

**MINUTES  
CITY OF PALMETTO  
GENERAL EMPLOYEES' PENSION BOARD OF TRUSTEES  
AUGUST 28, 2023  
8:30 A.M.**

**BOARD MEMBERS PRESENT:**

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

**STAFF AND OTHERS PRESENT:**

Scott Christiansen, Board Attorney  
Doug Lozen, Foster & Foster  
Scott Owens, Graystone Consulting  
TJ Loew, Graystone Consulting  
Cassi Bailey, Assistant City Clerk

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

1. AGENDA APPROVAL

**MOTION:**

**Mr. Hoffner moved, Ms. Miller seconded, and the motion carried 5-0 to approve the August 28, 2023 General Employees' Pension Board Agenda.**

2. PUBLIC COMMENT

No public comment.

3. APPROVAL OF MINUTES

**MOTION:**

**Ms. Miller moved, Mr. Hoffner seconded, and the motion carried 5-0 to approve the May 22, 2023 minutes.**

4. APPROVAL OF EXPENSES

- a.) Christiansen & Dehner, P.A. invoices dated 05/31/2023, 06/30/2023, 07/31/2023
- b.) Foster & Foster Invoice dated 08/10/2023
- c.) First State Invoice dated 04/05/2023 received 05/26/2023

**MOTION:**

**Mr. Schofield moved, Ms. Miller seconded, and the motion carried 5-0 to ratify the paid expenses as presented.**

**5. INVESTMENT REVIEW**

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

Mr. Owens spoke on the positive quarter. No one expected this good of news. He highlighted the Quarter Performance Summary, which was included in the Agenda. He discussed the reasons why they had such a positive quarter. He is not convinced this will continue. The FED has already expressed that they are going to keep rates where they are, for the foreseeable future. Everyone is expecting a recession to happen. He explained that inflation may be coming down (house prices, cars, food, etc.) but wages haven't come down. The FED is trying to impact the wage inflation. He continued to explain how inflation has directly impacted the economy. He believed we're in the final stretch of the hiking cycle/FED increasing rates.

Mr. Owens began to highlight individual managers and their performance over the last quarter and year to date. The total portfolio was discussed. Allspring, who had under-performed again, will be discussed today in the manager search. The asset allocation study regarding redemption money and what they want to do with the dollars as they get them back, will also be discussed today. The total fund is up 11.04% for the year to date as of August 18, 2023.

Mr. Freeman questioned the UBS redemption and asked if it was advisable to keep some as cash, since it is earning 5%. Mr. Owens was in agreeance with that. If there's volatility in the market, they can take it out of cash. Mr. Freeman questioned if they had received any money back yet in redemption. Mr. Owens answered no, not this quarter.

Mr. Owens noted that everything is in compliance. The only recommendation he would like to make is to continue what they're doing and continue to be right on top of the benchmarks.

Attorney Christiansen mentioned his memo on House Bill #3 (Chapter 2023-28), which became effective July 1<sup>st</sup>, 2023. This requires them not to consider Environmental, Social and Governance Factors, ESG, in investments. This was included in the Agenda as item #6. Mr. Owens discussed the changes in the updated Investment Policy Statement, IPS. A compliance report will have to be filed to the state, but no one knows what a comprehensive report will entail yet. According to Mr. Owens, we have always been compliant with these factors.

The asset allocation was discussed. The asset allocation document that was discussed was included in the Agenda. They've already made the decision to 100% get out of real estate, but it won't be there for 3 years. Mr. Owens was focusing on Mix 2. Mr. Freeman believed there are only small differences in the different scenarios. He and Mr. Owens discussed the targets and ranges. Mr. Lowe further explained. The investment policy, included in the Agenda, was looked at. Mr. Freeman asked what their recommendation was. Mr. Owens further explained what is driving this discussion and recommended Mix 2. Mr. Freeman clarified that his recommendation would be to recommend moving to Mix 2 for asset allocation and update the IPS accordingly. Mr. Owens confirmed that would be the recommended motion, and then they would have to bring in a search for an infrastructure manager. Mr. Owens stated that if they approve the motion, he will have Mr. Lowe update the clean version of the IPS and send to Ms. Bailey for execution. Ms. Ingram asked for clarification on the ESG language as added to the IPS.

**MOTION:**                    **Mr. Hoffner moved, Mr. Schofield seconded, and the motion carried 5-0 to accept Graystone's recommendation of asset allocation of Mix 2 as shown on the slide in the included Investment Policy Statement.**

**MOTION:**                    **Mr. Schofield moved, Ms. Miller seconded, and the motion carried 5-0 to approve the IPS with the updated target allocation and ESG language as presented.**

The manager search for a mid-cap growth manager was discussed. This document was included in the Agenda. Allspring is our current mid-cap growth manager. They're very volatile. Congress bounces closer to the benchmark and is consistently lower risk. Mr. Owens recommended going with Congress. They are ESG compliant.

**MOTION:**                    **Mr. Schofield moved, Ms. Miller seconded, and the motion carried 5-0 to change Allspring to Congress.**

Mr. Owens noted that at the next meeting he will bring a search for infrastructure. Any monies received from real estate will go into cash.

**MOTION:**                    **Mr. Hoffner moved, Mr. Schofield seconded, and the motion carried 5-0 to approve the investment consultant and manager fees as presented.**

**6. CHAPTER 2023-28, LAWS OF FLORIDA (ATTORNEY CHRISITANSEN)**

This was discussed during item number 5.

**7. BENEFITS DISBURSEMENT APPROVAL**

**a. DROP PARTICIPANT**

- None
- b. SEPARATED NON-VESTED EMPLOYEE

- None
- c. SEPARATED VESTED EMPLOYEE

- None
- d. RETIRED EMPLOYEES

- Fletcher Mobley (07/31/2023)

**e. DECEASED RETIREES**

- None

**f. DECEASED ACTIVE EMPLOYEE PAYOUT**

- None

**General Employees' Pension Board of Trustees**

**August 28, 2023**

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**MOTION:**

**Ms. Miller moved, Mr. Schofield seconded, and the motion carried 5-0 to approve the Benefits Disbursements as presented.**

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

- Ronald Wnorowski (06/21/2023)
- Aliane Dor (07/5/2023)
- Stefanie Davis (08/16/2023)

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

- Aaron Kaddatz (05/23/2023)
- Wesley Beauchamp (07/07/2023)

**10. ATTORNEY CHRISTIANSEN'S REPORT**

Attorney Christiansen noted that everyone was in compliance with filing Form 1. He noted a memo he sent out for the 2024 meeting dates. It was included in the Minutes. The dates are February 26<sup>th</sup>, 2024, May 20<sup>th</sup>, 2024, August 26<sup>th</sup>, 2024 and November 25<sup>th</sup>, 2024 all at 8:30 am.

**MOTION:**

**Ms. Miller moved to approve the 2024 meeting dates, Mr. Ingram seconded, and the motion carried 5-0**

Attorney Christiansen also noted that Ordinance 2023-08 was adopted on July 31<sup>st</sup> by City Commission.

**11. PLAN ADMINISTRATOR'S REPORT**

Ms. Bailey noted that Mr. Robert Urso has resigned from the Board. Form 1F was mailed to him on June 12, 2023.

Ms. Bailey also noted that she and Ms. Miller will be going to the FPPTA conference/academy in January to continue their CPPT program.

Chair Freeman adjourned the meeting at 10:12 am.

MINUTES APPROVED: NOVEMBER 27, 2023

*CHERYL MILLER*

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SECRETARY