CITY OF ST. PETE BEACH GENERAL EMPLOYEES' RETIREMENT SYSTEM PENSION BOARD OF TRUSTEES QUARTERLY MEETING MINUTES
City Hall, Commission Chambers, 155 Corey Avenue, St. Pete Beach, FL 33706

Thursday, July 15, 2021 at 1:30PM

TRUSTEES PRESENT: Ray Gallant
Tim McLean
James Gaskins

TRUSTEES ABSENT: Nancy Schultz

OTHERS PRESENT: Bonni Jensen, Klausner, Kaufman, Jensen & Levinson
Scott Owens, Graystone Consulting
Vince Tenaglia, Assistant City Manager/Finance Director
Ferrell Jenne, Foster & Foster
Members of the Public

1. **Call to Order** – Ray Gallant called the meeting to order at 1:34PM.

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

3. **Public Comments** – None.

4. **Approval of Minutes**

The Board voted to approve the minutes from the April 15, 2021 quarterly meeting, upon motion by Tim McLean and second by James Gaskins; motion carried 3-0.

5. **New Business**
   a. Fiduciary Liability Policy Renewal
      i. Ferrell Jenne stated the current Fiduciary Liability Policy was set to expire on July 31st. Ferrell commented the current policy limit was $2M but she obtained quotes for a $1M and $2M policy, due to the size of the assets. Bonni Jensen commented the Plan had a $2M policy limit due to historical litigation. The Board discussed the policy limits and requested the administrator to obtain at least three quotes for all future renewals.

The Board approved binding the 2021-2022 Fiduciary Liability Policy with a $2M limit, upon motion by James Gaskins and second by Tim McLean; motion carried 3-0.

   b. 5th Trustee appointment
      i. The Board discussed the motion that was made at the last quarterly meeting, appointing Laura Williamson to the Board. Bonni Jensen and Vince Tenaglia agreed that the appointment could go to Commission for ratification. Ferrell Jenne confirmed they would send the appointment to the City Clerk so it could be added to the next Commission agenda.

   b. Upcoming trustee term expirations
      i. Ferrell Jenne commented she would reach out to Nancy Schultz to confirm she would like to serve another term. Upon her confirmation, she would inform the City Clerk so the reappointment could be added to the Commission agenda.
      ii. Ray Gallant and James Gaskins confirmed they would like to serve another term. Ferrell Jenne commented they would send out a notice to the membership to determine if anyone wanted to run against Ray or James.

6. **Consent Agenda**
   a. Payment ratification
      i. Warrant #26
         1. Foster & Foster Administration, invoice #19550, $1,080.00
         2. Klausner, Kaufman, Jensen & Levinson, invoice #28172, $229.50
         3. Salem Trust, 1st quarter fees (auto-deduct), $2,950.00
         4. Insight Investment, invoice #1474-Q-NT, $1,078.40
         5. Klausner, Kaufman, Jensen & Levinson, invoice #28366, $1,547.90
         6. Foster & Foster Administration, invoice #19918, $1,080.00
         7. Anchor Capital Advisors, 1st quarter fees, $2,327.65
         8. Graystone Consulting, invoice #10130021140, $4,375.00
      ii. Warrant #27
         1. Foster & Foster Administration, invoice #20286, $1,080.00
         2. Foster & Foster Actuarial Services, invoice #20429, $3,700.00
   b. New invoices for payment
      i. None.
   c. Fund Activity Report for April 9, 2021 – July 8, 2021

The Board voted to approve the Consent Agenda as presented, upon motion by James Gaskins and second by Ray Gallant; motion carried 3-0.

7. **Reports**
   a. Graystone Consulting, Scott Owens, Investment Consultant
      i. Quarterly report as of June 30, 2021
         1. Scott Owens gave an overview of the market environment during the quarter and calendar year. Scott reviewed the capital markets returns.
         2. The total portfolio value was $15,101,594 as of June 30, 2021.
         3. The gross total fund returns for the quarter were 5.25% outperforming the policy benchmark of 5.20%. Trailing returns for the 1, 3, 5, 7 and 10-year periods were 28.40%, 11.92%, 10.49%, 8.38%, and 8.64%. Since inception (8/1/2006) gross returns were 7.97% outperforming the policy benchmark of 7.16%.
         4. Scott Owens reviewed the total fund standard deviation and the risk and return for each manager.
         5. Scott Owens commented the Plan had approximately $300K in cash and reviewed the current asset allocations. Scott recommended to rebalance the large cap growth portfolio and also look at the future emerging markets portfolio as it was close to being outside policy. Scott commented they had a strategic underweight to fixed income. The Board discussed historical conversations that had occurred on active/passive management and portfolio diversification.

The Board authorized Scott Owens to rebalance the portfolio to the Investment Policy Statement targets, upon motion by Tim McLean and second by Ray Gallant; motion carried 3-0.

      i. Investment Policy Statement (IPS) update
         1. Scott Owens reviewed the IPS and the changes that were made to pages 8 and 9 regarding the criteria for the investment manager review. Scott commented language was amended that would allow the Board to make changes but wouldn't force changes solely based on returns.

The Board approved the Investment Policy Statement as presented, upon motion by James Gaskins and second by Tim McLean; motion carried 3-0.

   b. Klausner, Kaufman, Jensen & Levinson, Bonni Jensen, Board Attorney
      i. Financial disclosure forms

1. Bonni Jensen reminded the Board the financial disclosure forms were due on July 1st. Ferrell Jenne commended it didn't appear James Gaskins had filed his financial disclosure form. James Gaskin commented he would get it filed as soon as possible.

ii. Legal/legislation update
   1. Bonni Jensen commented no bills passed that impacted pension plans. Bonni commented she would be holding an educational session for Indian Shores in January, and she would invite the Board to attend.

8. **Old Business** – None.

9. **Staff Reports, Discussion, and Action**
   i. Update on SB 534
      1. Ferrell Jenne reviewed the SB 534 requirements and confirmed all documents had been sent to the City for posting.

10. **Trustees' Reports, Discussion, and Action**
    i. James Gaskins asked how they were ranked against other pension plans. Ferrell Jenne reviewed the ranking schedules that their firm prepares. Ferrell commented they would start doing the ranking schedules next summer, after the October 1, 2020 valuations had been completed. The Board discussed historical benefit changes that had occurred.

11. **Adjournment** – The meeting adjourned at 3:00PM.

12. **Next Meeting** – October 21, 2021 at 8:30AM, Quarterly Meeting

Respectfully submitted by: Kim Kilgore

~~Ferrell Jenne~~, Plan Administrator
Kim Kilgore,

Approved by: [signature]

Ray Gallant, Secretary

Date Approved by the Pension Board: 10/21/21