

**CITY OF PALMETTO
GENERAL EMPLOYEES'
PENSION BOARD OF TRUSTEES
August 25, 2014 - 8:30 A.M.**

Board Members Present:

Ray Dielman, Chair
Jim Freeman, Vice Chair
Matt Bloome, Secretary
Ellen Leonard—(Arrived 8:38 a.m.)
Matt Misco
Allen Tusing
Patty Persson

Staff and Others Present:

Scott Christiansen, Board Attorney
Charlie Mulfinger, Graystone Consulting
Amber Foley, Assistant City Clerk

Chair Dielman called the meeting to order at 8:30 a.m.

1. AGENDA APPROVAL

Motion: Mrs. Persson moved, Mr. Freeman seconded, and the motion carried 6-0 to approve the August 25, 2014 General Employees' Pension Board agenda. Mrs. Leonard was absent for the vote.

2. PUBLIC COMMENT

None.

3. APPROVAL OF MINUTES

Motion: Mr. Freeman moved, Mr. Tusing seconded, and the motion carried 6-0 to approve the June 2, 2014 minutes. Mrs. Leonard was absent for the vote.

4. APPROVAL OF EXPENSES

- A) Christiansen and Dehner: Invoices Dated 5/31/2014, 6/30/2014, 7/31/2014
- B) Graystone Consulting: Quarter ending 6/30/2014 (Investment Report)

Motion: Mr. Tusing moved, Mrs. Persson seconded, and the motion carried 6-0 to ratify the paid expenses as presented. Mrs. Leonard was absent for the vote.

5. INVESTMENT REVIEW

Mr. Mulfinger presented the second quarter investment review. The Plan's portfolio was valued at \$11,109,856, a gain of \$318,826 net-of-fees. The Plan is over-weighted in Equity. Mr. Mulfinger recommended reducing Equity down within range to 65% by selling part of stocks and rebalance where under-weighted, i.e. Hedge Funds. The approximate 1.5% reduction from Equity could go into Hedge Funds to bring that back within range.

Mr. Mulfinger gave a breakdown of returns, reviewing each manager's performance for the quarter. He reviewed the compliance checklist noting that all managers are in compliance as of June 30, 2014.

Discussion continued on the rebalancing of the Equity assets. Chair Dielman opined that Global Bonds should be the next investment for the Board. He suggested the over-weighted Equity amount should be used to invest in Global Bonds. Mr. Mulfinger reminded the Board that the current Investment Policy

Statement (IPS) does not allow for investment in Global Bonds; if this is an investment the Board is wanting to make, changes will need to be made to the IPS. Mr. Mulfinger would prefer to take time to research an international bond manager before making an investment. Discussion continued regarding the approximate 1.5% over-weighted Equity amount. Mr. Freeman agreed with Mr. Mulfinger stating that the Board should review managers before investing into Global Bonds. He does not prefer using the 1.5% for investment at this time. Mr. Dielman requested that the Board move to modify the IPS to allow the option for investment in Global Bonds even if an investment is not going to occur at this time. Mr. Tusing agreed to that.

Motion: Mr. Tusing moved, Mr. Freeman seconded, and the motion carried 7-0 to draft a change to the current Investment Policy Statement to allow for International Bonds and instruct the consultant to bring forward at the next meeting a few recommendations on international bonds utilizing managers and the index for the Board to consider.

Motion: Mrs. Persson moved, Mr. Tusing seconded, and the motion carried 7-0 to move anything over 65% of the total Equity Portfolio into Hedge Funds.

A copy of the second quarter investment review is attached to and made a part of these minutes.

6. ATTORNEY CHRISTIANSEN'S REPORT

Attorney Christiansen informed the Board that two administrative forms were updated and provided to the Clerk. The Application for Disability Retirement form was amended to include language letting the employee know that if they voluntarily terminate their employment before the Application is approved, their application will be void. The other form that was changed was the Authorization for Payment from Fund which now includes language that indicates a higher pension payment until the retiree starts to receive Social Security at which time their pension payment will reduce.

7. BENEFITS DISBURSEMENT APPROVAL

- A. DROP PARTICIPANT
 - None
- B. TERMINATED NON-VESTED EMPLOYEES
 - None
- C. RETIRED EMPLOYEES
 - None
- D. DECEASED RETIREES
 - None
- E. DECEASED ACTIVE EMPLOYEE PAYOUT
 - None

Action Request: Motion to approve the benefits disbursements as presented.

No action required.

8. NEW MEMBER ACKNOWLEDGEMENT (Informational Only)

- Scott Vander Molen
- Jorge Aguilar
- Tonya Wonderly

9. FLORIDA PUBLIC PENSION TRUSTEES ASSOCIATION DATES

Staff has provided the Board with information on the dates and costs associated for Mr. Bloome, Mr. Dielman, Mr. Misco and Mrs. Persson to attend the Florida Public Pension Trustees Associate Fall Academy. The cost per person is \$1,018.44 per person for travel Sunday to Tuesday or \$1,208.44 per person for travel Sunday to Wednesday.

Motion: **Mr. Dielman moved, Mrs. Persson seconded, and the motion carried 7-0 to approve Patricia Persson, Ray Dielman, Matt Bloome and Matt Misco to attend the Fall Trustees School in October 2014 and authorize two nights payment from the fund in the amount of \$1,018.44 per person for said expenses related to the conference.**

Mrs. Persson indicated to the Board that she will pay for her attendance and travel to the conference.

Chair Dielman adjourned the meeting at 9:45 a.m.

Minutes approved: November 24, 2014

Matt Bloome

Matt Bloome, Secretary