

**CITY OF ST. PETE BEACH**  
**GENERAL EMPLOYEES' RETIREMENT SYSTEM BOARD OF TRUSTEES**  
**QUARTERLY MEETING MINUTES**  
City Hall, 2<sup>nd</sup> Floor Conference Room, 155 Corey Avenue, St. Pete Beach, FL 33706

Thursday, January 18, 2024, at 8:30AM

**TRUSTEES PRESENT:** Nancy Schultz  
Tim McLean  
Laura Williamson

**TRUSTEES ABSENT:** None

**OTHERS PRESENT:** David Wheeler, Graystone Consulting  
Lindsey Garber, Klausner, Kaufman, Jensen & Levinson  
Chrissy Stoker, Foster & Foster  
Patrick Donlan, Foster & Foster

- I. **Call to Order** – Nancy Schultz 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**
  1. October 16, 2023, quarterly meeting

The October 16, 2023, quarterly meeting minutes were approved as presented, upon motion by Laura Williamson and second by Tim McLean; motion carried 3-0.

**V. New Business**

1. Update on trustee terms
  - a. Chrissy Stoker commented a retired plan member submitted a self-nomination to join the pension board, but he was not able to attend today's meeting and had not yet taken the oath of office. Chrissy would continue to search for an additional plan member or retiree to fill the other open seat.

**VI. Reports**

1. Graystone Consulting, David Wheeler
  - a. Quarterly report through December 31, 2023
    - i. David Wheeler gave an overview of the market environment over the quarter. David noted inflation dropped to 3.50% in October 2023, with a Fed target of 2.00%. Interest rates dropped dramatically at the end of 2023. A recession was possible but not likely, as the yield curve never became inverted.
    - ii. David Wheeler reviewed the capital market returns as of December 31, 2023.

- iii. David Wheeler reviewed the executive summary of the fund as of December 31, 2023. The market value of assets was \$12,785,000. Total fund gross annualized returns for the quarter were 10.31%, outperforming the policy benchmark of 10.22%. For the 1, 3, 5, 7, and 10-year trailing periods, total fund gross returns were 15.11%, 3.19%, 8.38%, 6.96%, and 6.40%, compared to the respective benchmarks of 16.41%, 4.11%, 8.22%, 6.80%, and 6.44%. Since inception (08/01/2006), total fund gross returns were 6.80%, outperforming the benchmark of 6.30%.
- iv. Laura Williamson noted the amount needed for monthly distributions would continue to increase as the plan matured so the City needed to be prepared to put more into the plan to keep it solvent. Patrick Donlan noted they reduced the investment return assumption from 7.25% to 7.00% and further reductions would cause the City's cost to increase.
- v. David Wheeler reviewed the asset allocation compliance. Approximately \$305,000 was in the cash account at the end of the quarter but it was around \$200,000 as of the meeting date.
- vi. David Wheeler reviewed the performance of each manager. Most managers were in line with the respective policy benchmarks. Europacific Growth continued to struggle a bit.
- vii. David Wheeler presented an asset allocation rebalancing spreadsheet with his recommendation to raise enough cash to get through July.

**The Board voted to move \$150,000 out of Anchor, \$50,000 out of Vanguard Mid Cap Growth, \$35,000 out of Virtus, \$35,000 out of Vanguard Small Cap Value, and \$130,000 from Europacific Growth and put \$100,000 into the Western Core Bond MF and \$300,000 into the cash account, upon motion by Laura Williamson and second by Tim McLean; motion carried 3-0.**

2. Foster & Foster, Patrick Donlan, Board Actuary

a. October 1, 2023, actuarial valuation report

- i. Patrick Donlan reviewed the cash flows for the fiscal year ended September 30, 2023. Total contributions were \$323,762.90, net investment income was \$1,209,457.94, and distributions totaled \$1,235,503.83. Patrick noted total monthly distributions would continue to increase with additional retirements. As of the valuation date there were 61 retirees, 12 beneficiaries, 1 disability pensioner, and 35 vested members who were due a future monthly benefit.
- ii. Tim McLean stressed the importance of ensuring the City was aware of the funding requirements and asked Patrick Donlan to request the City acknowledge, in writing, that they understood how to proceed with the results presented in the report.
- iii. In response to an inquiry by Laura Williamson, Patrick Donlan explained the extra contribution amount of \$133,969.81 may have been intentional by the prior Finance Director Vince Tenaglia. The requirement for FY2023 was 47.10% of payroll and Vince knew that

payroll would be reduced when the Plan closed. Patrick commented the City could choose not to use the prepaid contribution in FY2024 and instead use it to reduce the Unfunded Actuarial Accrued Liability (UAAL) as of October 1, 2024. Patrick would follow up with the City to confirm.

