

**CITY OF PALMETTO
GENERAL EMPLOYEES'
PENSION BOARD OF TRUSTEES
May 13, 2019 - 8:30 A.M.**

BOARD MEMBERS PRESENT:

Jim Freeman, Chair
Allen Tusing, Vice Chair
Matt Bloome, Secretary
Angela Bechtel
Dale Hoffner

BOARD MEMBERS ABSENT:

Ellen Leonard

STAFF AND OTHERS PRESENT:

Scott Christiansen, Board Attorney
Andy McIlvaine, Graystone Consulting
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. Tusing moved, Mr. Hoffner seconded, and the motion carried 5-0 to approve the May 13, 2019 General Employees' Pension Board Agenda.

2. PUBLIC COMMENT

3. APPROVAL OF MINUTES

Mrs. LaRowe informed the Board that since the publication of the Agenda, the minutes were more closely inspected. There were some minor grammatical changes with the most important change to the motion made on item 10. The motion has been changed to indicate that the Board had motioned that the Operating Rules and Procedures be tabled until this meeting for further discussion/review.

Motion: Mr. Tusing moved, Mr. Hoffner seconded, and the motion carried 5-0 to approve the February 25, 2019 minutes with the changes as mentioned above.

4. APPROVAL OF EXPENSES

- A) Christiansen and Dehner Invoics Dated January and February 2019
- B) Graystone Consulting: Quarter ending March 2019 (Investment Report)
- C) Foster and Foster Invoice Dated April 19, 2019

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

5. INVESTMENT REVIEW

Mr. Mulfinger informed the Board that this will be his last meeting with the City. Mr. Mulfinger is retiring soon from Graystone Consulting and passing his clients off to Mr. Scott Owens and Mr. Andy McIlvane to continue serving the City.

Mr. Mulfinger discussed a two page letter regarding an administrative error. He explained that for the period of July 2012 through March 2019 management fees in the amount of \$41,904.20 were not charged to the Plan's account. Morgan Stanley will be correcting the error by billing the account appropriately; there will be no interest charged. A copy of this letter and supporting documentation is attached to the minutes.

Mr. McIlvane presented the economic breakdown for the quarter.

Mr. Owens discussed the end of quarter investment review. The Portfolio was valued at \$14,629,419, a gain of about \$1.2M since last quarter. The Portfolio is slightly overweight in total equity; Mr. Owen suggested that the Board might want to entertain a motion to rebalance, if necessary, back to range based on how the market is today. Mr. Owens reviewed the individual managers and their performance for the quarter.

Motion: Mr. Hoffner moved, Mr. Tusing seconded, and the motion carried 5-0 to authorize Mr. Owens to rebalance the total equity in the portfolio to 65 percent if necessary based on what the Portfolio is balanced at as of today [Mr. Owens will check when he returns to the office].

Motion: Mr. Tusing moved, Mr. Bloome seconded, and the motion carried 5-0 to authorize Graystone Consulting to debit the Plan's disbursement account in the amount of \$41,904.20 for fees associated with the UBS Trumbull account from the years 2012 through 2019.

Mr. Freeman asked Mr. Owens if he could incorporate a "fiscal year to date total return" to the Summary for next quarter; he referenced the bottom of page 8 as the location to add it to.

6. 2018 ACTUARIAL VALUATION REPORT

Drew Ballard, Foster and Foster, presented the 2018 Actuarial Valuation Report. Last Fiscal Year, the minimum required contribution was 27.42 percent of payroll, this Fiscal Year it has decreased to 23.47 percent of payroll. The Unfunded Actuarial Accrued Liability is 1,699,926 reduced from last year's amount of 2,546,756. The Funded Ratio has improved from 84.1 percent last year to 89.4 percent this year.

Mr. Ballard has no recommendations this time and stated that the Board may be interested in doing another experience study in 2 to 3 years. He stated that 7 percent is a fair annual rate of investment return for the Board to assume.

Motion: Mr. Tusing moved, Mr. Bloome seconded, and the motion carried 5-0 to accept the October 1, 2018 Actuarial Valuation Report.

7. BENEFITS DISBURSEMENT APPROVAL

A. DROP PARTICIPANT

- None

B. SEPARATED NON-VESTED EMPLOYEE

- Dung A. Chou
- Tonya Wonderly

C. SEPARATED VESTED EMPLOYEE

- None

D. RETIRED EMPLOYEES

- None

E. DECEASED RETIREES

- None

F. DECEASED ACTIVE EMPLOYEE PAYOUT

- None

Motion: Mr. Bloome moved, Mrs. Bechtel seconded, and the motion carried 5-0 to approve the Benefits Disbursements as presented.

8. NEW MEMBER ACKNOWLEDGEMENT (*Informational Only*)

- Tyrone Johnson
- Thomas McKee
- Angel Ramirez
- Ulysess Roberts
- John Ward

9. OPERATING RULES AND PROCEDURES

Attorney Christiansen informed the Board that quite a few changes made to the Rules were in regards to the Plan Administrator. He noted that the Plan Administrator was added to Section 5.2 C that authorization from the Fund shall be in writing and signed by at least two trustees for the Board or one trustee and the Plan Administrator.

Motion: Mrs. Bechtel moved, Mr. Tusing seconded, and the motion carried 5-0 to approve the Operating Rules and Procedures as presented by the Board Attorney.

10. ATTORNEY CHRISTIANSEN'S REPORT

Attorney Christiansen informed the Board that they need to make a motion to declare an assumed expected rate of return.

Motion: Mr. Tusing moved, Mrs. Bechtel seconded, and the motion carried 5-0 to declare that based on the advice of our investment professionals and/or actuary, the Board of Trustees declare that the total expected annual rate of investment return for the next year, the next several years, and the long-term thereafter shall be 7%, net of investment related expenses.

Mr. Christiansen stated that Trustees should be receiving a Form 1, Financial Affidavit, and should fill them out and get them in.

11. PLAN ADMINISTRATOR'S REPORT

Chair Freeman adjourned the meeting at 10:03 a.m.

MINUTES APPROVED: August 26, 2019

Matt Bloome

MATT BLOOME
SECRETARY