

MINUTES
CITY OF PALMETTO
GENERAL EMPLOYEES' PENSION BOARD OF TRUSTEES
AUGUST 22, 2022
8:30 A.M.

BOARD MEMBERS PRESENT:

Jim Freeman, Chair (left the meeting at 8:50 am, returned at 8:51 am)
Allen Tusing, Vice Chair (left the meeting at 8:45 am, and returned at 8:49 am)
Matt Bloome, Secretary- Not Present
Dale Hoffner
Mark Ingram-Not Present
Cheryl Miller
Robert Urso

STAFF AND OTHERS PRESENT:

Scott Christiansen, Board Attorney
Scott Owens, Graystone Consulting
Cassi Bailey, Assistant City Clerk/Plan Administrator

Chair Freeman called the meeting to order at 8:31 am and conducted a roll call.

1. AGENDA APPROVAL

MOTION: **Mr. Hoffner moved, Mr. Tusing seconded, and the motion carried 5-0 to approve the August 22, 2022 General Employees' Pension Board Agenda.**

2. PUBLIC COMMENT

None

3. APPROVAL OF MINUTES

MOTION: **Ms. Miller moved, Mr. Urso seconded, and the motion carried 5-0 to approve the May 23, 2022 minutes.**

4. APPROVAL OF EXPENSES

- a.) Christiansen & Dehner, P.A. invoice dated 05/31/2022
- b.) Foster & Foster invoice dated 03/24/2022
- c.) Christiansen & Dehner, P.A. invoice dated 06/30/2022
- d.) First State invoices dated 07/12/2022
- e.) Christiansen & Dehner, P.A. invoice dated 07/31/2022
- f.) FPPTA invoice dated 11/23/2021

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

5. INVESTMENT REVIEW

Scott Owens, Graystone Consulting, presented the end of the quarter investment review which was included in the Agenda. He mentioned an article from the Wallstreet Journal which stated that this is the worst rout since 2009 in the United States. It has been a terrible first half of the year. He discussed the differences between Managers over the first half of the year. He opined to stay the course, stick to the plan, and over time you will get there. Since 2008 the Fed has artificially kept the interest rates low. That started to end last year. The first two quarters of the year we saw negative GDP growth. The Fed is far more concerned with inflation than they are with a recession. Inflation is currently at 9%. Maintaining a defensive posture is the best course of action in his opinion. More people are coming back into the workforce looking for jobs. He believes the unemployment rate will go up in the coming quarters. Wages have gone up 6-7%, but inflation is at 9%, therefore real wages have gone down. Savings have gone down, and consumer debt is up. Consumer spending went up because things cost more, not because they are buying more. The inventory is going up. He believes that the bulk of the Fed increasing interest's rates are behind us.

He highlighted the Investment Review summary. Having one or two bad quarters makes everything look bad, but it was not all bad. He discussed the areas that did not do well, and things that were not hit as hard. Europe did better than we did. It is not because their economy is better, it is because they were not as overly inflated, therefore they look as though they are doing better than we are. Fixed income was down 5-12% for the quarter. Stocks and bonds are both down, which does not happen frequently. The portfolio did .5% better over the quarter. July was a very good month. He believes we will be dealing with a lot of volatility in the market. Almost every manager did better. He recommended BlackRock long/short underweighting to 5% and putting the money in fixed income. Individual Managers were discussed. Polen really hurt the portfolio, but overall, it has been a great returner. Anchor has done a fantastic job for the quarter. It is a defensive manager. Madison is doing exactly what it is supposed to do. He wants to take from BlackRock and put into Madison. Real Estate is the bright spot in the portfolio.

Mr. Urso questioned the Second Quarter Rout diagram, and where our portfolio lies. Mr. Owens discussed standard deviation and our defensive posture. Mr. Urso questioned the need for a stress test. Stress tests show historical events that have actually happened and how our portfolio performs. It also shows how our portfolio would perform in hypothetical events. The Board agreed they would like to do a stress test. Mr. Owens said it is no additional cost and he will provide that before the next meeting.

