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

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.

Thursday, July 16, 2020 at 10:30AM

TRUSTEES PRESENT: Samantha Brem
Ray Gallant
James Gaskins
Tim McLean
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

1. **Call to Order** – Samantha Brem called the meeting to order at 10:34AM.
2. **Roll Call** – As reflected above.
3. **Public Comments** – None.
4. **Approval of Minutes**

The Board voted to approve the minutes from the April 16, 2020 quarterly meeting upon motion by Nancy Schultz and second by Tim McLean; motion carried 4-0.

5. **New Business**
   a. Upcoming Trustee term expiration
      i. Kim Kilgore commented the term for commission appointed trustee Tim McLean would be expiring in October. Tim McLean stated he would like to be reappointed to serve another term. Kim commented she would send notice to the City of Tim's interest in being reappointed.

Note: Ray Gallant arrived at 10:45am

6. **Consent Agenda**
   a. Payment ratification
      i. Warrant #16
         1. Graystone Consulting, invoice #10130020008, $4,375.00
         2. Foster & Foster, invoice #16724, $3,625.00
         3. Klausner, Kaufman, Jensen & Levinson, invoice #25748, $795.60
         4. Foster & Foster, invoice #16860, $1,080.00
         5. Salem Trust, 1st quarter fees (Auto-Deduct), $2,950.00
         6. Graystone Consulting, invoice #10130020104, $4,375.00
         7. Insight Investment, invoice #624-Q-NT, $1,681.80
         8. Klausner, Kaufman, Jensen & Levinson, invoice #25966, $3,804.30

9. Foster & Foster, invoice #17061, $1,080.00
10. Anchor Capital Advisors, 4th quarter fees, $2,617.13

ii. Warrant #17

1. Anchor Capital Advisors, 1st quarter fees, $1,543.99
2. Klausner, Kaufman, Jensen & Levinson, invoice#26164, $618.80
3. Foster & Foster, invoice #17351, $1,080.00

b. New invoices for payment

i. None.

c. Fund Activity Report for April 10, 2020 – July 9, 2020

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 June 30, 2020

1. David Wheeler reviewed the U.S. equity market returns through the past quarter showing growth outperforming value.
2. David Wheeler reviewed the S&P 500 returns by each sector.
3. David Wheeler reviewed the U.S. and Global fixed income returns for the period ending.
4. David Wheeler commented there were three major positive items for the markets looking forward. First, the fundamentals of the economy going into COVID crisis was very good. Second, the direction of numbers had already turned quickly towards the positive in the market and lastly, a COVID vaccine would be coming soon.
5. The total portfolio value was $12,196,128 as of June 30, 2020.
6. The gross total fund returns for the quarter were 14.40% outperforming the policy benchmark of 12.58%. Trailing returns for the 1, 3, 5, 7 and 10-year periods were 2.76%, 5.52%, 5.53%, 6.82%, and 8.46%. Since inception (8/1/2006) gross returns were 6.63% outperforming the policy benchmark of 5.94%. The fiscal year to date return was 1.47% outperforming the benchmark of 1.01%.
7. Andy McIlvaine reviewed the outperformance of the plan's portfolio annualized returns compared to the policy index.
8. Andy McIlvaine commented the asset allocations were within the allowable ranges per the Investment Policy Statement (IPS).
9. Andy McIlvaine reviewed each investment managers performance, asset allocation, risk and return, and portfolio statistics.
10. David Wheeler recommended to pull 3.00% from the Insight Fixed Income investment bringing bond allocation to 30.00% due to short term bond estimated returns only in the 1.00% to 2.00% range for the next several years.
11. David Wheeler recommended to transfer 3.00% of the balance from the Insight Fixed Income and invest 1.00% each to Vanguard Midcap Value and Vanguard Small Cap Value and invest .50% each to Virtus Small Cap Value and Vanguard Small Cap Growth.
12. Tim McLean asked about pulling 5.00% now from the Insight Fixed Income instead. David Wheeler recommended on waiting until the next quarter before pulling any additional funds from the Insight Fixed Income investment.

The Board voted to approve to transfer 3.00% from the Insight Investment account balance and invest 1.00% with Vanguard Midcap Value, 1.00% with Vanguard Small Cap Value, .50% with Virtus Small Cap Value and .50% with Vanguard Small Cap Growth, upon motioned by Ray Gallant and second by Tim McLean; motion carried 5-0.

13. David Wheeler commented for the future with Board meetings so close to receiving the custodian statement the Board may not receive the investment report until a day before meeting.

b. Klausner, Kaufman, Jensen & Levinson, Bonni Jensen, Board Attorney
    i. Proposed Ordinance approved
        1. Bonni Jensen commented the proposed Ordinance was adopted by the City for the federal amendment on the Required Minimum Distribution (RMD) to age 72 beginning January 1, 2020.
    ii. Financial disclosure form
        1. Bonni Jensen reminded the trustees to file their financial disclosures by September 1st to avoid a fine of $25 per day with a maximum fine of $1,500. Bonni further commented the fine would be paid by the trustee and not the pension fund.

8. **Old Business** – None.

9. **Staff Reports, Discussion, and Action**
    a. Kim Kilgore, Foster & Foster, Plan Administrator
        i. Fiduciary Insurance Renewal
            1. Kim Kilgore commented the fiduciary insurance policy was up for renewal with Travelers for a total annual premium of $6,608.00, an increase of $23.00 from the previous year.

The Board voted to approve the renewal of the fiduciary insurance policy with Travelers, upon motion by Nancy Schultz and second by Ray Gallant; motion carried 5-0.

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

11. **Adjournment** – The meeting adjourned at 11:45AM.

12. **Next Meeting** – October 15, 2020 at 10:30AM, Quarterly Meeting

Respectfully submitted by:

Kim Kilgore

Kim Kilgore, Plan Administrator

Approved by:

Ray Gallant, Secretary

Date Approved by the Pension Board: 10/15/2020