

**MINUTES  
CITY OF PALMETTO  
GENERAL EMPLOYEES' PENSION BOARD OF TRUSTEES  
MAY 22, 2023  
8:30 A.M.**

**BOARD MEMBERS PRESENT:**

Jim Freeman, Chair  
Dale Hoffner, Vice Chair  
Cheryl Miller, Secretary  
Shannon Ingram  
Robert Urso (Not Present)  
Robert Schofield  
Allen Tusing

**STAFF AND OTHERS PRESENT:**

Scott Christiansen, Board Attorney  
Scott Owens, Graystone Consulting  
Cassi Bailey, Assistant City Clerk/Plan Administrator

Chair Freeman called the meeting to order at 8:30 am and conducted a roll call.

1. AGENDA APPROVAL

**MOTION:**

**Ms. Miller moved, Mr. Tusing seconded, and the motion carried 6-0 to approve the May 22<sup>nd</sup>, 2023 General Employees' Pension Board Agenda.**

2. PUBLIC COMMENT

None

3. APPROVAL OF MINUTES

**MOTION:**

**Mr. Tusing moved, Mr. Hoffner seconded, and the motion carried 6-0 to approve the February 27<sup>th</sup>, 2023 minutes.**

4. APPROVAL OF EXPENSES

- a.) Christiansen & Dehner, P.A. invoices dated 02/28/2023, 03/31/2023, 04/30/2023
- b.) City of Palmetto Reimbursement

**MOTION:**

**Mr. Tusing moved, Ms. Miller seconded, and the motion carried 6-0 to ratify the paid expenses as presented.**

## General Employees' Pension Board of Trustees

May 22, 2023

Page 2 of 5

### 5. INVESTMENT REVIEW

Scott Owens, Graystone Consulting, presented the end of the quarter investment review.

Mr. Owens started the discussion noting the interesting times they've had over the last several years. We are experiencing multi-decade high interest rates right now. He reviewed the Quarter 1 summary, which was provided in the Agenda. The current inflation rate was discussed and the possibility of the FED raising it again in June. Unemployment rates were discussed. Mr. Owens highlighted individual managers and the difference between their performances. The total fund was up 3.3 %. Individual managers were discussed in further detail.

Mr. Owens went over how the portfolio works, and how to get to at least a 6.75% return. He explained to the new Trustee how to read the summary and interpret the information. He recommended taking from Blackrock long short and putting the funds in fixed income. He also suggested doing something different with UBS. This is an illiquid asset which will take 10-12 quarters to get all our money back. The concession fee also needs to be considered. If we requested 100 percent of UBS back today, we wouldn't get any of the discount. If we wait until January, we will have hit the 4-year mark. Mr. Owens went on to say that as of May 12, 2023 the fund was up 8.83%. We're in compliance with everything in the portfolio.

Cheryl Miller questioned UBS and if we would lose the discount rate. Mr. Owens answered that we would have to wait until 4 years not to lose the discount. The loss would be about a quarter of a percent of the portfolio's value. We could take that money and put it into another area and potentially make the money back.

Mr. Freeman also questioned the loss of the discount. Discussions continued regarding redemption of the UBS investment. Partial redemption vs full redemption was discussed. No matter the amount they request back, it will take about 10 quarters to redeem. The fees that we have saved vs what we would have to pay back for the discount was discussed. Mr. Freeman opined that UBS has been underperforming for a long time. Whether we stay in real estate or not, they probably need to do something different than UBS. Mr. Owens would rather take this money and put it in somewhere else. Mr. Tusing liked that they can ask for it back, and if real estate starts booming, they could stop the redemption. He agreed that UBS has underperformed for a long time. Ultimately, they want to get out of UBS, but they can always reinvest with a different real estate manager down the road. Infrastructure was briefly discussed as an alternative.

Mr. Owens recommendation was to request to liquidate the entire amount. It will take 10-12 quarters to redeem. The length of the redemption changes with the market. Redemptions go into cash, then they decide where to invest from there. The earliest they would get their first redemption would be the end of the following quarter.

#### **MOTION:**

**Mr. Hoffner moved, Mr. Schofield seconded, and the motion carried 6-0 to allow Graystone Consulting to begin the total liquidation of UBS.**

#### **MOTION:**

**Ms. Miller moved, Mr. Schofield seconded, and the motion carried 6-0 to liquidate the Blackrock Global Long Short credit from total alternative assets to total fixed income at a proportionate share.**

## **General Employees' Pension Board of Trustees**

**May 22, 2023**

**Page 3 of 5**

Mr. Owens went on to discuss a mid-cap growth manager search, which was included in the Agenda. Allspring is our current manager. Over the past quarter they are outperforming the benchmark. The Board discussed if they should move away from Allspring. The manager search was discussed in detail.

