

CITY OF PALMETTO
GENERAL EMPLOYEES' PENSION BOARD OF TRUSTEES
February 22, 2021 - 8:30 A.M.

Board Members Present:

Jim Freeman, Chair
Allen Tusing, Vice Chair
Matt Bloome, Secretary (Entered Meeting at 8:38 a.m.)
Dale Hoffner
Mark Ingram (Not Present)
Catherine Dublin
Ellen Leonard (Not Present)

Staff and Others Present:

Scott Christiansen, Board Attorney
Andy McIlvaine, Graystone Consulting
Scott Owens, Graystone Consulting
Vanessa Cochran, Assistant City Clerk

Mr. Freeman called the meeting to order at 8:31 a.m.

1. AGENDA APPROVAL

Motion: Mr. Tusing moved, Mr. Hoffner seconded, and the motion carried 3-0 to approve the February 22, 2021 General Employees' Pension Board Agenda.

2. PUBLIC COMMENT

None

3. CERTIFICATION OF BALLOTS FOR THE TWO ELECTED TRUSTEES SEATS

An election was held from January 20th through the 25th. Ballots were collected by the Clerk for the Board and counted. Per the Operating Rules and Procedures, the ballots have been certified by the City Clerk and the Clerk for the Board.

- CHRISTINE DUBLIN RECEIVED 58 VOTES
- MATT BLOOME RECEIVED 36 VOTES
- OSCAR KIEFFER RECEIVED 35 VOTES
- ZACHARY SCHWARTZ RECEIVED 11 VOTES

Motion: Mr. Hoffner moved, Mr. Tusing seconded, and the motion carried 3-0 to approve the Clerk's certification of the election for the Pension Board of Trustees [Ms. Dublin and Mr. Bloome received the highest number of votes and are thereby elected for a two year term].

4. APPROVAL OF MINUTES

Attorney Christiansen made a correction to the minutes regarding the spelling of his last name.

Motion: Mr. Tusing moved, Mr. Hoffner seconded, and the motion carried 4-0 to approve the November 30, 2020 minutes.

5. APPROVAL OF EXPENSES

- a. Christiansen & Dehner Invoices dated November 30, 2020
- b. Foster & Foster Invoice dated December 18, 2020
- c. Graystone Consulting: Quarter ending December 2020 (Investment Report)

Motion: Mr. Tusing moved, Mr. Hoffner seconded, and the motion carried 4-0 to ratify the paid expenses as presented.

6. INVESTMENT REVIEW

Andy McIlvaine, Graystone Consulting, reviewed the action items that were implemented during the last meeting held November 30, 2020.

Scott Owens, Graystone Consulting, presented the 4th Quarter Summary, and the summary is made a part of the minutes. The Portfolio was valued at \$17,417,740, which is an increase since October 1st. Mr. Owens reviewed the performance of each manager for the quarter. The performances of the Small Caps Value and Mid Caps Value funds were substantially reviewed.

Mr. Freeman inquired about the underperformance of UBS and replacing it. Mr. Owens stated that he will bring some alternatives in for the board to review at the next meeting on May 24th. Attorney Christiansen asked if the fee savings will have to be paid back, and Mr. Owens replied yes.

Discussion: Mr. Bloome expressed that he doesn't want to reallocate any money right now until the real estate industry improves. And, Mr. Hoffner stated that some alternatives needs to be brought in to review at the May 24th meeting. Then, Mr. Freeman inquired about the Anchor Value performance that dropped last quarter. Mr. Owens responded that Anchor's stock selection hurt them, however, they will restructure and recover.

Mr. Scott reported that the total fund is up 14.11% since October 1st. The value managers are out performing the growth managers. And, small caps are up more than the large caps. The Portfolio is slightly overweight in equity, and fixed is slightly underweight. Mr. Owens requested that the Board make a motion to rebalance the weights.

Motion: Mr. Hoffner moved, Mr. Tusing seconded, and the motion carried 4-0 to authorize Mr. Owens to rebalance from equity to fixed to come within the range of fixed and take from the most overweight fund in equity.

Mr. Owens declared that most managers are benefitting the Portfolio. Also, an additional page will be included that shows searches done and changes completed or not.

