# CITY OF ST. PETE BEACH GENERAL EMPLOYEES' 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 20, 2022 at 10:30AM

**TRUSTEES PRESENT:** Ray Gallant
James Gaskins
Nancy Schultz
Laura Williamson

**TRUSTEES ABSENT:** None

**OTHERS PRESENT:** Andy McIlvaine, Graystone Consulting
David Wheeler, Graystone Consulting
Bonni Jensen, Klausner, Kaufman, Jensen & Levinson
Patrick Donlan, Foster & Foster
Kim Kilgore, Foster & Foster
Members of the Public

1. **Call to Order** – Ray Gallant called the meeting to order at 10:33AM.

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

3. **Public Comments** – None.

4. **Approval of Minutes**

**The Board voted to approve the minutes from the October 21, 2021 quarterly meeting, upon motion by Laura Williamson and second by James Gaskins; motion carried 4-0.**

5. **New Business**
    a. City appointed Trustee position
        i. Bonni Jensen commented Tim McLean had moved out of the city limits therefore could not remain serving as the City appointed trustee on the Board. Bonni further commented on requesting the City to elect Laura Williamson as the City appointed trustee which would open the 5th trustee seat to retain Tim McLean on the Board.

**The Board approved to request for the City to appoint Laura Williamson for the City's appointed Trustee, upon motion by Laura Williamson and second by James Gaskins; motion carried 4-0.**

6. **Consent Agenda**
    a. Payment ratification
        i. Warrant #31
            1. Salem Trust, third quarter fees (auto-deduct), $2,950.00
            2. Graystone Consulting, invoice #10130021293, $4,375.00
            3. Insight Investment, invoice #1895-Q-NT, $1,080.68
            4. Foster & Foster, plan administration, invoice #21845, $1,080.00
            5. Klausner, Kaufman, Jensen & Levinson, invoice #29439, $1,602.99
            6. Anchor Capital Advisors, third quarter fees, $3,139.65
        ii. Warrant #32
            1. Foster & Foster, plan administration, invoice #22249, $1,187.47

        2. Klausner, Kaufman, Jensen & Levinson, invoice #29604, $459.00
        3. Foster & Foster, actuarial services, invoice #22394, $19,093.00
   b. New invoices for payment
      i. None.
   c. Fund Activity Report for October 15, 2021 – January 13, 2022

**The Board voted to approve the Consent Agenda as presented, upon motion by James Gaskins and second by Ray Gallant; motion carried 4-0.**

7. **Reports**
   a. Graystone Consulting, David Wheeler and Andy McIlvaine, Investment Consultant
      i. Quarterly report as of December 31, 2021
         1. David Wheeler reviewed the market environment during the past quarter and the upcoming year. David commented to look for greater changes over the next six months with normal volatility and forecasting single digit returns and negative on fixed income.
         2. The total fund portfolio value was $15,467,935 as of December 31, 2021 gaining $551,000 for the quarter.
         3. The gross total fund returns for the quarter were 5.43% underperforming the policy benchmark of 5.88%. Trailing returns for the 1, 3, 5, 7 and 10-year periods were 14.73%, 16.01%, 10.83%, 8.60%, and 9.79%, respectively. Since inception (8/1/2006) gross returns were 8.02% outperforming the policy benchmark of 7.29%.
         4. The asset allocation of the fund as of December 31, 2021 was Global Equity at 69.80%, Fixed Income at 22.00%, Alternatives at 7.30%, and Cash Accounts at 0.90%. Andy McIlvaine commented all asset allocations were in compliance with the Investment Policy Statement and there was no need to rebalance at this time.
         5. Andy McIlvaine reviewed each of the investment managers performance during the past quarter.
      ii. Clearwater Custody Access letter
         1. David Wheeler commented Morgan Stanley had a contract with Clearwater Analytics for investment portfolio reporting and analytic solutions. David further commented the Board needs to formally grant authorization allowing Salem Trust to provide Clearwater access to the Plan's account.

