERS PRESENT: Stu Kaufman, Klausner, Kaufman, Jensen & Levinson
Kerry Richardville, AndCo Consulting
Lynn Skinner, Salem Trust
Kim Kilgore, Foster & Foster
Vince Tenaglia, Finance Director & Assistant City Manager
Stu Hehenberger, Union District Vice-President

1. **Call to Order** – Keith Beattie called the meeting to order at 8:35AM.

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

3. **Public Comments** – None.

4. **New Business**
   a. Election of Officers

The board approved Phil Milner as Chairman upon motion by Patrick Strong and second by Marilyn Terry; motion carried 3-0.

The board approved Patrick Strong as Secretary upon motion by Keith Beattie and second by Marilyn Terry; motion carried 3-0.

i. Kim Kilgore announced that with the recent retirement of Mark Keenan the member elected trustee seat became available. Kim Kilgore further stated nominations were requested and Patrick Strong was the only member nominated, so no election was held.
ii. Keith Beattie welcomed Patrick Strong as a trustee on the board.
iii. Kim Kilgore commented she would send Patrick Strong an email with resources available to assist with his new position and the financial disclosure form he would need to complete and file.

5. **Approval of Minutes**

The board voted to approve the minutes from the October 17, 2019 quarterly meeting with the addition of Marilyn Terry as Trustee Absent, upon motion by Marilyn Terry and second by Patrick Strong; motion carried 3-0.

6. **Consent Agenda**
   a. Payment ratification
      i. Warrant #10

        1. Klausner, Kaufman, Jensen & Levinson, invoice #24056, $397.80
        2. Klausner, Kaufman, Jensen & Levinson, invoice #24250, $3,845.40
        3. Klausner, Kaufman, Jensen & Levinson, invoice #24499, $2,629.63
        4. Klausner, Kaufman, Jensen & Levinson, invoice #24649, $1,547.00
        5. Foster & Foster, invoice #15450, $2,470.00
        6. Klausner, Kaufman, Jensen & Levinson, invoice #24783, $4,030.90
        7. Foster & Foster, invoice #15707, $681.05
        8. Klausner, Kaufman, Jensen & Levinson, invoice #24956, $2,055.91
        9. Foster & Foster, invoice #15948, $1,260.00
        10. AndCo, invoice #34165, $4,500.00

b. New invoices for payment
    i. Warrant #11
        1. Foster & Foster, invoice #13169, $3,920.00
        2. Foster & Foster, invoice #16083, $1,260.00

c. Fund Activity Report for October 11, 2019 – January 9, 2020

The board voted to approve the Consent Agenda as presented upon motion by Keith Beattie and second by Marilyn Terry; motion carried 3-0.

7. Reports

a. Salem Trust, Lynn Skinner, Custodian
    i. Upcoming transition for banking and settlement instructions
        1. Lynn Skinner commented effective March 1, 2020, account numbers, ACH wire instructions and investment managers trade delivery instructions would change due to Salem Trust's acquisition with TMI.
        2. Lynn Skinner stated Salem Trust's statements and benefit payments would remain the same.
        3. Lynn Skinner requested confirmation on which trustees would require access to the plan's statements. Lynn commented she would add Phil Milner and delete Ryan Hall access.

b. Foster & Foster, Patrick Donlan, Actuary
    i. Presentation of the October 1, 2019, Valuation Report
        1. Patrick Donlan stated the valuation would be presented at the next quarterly meeting.
        2. Patrick Donlan explained his role as the Actuary for the plan.

