

**CITY OF PUNTA GORDA  
GENERAL EMPLOYEES PENSION BOARD OF TRUSTEES  
QUARTERLY MEETING MINUTES  
City Hall Council Chambers, 326 W Marion Ave, Punta Gorda, FL 33950**

Thursday, December 19, 2019 at 10:30AM

**TRUSTEES PRESENT:** Julie McGillivray  
Linda Sposito  
John Smith  
Bradley Teets  
John Tiller

**TRUSTEES ABSENT:** None

**OTHERS PRESENT:** Scott Christiansen, Christiansen & Dehner  
Ferrell Jenne, Foster & Foster  
Kim Kilgore, Foster & Foster  
Patrick Donlan, Foster & Foster  
Kerry Richardville, AndCo Consulting  
Kristin Simeone, Finance Director  
Members of the Public

1. **Call to Order** Linda Sposito called the meeting to order at 10:45AM.
2. **Roll Call** As reflected above.
3. **Public Comments** None.
4. **Approval of Minutes**
  - a. September 19, 2019, quarterly meeting

**The minutes from the September 19, 2019 quarterly meeting were approved, upon motion by Julie McGillivray and second by John Tiller, motion carried 3-0.**

5. **Consent Agenda**
  - a. Payment ratification
    - i. Warrant #61
      1. Foster & Foster, invoice #15324, \$1,400.00
      2. AndCo Consulting, invoice #33171, \$6,000.00
    - ii. Warrant #62
      1. Christiansen & Dehner, invoice #33597, \$924.30
      2. Foster & Foster, invoice #15506, \$1,562.40
      3. Garcia Hamilton & Associates, invoice #31133, \$8,873.77
    - iii. Warrant #63
      1. Salem Trust, 3<sup>rd</sup> quarter fees, \$6,912.51
      2. Foster & Foster, invoice #15702, \$1,400.00
      3. Baron Capital Management, 3<sup>rd</sup> quarter fees, \$6,168.92
      4. Foster & Foster, invoice #15853, \$20,126.00
      5. Foster & Foster, invoice #15942, \$1,400.00
  - b. New invoices for payment
    - i. None
  - c. Fund Activity Report for September 13, 2019 – December 12, 2019

**The consent agenda was approved as presented, upon motion by John Tiller and second by Julie McGillivray; motion carried 3-0.**

*Note: Bradley Teets arrived at 10:47AM.*

6. **New Business**

- a. Update on core vendor liability coverage
  - i. Ferrell Jenne commented the certificate of liability insurance for each of the board consultants was included in their packet.
  - ii. The board reviewed the coverage for each consultant.
  - iii. Ferrell Jenne commented Foster & Foster had recently put some extra security measures into place and would provide a summary at the next meeting.

*Note: Linda Sposito arrived at 10:51AM.*

7. **Old Business** – None.

8. **Reports (Attorney/Consultants)**

- a. Foster & Foster, Board Actuary, Patrick Donlan
  - i. October 1, 2019 valuation report
    1. Patrick Donlan commented on the good news of costs going down from \$2,041,170 to \$1,701,258 due to paying off the Unfunded Accrued Actuarial Liability (UAAL).
    2. The funded ratio increased from 83.80% to 86.00%.
    3. Patrick Donlan reviewed the average annualized rate of return for the prior four years of 7.53% which outperformed the assumed rate of return of 7.00%.
    4. Patrick Donlan commented the plan experience was favorable overall due to actuarial gain of investment return and the inactive mortality experience. Patrick further commented these gains were partially offset by the effect of unfavorable retirement and turnover experience.
    5. Patrick Donlan commented over the next five years over half of the plan members would be eligible for retirement.
    6. John Tiller asked about the plan funding with eligibility high in the next couple of years. Patrick Donlan stated they had already been funding for these benefits.
    7. Patrick Donlan reviewed the current assumptions used for retirement age.
    8. Patrick Donlan reviewed the detailed actuarial gain/loss analysis with a decrease in the balance of the Actual Unfunded Accrued Actuarial Liability (UAAL) as of October 1, 2019 of \$7,797,934.
    9. Patrick Donlan recommended to consolidate the UAAL balance into one and payoff in ten years. Patrick stated this change would smooth out the funding requirement volatility.