Mr. Freeman mentioned BlackRock long/short and questioned the interest rates being raised. Mr. Owens clarified that he believed the bulk of the interest rate rises are behind us, not that they will not rise again. The market moves in front of the Fed. The market feels there will be one or two more raises and then will be neutral through next year. Mr. Freeman also questioned Polen who has never beat the benchmark. Mr. Owens stated that because they had such a bad quarter, it affects the 10-year average.

Mr. Owens recommended to take BlackRock down to 5% and move it into Madison.

Motion: Mr. Urso moved, Mr. Tusing seconded, and the motion carried 5-0 to take Blackrock down to 5% and invest it into Madison.

Mr. Freeman questioned the billing fees. The Board would like to see things billed in alignment with the quarters. The custodian fees are paid separately. Discussions continued regarding the fees that are included.

MOTION: **Mr. Tusing moved, Ms. Miller seconded, and the motion carried 5-0 to approve the investment consultant and manager fees as presented.**

6. HEARING: FORFEITURE OF PENSION BENEFIT

Mr. Christiansen gave a brief background and explained the reasoning for the forfeiture. Supporting documents were included with the Agenda.

Motion: **Mr. Hoffner moved, Mr. Urso seconded, and the motion carried 5-0 to accept the forfeiture.**

7. 2023 PENSION BOARD PROPOSED MEETING DATES

MOTION: **Ms. Miller moved, Mr. Tusing seconded, and the motion carried 5-0 to approve the 2023 Meeting Dates for the General Employees' Pension Board.**

8. BENEFITS DISBURSEMENT APPROVAL

MOTION: **Mr. Urso moved, Mr. Hoffner seconded, and the motion carried 5-0 to approve the Benefits Disbursements as presented.**

a. DROP PARTICIPANT

- None

b. SEPARATED NON-VESTED EMPLOYEE

- Alberto Betancourt
- Catherine Dublin
- Damas Raymond
- Heather Reed
- Laura Martinez
- Ray Guerrero
- Robert Johnston
- Tanisha Jefferson
- William Martinez

c. SEPARATED VESTED EMPLOYEE

- None

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d. RETIRED EMPLOYEES

- Andrew Hudson

e. DECEASED RETIREES

- Walter Guyton
- Albert Wood (100% Survivor Annuity)

f. DECEASED ACTIVE EMPLOYEE PAYOUT

- None

9. NEW MEMBER ACKNOWLEDGEMENT (Informational Only)

- Agustin Ramirez
- Annie Armstrong
- Antwan Wortham
- Brandon Martingano
- Jorge Casimiro
- Katherine Casperson
- Lydia Aung-Din
- Matthew Bechler
- Ricardo Ruiz
- Romain Noble
- Tito Phaengsavanh

10. SEPARATED MEMBER ACKNOWLEDGEMENT (Informational Only)

- Agustin Ramirez
- Carlos Duque
- David Wright
- Lydia Aung-Din
- Maria Salazar-Diaz
- Matthew Bechler
- Richardo Hernandez
- Sebastian Smith
- Terri Dickinson
- Zachary Schwartz

11. ATTORNEY CHRISTIANSEN'S REPORT

Attorney Christiansen mentioned that the Financial Disclosure forms were due July 1st. They do not have Allen Tusing's form. Mr. Tusing stated that it has now been filed. Attorney Christiansen also mentioned that they do not have Robert Urso listed as a member yet, but he has filed his form.

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Attorney Christiansen questioned if Ordinance 2022-08 had been sent to Tallahassee yet. Mr. Freeman responded that it has not yet. Doug Lozen is supposed to be giving us a list of the amounts for the employee increases hopefully by October 1st. Attorney Christiansen clarified that we need to send the state a copy of the Ordinance and the impact statement prior to the second reading in the future. The COLA will be retroactive to October 1st, 2021.

12. PLAN ADMINISTRATOR'S REPORT

Ms. Bailey requested authorization from the Board to attend the FPPTA Conference and enroll in the CPPT Program.

MOTION: **Mr. Freeman moved, Mr. Tusing seconded, and the Motion carried 5-0 to allow Ms. Bailey to attend the FPPTA Conference and enroll in the CPPT Program, splitting the cost with the Police Pension Board.**

Chair Freeman adjourned the meeting at 9:40 am.

MINUTES APPROVED: NOVEMBER 28, 2022

MATT BLOOME

MATT BLOOME

SECRETARY