

**DRAFT
CITY OF PALMETTO
GENERAL EMPLOYEES'
PENSION BOARD OF TRUSTEES
November 27, 2017 - 8:30 A.M.**

Board Members Present:

Jim Freeman, Chair
Allen Tusing, Vice Chair
Dale Hoffner
Ellen Leonard—(Arrived at 8:37 a.m)
Matt Misco
David Persson

Board Members Absent:

Matt Bloome, Secretary

Staff and Others Present:

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

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

1. AGENDA APPROVAL

Motion: Mr. Hoffner moved, Mr. Tusing seconded, and the motion carried 5-0 to approve the November 27, 2017 General Employees' Pension Board agenda. Mrs. Leonard was absent for the vote.

2. PUBLIC COMMENT

None.

3. APPROVAL OF MINUTES

Motion: Mr. Persson moved, Mr. Hoffner seconded, and the motion carried 5-0 to approve the August 28, 2017 minutes. Mrs. Leonard was absent for the vote.

4. APPROVAL OF EXPENSES

- A) Christiansen and Dehner: Invoices Dated August 2017 through October 2017
- B) Graystone Consulting: Quarter ending September 2017 (Investment Report)
- C) Florida Municipal Insurance Trust #0460
- D) FPPTA Registration for Ellen Leonard
- E) Ellen Leonard Per Diem for Attendance at Fall Trustee School

Motion: Mr. Persson moved, Mr. Tusing seconded, and the motion carried 5-0 to ratify the paid expenses as presented. Mrs. Leonard was absent for the vote.

5. 2018 BOARD MEETING DATES

- February 26, 2018
- May 28, 2018
- August 27, 2018
- November 26, 2018

Motion: Mr. Tusing moved, Mr. Misco seconded, and the motion carried 5-0 to approve the 2018 Board meeting dates as presented. Mrs. Leonard was absent for the vote.

6. INVESTMENT REVIEW

Charlie Mulfinger, Graystone Consulting, performed a Small Capitalization Growth Manager Search and presented a summary to the Board. He asked that the Board review the handout before the next meeting in February.

Scott Owens, Graystone Consulting, presented the end of quarter market review. There has been reasonable growth in the market over the quarter with unemployment at about four percent.

Mr. Mulfinger presented the end of quarter review, stating that the Portfolio was valued at \$13,598,140, a gain net-of-fees of almost \$400,000 since last quarter. The Portfolio is over weighted in equity and slightly underweighted in fixed income. He does not recommend a rebalance at this time.

Mr. Mulfinger discussed the breakdown of returns and highlighted each manager's performance over the quarter.

The Risk/Return Analysis on page 8 of the end of quarter review was discussed. The Board questioned what else can be done in the Portfolio to be closer to the index without actually investing entirely in the index. Discussion continued regarding being conservative versus becoming more aggressive. Mr. Mulfinger was asked to provide a comparison of what would the model look like had the Plan been more aggressive and what it would look like if investments were made in the index.

Mr. Mulfinger noted that since November 20th, the Portfolio is up approximately 1.45 percent.

Mr. Mulfinger discussed the Search Summary as mentioned earlier. This Summary is attached to and made a part of these minutes. The Summary provides a comparison of Franklin, AMI, Henderson Geneva, RBC and the Russell 2000 Growth. Mr. Mulfinger recommends that the Board interview AMI, Henderson Geneva, and RBC at the next meeting. He will fly them in for the February meeting. Mr. Tusing was in agreement but he opined to interview Franklin as well. The Consensus of the Board was to interview the managers as outlined in the Summary. Mr. Mulfinger suggested to interview Franklin, Henderson Geneva and RBC after further discussion.

Motion: Mr. Hoffner moved, Mr. Persson seconded, and the motion carried to have Mr. Mulfinger fly in Franklin, Henderson Geneva, and RBC for Board interviews at the February 26th meeting.

Mrs. LaRowe was directed to add the interviews of the three managers to the agenda before the Investment Review.

7. BENEFITS DISBURSEMENT APPROVAL

A. DROP PARTICIPANT

- None

B. TERMINATED NON-VESTED EMPLOYEES

- Jessica Lugo

- Janee Fergerson
- Christopher Wonderly
- Kristina Demuh
- Neal Mazzei
- George Marquez
- Javier Vargas
- Jorge Aguilar Malpica
- Kurt Stokke

C. TERMINATED VESTED LEFT MONEY IN FUND

- None

D. RETIRED EMPLOYEES

- Reggie Baity—Lump sum distribution to Kemillia D. Baity

E. DECEASED RETIREES

- F. Erlene Green—retiree passed away, no annuitant.

F. DECEASED ACTIVE EMPLOYEE PAYOUT

- None

Motion: Mr. Misco moved, Mr. Tusing seconded, and the motion carried 6-0 to approve the Benefits Disbursements as presented.

8. NEW MEMBER ACKNOWLEDGEMENT (*Informational Only*)

- Karla Owens
- Kalin Hall
- Nicholas Buto
- George Marquez
- Jessica Lugo
- Brian Hubbard
- Kyle Stokke
- Angel Ramirez
- Sebastian Smith
- Daniel Bull
- Janee Fergerson
- Deandre Sanders
- Frankie Romo III
- Angela Bechtel
- Laura Martinez

9. ATTORNEY CHRISTIANSEN'S REPORT

Mr. Christiansen reminded Mrs. LaRowe to provide a copy of the fiscal yearend report to the Mayor and City Commission.

He also reminded Mr. Mulfinger that all the investment managers in the Plan need to sign the most recent Investment Policy Statement and it needs to be provided to Mrs. LaRowe.

10. PLAN ADMINISTRATOR'S REPORT

Mrs. LaRowe stated that Mrs. Leonard and Mr. Tusing's terms expire 1/1/2018. Both of these seats are appointed by the Board and ratified by the City Commission.

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Motion: Mr. Persson moved, Mr. Hoffner seconded, and the motion carried 4-0 to appoint Mrs. Leonard and Mr. Tusing for another two year term to expire 1/1/2020. Mrs. Leonard and Mr. Tusing did not vote.

Mrs. LaRowe reminded the Board that the Winter Trustee School is January 28th through the 31st and will be held in Orlando. If anyone is interested, please let her know before January 8th.

Mr. Freeman discussed the Foster and Foster report he received, stating that this Plan is ranked 66th out of 200 plans with a return of 9.26 percent net-of-fees (this is over a 5 year span).

Chair Freeman adjourned the meeting at 9:47 a.m.

Minutes approved:

Matt Bloome
Secretary