**The Board voted to authorize Salem Trust to provide Clearwater Analytics access to the Fund accounts for investment reporting, motioned by Laura Williamson and second by Ray Gallant; motion carried 4-0.**

   b. Foster & Foster, Patrick Donlan, Board Actuary
      i. October 1, 2021 actuarial valuation report
         1. Patrick Donlan reminded the Board the contributions set forth in the October 1, 2021 valuation report were applicable for fiscal year ending (FYE) September 30, 2023.
         2. Conversation ensued on the proposed Ordinance on the closing of the Plan for new hires and less members contributing.
         3. The total required contributions from the City for 2022-2023 fiscal year was 47.10% which had decreased from 49.10% last valuation.
         4. Patrick Donlan stated the City had a prepaid contribution of $7,790.30 available to offset a portion of their funding requirement.
         5. Plan experience was favorable overall based on the plan's actuarial assumptions. Sources of actuarial gain included an investment return of 10.34% (Actuarial Asset Basis) which exceeded the 7.50% assumption.

This gain was offset in part by losses associated with inactive mortality experience.

6. Patrick Donlan reviewed the five-year smoothing technique was recognizing $353,636 for the next five years for the $1,763,172 investment gain for fiscal year ending September 30, 2021.
7. Patrick commented the funded ratio increased to 80.10% from 76.30% on last valuation.
8. Patrick Donlan reviewed the GASB statements and reminded the Board the four-year smoothing technique was not used for GASB reports.
9. Patrick Donlan reviewed the current assumptions and methods used for the valuation. Patrick commented an experience study needed to be performed every five years to compare the current assumptions to the actual experience to make changes if needed. Patrick further commented it had been seven years since the last experience study had been performed.
10. Patrick Donlan reviewed the participant reconciliation with no new retirements which created an actuarial gain. Patrick commented the assumptions of retirement age and turnover may need to be adjusted according to the experience study when completed. Patrick further commented there were thirteen members due a refund of contributions. Kim Kilgore stated she would research the terminated members due a refund and reach out to the City for the last contact information.
11. Conversation ensued on how many members would make it to retirement and to propose funding requirement in dollar amounts instead of percentage of payroll since the Plan was closing.
12. Patrick Donlan reviewed the Unfunded Actuarial Accrued Liability (UAAL) with ending balance of $3,344,363 and annual amortized payment of $425,374. Patrick commented the average amortization schedule was 12 years and we should start lowering the length of amortization with the Plan closing.

**The Board approved the October 1, 2021 valuation report as presented, upon motion by James Gaskins and second by Ray Gallant; motion carried 4-0.**

**The Board approved Foster & Foster Actuary to conduct an experience study for a fee not to exceed $8,000, upon motion by Nancy Schultz and second by Laura Williamson; motion carried 4-0.**

**The Board voted the declaration or returns for the plan shall be 7.50% for the next year, the next several years, and the long-term thereafter net of investment related expenses, upon motion by Nancy Schultz and second by Ray Gallant; motion carried 4-0.**

c. Klausner, Kaufman, Jensen & Levinson, Bonni Jensen, Board Attorney
   i. Special Tax Notice
      1. Bonni Jensen stated she updated the special tax notice to incorporate the new Required Minimum Distribution (RMD) age requirement. Bonni commented the special tax notice helped members taking a lump sum payment and the tax implications. Bonni further commented the Administrator distributed this notice to all member requesting a lump sum distribution.
   ii. 2022 Local Educational Conference

1. Bonni Jensen postponed the education training until April 22nd due to Indian Shores Town Hall closed due to COVID. Bonni commented an invitation would be forthcoming to the Trustees to RSVP for the event.

8. **Old Business** – None.

9. **Staff Reports, Discussion, and Action**
   a. Foster & Foster, Kim Kilgore, Plan Administrator
      i. Kim Kilgore commented she had no reports at this time.

10. **Trustees' Reports, Discussion, and Action**
   a. Ray Gallant commented he would like to request for the City to consider allowing buyback requests past the time limit currently of 18 months from your date of employment.

11. **Adjournment** – The meeting adjourned at 12:28PM.

12. **Next Meeting** – April 21, 2022 at 1:30PM, Quarterly Meeting

Respectfully submitted by: Approved by:

Kim Kilgore

Kim Kilgore, Plan Administrator Ray Gallant, Chair

Date Approved by the Pension Board: 4/21/2022