

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

**Board Members Present:**

Jim Freeman, Chair  
Allen Tusing, Vice Chair  
Matt Bloome, Secretary  
Dale Hoffner  
Cheryl Miller  
Ellen Leonard (Not Present)  
Mark Ingram (Not Present)

**Staff and Others Present:**

Scott Christiansen, Board Attorney  
Andy McIlvaine, Graystone Consulting  
Doug Lozen, Actuary, Foster & Foster (Appeared Telephonically)  
Scott Owens, Graystone Consulting  
Vanessa Cochran, Assistant City Clerk

Chair Freeman called the meeting to order at 9:05 a.m.

1. AGENDA APPROVAL

**Motion: Mr. Tusing moved, Mr. Bloome seconded, and the motion carried 5-0 to approve the November 30, 2020 General Employees' Pension Board Agenda.**

2. PUBLICCOMMENT

None

3. APPROVALOFMINUTES

**Motion: Ms. Miller moved, Mr. Bloome seconded, and the motion carried 5-0 to approve the August 31, 2020 minutes.**

4. APPROVALOFEXPENSES

- A) Christiansen and Dehner Invoices Dated August 31, 2020 Professional Services
- B) Graystone Consulting: Quarter ending September 2020 (Investment Report)
- C) Florida Municipal Insurance Trust Invoice dated September 1, 2020 Fiduciary Liability
- D) Foster & Foster Invoice dated August 27, 2020 for Compliance Disclosure

**Motion: Mr. Tusing moved, Mr. Hoffner seconded, and the motion carried 5-0 to ratify the expenses as requested.**

5. INVESTMENT REVIEW

Mr. McIlvaine, Graystone Consulting, recounted two action items from the August 31, 2020 meeting. He stated that the capital was removed from Connors and placed in the Vanguard Large Cap Core, and the Board voted to rebalance the Portfolio to Mix 1.

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The target was the Large Cap Core at 15%, which was reduced to 5%, and 5% was added to the Large Cap Value, and 5% added to the Large Cap Growth. He stated that the updated Investment Policy Statement (IPS) will be discussed by Scot Owens, Graystone Consulting.

Mr. Owens, Graystone Consulting, presented the end of the quarter investment review, and the report is a part of the minutes. He gave a highlight of the market during the 1st, 2nd, and 3rd quarters. He declared that there was a significant rotation from Large Cap into Small Cap and Mid Cap since the end of the quarter. And, a significant rotation into value instead of growth.

Mr. Owens stated that the Portfolio has outperformed the market and all the active managers are doing well, so there is no need to make changes. He reported that the value of the Portfolio is \$15,833,000. Then, he discussed the individual performances of the managers for the quarter and stated that the updated values for the total fund is up 5.76%. Mr. Owens asked if there were any questions.

Discussion ensued concerning the change from Connors to Vanguard. Mr. Owens declared that the targets were changed to large caps. He added that the policy consisted of 4 managers, Connors, Polen, Vanguard, and BlackRock, and the money was taken from Connors and deposited into the other 3 managers. He emphasized that this was the only change made to the investment policy.

**Motion: Mr. Bloome moved, Mr. Tusing seconded, and the motion carried 5-0 to accept the changes as presented to the Investment Policy that is dated November 30, 2020.**

6. 2020 ACTUARIAL VALUATION REPORT

Mr. Lozen, Foster and Foster, presented the 2020 Actuarial Valuation Report and stated that the results are good. He discussed the funding requirements and stated that there is no need to make changes. He acknowledged that an Experience Study needs to be conducted and requested approval. He commented that after the study is completed, the investment assumption could range from 6 ½ percent to 6 ¾ percent and still keeping the City around a 10 percent contribution of payroll.

Mr. Lozen discussed the Plan Experience and stated that it had exceeded the market assumption with over 7 percent. The sources of the gain included turnovers in retirement, more investment, and changing the mortality assumption brought the City to a 100 percent funded status versus last year at 94 percent. Mr. Lozen welcomed questions regarding the Evaluation Report and the funding status, and recommended updating the Experience Study to be presented sometime next year for discussion.

