

**CITY OF PUNTA GORDA POLICE OFFICERS'
RETIREMENT SYSTEM PENSION BOARD OF TRUSTEES
QUARTERLY MEETING MINUTES**

Thursday, June 18, 2020 at 1:00PM

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: Dylan Renz
Greg Andrulonis
Sam Kiburz
Gerald O'Halloran
Chris Salsman

TRUSTEES ABSENT: None

OTHERS PRESENT: Scott Christiansen, Christiansen & Dehner
Kim Kilgore, Foster & Foster
John Thinnis, AndCo Consulting
Kristin Simeone, City's Finance Director
Members of the public

1. **Call to Order** – Dylan Renz called the meeting to order at 1:30PM.
2. **Roll Call** – As reflected above.
3. **Public Comments** – None.
4. **Approval of Minutes**
 - a. April 1, 2020, quarterly meeting

The Board approved the April 1, 2020 quarterly meeting minutes, upon motion by Sam Kiburz and second by Greg Andrulonis; motion carried 5-0.

5. **Consent Agenda**
 - a. Payment ratification
 - i. Warrant #14
 1. Garcia Hamilton & Associates, invoice #31532, \$3,223.84
 2. AndCo, invoice #34858, \$4,500.00
 3. Christiansen & Dehner, invoice #33915, \$132.60
 4. Christiansen & Dehner, invoice #33916, \$486.20
 5. Foster & Foster Administrator, invoice #16854, \$1,475.26
 6. Garcia Hamilton & Associates, invoice #31938, \$3,286.89
 7. Salem Trust, 1st quarter fees, \$2,523.68
 8. Christiansen & Dehner, invoice #33967, \$1,814.70
 9. Foster & Foster administrator, invoice #17055, \$1,400.00
 - b. New invoices for payment
 - i. None
 - c. Fund Activity Report for March 26, 2020 – June 11, 2020

The Ratification of Warrants was approved as presented, upon motion by Greg Andrulonis and second by Sam Kiburz; motion carried 5-0.

The Fund Activity Report was approved as presented, upon motion by Chris Salsman and second by Sam Kiburz; motion carried 5-0.

6. **New Business**

a. Share Plan Ordinance

1. Dylan Renz stated he would like Scott Christiansen to attend the City Commission meeting when the proposed ordinance for the Share Plan was presented. Scott Christiansen stated he would be able to attend if the board approved.

The Board approved for Scott Christiansen to attend the City Commission meeting on the presentation of the proposed ordinance for the Share Plan, upon motion by Greg Andrulonis and second by Sam Kiburz; motion carried 5-0.

7. **Old Business** – None.

8. **Reports**

a. AndCo Consulting, Investment Consultant, John Thinnes

i. Quarterly report as of March 31, 2020

1. John Thinnes introduced himself to the board and commented he was filling in for Kerry Richardville while she was out on maternity leave.
2. John Thinnes reviewed the handouts on the bear markets and drawdowns greater than 5%.
3. John Thinnes reviewed the market environment during the past quarter stating growth beat value companies and large cap beat small cap companies.
4. John Thinnes reviewed the Treasury Yield Curve at the end of each of the last four calendar quarters.
5. The market value of assets as of March 31, 2020 was \$16,908,572. John Thinnes stated the market value of the fund as of today was around \$19,100,000.
6. The asset allocation as of March 31, 2020 were Domestic Equity 42.80%, International Equity 13.20%, Domestic Fixed Income 28.40%, Global Fixed Income 4.80%, Real Estate 7.90%, and Cash 2.90%.
7. John Thinnes reviewed the asset allocation for each segment of the portfolio stating no rebalancing of allocation was needed at this time.
8. The gross total fund returns for the quarter was -12.46% underperforming the benchmark of -12.40%. The 1, 3, 5 and 10-year returns were -3.26%, 3.75%, 4.02% and 6.31%. Since inception (10/1/1998) was 6.01% outperforming the benchmark of 5.56% by 0.45%.
9. John Thinnes reviewed each of the investment manager's returns during the past quarter.
10. John Thinnes stated Garcia Hamilton underperformance shown for the fiscal year to date had been erased and was currently outperforming for this current quarter.
11. John Thinnes commented Templeton's investment duration was negative meaning when rates go down around the world, they would not capture any of that and having high yield corporate bonds investments hurt their performance. John Thinnes

commented he noticed they cut half of Templeton fund at the last meeting and recommended to continue the conversation with Kerry Richardville for change if the underperformance continued.

12. John Thinnes commented this would be the last return with ASB in the portfolio and they outperformed this past quarter and left on a good note.

ii. Flash Report as of May 31, 2020

1. John Thinnes stated the total fund balance as of May 31, 2020 was \$18,879,219.
2. The fund performance through May 31, 2020 for the FYTD, 1, 3 and 5-year returns were 3.65%, 9.56%, 7.29% and 6.25% all outperforming the benchmark.
3. John Thinnes commented in the valuation a 4-year smoothing method was used for the rate of return and for the current year we would be dropping off 8.5% and added an estimated 5.5% for this fiscal year ending.
4. Sam Kiburz shared the Morning Star report noting the Templeton Global Total Return had 24% of their fund in cash. John Thinnes commented historically two-thirds of Templeton's returns comes from currency trade. Sam further reviewed 35% of the yield for Templeton Global Return was going towards fees. Sam Kiburz also reviewed the WCM Focused International Growth fund which had done well noting 17% of fund was in US stocks and they had quite a high fee.
5. John Thinnes stated he would ask Kerry Richardville to bring a historical report of Templeton Global Total Return for the last decade for the board to review at the next quarterly meeting.

b. Christiansen & Dehner, Board Attorney, Scott Christiansen

- i. Scott Christiansen reminded the Board to file their financial disclosure forms by July 1st to avoid penalties.
- ii. Scott Christiansen reminded the Administrator to prepare the proposed 2020/2021 administrative budget to present at the next board meeting.
- iii. Scott Christiansen commented there was no legislative update at this time.
- iv. Scott Christiansen stated due to the COVID 19 the Individual Medical Evaluation (IME) had to be reschedule for disability applicant Lee Coel. Scott further stated once the IME was received, he would request for the initial disability hearing.

c. Foster & Foster, Plan Administrator, Kim Kilgore

- i. Update on State Annual Report
 1. Kim Kilgore asked if the annual report had been filed. Kristin Simeone, the City's finance director, stated the State annual report had been filed and approved.
- ii. FPPTA membership fee for 2019
 1. Kim Kilgore commented FPPTA had contacted us requesting payment for the 2019 FPPTA membership fee which became due when trustee attended last year's conference.

The board approved the payment of the 2019 FPPTA membership fee, upon motioned by Greg Andrulonis and second by Sam Kiburz, motion carried 5-0.

2. Kim Kilgore stated the FPPTA conference would be held October 4-7, 2020 in Orlando, Florida. Sam Kiburz. stated he would like

to be register and Gerald O'Halloran would like to receive further information on the conference to be sent to him.

9. **Trustee Reports, Discussions, and Action** – None.
10. **Adjournment** – The meeting adjourned at 2:19PM.
11. **Next Meeting** – September 17, 2020 at 1:30PM, Quarterly Meeting

Respectfully submitted by:



Kim Kilgore, Plan Administrator

Approved by:



Dylan Renz, Chairman

Date Approved by the Pension Board: 9/17/2020