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

Thursday, April 16, 2020 at 1:30PM

Governor Ron DeSantis signed Executive Order 20-69 which suspends all statutes that require a quorum to be present in person or require a local government body to meet at a specific public place. It also provides that local government bodies may utilize communications media technology, such as telephonic and video conferencing, as provided in section 120.54(5)(b)2, Florida Statutes. Under Executive Order 20-69, the board meeting was held via video conference using Zoom Meeting.

TRUSTEES PRESENT:	Roger Dunn (via phone) Richard German (via phone) Patricia Cucchiara (via phone)
TRUSTEES ABSENT:	Chris Centofanti Robert Micklitsch
OTHERS PRESENT:	Bonni Jensen, Klausner, Kaufman, Jensen & Levinson (via phone) Kerry Richardville, AndCo Consulting (via phone) Kim Kilgore, Foster & Foster (via phone) Vince Tenaglia, Finance Director & Assistant City Manager (via phone)

1. **Call to Order** – Roger Dunn called the meeting to order at 1:32PM.

2. **Roll Call** – All trustees present, quorum confirmed.

3. **Public Comments** – None.

4. **New Business**
   a. Administrative Policy, Use of Audio-Video Conferencing

The Board approved the proposed policy as presented upon motion by Richard German and second by Patricia Cucchiara; motion carried 3-0.

5. **Approval of Minutes**

The Board voted to approve the minutes from the January 16, 2020 quarterly meeting upon motion by Richard German and second by Roger Dunn; motion carried 3-0.

6. **Consent Agenda**
   a. Payment ratification
      i. Warrant #11
         1. Klausner, Kaufman, Jensen & Levinson, invoice #24784, $4,210.20
         2. Klausner, Kaufman, Jensen & Levinson, invoice #25147, $1,305.75
         3. AndCo, invoice #34166, $3,800.00
         4. Salem Trust, 4th quarter fees (Auto-Deduct), $2,875.00
         5. Foster & Foster, invoice #16224, $11,050.00
         6. Klausner, Kaufman, Jensen & Levinson, invoice #25341, $2,623.57
      ii. Warrant #12
         1. Foster & Foster, invoice #16374, $950.64
      iii. Warrant #13
         1. Klausner, Kaufman, Jensen & Levinson, invoice #25532, $157.60
         2. Foster & Foster, invoice #16539, $855.00

3. AndCo, invoice #34899, $3,800.00

iv. Patricia Cucchiara asked to verify Foster and Foster's invoice #16539 in the amount of $8,585. Kim Kilgore commented she thought there was an error on the summary of payments, but she would verify with the billing department.
v. Roger Dunn asked if there were any outstanding invoices to the plan attorney and Bonni Jensen said she would verify.

b. New invoices for payment
   i. None.
c. Fund Activity Report for January 10, 2020 – April 9, 2020

The Board voted to approve the Consent Agenda as pending verification of the Foster and Foster invoice #16539 in the amount of $855.00 upon motion by Richard German and second by Patricia Cucchiara; motion carried 3-0.

7. **Reports**
   a. AndCo Consulting, Kerry Richardville, Investment Consultant
      i. Quarterly report as of March 31, 2020
         1. Kerry Richardville reviewed the market environment during the last quarter. Kerry commented it had been a very rough quarter with the bottom hitting on March 23, 2020. Kerry added they had seen a little bit of a rebound since then.
         2. Kerry Richardville reviewed the financial reconciliation for the last quarter with a beginning market value of $17,962,195 on January 1, 2020 and ending market value of $15,442,847 on March 31, 2020.
         3. The asset allocation of the fund as of March 31, 2020 was Domestic Equity at 40.80%, International Equity at 9.20%, Domestic Fixed Income at 43.80%, Global Fixed at 5.40%, and Cash Accounts at .90%.
         4. Kerry Richardville stated asset allocations were within the investment policy and no recommendation was made to rebalance at this time.
         5. The total fund gross returns without Real Estate for the quarter were -11.60%. Trailing returns for 1, 3, and 5-year periods were -3.10%, 3.63%, and 4.05% respectively. Since inception (10/1/1994), gross returns were 7.59%.
         6. Kerry Richardville reviewed the performance of each manager for the past quarter.
         7. Richard German expressed concerns with the Templeton Global fund and Kerry Richardville explained their strategy.
         8. Roger Dunn asked if the plan's 7.00% assumed rate of return was reasonable. Kerry Richardville commented she was comfortable with 7.00% but they should continue to discuss the issue.

