

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

Thursday, September 17, 2020 at 10:30AM

*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  
Linda Sposito  
John Smith  
Bradley Teets

**TRUSTEES ABSENT:** None

**OTHERS PRESENT:** Scott Christiansen, Christiansen & Dehner  
Patrick Donlan, Foster & Foster  
Kerry Richardville, AndCo Consulting  
Kim Kilgore, Foster & Foster

1. **Call to Order** Linda Sposito called the meeting to order at 10:33AM.
2. **Roll Call** As reflected above.
3. **Public Comments** - None.
4. **Approval of Minutes**
  - a. June 18, 2020, quarterly meeting

**The minutes from the June 18, 2020 quarterly meeting were approved upon motion by John Smith and second by Julie McGillivray; motion carried 4-0.**

5. **Consent Agenda**
  - a. Payment ratification
    - i. Warrant #67
      1. Foster & Foster, invoice #17240, \$1,640.00
      2. Christiansen & Dehner, invoice #34020, \$95.55
      3. Foster & Foster, invoice ##17344, \$1,400.00
      4. Baron Capital Management, 4<sup>th</sup> quarter fees, \$6,786.40
      5. Baron Capital Management, 1<sup>st</sup> quarter fees, \$4,949.76
    - ii. Warrant #68
      1. AndCo, invoice #35660, \$6,000.00
      2. Christiansen & Dehner, invoice #34071, \$1,060.80
      3. Christiansen & Dehner, invoice #34072, \$95.80
      4. Foster & Foster, invoice #17501, \$1,400.00
      5. United Members Insurance, invoice #07023, \$5,948.00
      6. Garcia Hamilton & Associates, invoice #32647, \$9,165.88
      7. Baron Capital Management, 2<sup>nd</sup> quarter fees, \$6,622.33
    - iii. Warrant #69
      1. Salem Trust, 2<sup>nd</sup> quarter fees, \$7,122.91

2. Christiansen & Dehner, invoice #34125, \$322.00
  3. Foster & Foster, invoice #17763, \$1,400.00
  4. Foster & Foster, invoice #17840, \$1,915.00
- b. New invoices for payment
    - i. None
  - c. Fund Activity Report for June 12, 2020 – September 10, 2020

**The consent agenda was approved upon motion by John Smith and second by Julie McGillivray; motion carried 4-0.**

6. **New Business**

- i. City appointed seat vacancy
  1. Kim Kilgore stated John Tiller had notified her he had moved out of the City, therefore could no longer serve on the Board. Kim commented she had notified the City for a replacement.
  2. Bradley Teets stated he would be moving out of the City next year and asked if he would be able to continue to serve. Scott Christiansen commented the 5<sup>th</sup> member of the Board did not have to be a legal resident of Punta Gorda. Bradley stated he had no issue on continuing to serve on the Board after he had moved.
- ii. Election of officers
  1. Kim Kilgore commented the election of officers was conducted every two years and the last election was September 2018.

**The Board elected the following officers for the Board of Trustees; Linda Sposito as Chair, Bradley Teets as Vice-Chair and Julie McGillivray as Secretary upon motion by John Smith and second by Bradley Teets; motioned carried 4-0.**

7. **Old Business** – None.

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

- a. Foster & Foster, Patrick Donlan, Actuary
  - i. Actuarial study on assumption rate
    1. Patrick Donlan reviewed the actuarial analysis of a potential change in the investment return assumption to 6.75% through 2023 and 6.50% beginning in 2024.
    2. Patrick Donlan stated the reduced return assumptions would cost the City around \$150,000 per year.
    3. Patrick Donlan commented the Board had already approved to consolidate the total Unfunded Accrued Actuarial Liability (UAAL) to a ten-year amortization schedule which would be an increase of around \$70,000 annually for the City.
    4. Linda Sposito commented the fiscal year return was not currently meeting their expectations and she was not sure it would be wise to put two burdens on the City at this time.
    5. Bradley Teets commented he felt strongly on reducing the investment return assumption at this time.

