

**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, July 20, 2023, at 8:30AM

TRUSTEES PRESENT: Richard German
Robert Micklitsch
Chris Centofanti

TRUSTEES ABSENT: Patricia Cucchiara
Frank Wood

OTHERS PRESENT: Bonni Jensen, Klausner, Kaufman, Jensen & Levinson
Lindsey Garber, Klausner, Kaufman, Jensen & Levinson
Kerry Richardville, AndCo Consulting
Jorge Friguls, AndCo Consulting
Chrissy Stoker, Foster & Foster
Lynn Skinner, Salem Trust Company

- I. **Call to Order** – Chris Centofanti called the meeting to order at 8:31AM and led the Pledge of Allegiance and a quorum was determined.
- II. **Roll Call** – As reflected above.
- III. **Public Comments** – None.
- IV. **Approval of Minutes**

The Board approved the minutes from the April 20, 2023, quarterly meeting as presented, upon motion by Robert Micklitsch and second by Richard German; motion carried 3-0.

- V. **New Business**
 1. Proposed FY 2023-2024 budget
 - a. Chrissy Stoker reviewed the proposed budget and each expenditure line.

The Board approved the fiscal year 2023-2024 budget as presented, upon motion by Robert Micklitsch and second by Richard German; motion carried 3-0.

2. Proposed 2024 meeting dates
 - a. Chrissy Stoker reviewed the proposed meeting dates, commenting these dates were in line with prior years. Chrissy reminded the Board the time of the meeting rotated.
 - b. By consensus, the Board approved the meeting dates for 2024 as presented.

- VI. **Reports**
 1. Salem Trust Company, Lynn Skinner, Fund Custodian
 - a. Lynn Skinner reminded the Board she had introduced the pensioner portal for retirees at a past meeting and the Board had not opted in, so she was present to see if the trustees had any interest in signing on to the service.
 - b. Lynn Skinner commented the pensioner portal was free for the Board and for the retirees and was optional for retirees to use.

- c. Lynn Skinner commented retirees who elected to use the service would be able to log in and make changes they would otherwise need to change through the plan administrator, such as their address or tax withholding elections. Lynn commented a report was generated monthly that showed any changes made.
- d. Lynn Skinner commented Salem Trust would send an informational mailing to all retirees with instructions for anyone wanting to sign on. Lynn commented the portal was created by US Bank, so any retirees who had questions could call the number provided in the letter.
- e. The Board discussed the core features and the optional features. Bonni Jensen recommended they did not allow any retirees to update their address or direct deposit information. Bonni commented she did not have any issue with allowing tax changes via the portal.

The Board voted to approve signing on to the Salem Trust Pensioner Portal with only the optional features provided on the authorization agreement, upon motion by Chris Centofanti and second by Robert Micklitsch; motion carried 3-0.

- f. Lynn Skinner commented the parent company of Salem Trust, TMI Holdings, announced a merger with Argent Financial Group. Lynn commented Salem Trust would continue to operate as usual, but the name would eventually change to Argent Institutional Trust Company, d.b.a. Salem Trust Company.
2. AndCo Consulting, Kerry Richardville, Investment Consultant
- a. Quarterly report as of June 30, 2023
 - 1. Kerry Richardville introduced Jorge Friguls from the consulting team.
 - 2. Kerry Richardville gave an overview of the market environment over the quarter and discussed the treasury yield curve.
 - 3. The Market Value of Assets as of June 30, 2023, was \$16,445,029.
 - 4. Kerry Richardville reviewed the asset allocation of the Fund. Kerry reminded the Board they approved a new asset mix at the last meeting.
 - 5. The total fund gross returns for the quarter were 3.88%. Trailing returns for the 1, 3, and 5-year periods were 10.26%, 5.62%, and 6.13%, respectively. Since inception (10/01/1994), gross returns were 7.79% outperforming the policy benchmark of 7.44%.
 - 6. Kerry Richardville reviewed the performance of each manager.
 - b. Investment Policy Statement
 - 1. Kerry Richardville reviewed the revised Investment Policy Statement (IPS) which was updated according to the asset mix the Board approved at the last meeting. Kerry commented they switched from 60% equities and 40% bonds to 40% equities and 60% bonds and introduced a defensive short-term bond component.
 - 2. Kerry Richardville reviewed the changes to the target allocations.
 - 3. Kerry Richardville reviewed the language that was included to comply with House Bill 3.

The Board approved the updated Investment Policy Statement as presented, upon motion by Chris Centofanti and second by Robert Micklitsch; motion carried 3-0.