c. AndCo Consulting, Kerry Richardville, Investment Consultant
    i. Quarterly report as of December 31, 2019
        1. Kerry Richardville reviewed her role as the investment consultant for the plan.
        2. Kerry Richardville reviewed the market environment during the last quarter, commenting it was a pretty strong quarter.
        3. The total market value of the fund was $15,607,692 as of December 31, 2019.
        4. The asset allocation of the fund as of December 31, 2019 was Domestic Equity at 51.80%, International Equity at 9.70%, Domestic Fixed Income at 23.50%, Global Fixed at 4.30%, Real Estate at 8.50% and Cash Accounts at 2.20%.
        5. Kerry Richardville stated asset allocations were within the investment policy and no recommendation was needed to rebalance at this time.
        6. Kerry Richardville reviewed the financial reconciliation of the fund for past quarter with beginning market value on October 1, 2019 of $14,895,465 and ending market value on December 31, 2019 of $15,607,692.
        7. The total fund gross returns without Real Estate for the quarter were 4.92%. Trailing returns for 1, 3, and 5-year periods were 20.88%,

11.20%, and 7.75% respectively. Since inception (6/1/1994), gross returns were 8.05%.
8. Kerry Richardville reviewed each of the investment managers performance for the past quarter, fiscal year-to-date, 1-,3-,5-year and since inception.

d. Klausner, Kaufman, Jensen & Levinson, Stu Kaufman, Board Attorney
   i. Legal/Legislative update
      1. Stu Kaufman explained his role and responsibilities as the plan attorney.
      2. Stu Kaufman stated the Fire Pension plan ordinance could be viewed through Municode.
   ii. Client Conference
      1. Stu Kaufman invited the trustees to his company's client conference in Fort Lauderdale, Florida on May 26-28, 2020.
   iii. Uniformed Services Employment and Reemployment Rights Act (USERRA)
      1. Stu Kaufman reviewed the current requirement of USERRA as it relates to members on military leave.
   iv. Florida Sunshine Law
      1. Stu Kaufman explained the Sunshine Law stating trustees were not allowed to discuss pension related business to be voted on outside of a public meeting. Stu further noticed trustees all board documents were public record. Stu stated no public meeting was required when discussing a pending lawsuit against the plan.
   v. SECURE ACT and IRS Limits for 2020
      1. Stu Kaufman reviewed the Secure Act and commented the new law was primarily intended to expand opportunities to increase individual retirement savings. Stu further reviewed the Secure Act moved the Required Minimum Distribution (RMD) from age seventy and a half to age seventy-two. Stu commented this new amendment only applied to individuals who reached seventy and a half after January 1, 2020.
   vi. Changes to Florida's Notary Public Law to Permit Remote Online Notarizations
      1. Stu Kaufman reviewed the changes to the Florida's notary public law to permit remote online notarizations. Stu reviewed the items that must be met in order to become a remote notary. Stu commented all the pension forms requiring a notary signature would need to be updated to provide for a remote notary.
   vii. Proposed ordinance
      1. Stu Kaufman commented Bonni Jensen would be working on adding current new laws to the proposed ordinance.
      2. Vince Tenaglia reviewed with the board on the lowering of the assumed rate of return for the upcoming valuation.

The board approved to change the assumed rate of return for the 2019 valuation to 7.55% upon motion by Marilyn Terry and second by Keith Beattie; motion carried 3-0.

The board approved for the plan actuary to work with the City and Union on the current negotiations upon motion by Keith Beattie and second by Patrick Strong; motion carried 3-0.

8. **Old Business** - None.

9. **Staff Reports, Discussion, and Action**
   a. Kim Kilgore, Foster & Foster, Plan Administrator
      i. Educational Opportunities
         1. Kim Kilgore commented to let her know if any trustees would like to be registered for the upcoming Klausner, Kaufman, Jensen & Levinson client conference.
      ii. Fiduciary Liability Insurance

1. Kim Kilgore stated she was unable to locate fiduciary liability insurance coverage for the board. Kim further stated she would continue to research and would provide an insurance quote at the next meeting for the board to consider if no coverage was found.

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

11. **Adjournment** – The meeting adjourned at 9:54AM.

12. **Next Meeting** – April 16, 2020 at 10:30AM, Quarterly Meeting

Respectfully submitted by:

Kim Kilgore

Kim Kilgore, Plan Administrator

Approved by:

Patrick Strong, Secretary of Board

Date Approved by the Pension Board: 5/9/2020