- iv. Plan experience was favorable overall on the basis of the plan's actuarial assumptions. The primary source of actuarial gain was inactive mortality experience. This gain was offset in part by a loss associated with an investment return of 3.89% (Actuarial Asset Basis) which fell short of the 7.25% assumption.
- v. Patrick Donlan stated the 5-year asset smoothing was restarted on October 1, 2020. Based on the 7.25% investment return assumption and the ending market value of the Fund as of September 30, 2022, expected investment earnings were approximately \$797,000 compared to actual investment earnings of \$1,209,458. The net actuarial investment gain was \$411,647. Patrick commented 20.00% of that gain would be recognized each year for the next five years.
- vi. Patrick Donlan reviewed the valuation participation reconciliation, noting actuarial gains resulted from member turnover and more mortality than was expected.
- vii. The UAAL increased from approximately \$3.8 million to approximately \$4.1 million.
- viii. The City's required contribution due by September 30, 2025, was \$648,514.
- ix. Patrick Donlan explained the difference between administrative expenses and investment expenses. In response to a question he indicated that investment expenses can, alternatively, be considered by the Board when it was an appropriate time to consider making a change.
- x. The Board discussed salary increases.

**The October 1, 2023, actuarial valuation report was approved as presented, upon motion by Laura Williamson and second by Nancy Schultz; motion carried 3-0.**

**The Board voted the declaration of returns for the plan shall be 7.00% for the next year, the next several years, and the long-term thereafter net of investment related expenses, upon motion by Laura Williamson and second by Tim McLean; motion carried 3-0.**

- 3. Klausner, Kaufman, Jensen & Levinson, Lindsey Garber, Board Attorney
  - a. Addendum to Salem Trust
    - i. Lindsey Garber advised the Board she drafted an assignment and addendum to the Salem Trust custodial services agreement to acknowledge the merger with Argent Financial Group.
  - b. IRS mileage rate
    - i. The IRS mileage rate increased from \$0.655 to \$0.67 per mile in 2024.
  - c. Electronic Form 1 filing
    - i. Lindsey Garber advised the trustees the annual financial disclosure forms (Form 1) would no longer be submitted to the Supervisor of

Elections in the county where each trustee resided. Starting this year the forms needed to be submitted online to the Florida Commission on Ethics via the Electronic Financial Disclosure Management System (EFDMS).

**VII. Old Business – None.**

**VIII. Consent Agenda**

1. Payment ratification
  - a. Warrant #47
    - i. Foster & Foster, actuarial services, invoice #28614, \$2,325.00
    - ii. Laura Williamson, FPPTA Fall School reimbursement, \$755.39
    - iii. FPPTA, 2024 membership, invoice #10453, \$750.00
  - b. Warrant #48
    - i. Graystone Consulting, invoice 10130023290, \$5,000.00
    - ii. Insight Investment, invoice #3581-Q-NT, \$821.49
    - iii. Nancy Schultz, FPPTA Fall School reimbursement, \$1,119.51
    - iv. KKJL, legal services, invoice #32813, \$2,891.60
    - v. Anchor Capital Advisors, 3rd quarter fees, \$2,524.88
    - vi. Foster & Foster, plan admin, invoice #28273, \$1,080.00
    - vii. KKJL, legal services, invoice #33434, \$47.70
    - viii. Foster & Foster, plan admin, invoice #28984, \$1,080.00
  - c. Warrant #49
    - i. KKJL, legal services, invoice #34016, \$436.20
    - ii. Foster & Foster, plan admin, invoice #29434, \$1,314.40
    - iii. Foster & Foster, actuarial services, invoice #29669, \$24,693.00
    - iv. KKJL, legal services, invoice #34016, \$1,001.70
2. New invoices for payment
  - a. None.
3. Fund Activity Report for October 10, 2023, through January 11, 2024

**The consent agenda was approved as presented, upon motion by Nancy Schultz and second by Tim McLean; motion carried 3-0.**

**IX. Staff Reports, Discussion, and Action**

1. Foster & Foster, Chrissy Stoker, Plan Administrator
  - a. Update on Confirmation of Receipt of Retirement Benefits affidavits
    - i. Chrissy Stoker advised there were four benefits recipients who still had not returned an affidavit and reviewed the procedure in the Operating Rules for how to proceed when the form was not returned. A hearing would be held at the next quarterly meeting to determine whether benefits would continue to anyone who still did not produce the completed affidavit.
  - b. Educational opportunities
    - i. No trustees planned to attend the FPPTA Winter Trustee School.

**X. Trustees' Reports, Discussion, and Action**

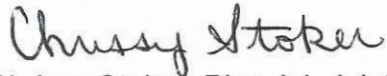
1. Tim McLean noted he could only attend the July meeting via Zoom.
2. Laura Williamson noted she could not attend the July meeting at all.

**XI. Adjournment** – The meeting adjourned at 10:29AM.

**XII. Next Meeting Date** – Thursday, April 18, 2024, at 10:30AM, Quarterly Meeting

Respectfully submitted by:

Approved by:



Chrissy Stoker, Plan Administrator



Laura Williamson, Secretary

Date Approved by the Pension Board:

April 18, 2024