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, October 15, 2020 at 1:30PM

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
Vince Tenaglia, City's Asst. City Manager/Finance Director
Kim Kilgore, Foster & Foster

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

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

3. **Public Comments** – None.

4. **Approval of Minutes**

The Board voted to approve the minutes from the July 16, 2020 quarterly meeting with a change of meeting time to 10:30AM upon motion by Ray Gallant and second by Nancy Schultz; motion carried 5-0.

5. **New Business**
    a. Proposed 2021 meeting dates

The Board voted to approve the proposed 2021 meeting dates presented upon motioned by Nancy Schultz and second by Ray Gallant; motion carried 5-0.

6. **Consent Agenda**
    a. Payment ratification
        i. Warrant #18
            1. Klausner, Kaufman, Jensen & Levinson, invoice #26384, $334.40
            2. Foster & Foster, invoice #17508, $1,080.00
            3. Commercial Insurance Specialists, Fiduciary Liability #105972346, $6,608.00
            4. Insight Investment, invoice #840-Q-NT, $1,615.66
            5. Graystone Consulting, invoice #10130020212, $4,375.00
        ii. Warrant #19
            1. Salem Trust, 2nd quarter fees (Auto-Deduct), $2,950.00
            2. Klausner, Kaufman, Jensen & Levinson, invoice#26602, $1,324.20

3. Foster & Foster, invoice #17770, $1,080.00
4. Anchor Capital Advisors, 2nd quarter fees, $1,783.92

iii. Warrant #20

1. Klausner, Kaufman, Jensen & Levinson, invoice #26811, $397.80
2. Foster & Foster, invoice #18045, $1,080.00

b. New invoices for payment

i. None.

c. Fund Activity Report for July 10, 2020 – October 8, 2020

The Board voted to approve the ratification of invoices paid as presented upon motion by Nancy Schultz and second by Ray Gallant; motion carried 5-0.

The Board voted to approve the fund activity report as presented upon motion by Ray Gallant and second by James Gaskins; motion carried 5-0.

7. Reports

a. Graystone Consulting, David Wheeler/Andy McIlvaine, Investment Consultant

i. Quarterly report as of September 30, 2020

1. David Wheeler reviewed the market environment during the past quarter.
2. The total portfolio value was $12,708,169 as of September 30, 2020.
3. The gross total fund returns for the quarter were 5.13% outperforming the policy benchmark of 4.30%. Trailing returns for the 1, 3, 5, 7 and 10-year periods were 6.68%, 6.30%, 7.58%, 6.94%, and 7.90%. Since inception (8/1/2006) gross returns were 6.88% outperforming the policy benchmark of 6.15%. The fiscal year to date return was 6.68% outperforming the benchmark of 5.35%.
4. Andy McIlvaine reviewed the fund's asset growth since inception from $9.767 million to $12.708 million.
5. Andy McIlvaine reviewed the asset allocation compliance by investment type. Andy McIlvaine recommended due to the equity run to take 2% from the Vanguard Large Cap Core and add to Western Core Fixed Income.
6. Vince Tenaglia asked why the returns were different from the Police and Fire funds. David Wheeler commented previous trustees were conservative and large cap growth dominated which the fund was not invested. David Wheeler suggested adding a large cap manager with allocation from fixed income.
7. James Gaskins asked who set the investment policy index. David Wheeler stated it was governed by the board with the investment consultant assistance.
8. Vince Tenaglia suggested a different allocation to get returns as the Police and Fire. David Wheeler commented the need to focus on risk and change asset allocations.
9. Tim McLean commented it made sense to move an appropriate dollar amount from Insight to Western Core.
10. David Wheeler commented the need to change asset allocation and large cap growth exposure.
11. Andy McIlvaine recommended to perform an asset study and hold off on large cap growth due to expense of buying at this time. James Gaskins commented he would like to look at the asset allocation study.
12. Andy McIlvaine reviewed the investment managers performance during the past quarter and fiscal year end. David Wheeler commented on the reduction of bond exposure would help the returns to improve.
13. Andy McIlvaine had another recommendation to move 2% from Insight and add to Western Core which was least risk than to take from Vanguard to Western Core.
14. Tim McLean commented he would not move money at this time.

15. Andy commented moving funds from Insight to Western Core would not change allocation but gave longer duration. Tim McLean commented it would be o.k. to make the move of 2% from Insight to Western Core.

The board approved to take 2% of the total Insight investment and add to Western Core Fund motioned by Tim McLean and second by Ray Gallant; motion carried 5-0.

16. David Wheeler stated he would prepare an asset allocation study to present at the next meeting. Tim McLean asked for the study to show how the fund's asset allocation and returns had changed over time.
17. Sam Brem commented the Midcap Value search would be tabled until next meeting.
18. David Wheeler commented an electronic feed was needed from Salem to the analytical firm who monitors the fund's performance. David Wheeler further commented he would send the forms needed to be completed to Bonni Jensen for review.

b. Klausner, Kaufman, Jensen & Levinson, Bonni Jensen, Board Attorney
   i. Extension of Governor's order for virtual meetings
      1. Bonni Jensen commented the Governor had extended the order to November 1st for the board to meet virtually and was not expecting any future extensions.
   ii. Proposed Ordinance for change on membership eligibility
      1. Bonni Jensen reviewed the proposed Ordinance effective for October 1, 2020 where the "MAPS employees" would no longer be eligible for membership in the General Employees retirement system. Bonni further commented the "MAPS employees" were "managerial", "administrative", "professional" or "supervisory" as defined in the St. Pete Beach Personnel Rules and Regulations Manual.
      2. Vince Tenaglia reviewed the background and commented essentially the proposed Ordinance would close the "MAPS employees" option to the pension plan and instead they would be eligible to be members of a 401(k) plan.

The proposed Ordinance was received and filed by the board motioned by Tim McLean and second by Nancy Schultz; motion carried 5-0.

   iii. Summary Plan Description (SPD) update
      1. Bonni Jensen reviewed the updates to the SPD. Bonni Jensen commented she would send the final approved SPD to the plan administrator to send to the members.

The board approved the updated Summary Plan Description as presented upon motioned 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. Foster & Foster cyber liability coverage update
         1. Kim Kilgore reviewed Foster & Foster increase their cyber liability coverage from $1 million to $2 million per claim.
      ii. Educational opportunities
         1. Kim Kilgore commented the FPPTA Virtual Summit would be held October 26-28, 2020. Kim Kilgore further commented the annual FPPTA membership fees would also need to be paid along with any registration for the event.

The board approved to pay the FPPTA membership fee only if a trustee were registered for the FPPTA virtual summit 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 3:25PM.
12. **Next Meeting** – January 21, 2021 at 8:30AM, Quarterly Meeting

Respectfully submitted by:

Kim Kilgore

Kim Kilgore, Plan Administrator

Approved by:

Ray Gallant

Ray Gallant, Chair

Date Approved by the Pension Board: January 21, 2021