

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

Thursday, September 17, 2020 at 1:30PM

*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

**TRUSTEES ABSENT:** Chris Salsman

**OTHERS PRESENT:** Scott Christiansen, Christiansen & Dehner  
Kim Kilgore, Foster & Foster  
Kerry Richardville, AndCo Consulting  
Jason LaRocco, Franklin Templeton Investments  
Brian Kahley, Franklin Templeton Investments

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. June 18, 2020, quarterly meeting

**The Board approved the June 18, 2020 quarterly meeting minutes, upon motion by Greg Andrulonis and second by Gerald O'Halloran; motion carried 4-0.**

5. **Consent Agenda**
  - a. Payment ratification
    - i. Warrant #15
      1. Foster & Foster Administrator, invoice #17235, \$4,035.00
      2. Christiansen & Dehner, invoice #34021, \$176.80
      3. Foster & Foster, invoice #17345, \$1,400.00
      4. Gibson & Wirt, invoice #2654, \$3,619.00
    - ii. Warrant #16
      1. AndCo, invoice #35661, \$4,500.00
      2. Christiansen & Dehner, invoice #34073, \$795.60
      3. Christiansen & Dehner, invoice #34074, \$397.80
      4. Salem Trust, 2<sup>nd</sup> quarter fees, \$3,120.30
      5. Garcia Hamilton & Associates, invoice #32648, \$3,416.17
      6. Foster & Foster, invoice #17502, \$1,400.00
      7. Christiansen & Dehner, invoice #34216, \$1,460.00
      8. Foster & Foster, invoice #17764, \$1,400.00

9. FPPTA, 2019 Annual Membership renewal, \$600.00
- b. New invoices for payment
  - i. Warrant #17
    1. Lee Coel, IPE reimbursement, \$1,190.53
- c. Fund Activity Report for June 12, 2020 – September 10, 2020

**The Ratification of Warrants and Lee Coel's Independent Psychological Evaluation (IPE) reimbursement was approved as presented, upon motion by Greg Andrulonis and second by Gerald O'Halloran; motion carried 4-0.**

**The Fund Activity Report was approved as presented, upon motion by Greg Andrulonis and second by Gerald O'Halloran; motion carried 4-0.**

6. **New Business**
  - a. Proposed 2020/2021 budget

**The Board approved the proposed 2020/2021 budget as presented for a total amount of \$131,800.00, upon motion by Greg Andrulonis and second by Gerald O'Halloran; motion carried 4-0.**

7. **Old Business** – None.

8. **Reports**

- a. Franklin Templeton Investments, Jason LaRocco and Brian Kahley
  - i. Global Total Return strategy
    1. Brian Kahley introduced himself and Jason LaRocco and reviewed their roles with Franklin Templeton Investments.
    2. Brian Kahley commented Franklin Templeton recently acquired a competitor Legg Mason, another large asset manager bringing total assets under management at \$1.4 trillion.
    3. Brian Kahley commented Templeton Global Macro had managed unconstrained strategies since 1986.
    4. Jason LaRocco highlighted their approach to global fixed income were an unconstrained worldview with a lot of flexibility, a truly global research platform and high-conviction process.
    5. Jason LaRocco commented the biggest reason for their last year's under performance had been due to them not expecting nor positioning for U.S. interest rates to drop down as much as they did in the last year.
    6. Jason LaRocco commented for February and March when everything was selling off, they were down 4.00% to 4.50% compared to other global managers which were down 15.00% to 20.00%.
    7. Jason LaRocco commented they believed it was too early to add risk back into portfolio and they were taking a cautious view as stresses were continuing to build and they were not participating in the short run.
    8. Jason LaRocco commented they were avoiding U.S. treasuries and did not see value in them as a safe haven and were investing in safe haven currencies. Jason further stated they were holding a lot of cash and maximizing liquidity.
    9. Jason Larocco stated they were currently searching for emerging market opportunities.
    10. Sam Kiburz commented the returns versus the fees had been putting a real drag on this investment. Sam Kiburz asked if Federal interest rates stayed low for the next five years were

they going to sit on cash which would make a bigger hole to dig out of.