**The board approved to consolidate the total Unfunded Accrued Actuarial Liability (UAAL) balance to a ten-year amortization schedule beginning with the October 1, 2020 valuation, upon motion by John Tiller and second by Bradley Teets; motion carried 5-0.**

**The board approved the October 1, 2019 valuation report as presented, upon motion by John Smith and second by John Tiller; motion carried 5-0.**

10. Kerry Richardville recommended the assumed rate of return to be at 7.00% through September 30, 2023 and 6.75% thereafter.

**The board declared the assumed rate of returns for the plan at 7.00% from September 30, 2019 through September 30, 2023 net of related expenses and 6.75% for subsequent years, upon motion by John Tiller and second by John Smith; motion carried 5-0.**

- b. AndCo Consulting, Investment Consultant, Kerry Richardville
  - i. Quarterly report as of September 30, 2019
    - 1. Kerry Richardville gave a brief overview of the market environment for the quarter, noting the federal rates were cut twice.
    - 2. Kerry Richardville commented it was a unique year with fixed income and equity returns.
    - 3. Kerry Richardville reviewed the treasury yield curve.
    - 4. Market value of assets of September 30, 2019 were \$47,496.138.
    - 5. Kerry Richardville commented asset allocations were in line with the Investment Policy Statement (IPS) by 1.00% and no rebalancing was needed at this time.
    - 6. Total fund gross returns for the quarter were 1.35%, outperforming the policy benchmark of 1.23%. Gross total fund fiscal YTD returns were 5.01%, underperforming the benchmark of 6.04%. Total fund gross trailing returns for the 3 and 5-year periods were 8.19%, and 6.69%. Since inception (3/1/1999) total fund gross earnings were 6.18% outperforming the policy benchmark of 5.41%.
    - 7. John Tiller asked about HDV investment. Kerry Richardville explained high yield funds would have value lien sector allocation high in energy and industries would want to pair with growth fund comparable to passive fees.
    - 8. John Tiller commented he would like to look at this type of investment. Kerry Richardville commented she would cover the HDV strategy at the next meeting.
  - ii. November 30, 2019 flash report
    - 1. Kerry Richardville commented the quarter was off to a good start.
    - 2. Kerry Richardville reviewed the compliance checklist.
- c. Christiansen and Dehner, Board Attorney, Scott Christiansen
  - i. Scott Christiansen asked the plan administrator if the Summary Plan Description (SPD) had been distributed to members of the plan. Ferrell Jenne stated it had been.
  - ii. Scott Christiansen asked if the Investment Activity letter had been sent to the City by the plan administrator. Ferrell Jenne confirmed it had been sent.
  - iii. Scott Christiansen presented the biography of Bonni Jensen for the board to review. Bonni Jensen was designated by Scott as his backup attorney as required by the State.
- d. Foster & Foster, Plan Administrator, Ferrell Jenne
  - i. Renewal of FPPTA board membership
    - 1. Ferrell Jenne commented the annual FPPTA membership was up for renewal at an annual cost of six hundred and twenty dollars.

**The board approved to pay the annual FPPTA membership fee, upon motion by Julie McGillivray and second by John Smith; motion carried 5-0.**

ii. Educational opportunities

1. Ferrell Jenne commented the FPPTA Winter Trustee School would be held January 26-29, 2020 in Orlando, Florida.

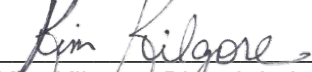
c. **Trustee Reports, Discussion, and Act** - None.

d. **Adjournment** The meeting adjourned at 12:02PM.

e. **Next Meeting** March 19, 2020, 10:30AM, Quarterly Meeting

Respectfully submitted by:

Approved by:

  
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Kim Kilgore, Plan Administrator

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Linda Sposito, Chairperson

Date Approved by the Pension Board: 04/20/2020