Mr. Freeman asked for Mr. Owen's recommendation. He recommended tabling this and continue to compare in quarters to come. Everyone was in agreeance to wait. If they continue to outperform, he won't bring anything back at the next meeting. If they underperform, they will revisit next quarter.

An asset allocation study will be brought forward at the next meeting.

**MOTION: Ms. Miller moved, Mr. Tusing seconded, and the motion carried 6-0 to approve the investment consultant and manager fees as presented.**

### 6. PROPOSED ORDINANCE 2023-08 ORDINANCE AMENDING PENSION PLAN (ATTORNEY CHRISTIANSEN)

AN ORDINANCE OF THE CITY OF PALMETTO AMENDING CHAPTER 22, PERSONNEL, ARTICLE IV, GENERAL EMPLOYEES' RETIREMENT SYSTEM, OF THE CODE OF ORDINANCES OF THE CITY OF PALMETTO; AMENDING SECTION 22-81, DEFINITIONS; AMENDING SECTION 22-84, FINANCES AND FUND MANAGEMENT; AMENDING SECTION 22-87, PRE-RETIREMENT DEATH; AMENDING SECTION 22-95, MINIMUM DISTRIBUTION OF BENEFITS; AMENDING SECTION 22-105, MILITARY SERVICE PRIOR TO EMPLOYMENT; AMENDING SECTION 22-107, PRIOR GOVERNMENT SERVICE; PROVIDING FOR CODIFICATION; PROVIDING FOR SEVERABILITY OF PROVISIONS; REPEALING ALL ORDINANCES IN CONFLICT HERewith AND PROVIDING AN EFFECTIVE DATE.

Attorney Christiansen highlighted the changes that are being proposed in the Ordinance. These highlights were included in the Agenda. Mr. Freeman asked for them to increase the buyback provision to 5 years to keep it consistent with the Police Pension Board's similar Ordinance.

**MOTION: Mr. Tusing moved, Mr. Hoffner seconded, and the motion carried 6-0 to lengthen the buyback timeframe to 5 years.**

Attorney Christiansen also spoke about re-amortizing annually to reflect changes in the interest rate. He wants to make this adjustment and get rid of the words "and shall be re-amortized" and put a period after the first payment, in both sections for both prior government and prior military. That way they will do a chart using the assumed rate of return at the date the payment period begins and it will stay the same for the entire period.

**MOTION: Mr. Freeman moved, Mr. Tusing seconded, and the motion carried 6-0 to make the changes as presented by Attorney Christiansen and direct Attorney Christiansen to finalize the Ordinance to send to the City Commission for adoption.**

**General Employees' Pension Board of Trustees**

**May 22, 2023**

**Page 4 of 5**

**7. BENEFITS DISBURSEMENT APPROVAL**

**a. DROP PARTICIPANT**

- None

**b. SEPARATED NON-VESTED EMPLOYEE**

- Ulyssess Roberts
- Jorge Rodriguez
- Shani Angeli

**c. SEPARATED VESTED EMPLOYEE**

- None

**d. RETIRED EMPLOYEES**

- None

**e. DECEASED RETIREES**

- None

**f. DECEASED ACTIVE EMPLOYEE PAYOUT**

- None

**MOTION:**

**Mr. Hoffner moved, Mr. Schofield seconded, and the motion carried 6-0 to approve disbursements as presented.**

**8. NEW MEMBER ACKNOWLEDGEMENT (Informational Only)**

- Fabiola Tirado (03/08/2023)
- Christopher Giddens (03/15/2023)
- Emma Butera (04/12/2023)
- Aaron Staley (04/26/2023)
- James Callihan (05/10/2023)

**9. SEPARATED MEMBER ACKNOWLEDGEMENT (Informational Only)**

- None

**10. ATTORNEY CHRISTIANSEN'S REPORT**

Mr. Christiansen noted that they approved the Summary Description Plan at the last meeting and asked if it had been distributed to all the members. It was sent to HR, and staff will verify it was sent to the members.

He also reminded all the Board members that their financial disclosure forms are due by July 1<sup>st</sup>.

**General Employees' Pension Board of Trustees**

**May 22, 2023**

**Page 5 of 5**

Mr. Christiansen went on to discuss the new legislation, House Bill #3 which was recently adopted and signed by the Governor. It eliminates the ability to consider ESG (Environmental Social Governance Issues) when considering investments. There will be reporting that needs to be done, but it is unclear what that will entail. Scott Owens discussed this legislation further.

Cheryl Miller confirmed that the summary report was emailed out by HR on March 31<sup>st</sup> to all employees.

11. PLAN ADMINISTRATOR'S REPORT

Nothing additional to report.

Chair Freeman adjourned the meeting at 10:22 am.

MINUTES APPROVED: AUGUST 28, 2023

*CHERYL MILLER*

CHERYL MILLER

SECRETARY