Mr. Freeman addressed the Experience Study and announced that the City is exploring a salary study this year. Mr. Lozen affirmed that the salary study will be considered when preparing the Experience Study. He added that any changes will be incorporated to the October 1, 2021 evaluation, and this will impact the City's 2022 and 2023 fiscal year. He suggested that next spring will be good time to review the salary study.

**Motion: Ms. Miler moved, Mr. Tusing seconded, and the motion carried 5-0 to accept Actuarial Valuation as of October 1, 2020 for contributions applicable to the Plan fiscal year ending September 30, 2022.**

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**Motion: Mr. Tusing moved, Mr. Hoffner seconded, and the motion carried 5-0 to declare that based on the advice of the consultant that the Board expects to get a 7% investment return for the next year, next several years, and the long term thereafter.**

**Motion: Ms. Miller moved, Mr. Bloome seconded, and the motion carried 5-0 to update the Experience Study and provide guidance for Foster and Foster not to exceed \$10,000.**

**7. BENEFITSDISBURSEMENTAPPROVAL**

**a. DROP PARTICIPANT**

- None

**b. SEPARATED NON-VESTED EMPLOYEE**

- Amber LaRowe
- Ryan Johnson
- Kayla Walling

**c. SEPARATED VESTED EMPLOYEE**

- None

**d. RETIRED EMPLOYEES**

- Kenneth Griffin

**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)**

- David Hernandez
- Logan Opsincs
- Frankie Romo
- Emma Culbertson
- Angela Gunn

**9. ATTORNEY CHRISTIANSEN'S REPORT**

Attorney Christiansen reminded the Board of the vacancies. And, He expressed that fiscal year-end report pension Letter PL-2 and the Morgan Stanley Quarterly Performance Report be submitted to the Commission.

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Attorney Christiansen stated that the Summary Plan Description that was updated in March 2019 is due to be updated because it is required every 2 years. He requested that the Board give authorization to have the Summary Plan Description updated

**Motion: Mr. Tusing moved, Mr. Bloome seconded, and the motion carried 5-0 to have the Summary Plan Description updated.**

Attorney Christiansen reported that there were changes made to the Internal Revenue codes regarding the required minimum disbursement date that used to be age 70 and changing to age 72. There are several references in the Plan with the old date that needs to be updated. Also, the language in the Plan regarding the reemployment of retirees is 62, and the Internal Revenue Services (IRS) has changed it to 59 ½. He added that this would give the City some flexibility in rehiring employees who have retired. Attorney Christiansen requested the Board's authorization to do an ordinance to make changes in both Plans.

**Motion: Mr. Tusing moved, Ms. Miller seconded, and the motion carried 5-0 to authorize Attorney Christiansen to do an ordinance to make the changes to the Plans.**

Attorney Christiansen asked about Mr. Moreno's overpayment. Mr. Freeman replied that the error was corrected in December 2020 and is working with Mr. Moreno to prepare a plan to repay the overpayment.

10. PLAN ADMINISTRATOR'S REPORT

Ms. Cochran discussed the new process of sending agendas to the Board. Mr. Freeman added if the Board wants hardcopies, they can be provided.

Mr. Tusing requested to have the Cola raise reviewed regarding retirees since it has not been raised since 1996. Attorney Christiansen suggested to have Doug Lozen, Foster and Foster, present some options when he returns in the spring.

**Motion: Mr. Bloome moved, Mr. Hoffner seconded, and the motion carried 5-0 to have the City explore the cost associated with a 1 time cola based on today current retirees' payments.**

Chair Freeman adjourned the meeting at 10:35 a.m.

MINUTES APPROVED: FEBRUARY 22, 2021

*MATT BLOOME*

MATT BLOOME

SECRETARY