7. PROPOSED ORDINANCE 2021-01 INTERNAL REVENUE CODE CHANGES

Attorney Christiansen informed the Board of the following changes made to the attached proposed ordinance:

- Section 22-86, amending benefit amounts and eligibility.
- Section 22-87, amending pre-retirement death.
- Section 22-90, amending optional forms of benefits.
- Section 22-95, amending minimum distribution of benefits.
- Section 22-109, amending reemployment after retirement.

Motion: Mr. Tusing moved, Mr. Bloome seconded, and the motion carried 4-0 to recommend adoption of Ordinance 2021-01 by City Commission.

8. 2021 SUMMARY PLAN DESCRIPTION

Attorney Christiansen discussed the changes to the Summary Plan Description. He stated that the plan is required to be updated every 2 years and does not require Commission's approval just the Board. He added that there were minor changes, and the Board of Trustees list of names has to be updated.

Motion: Ms. Dublin moved, Mr. Tusing seconded, and the motion carried 4-0 to approve the March 1, 2021 Summary Plan Description.

9. BENEFITS DISBURSEMENT APPROVAL

Mr. Freeman acknowledged that there were no disbursements to the fund. And, he stated that the added item, Separated Member Acknowledgement, indicates that the member left the City and has not taken a disbursement from the fund.

a. DROP PARTICIPANT

- None

b. SEPARATED NON-VESTED EMPLOYEE

- None

c. SEPARATED VESTED EMPLOYEE

- None

d. RETIRED EMPLOYEES

- None

e. DECEASED RETIREES

- None

f. DECEASED ACTIVE EMPLOYEE PAYOUT

- None

10. NEW MEMBER ACKNOWLEDGEMENT (Informational Only)

- None

11. SEPARATED MEMBER ACKNOWLEDGEMENT (Informational Only)

- None

12. ATTORNEY CHRISTIANSEN'S REPORT

Attorney Christiansen informed the Board that the selection of the Chairman, Vice Chair, and the Secretary needs to be done.

Motion: Mr. Hoffner moved, Mr. Tusing seconded, and the motion carried 4-0 to keep the officers of the Board the same as previous [Mr. Freeman will remain the Chair, Mr. Tusing would remain the Vice Chair, and Mr. Bloome would remain the Secretary].

Attorney Christiansen expressed that during the last meeting in November 2020 the October 1, 2020 Actuarial Valuation Report was approved and inquired if the Plan Administrator sent Pension letter #1 to Tallahassee, and Ms. Cochran replied yes.

Attorney Christiansen discussed a pending Legislative Bill in Tallahassee. The Bill requires appointed public officials to get continual/further education of 5 hours in the area of Board governing and fiduciary responsibilities. He commented that this Board has 2 that are appointed by the Commission and some elected by membership and some selected by the Board. The two last categories, he is not sure if they fall under the appointee or elected category, so he will have to get clarification. The Bill specifically provides that the State will designate entities who will authorize the additional training. Also, the training will be offered online. Attorney Christiansen stated that he will keep the Board updated on this bill.

Attorney Christiansen explained the new E-Verify System Bill that was adopted by the Florida Legislation effective January 1, 2021. He stated that all public employers are mandated to use the online website that was established by Homeland Security. This website give employers the ability to verify documents provided to them by new hires to establish lawful employment eligibility. Mr. Freeman, Chair, confirmed that the City has been using it.

Mr. Tusing inquired about the Cola percentage raise status regarding retirees. Mr. Freeman replied that he will have the information at the next meeting on May 24, 2021.

13. PLAN ADMINISTRATOR'S REPORT

Ms. Cochran reported that the October 1, 2020 Actuarial valuation Report was sent to Tallahassee and the Commission; the Annual report of Investment Activity was sent to the Commission; Investment Policy Statement (IPS) was sent to Tallahassee. Mr. Freeman confirmed that Mr. Moreno was notified of his overpayment and repayment plan has been established.

Mr. Freeman adjourned the meeting at 10:05 a.m.

MINUTES APPROVED: MAY 24, 2021

MATT BLOOME

MATT BLOOME

SECRETARY