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, December 9, 2022, at 2:00PM

TRUSTEES PRESENT: Nancy Schultz
Tim McLean
Laura Williamson

TRUSTEES ABSENT: None

OTHERS PRESENT: David Wheeler, Graystone Consulting
Bonni Jensen, Klausner, Kaufman, Jensen & Levinson (via phone)
Chrissy Stoker, Foster & Foster
Vince Tenaglia, City Finance Director

1. **Call to Order** – Chrissy Stoker called the meeting to order at 2:03PM and a quorum was determined.

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

3. **New Business**
   a. Chrissy Stoker stated the Board was currently without officers and the Operating Rules provided for a Chair, Vice Chair, and Secretary. Bonni Jensen commented they should fill all three officer positions at today's meeting.
   b. Nancy Schultz volunteered to serve as Chair.

The Board voted to appoint Nancy Schultz to the position of Chair, upon motion by Laura Williamson and second by Tim McLean; motion carried 3-0.

The Board voted to appoint Laura Williamson to the position of Secretary and Tim McLean to the position of Vice Chair, upon motion by Nancy Schultz and second by Laura Williamson; motion carried 3-0.

   c. Nancy Schultz led the Pledge of Allegiance.

4. **Public Comments –** None.

5. **Approval of Minutes**

The Board voted to approve the minutes from the July 29, 2022, quarterly meeting, upon motion by Nancy Schultz and second by Laura Williamson; motion carried 3-0.

6. **Consent Agenda**
   a. Payment ratification
      i. Warrant #37
         1. Foster & Foster, plan administration, invoice #24103, $1,080.00
         2. Salem Trust, 2nd quarter fees (Auto-Deduct), $2,950.00
         3. Foster & Foster, actuarial services, invoice #24181, $12,156.00
         4. Commercial Insurance Specialists, fiduciary liability policy, $5,911.92
      ii. Warrant #38
         1. Insight Investment, 2nd quarter fees, invoice #2522-Q-NT, $1,014.55
         2. Klausner, Kaufman, Jensen & Levinson, invoice #31081, $1,631.00
         3. Foster & Foster, plan administration, invoice #24550, $1,236.64

4. Anchor Capital Advisors, 2nd quarter fees, $2,835.71
5. FPPTA, invoice #7215, pension fundamentals for new trustees, $300.00
6. Graystone Consulting, invoice #10130022221, $4,375.00
7. Klausner, Kaufman, Jensen & Levinson, invoice #31254, $336.20
8. Foster & Foster, plan administration, invoice #24695, $1,080.00
9. Klausner, Kaufman, Jensen & Levinson, invoice #31430, $95.40
10. Foster & Foster, plan administration invoice #24923, $1,080.00

iii. Warrant #39
1. Foster & Foster, actuarial services, invoice #24940, $1,990.00
2. Salem Trust, 3rd quarter fees (Auto-Deduct), $2,950.00
3. Insight Investment, 3rd quarter fees, invoice #2731-Q-NT, $886.05
4. Klausner, Kaufman, Jensen & Levinson, invoice #31608, $748.70
5. Graystone Consulting, invoice #10130022305, $5,000.00
6. Foster & Foster, plan administration, invoice #25345, $1,080.00

b. New invoices for payment
   i. None.
c. Fund Activity Report for July 23, 2022 – December 2, 2022

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

7. **New Business (continued)**
   a. Proposed 2023 meeting dates
      i. Chrissy Stoker reviewed the proposed meeting dates. Chrissy noted these dates were already approved by the Fire and Police pension boards.
      ii. David Wheeler commented he had a conflict with the January meeting date, but he would try to rework his schedule to attend.
      iii. By consensus, the Board approved the meeting dates as presented.
   b. Update on trustee terms
      i. Chrissy Stoker commented the Board still had two vacant member trustee seats.
      ii. Chrissy Stoker commented Laura Williamson was reappointed by the Commission and would serve another term through October 2024.
      iii. Chrissy Stoker commented Tim McLean was selected as the fifth trustee at the pension board's July meeting and the Commission had since ratified this appointment. Bonni Jensen clarified Tim's term began on the date the appointment was ratified.
      iv. The Board discussed the vacant member trustee seats. Bonni Jensen commented the Ordinance only provided for active plan participants to serve on the Board. Bonni commented there was a provision in Chapters 175 and 185, F.S. that stated if there were less than ten active members, retirees could serve as member trustees. Vince Tenaglia noted this was recently done in the Police plan. Vince commented if Bonni drafted an Ordinance amendment, he would get it on a Commission agenda.