   b. Klausner, Kaufman, Jensen & Levinson, Bonni Jensen, Board Attorney
      i. Updated Summary Plan Description
         1. Bonni Jensen advised the Board their Summary Plan Description (SPD) should be updated every two years. Bonni advised the Board since their plan was closed, there would not be any more significant changes. Bonni commented the most important piece for the retirees was an update to the contact and trustee list. Bonni added the only substantive change was the alimony provisions.

The Board voted to approve the updated Summary Plan Description (SPD) and distribution to the retirees upon motion by Patricia Cucchiara and second by Richard German; motion carried 3-0.

ii. Annual Financial Disclosure (Form 1) Filing
   1. Bonni Jensen reminded the board to file their F1 Financial Disclosure forms and to make sure they received confirmation it was received.

iii. IRS Mileage Rate for 2020

1. Bonni Jensen advised the board the Internal Revenue Service (IRS) mileage rate for 2020 had decreased to 57.5 cents per mile.

iv. COVID 19 memo

1. Bonni Jensen reviewed the recent changes caused by the COVID 19 pandemic and commented due to not meeting in person it was more difficult to get documents signed. Bonni commented her firm had been looking into electronic signature applications.

v. CARES Act memo

1. Bonni Jensen reviewed the provision in recent federal legislation that applied to pension plans. Bonni commented most of them applied to defined contributions plans such as 457 plans, and not defined benefit plans.

vi. SECURE Act memo

1. Bonni Jensen advised the Board this legislation raised the Required Minimum Distribution (RMD) age to 72. Bonni commented this change needed to be reflected in the Ordinance as it was referenced multiple places in the plan.
2. Bonni Jensen also added an amendment to the Ordinance that allowed the Board to enact changes in Federal Tax provisions without first seeking approval from the City.

The Board voted to approve the proposed Ordinance amendment presented and send to the City for adoption upon motion by Patricia Cucchiara and second by Richard German; motion carried 3-0.

3. Richard German asked if the City had made their required contributions to the pension plan.
4. Vince Tenaglia advised the Board the loan obtained by the City did not fully fund the plan and that $6M dollars had been contributed so far. Vince added they intended to contribute another $500,000, but they wanted to keep a close eye on the balance so that the State monies received were not jeopardized.
5. Richard German asked if the plan would still have an unfunded liability after the $6M dollars was contributed to the plan, and Vince explained a small unfunded liability would remain because if the plan was fully funded, they would not qualify for the State monies.

8. **Old Business** - None.

9. **Staff Reports, Discussion, and Action**

a. Kim Kilgore, Foster & Foster, Kim Kilgore, Plan Administrator

i. Fiduciary Liability Insurance renewal

1. Kim Kilgore advised the board the annual premium to renew the Fiduciary Liability policy would be $3,764.00 which increased by $23.00 from last year's fee.
2. Bonni Jensen commented this was a good policy and it contained a waiver of recourse provision.

The Board approved to renew the fiduciary liability policy upon motion by Richard German and second by Patricia Cucchiara; motion carried 3-0.

ii. Update on Foster and Foster cybersecurity

1. Kim Kilgore reviewed measures taken by Foster and Foster to protect client's electronic data.

iii. Annual Report update

1. Kim Kilgore advised the board the Annual Report has been sent to the State.

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

11. **Adjournment** – The meeting adjourned at 2:24PM.

12. **Next Meeting** – July 16, 2020 at 8:30AM, Quarterly Meeting

Respectfully submitted by:

Kim Kilgore

Kim Kilgore, Plan Administrator

Approved by:

As: Chairman

Date Approved by the Pension Board: 9-15-20