# 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

Friday, July 29, 2022, at 1:00PM

**TRUSTEES PRESENT:** Nancy Schultz
George Trausch
Laura Williamson

**TRUSTEES ABSENT:** Ray Gallant

**OTHERS PRESENT:** Andy McIlvaine, Graystone Consulting (via Zoom)
Scott Owens, Graystone Consulting (via Zoom)
Bonni Jensen, Klausner, Kaufman, Jensen & Levinson (via Zoom)
Kim Kilgore, Foster & Foster
Chrissy Stoker, Foster & Foster

1. **Call to Order** – Kim Kilgore called the meeting to order at 1:05PM and a quorum was determined.
2. **Roll Call** – As reflected above.
3. **Public Comments** – None.
4. **Approval of Minutes**

**The Board voted to approve the minutes from the April 21, 2022, quarterly meeting, upon motion by Nancy Schultz and second by Laura Williamson; motion carried 3-0.**

5. **New Business**
   a. Update on Trustee terms
      i. Kim Kilgore commented George Trausch was a new member trustee who replaced James Gaskins. Kim commented they still needed to appoint a 5th trustee. Bonni Jensen commented they could not choose a 5th trustee today, as the at-large trustee needed to be elected by the other four trustees.
      ii. Laura Williamson commented she would not be able to attend the next meeting in person or via Zoom.
      iii. Bonni Jensen commented since they had a quorum today, the 5th trustee could be elected by the individuals at the current meeting so long as they voted unanimously, and the City had no objection.

**The Board voted to select Tim McLean as the 5th trustee, contingent upon the City's approval of the selection process, upon motion by Nancy Schultz and second by Laura Williamson; motion carried 3-0.**

6. **Consent Agenda**
   a. Chrissy Stoker reviewed the consent agenda for the new trustee. Kim Kilgore commented invoices were audited against the current contracts to ensure bills were paid correctly. Kim reviewed the fund activity report.
   b. Payment ratification
      i. Warrant #35
         1. Klausner, Kaufman, Jensen & Levinson, invoice #30336, $2,862.00

        2. Foster & Foster, plan administration, invoice #23308, $1,080.00
        3. Salem Trust, 1st quarter fees (Auto-Deduct), $2,950.00
        4. Graystone Consulting, invoice #10130022097, $4,375.00
        5. Insight Investment, invoice #2311-Q-NT, $1,059.42
        6. Klausner, Kaufman, Jensen & Levinson, invoice #30504, $4,467.35
        7. Foster & Foster, plan administration, invoice #23663, $1,080.00
        8. Anchor Capital Advisors, 1st quarter fees, $3,164.66
    ii. Warrant #36
        1. Klausner, Kaufman, Jensen & Levinson, invoice #30711, $667.80
        2. Foster & Foster, plan administration, invoice #23890, $1,155.64
c. New invoices for payment
    i. None.
d. Fund Activity Report for April 15, 2022 – July 22, 2022

**The Board approved the consent agenda as presented, upon motion by Laura Williamson and second by Nancy Schultz; motion carried 3-0.**

**7. Reports**

a. Foster & Foster, Patrick Donlan, Board Actuary
    i. By consensus, the Board agreed to have Patrick Donlan attend the next meeting to give a portal demonstration when more trustees were present.

b. Graystone Consulting, Scott Owens/Andy McIlvaine, Investment Consultants
    i. Quarterly report as of June 30, 2022
        1. Scott Owens gave an overview of the market environment over the quarter.
        2. Andy McIlvaine reviewed the executive summary of the fund as of 6/30/2022.
        3. The total fund portfolio value was $12,239,109 as of 6/30/2022.
        4. The gross total fund returns for the quarter were -12.51% outperforming the policy benchmark of -12.86%. Trailing returns for the 1, 3, 5, 7 and 10-year periods were -14.32%, 4.17%, 5.27%, 5.34%, and 6.86%, respectively. Since inception (8/1/2006) gross returns were 6.41% outperforming the policy benchmark of 6.08%.
        5. Andy McIlvaine reviewed the asset allocation compliance. Andy reviewed the allocations, commenting they were in line with their policy targets, and he had no recommendations to rebalance.
        6. Andy McIlvaine reviewed the performance of each manager.
        7. Scott Owens reviewed the difference between active and passive management.
        8. Andy McIlvaine briefly reviewed a history of the policy index.
        9. Andy McIlvaine commented they put together an asset allocation strategy, as the Board had lowered their investment return assumption to 7.25%. Andy commented their target allocation contained emerging markets, whereas the current allocation did not. Andy reviewed the secular assumptions of the target allocation versus the current allocation, commenting the target allocation had a higher probability of realizing slightly higher returns.
        10. Andy McIlvaine, Bonni Jensen, and Laura Williamson discussed the probability of success utilizing the current allocation versus the target allocation.
        11. Andy McIlvaine reviewed the return assumptions for each asset class.

c. Klausner, Kaufman, Jensen & Levinson, Bonni Jensen, Board Attorney
    i. Bonni Jensen introduced herself to George Trausch and reviewed her role as the plan attorney.
    ii. Bonni Jensen commented the IRS mileage rate for reimbursement increased to $0.625 effective 7/1/2022 due to the rise in fuel prices.

8. **Old Business**
   a. Laura Williamson and Bonni Jensen discussed the Plan closing to new entrants.

9. **Staff Reports, Discussion, and Action**
   a. Foster & Foster, Kim Kilgore/Chrissy Stoker, Plan Administrators
      i. Financial disclosure forms
         1. Kim Kilgore confirmed all trustees filed their financial disclosure forms. Chrissy Stoker reviewed the financial disclosure form requirement for George Trausch, commenting she would send him a welcome email with the form attached.
      ii. Fiduciary liability insurance renewal
         1. Kim Kilgore commented the fiduciary liability policy would expire on 7/31/2022 and she received a quote from Commercial Insurance Specialists for a 1-year policy for a total premium of $5,911.92, which was $826.08 less than expiring.

**The Board approved binding coverage with Commercial Insurance Specialists for a 1-year policy as presented, upon motion by Laura Williamson and second by Nancy Schultz; motion carried 3-0.**

      iii. Educational opportunities
         1. Kim Kilgore reviewed the upcoming FPPTA Fall Trustees School. Chrissy Stoker commented the Board did not have a membership so they would need to purchase one if anyone decided to attend.

**The Board approved the purchase of a membership with FPPTA, upon motion by Nancy Schultz and second by Laura Williamson; motion carried 3-0**.

         2. Chrissy Stoker commented the membership fee may be pro-rated because it was so late in the calendar year. Laura Williamson commented if the membership was not pro-rated, they should wait to purchase a membership until the next meeting. Nancy Schultz commented since no one could attend the upcoming event, they should wait to purchase the membership. Chrissy commented she would work with the FPPTA to see if they would allow George Trausch to take the online *Pension Fundamentals Course for New Trustees* class free of charge.

      iv. Kim Kilgore introduced Chrissy Stoker who would be another administrator on the plan and attend future meetings.

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

11. **Adjournment** – The meeting adjourned at 2:34PM.

12. **Next Meeting** – October 20, 2022, at 10:30AM, Quarterly Meeting

Respectfully submitted by:

Kim Kilgore

Kim Kilgore, Plan Administrator

Approved by:

Laura Williamson

Trustee

Laura A. Williamson

Date Approved by the Pension Board:

December 9, 2022