

**CITY OF PALMETTO  
GENERAL EMPLOYEES'  
PENSION BOARD OF TRUSTEES  
May 23, 2016 - 8:30 A.M.**

Board Members Present:

Jim Freeman, Chair  
Allen Tusing, Vice Chair  
Dale Hoffner  
Ellen Leonard  
Matt Misco

Board Members Absent

Matt Bloome, Secretary  
Patty Persson

Staff and Others Present:

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

Chair Freeman called the meeting to order at 8:38 a.m.

1. AGENDA APPROVAL

**Motion: Mr. Hoffner moved, Mrs. Leonard seconded, and the motion carried 5-0 to approve the May 23, 2016 General Employees' Pension Board agenda.**

2. PUBLIC COMMENT

None.

3. APPROVAL OF MINUTES

**Motion: Mr. Hoffner moved, Mr. Misco seconded, and the motion carried 5-0 to approve the February 29, 2016 minutes.**

4. APPROVAL OF EXPENSES

- A) Christiansen and Dehner: Invoices Dated 2/29/2016
- B) Graystone Consulting: Quarter ending 12/31/2015 (Investment Report)

**Motion: Mr. Tusing moved, Mrs. Leonard seconded, and the motion carried 5-0 to ratify the paid expenses as presented.**

5. INVESTMENT REVIEW

Mr. Owens gave a presentation on the market review during the last quarter.

Mr. Mulfinger presented the end of quarter investment review. The Portfolio was valued at \$11,726,971, a gain of \$15,672 net-of-fees. He reviewed each manager's performance, noting the Plan is over-weighted in private real estate.

Private Advisors recently issued a letter regarding the closure of Stable Value funds and the liquidation process. They explain that as of June 30<sup>th</sup>, the funds will not be charged management or performance fees. Private Advisors prepared a chart that shows the time frame on how the liquidation will occur. Total liquidation is expected by end of 2018. Our Plan should receive 5% back from Private Advisors in August.

Mr. Mulfinger presented an Asset Allocation Analysis to the Board. The Study discussed different scenarios with assumptions and investments. He prepared four "mix" scenarios and the current target. The mixes show different allocations to global equities, fixed income, liquid alternatives and illiquid alternatives. Mr. Mulfinger recommends either Mix 3 or Mix 4. Mix 3 would increase Fixed Income by 2.5% and Illiquid Alternatives by 2.5%. Mix 4 would increase Liquid Alternatives by 2.5% and Illiquid Alternatives by 2.5%.

Mr. Mulfinger discussed the Funds of Hedge Funds Summary handout. The handout compares Blackrock Global Long/Short (Hedge Fund) versus Blackstone Alternative Multi-Strategy (Hedge Fund to Funds). Mr. Freeman discussed the periodic returns in the handout. He was not impressed with the return values over the last four years.

Discussion continued between the Board members and Mr. Mulfinger regarding both handouts. Mr. Freeman supports Mix 4 as presented in the Asset Allocation Analysis.

**Motion: Mr. Tusing moved, Mr. Freeman seconded, and the motion carried 5-0 to change the Investment Policy to mirror Mix 4 as presented by Mr. Mulfinger in the Asset Allocation Analysis.**

**Motion: Mr. Hoffner moved, Mr. Tusing seconded, and the motion carried 5-0 to invest the remaining distribution from Private Advisors in Blackrock Global Logistic Credit I as presented in the Funds of Hedge Funds Summary handout.**

Mr. Freeman discussed the Wells manager and the underperformance since inception (with the exception of last quarter). Mr. Mulfinger is not recommending the Board make a decision on this manager now. Mr. Misco requested a report for the Members to review before the next meeting. Mr. Mulfinger will ask that a representative come to the August meeting.

## 6. BENEFITS DISBURSEMENT APPROVAL

### A. DROP PARTICIPANT

- None

### B. TERMINATED NON-VESTED EMPLOYEES

- Joel Carranza

### C. TERMINATED VESTED EMPLOYEE LUMP SUM DISTRIBUTION

- Jimmy Michener---Left his money in the Plan

### D. RETIRED EMPLOYEES

- None

### E. DECEASED RETIREES

- None

### F. DECEASED ACTIVE EMPLOYEE PAYOUT

- None

**Motion: Mr. Tusing moved, Mr. Hoffner seconded, and the motion carried 5-0 to approve the benefits disbursement as presented.**

## 7. NEW MEMBER ACKNOWLEDGEMENT (Informational Only)

- Corey Hoffman
- Jarkie Tolson
- Christopher Wonderly

8. ATTORNEY CHRISTIANSEN'S REPORT

Attorney Christiansen reminded the Board to submit their Financial Disclosure Forms by July 1, 2016.

Ms. Foley was asked to check on the letter sent to the State regarding the Plan's declared rate of investment return from the last meeting.

Mr. Christiansen is still working on the Ordinance for the Internal Revenue Code changes.

9. PLAN ADMINISTRATOR'S REPORT

Ms. Foley discussed the language in the Plan's Operating Rules and Procedures that identifies the first actuarial calculation for a member will be paid for by the Plan; any calculation thereafter will need to be paid for by the member.

Mr. Misco is requesting access to the Plan's documents through Graystone Consulting online. He would like access so that he can review them online instead of paper copies. Ms. Foley was directed to contact Mr. Owens to add users to the account for read only access to the Plan's documents.

Chair Freeman adjourned the meeting at 10:45 a.m.

Minutes approved: August 29, 2016

*Matt Bloome*

Matt Bloome  
Secretary