- c. Short Duration Fixed Income Manager Search
 - 1. Kerry Richardville gave a brief overview of Baird, Payden & Rygel, and PIMCO, commenting all three were mutual fund structures.
 - 2. Kerry Richardville reviewed the fees for each manager and gave a brief history of each. Kerry discussed the team-based approach of each manager and reviewed each firm's strategies.
 - 3. Kerry Richardville reviewed the composition of each fund.
 - 4. Kerry Richardville recommended the Board select Baird.

The Board voted to select Baird as the short-term bond manager, upon motion by Robert Micklitsch and second by Richard German; motion carried 3-0.

3. Klausner, Kaufman, Jensen & Levinson, Bonni Jensen, Board Attorney
 - a. PG&E Bankruptcy Offer
 1. Bonni Jensen commented approximately one year ago PG&E went bankrupt, and PG&E was a holding in their portfolio. Bonni commented Salem Trust got an attorney to represent Fund's interest in the bankruptcy case. Bonni commented RKS contacted her to advise them they received an offer of \$100.00 to settle their claim, which was approximately 17% of the losses they incurred. Bonni commented the Board was one of the claimants getting an offer and she recommended to them to take it.

The Board voted to approve the \$100.00 settlement offer as presented, upon motion by Chris Centofanti and second by Robert Micklitsch; motion carried 3-0.

- b. House Bill 3 memorandum
 1. Bonni Jensen discussed House Bill 3, commenting the biggest impact would be the new reporting requirements that would need to be filed every other year in December. Bonni commented the reporting requirements were still unclear but she would keep the Board informed.
 2. Bonni Jensen commented House Bill 3 would not change how the Board invested, as they only chose investments based on pecuniary factors.
- c. Article
 1. Bonni Jensen shared an article about a case of pension fraud in which a man continued collecting his mother's pension benefits long after her death. Bonni commented there were no checks on this and reviewed the importance of internal controls and death checks.
 2. Bonni Jensen introduced Lindsey Garber who was another attorney from her firm.

VII. Old Business – None.

VIII. Consent Agenda

1. Payment ratification
 - a. Warrants #39 and #40
 1. KKJL, legal services, invoice #32498, \$429.30
 2. Foster & Foster, actuarial services, invoice #26601, \$900.00
 3. Foster & Foster, plan administration, invoice #26584, \$855.00
 4. Salem Trust, 1st quarter custodial fees (AUTO DEDUCT), \$2,875.00
 5. AndCo, investment consulting fees, invoice #44087, \$4,300.00
 6. KKJL, legal services, invoice #32689, \$1,443.25
 7. Foster & Foster, plan administration, invoice #27117, \$855.00
 8. Foster & Foster, plan administration, invoice #27303, \$961.28
 9. KKJL, legal services, invoice #32867, \$238.50
 10. AndCo Consulting, invoice #44915, \$4,300.00
 11. KKJL, legal services, invoice #33062, \$429.30
 12. Foster & Foster, actuarial services, invoice #27577, \$6,000.00
 13. Foster & Foster, plan administration, invoice #27595, \$855.00
2. New invoices for payment
 - a. None
3. Fund Activity Report for April 14, 2023 - July 13, 2023

The Board approved the consent agenda as presented, upon motion by Chris Centofanti and second by Robert Micklitsch; motion carried 3-0.

IX. Staff Reports, Discussion, and Action

1. Foster & Foster, Chrissy Stoker, Plan Administrator
 - a. Update on PF-11s
 1. Chrissy Stoker commented all persons receiving benefits from the pension plan returned a completed affidavit.
 - b. Financial disclosure forms
 1. Chrissy Stoker stated for the record all trustees filed their financial disclosure form on time.
 - c. Fiduciary liability policy renewal
 1. Chrissy Stoker presented a renewal quote for an additional one-year policy, commenting the current policy would expire August 31, 2023.

The Board voted to renew fiduciary liability coverage for another one-year policy, upon motion by Chris Centofanti and second by Robert Micklitsch; motion carried 3-0.

- d. Update on agenda packets
 1. Chrissy Stoker commented Foster & Foster was going paperless so she would discontinue bringing paper agenda packets to the meetings. Chrissy stated any trustees wanting hard copies of any meeting materials should print their own in advance. Chrissy commented she would still send meeting items out one week in advance.

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

XI. Adjournment – The meeting adjourned at 9:38AM.

XII. Next Meeting – October 19, 2023, at 10:30AM, Quarterly Meeting

Respectfully submitted by:

Chrissy Stoker

Chrissy Stoker, Plan Administrator

Approved by:

Richard German
Richard German

As: Secretary

Date Approved by the Pension Board: October 19, 2023