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

City Hall, 2nd Floor Conference Room, 155 Corey Avenue, St. Pete Beach, FL 33706

Thursday, April 21, 2022 at 10:30AM

TRUSTEES PRESENT:	Patricia Cucchiara Richard German Robert Micklitsch
TRUSTEES ABSENT:	Chris Centofanti Roger Dunn
OTHERS PRESENT:	Bonni Jensen, Klausner, Kaufman, Jensen & Levinson Jennifer Gainfort, AndCo Consulting Lynn Skinner, Salem Trust Kim Kilgore, Foster & Foster

1. ***Call to Order*** *– Richard German called the meeting to order at 10:44AM.*
2. **Roll Call** – Quorum confirmed.
3. **Public Comments** – None.
4. **New Business**
    a. Trustee term expirations: Patricia Cucchiara, Trustee appointed
        i. Bonni Jensen commented the appointment of the fifth trustee would need to be approved at the next meeting when all trustees were present.
5. **Approval of Minutes**

The Board voted to approve the minutes from the February 24, 2022, quarterly meeting, upon motion by Robert Micklitsch and second by Patricia Cucchiara; motion carried 3-0.

6. **Consent Agenda**
    a. Payment ratification
        i. Warrant #31
            1. Foster & Foster, plan administration, invoice #22501, $855.00
            2. *Salem Trust, fourth quarter fees (auto-deduct), $2,875.00*
            3. Klausner, Kaufman, Jensen & Levinson, invoice #29965, $154.30
            4. Foster & Foster, plan administration, invoice #22799, $855.00
        ii. Warrant #32
            1. Klausner, Kaufman, Jensen & Levinson, invoice #30155, $1,789.18
            2. Foster & Foster, plan administration, invoice #23015, $855.00
    a. New invoices for payment
        i. None.
    b. Fund Activity Report for February 18, 2022 – April 14, 2022

The Board voted to approve the consent agenda as presented, upon motion by Patricia Cucchiara and second by Robert Micklitsch; motion carried 3-0.

7. **Reports**

a. AndCo Consulting, Jennifer Gainfort, Investment Consultant
    i. Quarterly report as of March 31, 2022
        1. Jennifer Gainfort reviewed the market environment during the past quarter and year.
        2. Jennifer Gainfort commented there were only two positive sector performance which was Energy and Utilities this past quarter.
        3. The fund had an ending market value of $18,570,252 on March 31, 2022.
        4. The asset allocation of the fund as of March 31, 2022, was Domestic Equity at 49.30%, International Equity at 10.50%, Domestic Fixed Income at 35.10%, Global Fixed Income at 4.30%, and Cash Accounts at 0.70%.
        5. The total fund gross returns for the quarter were -6.12%. Trailing returns for 1, 3, and 5-year periods were 2.62%, 9.94%, and 8.82%, respectively. Since inception (10/1/1994), gross returns were 8.26% outperforming the policy benchmark of 7.89%.
        6. Jennifer Gainfort reviewed each manager's performance.
        7. Jennifer Gainfort commented Dodge & Cox did not pull back as much as the benchmark and PIMCO also outperformed the benchmark.
        8. Jennifer Gainfort commented the key was to focus on the market for the long run and to anticipate seeing more volatility through the end of the year.

b. Salem Trust, Lynn Skinner, Custodian
    i. PG&E Class Action Claim
        1. Lynn Skinner reviewed Chicago Clearing Corporation (CCC) filed the class actions for the plan and currently had filed a class action for Pacific Gas & Electric (PG&E). Lynn commented after filing the claim for PG&E they went into bankruptcy and was now in collections. Lynn commented the company which filed the class actions hired law firm, Rolnick Kramer Sadighi (RKS) to oversee the class action since it was in bankruptcy and CCC would not handle bankruptcies. Lynn commented CCC negotiated a fee structure with RKS, and the fees were 15.00% of any settlement if the Board wanted to engage with RKS to manage the class action. Lynn commented they would not have to engage with RKS if they were not going to proceed with the class action. Lynn commented the settlement amount for this plan would be about $100 as determined by CCC.
        2. The Board discussed the fees and the class action suit.
        3. Lynn Skinner commented CCC would still get 12.00% and RKS would get 15.00% of any recovery.
        4. The Board discussed the dollar amount of damages and agreed any money due to the plan they should try to get.

The Board approved RKS Law Firm for bankruptcy, upon motion by Robert Micklitsch and second by Richard German; motion carried 3-0.

    ii. Introduction to the pensioner portal
        1. Lynn Skinner reviewed a new pensioner portal being offered to the plan for no charge. Lynn commented each pensioner would have a username and password allowing them to pull their own 1099s, update withholding, mailing address, and ACH information. Lynn commented the Board would decide what items the pensioner would be able to update online. Lynn commented the system would require the pensioner to use a dual

authentication to log-in. Lynn stated the pensioner portal was optional and not mandatory.

2. Kim Kilgore confirmed if a pensioner were not comfortable with using Salem Trust's portal, they could still process changes through their office.
3. Lynn Skinner commented a letter would be mailed out to all the pensioners with frequent questions and instructions on how to register on the portal. Lynn commented they were a few months from rolling the portal out.

The Board authorized Salem Trust to set up the pensioner portal with all options except direct deposit changes being available to the pensioners, upon motion by Patricia Cucchiara and second by Robert Micklitsch; motion carried 3-0.

c. Klausner, Kaufman, Jensen & Levinson, Bonni Jensen, Board Attorney
   i. Summary Plan Description update
      1. Bonni Jensen reviewed the Summary Plan Description (SPD) presented was updated through Ordinance No. 2020-07, approved on July 14, 2020.

The Board approved the Summary Plan Description as presented, upon motion by Patricia Cucchiara and second by Richard German; motion carried 3-0.

   ii. Financial disclosures
      1. Bonni Jensen reviewed the financial disclosure memo and commented the deadline for the trustees to file their financial disclosure form was July 1, 2022.

   iii. IRS mileage rate for 2022
      1. Bonni Jensen notified the Trustees the IRS mileage rate for 2022 was 58.5 cents.

   iv. Generic signature authorization form
      1. Bonni Jenson commented signature authorization forms should be updated annually or at least when new trustees joined the board.

   v. Required Minimum Distribution (RMD) proposed regulations and Cryptocurrencies guidance
      1. Bonni Jenson commented on March 29, 2022, the House passed the Securing a Strong Retirement Act of 2022 (SECURE 2.0), which included additional changes to RMDs. Bonni further commented she would provide updates as SECURE 2.0 moved through Congress.
      2. Bonni Jenson commented the U.S. Department of Labor (DOL) recently expressed serious concerns about plans investing in cryptocurrencies and related products due to the significant risks of fraud, theft, and loss because of their speculative nature, custodial, recordkeeping, and valuation concerns, as well as the evolving regulatory market.

8. **Old Business** – None.

9. **Staff Reports, Discussion, and Action**
   a. Foster & Foster, Kim Kilgore, Plan Administrator
      i. State annual report update

1. Kim Kilgore commented the State Annual Report had been filed and we were currently waiting for the City's audited financial statements to be completed to forward along to the State.

ii. *Educational opportunities*

1. Kim Kilgore commented the FPPTA 38th Annual Conference would be held June 26-29, 2022, at the Hilton Bonnet Creek in Orlando, Florida.

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

11. **Adjournment** – The meeting adjourned at 11:55AM.

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

Respectfully submitted by: Kim Kilgore

Kim Kilgore, Plan Administrator

Approved by: Roger Allen

As: Chairman

Date Approved by the Pension Board: July 21, 2022