

**CITY OF PUNTA GORDA
GENERAL EMPLOYEES PENSION BOARD OF TRUSTEES
QUARTERLY MEETING MINUTES**

Wednesday, April 1, 2020 at 10:00AM

Governor Ron DeSantis signed Executive Order 20-69 which suspends all statutes that require a quorum to be present in person or require a local government body to meet at a specific public place. It also provides that local government bodies may utilize communications media technology, such as telephonic and video conferencing, as provided in section 120.54(5)(b)2, Florida Statutes. Under Executive Order 20-69, the board meeting was held via video conference using Zoom Meeting.

TRUSTEES PRESENT: Julie McGillivray (via phone)
Linda Sposito (via phone)
John Smith (via phone)
Bradley Teets (via phone)
John Tiller (via phone)

TRUSTEES ABSENT: None

OTHERS PRESENT: Scott Christiansen, Christiansen & Dehner (via phone)
Ferrell Jenne, Foster & Foster (via phone)
Kim Kilgore, Foster & Foster (via phone)
Kerry Richardville, AndCo Consulting (via phone)
Mindy Johnson, Salem Trust (via phone)
Members of the Public (via phone)

1. **Call to Order** Linda Sposito called the meeting to order at 10:04AM.
2. **Roll Call** As reflected above.
3. **Public Comments** None.
4. **Approval of Minutes**
 - a. December 19, 2019, quarterly meeting

The minutes from the December 19, 2019 quarterly meeting were approved upon motion by John Smith and second by Julie McGillivray; motion carried 5-0.

5. **Consent Agenda**
 - a. Payment ratification
 - i. Warrant #64
 1. Foster & Foster, invoice #15942, \$1,400.00
 2. FPPTA, CPPT re-certification fees (J, Smith/L. Sposito), \$62.00
 3. AndCo Consulting, invoice #34120, \$6,000.00
 4. Foster & Foster, invoice #16148, \$1,477.58
 5. FPPTA, invoice #1967, 2020 Board membership renewal, \$620.00
 6. Salem Trust, 4th quarter fees, \$7,496.09
 - ii. Warrant #65
 1. Christiansen & Dehner, invoice #33753, \$1,101.10
 2. Christiansen & Dehner, invoice #33809, \$176.80
 3. Foster & Foster, invoice #16366, \$0.00 (Paid on 1/31/2020)
 4. Foster & Foster, invoice #16488, \$397.00
 5. Foster & Foster, invoice #16531, \$1,400.005r

- b. New invoices for payment
 - i. None
- c. Fund Activity Report for December 13, 2019 – March 25, 2020
 - 1. Julie McGillivray commented Warrant #57 appeared to be charges for another plan. Linda Sposito stated she did not approve Warrant #57 to be paid by this plan. Kim Kilgore stated Warrant #57 presented was not paid by the plan and was presented in error.

The consent agenda was approved as presented upon motion by John Smith and second by Julie McGillivray; motion carried 5-0.

- 6. **New Business** – None.
- 7. **Old Business** – None.
- 8. **Reports (Attorney/Consultants)**
 - a. Salem Trust, Custodian, Mindy Johnson
 - i. Service Report as of December 31, 2019
 - 1. Mindy Johnson briefly reviewed the Salem Trust December 31, 2019 quarterly service report.
 - ii. Update on operations transition
 - 1. Mindy Johnson reminded the Board they were acquired by TMI Trust. Mindy commented on March 1, 2020 their operations were transferred to the TMI platform. Mindy stated the money managers had been contacted and informed of the trading instruction changes. Mindy commented the plan account numbers had also changed with few issues.
 - 2. Mindy Johnson stated there would be two 1099-Rs sent out to the retirees for 2020 and further commented a letter would be sent to the retirees closer to the end of the year to explain.
 - iii. COVID-19 Contingency Plan
 - 1. Mindy Johnson commented Salem's staff was working remotely during the COVID-19 outbreak and were still available to be contacted as usual.
 - b. AndCo Consulting, Investment Consultant, Kerry Richardville
 - i. Quarterly report as of December 31, 2019
 - 1. Kerry Richardville reviewed the post WWII Bull & Bear Markets chart showing the frequency, length and magnitude of these past markets. Kerry reviewed the average loss in bear markets had been around 32.88% and the average length of a bear market had been around fourteen months.
 - 2. Kerry Richardville reviewed the comparable crisis of bear markets since 2000 with the 2000 Tech Wreck and the 2008 Financial Crisis, as well as the annualized returns after the index bottom.
 - 3. Kerry Richardville stated the fund market value as of March 31, 2020 was \$44.9 million.
 - 4. Julie McGillivray reviewed how quickly the Coronavirus crisis hit and if there was anything they could have done earlier to help with the loss.
 - 5. Kerry Richardville commented they would not want to build a portfolio around uncertain times when the entire market was