The Board voted to authorize the attorney to draft an Ordinance amendment providing for retirees to serve as member trustees on the pension board in the event there are fewer than ten active members in the pension plan and send it to the City for consideration, upon motion by Laura Williamson and second by Nancy Schultz; motion carried 3-0.

8. **Old Business** – None.

9. **Reports**
   a. Graystone Consulting, David Wheeler, Investment Consultant
      i. Quarterly report as of September 30, 2022
         1. David Wheeler discussed historical inflation and interest rates at length. David briefly reviewed bull and bear markets in the S&P500 and discussed historical declines and recoveries and the consumer sentiment index.
         2. David Wheeler gave an overview of the market environment over the quarter.
         3. David Wheeler reviewed the capital market returns as of 9/30/2022.
         4. David Wheeler reviewed the executive summary of the fund as of 9/30/2022.

5. The market value of assets as of 9/30/2022 was $11,453,387.
6. The gross total fund returns for the quarter were -4.68% outperforming the policy benchmark of -4.78%. Trailing returns for the 1, 3, 5, 7 and 10-year periods were -17.76%, 2.09%, 3.68%, 5.33%, and 5.89%, respectively. Since inception (8/1/2006) gross returns were 5.99% outperforming the policy benchmark of 5.38%.
7. David Wheeler reviewed the asset allocation compliance, commenting they were slightly underweighted to equities, on target with fixed income, a bit overweight in alternatives, and 1.00% was in cash. David commented they were overweighted to value and underweighted to growth which was a good thing at the moment. David commented 43.00% was in passive equities.
8. David Wheeler reviewed the asset allocation compliance by manager.
9. David Wheeler reviewed the performance of each manager.
10. David Wheeler commented the value of the fund as of 12/7/2022 was $12,167,058.
11. David Wheeler recommended the Board to take $100,000 out of Anchor Capital, $50,000 out of Nuance Mid Cap Value, $50,000 out of Vanguard Mid Cap Value, and $100,000 out of Insight Fixed Income. David commented that outflows from the Plan continued to exceed inflows from interest, dividends and funding and so it was necessary to raise cash.
12. The Board and consultants discussed the rationale for the investments selected for sale and the funding mechanism for the Plan.

The Board voted to move money as recommended by the investment consultant, upon motion by Laura Williamson and second by Nancy Schultz; motion carried 3-0.

b. Klausner, Kaufman, Jensen & Levinson, Bonni Jensen, Board Attorney
   i. Summary Plan Description update
      1. Bonni Jensen presented the updated Summary Plan Description (SPD) and reviewed the changes. Bonni commented this document was sent to all active members to provide a summary of the pension plan in in plain language.
      2. Nancy Schultz commented the Plan should be referred to as a "pension plan" not a "retirement system". Bonni Jensen commented she could include language that made it clear this was a pension plan, but the official name of the plan as given by the City was the General Employees' Retirement System.
      3. Laura Williamson requested Exhibit B to be updated to reflect the new Board officers. Bonni Jensen confirmed the officer appointments would be reflected in the final document.
      4. Laura Williamson asked if all the changes in the updated SPD had been adopted by the City. Bonni Jensen confirmed all plan changes that were recommended to the City and incorporated in the SPD had been adopted by the City.

The Board voted to approve the updated Summary Plan Description as amended with the changes discussed at the meeting, upon motion by Tim McLean and second by Nancy Schultz; motion carried 3-0.

10. Staff Reports, Discussion, and Action
a. Foster & Foster, Chrissy Stoker, Plan Administrator
   i. FPPTA Board Membership
      1. Chrissy Stoker reviewed at the last meeting the Board elected to join the FPPTA, but then decided to hold off until this meeting to purchase a membership since memberships were good for a calendar year.

The Board voted to approve the purchase of a membership with the FPPTA for 2023, upon motion by Nancy Schultz and second by Laura Williamson; motion carried 3-0.

   ii. Educational opportunities

1. Chrissy Stoker reviewed the upcoming FPPTA Winter Trustees School.

11. Trustees' Reports, Discussion, and Action – None.

12. Adjournment – The meeting adjourned at 3:24PM.

13. Next Meeting – January 19, 2023, at 1:30PM, Quarterly Meeting

Respectfully submitted by:

Chrissy Stoker

Chrissy Stoker, Plan Administrator

Approved by:

Nancy Jill Schultz

Trustee

Date Approved by the Pension Board: January 19, 2023