11. Jason LaRocco had other return drivers in the portfolio on top of the yield that would drive a positive return outside of just treasuries.

b. AndCo Consulting, Investment Consultant, Kerry Richardville

i. Quarterly report as of June 30, 2020

1. Kerry Richardville reviewed the market environment during the past quarter. Kerry Richardville stated growth tremendously continued to outperform value.
2. The market value of assets as of June 30, 2020 was \$19,231,360.
3. The asset allocation as of June 30, 2020 were Domestic Equity 51.20%, International Equity 15.40%, Domestic Fixed Income 28.10%, Global Fixed Income 2.10%, and Cash 1.00%.
4. Kerry Richardville commented all investment allocation were within the investment policy statement and there was no need to rebalance at this time.
5. The gross total fund returns for the quarter was 14.83% outperforming the benchmark of 13.02%. The 1, 3, 5 and 10-year returns were 6.98%, 7.94%, 6.96% and 8.36%. Since inception (10/1/1998) was 6.61% outperforming the benchmark of 6.09% by 0.52%.
6. Kerry Richardville reviewed the investment manger return during the past quarter.

ii. Flash Report as of August 31, 2020

1. Kerry Richardville stated the total fund balance as of August 31, 2020 was \$20,911,631.
2. The fund performance through August 31, 2020 for the FYTD, 1, 3 and 5-year returns were 15.07%, 15.96%, 10.32% and 9.49% all outperforming the benchmark.
3. Kerry further stated as of yesterday the total fund balance was around \$20.5 million.
4. Kerry Richardville commented it may be time for a replacement of the Templeton investment. Sam Kiburz asked if they would need to invest in the same space. Kerry Richardville commented they did not and suggested to bring some different manager options to the next meeting for an alternate to Templeton.
5. By consensus, the Board agreed to review other investments for replacement of the Templeton fund.

iii. Active vs Passive – Domestic Fixed Income

1. Kerry Richardville reviewed some active fixed income approaches were to overweight corporate securities, utilize out of benchmark securities, duration mismatch and yield curve management.
2. Kerry Richardville reviewed fixed income securities which were not included in the Bloomberg Barclays Aggregate Bond Index "Agg".
3. Kerry Richardville reviewed how indexing worked and how index managers used stratified sampling to replicate the exposures of a fixed income index.
4. Kerry Richardville reviewed the current composition of the index as of June 30, 2020.

5. Kerry Richardville reviewed the active vs. passive pros and cons.
- c. Christiansen & Dehner, Board Attorney, Scott Christiansen
- i. Fiduciary Agent of Record Letter
    1. Scott Christiansen reviewed the agent record letter received which would authorize this agent to shop for insurance for the Board. Scott commented he did not like the language on the second paragraph of the agent letter with the agent making changes as necessary without the Board's approval.
    2. Scott Christiansen commented if the Board would like the City to shop for insurance for the Board, he would recommend changing the language within the second paragraph of the letter.
    3. Kim Kilgore commented she had not been presented with an agent letter from any other cities she worked with.
    4. Dylan Renz asked if there would be a benefit for the City doing this versus the plan administrator handling. Scott was not sure if they were in a position to get a better fee or if there were any discounts.

**The Board authorized the plan administrator to shop for fiduciary liability insurance for the Board and not have the City perform that function, upon motion by Sam Kiburz and seconded by Gerald O'Halloran; motioned carried 4-0.**

5. Kim Kilgore commented she would follow up with the City on the agreement with Risk Management Associates.
- ii. Update on disability applicant
1. Scott Christiansen stated Lee Coel's disability hearing would be held on October 21<sup>st</sup> in the council chambers. Gerald O'Halloran commented due to the importance of this meeting it should be in person. Sam Kiburz asked if he could attend the initial disability hearing virtually if he was traveling. Scott Christiansen commented only if the Governor extended the Order, if not, trustees could attend remotely but could not vote. Scott asked the Board if the applicant could attend by Zoom and they agreed that would be allowed.
- iii. Proposed 2021 meeting dates
1. Greg Andrulonis stated he could have issues attending two of the meetings.

**The Board approved the 2021 meeting dates as presented, upon motion by Gerald O'Halloran and second by Sam Kiburz; motion carried 4-0.**

2. Scott Christiansen commented all financial disclosure forms had been filed by all the trustees.
  3. Scott Christiansen stated the Share Plan Ordinance was adopted by the City and was sent to the State as required. Scott Christiansen commented the Actuary may need to calculate members share balances.
- d. Foster & Foster, Plan Administrator, Kim Kilgore
- i. State monies update
    1. Kim Kilgore commented the State money had been received and deposited into the fund.
  - ii. Educational opportunities

1. Kim Kilgore reviewed the educational opportunities of the FPPTA Virtual Summit to be held October 26-28, 2020.

- 9. **Trustee Reports, Discussions, and Action** – None.
- 10. **Adjournment** – The meeting adjourned at 3:14PM.
- 11. **Next Meeting** – December 17, 2020 at 1:30PM, Quarterly Meeting

Respectfully submitted by:

Kim Kilgore  
Kim Kilgore, Plan Administrator

Approved by:

Dylan Renz  
Dylan Renz, Chairman

Date Approved by the Pension Board:

12-17-2020