- impacted, instead they would set their portfolio during non-emotional times. Kerry stated it was most important to hold to asset allocation at this time.
6. Scott Christiansen commented the trustees could contact the Chair and ask to have a special meeting anytime during the quarter.
 7. Market value of assets of December 31, 2019 were \$51,152,238.
 8. Total fund gross returns for the quarter were 5.13%, outperforming the policy benchmark of 4.71%. Gross total fund fiscal YTD returns were 5.13%, outperforming the benchmark of 4.71%. Total fund gross trailing returns for the 3 and 5-year periods were 9.79%, and 7.07%. Since inception (3/1/1999) total fund gross earnings were 6.36% outperforming the policy benchmark of 5.57%.
 9. Kerry Richardville reviewed each of the investment managers returns for the past quarter. Kerry did not recommend making any changes to the managers or the current asset allocation.
- ii. Flash report as of February 29, 2020 excluding Real Estate
 1. Kerry Richardville stated they had held on to positive returns.
 2. The market value of assets as of February 29, 2020 was \$48,816,563.
 3. Julie McGillivray asked about the fixed income portfolio and if any changes were needed now or in the future. Kerry Richardville commented Garcia Hamilton & Associates was a very high-quality manager, but for now they should focus on how Garcia Hamilton & Associates was positioned during this time.
- c. Christiansen and Dehner, Board Attorney, Scott Christiansen
 - i. PL-2 to the City Council
 1. Scott Christiansen asked if the Investment Activity letter had been sent to the City council by the plan administrator on the investments held by the fund as of December 31, 2019. Ferrell Jenne confirmed it had been sent.
 - ii. Legislative update
 1. Scott Christiansen commented SB1270 requiring additional training for trustees did not pass the House. Scott commented no bills were passed during the legislative session that would affect the plan.
 - iii. Notary online
 1. Scott Christiansen commented there was a change to the notary law that now allowed for remote notarizations. Scott commented they were currently in the process of updating the pension forms to allow members to use a remote notary.
 - iv. Scott Christiansen stated his office was currently working remotely.
 - d. Foster & Foster, Plan Administrator, Kim Kilgore
 - i. Update on Foster & Foster's cybersecurity
 1. Kim Kilgore briefly reviewed the cybersecurity memo and the security measures Foster & Foster had taken to protect the plan's data. Kim stated the 56-page Information Security Policy was available if trustees would like to view.
 - ii. Update on SB534 postings
 1. Kim Kilgore briefly reviewed the SB534 posting required by the State had been posted on the City's website.
- b. **Trustee Reports, Discussion, and Act** - None.

- c. **Adjournment** The meeting adjourned at 11:01AM.
- d. **Next Meeting** June 18, 2020, 10:30AM, Quarterly Meeting

Respectfully submitted by:



Kim Kilgore, Plan Administrator

Approved by:

Linda Sposito Digitally signed by Linda Sposito
Date: 2020.08.17 16:06:30 -04'00'

Linda Sposito, Chairperson

Date Approved by the Pension Board: 6/18/2020_____