

**CITY OF PALMETTO
GENERAL EMPLOYEES'
PENSION BOARD OF TRUSTEES
May 18, 2020 - 8:30 A.M.**

BOARD MEMBERS PRESENT:

Jim Freeman, Chair
Allen Tusing, Vice Chair
Matt Bloome, Secretary
Dale Hoffner
Cheryl Miller

BOARD MEMBERS ABSENT:

Ellen Leonard

STAFF AND OTHERS PRESENT:

Scott Christiansen, Board Attorney
Doug Lozen, Actuary, Foster & Foster—(appeared telephonically)
Andy McIlvaine, Graystone Consulting—(appeared telephonically)
Scott Owens, Graystone Consulting—(appeared telephonically)
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 18, 2020 General Employees' Pension Board Agenda.

2. PUBLIC COMMENT

None.

3. APPROVAL OF MINUTES

Motion: Mr. Tusing moved, Mr. Bloome seconded, and the motion carried 5-0 to approve the February 24, 2020 minutes.

4. APPROVAL OF EXPENSES

- A) Christiansen and Dehner Invoices Dated February and April 2020
- B) Graystone Consulting: Quarter ending March 2020 (Investment Report)
- C) Florida Public Pension Trustees Association (FPPTA) Annual Membership Fee
- D) Reimbursement to City of Palmetto for Postage Certified Letters to Retirees for Confirmation Letter

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

5. INVESTMENT REVIEW

Mr. McIlvane gave the economic report for the quarter.

Mr. Owens gave a report for the end of quarter investment review. He stated that some areas of the portfolio are overweighted/underweighted, however, all are within the appropriate range. Mr. Owens reviewed the performance of each Manager for the quarter and indicated a review of Connors will be conducted at the next Board meeting.

Discussion ensued regarding the current and past performance of Renaissance. Mr. Owens provided the Board with a search summary of other managers to replace Renaissance. A copy of this summary is made a part of the minutes. The three Managers presented to the Board included Capital Group, Clear Bridge and Schoders. Each of these managers were discussed by the Board. Mr. Owens stated that the Board can make a motion to make a change now, table this for more discussion at the August meeting, or request that each of these Managers make a presentation to the Board. Discussion ensued with the decision to make a change today. Mr. Owens agreed with the Board that the best option was to switch from Renaissance to Clear Bridge.

Motion: Mr. Tusing moved, Mr. Hoffner seconded, and the motion carried 5-0 to instruct Graystone Consulting to move out of Renaissance to Clear Bridge for the portfolio; this includes moving all assets currently in Renaissance to Clear Bridge at the International Growth Asset Class for the Portfolio.

The underperformance of UBS was discussed. Concerns about their performance since inception were mentioned by both Mr. Owens and the Board. Mr. Owens will put UBS on an informal watch with consideration of action if their performance is still underperforming.

Mr. Owens discussed the revised Investment Policy Statement (IPS) as attached to the minutes. Changes include increase in ranges but the target was kept the same. Various items were stricken throughout, consistently, with further clarification added. Mr. Freeman opined that these changes do not have a clear direction or goal. Attorney Christiansen echoed Mr. Freeman's statement but also understands the theory behind the changes. There is no legal issue with the changes.

Motion: Mr. Tusing moved, Ms. Miller seconded, and the motion carried 5-0 to accept the changes to the IPS as presented and discussed by the Consultant.

Attorney Christiansen mentioned the First State Trust Company as handed out and attached to the minutes. He questioned the change to the contract and the item on this list. Mr. Owens was unaware of the handout and wanted time to review what was provide; this item is tabled until the August meeting. Mr. Owens and Attorney Christiansen will review and discuss before the next meeting.

6. 2019 ACTUARIAL VALUATION REPORT

Doug Lozen, Foster and FASTER, presented the 2019 Actuarial Valuation Report as attached to the Agenda. He discussed the need for a new experience study and requested a motion by the Board to authorize that for the Fiscal Year 2021.

Mr. Lozen highlighted the reduction in the City's contribution for percent of payroll which is reduced from 18.47 percent this fiscal year to 14.92 percent for Fiscal Year 2021. He also noted the fact that funded ratio increased from 89.4 percent to 94.3 percent.

He stated that the average investment assumption around the State is in the low 7 percent and dropping; he would like to see the Plan adjust the assumption into the 6 percent range.

Motion: Mr. Bloome moved, Ms. Miller seconded, and the motion carried 5-0 to accept the October 1, 2019 Actuarial Valuation Report.

Motion: Mr. Tusing moved, Mr. Bloome 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, next several years, and the long-term thereafter shall be 7%, net of investment related expenses.

Motion: Mr. Hoffner moved, Ms. Miller seconded, and the motion carried 5-0 authorize Actuary professional, Doug Lozen, to present unfunded liability consolidation for the October 1, 2020 valuation.

7. BENEFITS DISBURSEMENT APPROVAL

A. DROP PARTICIPANT

- None

B. SEPARATED NON-VESTED EMPLOYEE

- Stephen Morgan
- Frankie Romo III
- Deandre Sanders
- Jarkie Tolson

C. SEPARATED VESTED EMPLOYEE

- None

D. RETIRED EMPLOYEES

- None

E. DECEASED RETIREES

- None

F. DECEASED ACTIVE EMPLOYEE PAYOUT

- None

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

8. NEW MEMBER ACKNOWLEDGEMENT (Informational Only)

- Jordan Evans
- Jonathan Garcia Ruiz
- Damas Raymond

9. ATTORNEY CHRISTIANSEN'S REPORT

Attorney Christiansen reminded the Board of the vacancy.

He noted that this is the time when the Board members should start receiving the Form 1, Financial Disclosures to fill out and submit by July 1, 2020; a penalty of \$25 per day will accrue beginning in September.

Attorney Christiansen discussed the legislation that he mentioned in February regarding required training; this Bill did not pass.

He discussed the in service distributions that were changed from 62 years to 59.5 years of age. He noted this is not a requirement, the Plan currently allows for 62 years old and can modify or not. This is for employees who retire and collect a benefit and then are reemployed; they can continue to receive their benefit if they are 62 years old. If they are younger, then they have to stop collecting their benefit until they reach 62 years old; this provision can be changed to 59.5 if that is what the Board would like to do.

10. PLAN ADMINISTRATOR'S REPORT

- Status update on the Confirmation of Benefits for the Retirees
 - Mrs. LaRowe acknowledged that all confirmations have been received as of last Wednesday; the retiree that did not submit by the publication of the Agenda (as attached) submitted their information on Wednesday last week.
- Authorization for Catherine Dublin, City of Palmetto Accountant, access to the General Employees' Pension Plan accounts regarding retirees and reconciliation of accounts.

Motion: **Mr. Tusing moved, Ms. Miller seconded, and the motion carried 5-0 to authorize Catherine Dublin Accountant for City of Palmetto, access to the retiree accounts of the General Employee Pension Plan to assist in the reconciliation of accounts. Also, the removal of Angela Bechtel access to these same accounts.**

Chair Freeman adjourned the meeting at 10:51 a.m.

MINUTES APPROVED: AUGUST 31, 2020

MATT BLOOME

MATT BLOOME
SECRETARY