**The Board approved to reduce the investment return assumption on the 10/1/2020 valuation by 0.25% for all periods and to not change the structure of the amortization of the UAAL upon motion by Bradley Teets and second by John Smith; motioned carried 4-0.**

- 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 showing a very dramatic recovery from the previous quarter.
2. Kerry Richardville commented growth outperformed value across all segments and fixed income had a positive return.
3. Kerry Richardville reviewed the Treasury Yield Curve for the past four calendar year quarters.
4. Market value of the total assets as of June 30, 2020 was \$48,819,660.
5. Total fund allocation was Domestic Equity at 35.6%, International Equity at 14.6%, Domestic Fixed Income at 38.7%, Real Estate at 10.0% and Cash at 1.1%. Kerry Richardville commented there was no need to rebalance allocations at this time.
6. Total fund gross returns for the quarter were 12.51% (44<sup>th</sup> percentile), outperforming the policy benchmark of 10.97% (74<sup>th</sup> percentile). Gross total fund fiscal YTD returns were 4.32%, underperforming the benchmark of 4.68%. Total fund gross trailing returns for the 1, 3 and 5-year periods were 5.73%, 7.01% and 6.45%. Since inception (3/1/1999) total fund gross earnings were 6.17% outperforming the policy benchmark of 5.44%.
7. Kerry Richardville reviewed the returns for the past quarter for each of the investment managers.
8. Kerry Richardville reviewed the real estate managers and their portfolio makeup. Kerry commented both managers had good rent collections during the past quarter, and AndCo was keeping a close eye on residential rentals as well as the commercial rentals.

*Note: John Smith left the meeting at 11:10AM.*

- ii. Flash report as of August 31, 2020
  1. Kerry Richardville reviewed the flash report through August 31, 2020.
  2. The market value of assets as of August 31, 2020 was \$51,724,962 with a fiscal year performance of 11.60%.
  3. Kerry Richardville expected heighten volatility in the market through November with COVID and the upcoming presidential election. Kerry commented the positioning of the portfolio and current approach was good.
  4. Kerry Richardville informed the Board there was currently no reinvestment being made in the real estate investment as directed by the Board at the last meeting. Kerry further commented the money usually reinvested in real estate was being deposited to the Receipt & Disbursement account to maximum amount and then to an underweight allocation.
  5. Julie McGillivray asked about reviewing the TransAmerica International fund and Kerry Richardville commented they could look at in more detail in the first quarter of 2021.
- c. Christiansen and Dehner, Board Attorney, Scott Christiansen
  - i. Disability applicant update
    1. Scott Christiansen commented all records had been collected for David Hilston's disability claim and his office was currently setting up an appointment for the Individual Medical Evaluation (IME) with the applicant. Scott further commented once the IME

was received the initial disability meeting would be setup with the Board.

2. Julie McGillivray asked if the disability applicant had an attorney. Scott Christiansen commented he did not have an attorney and it was not required. Scott stated many applicants were not represented by an attorney until they were not granted the disability benefit.
  3. Julie McGillivray asked who would choose the doctor to perform the IME. Scott Christiansen commented the Board gave the authority to his office to choose the doctor with the expertise in the area relevant to the claimant's condition.
- ii. Update on proposed Ordinance
1. Scott Christiansen commented the main proposed amendments to the Ordinance were the credited service for members re-employed after military leave, conditions of eligibility changed and the opt out option removed due to the closed plan, and the Required Minimum Distribution (RMD) age to 72 and reemployment after retirement with benefits to continue if a retiree had reached age 59 ½ per the Internal Revenue Code (IRC) changes.

**The Board approved the Ordinance as presented and to forward to the City for consideration upon motion by Julie McGillivray and second by Bradley Teets; motion carried 3-0.**

- iii. Proposed 2021 meeting dates
1. The proposed meeting dates for 2021 were March 18th, June 17th, September 16th, and December 16<sup>th</sup> with all meetings to be held at 10:30AM.

**The proposed meeting dates were approved as presented upon motion by Julie McGillivray and second by Bradley Teets; motioned carried 3-0.**

- iv. Scott Christiansen announced all trustees had filed their financial disclosures on time. Scott asked Kim Kilgore if the final disclosure was sent to John Tiller and Kim Kilgore responded she had sent it to John to complete and file.
- v. Scott Christiansen reminded the plan administrator the new trustee appointed by the City would need to file a financial disclosure form and the term for the new trustee would be through February 21, 2022, completing John Tiller's term.
- vi. Scott Christiansen asked if the Tim Smallwood beneficiary case had been completed and Kim Kilgore commented it had been taken care of with no issues.

d. Foster & Foster, Plan Administrator, Kim Kilgore

i. Educational opportunities

1. Kim Kilgore commented the FPPTA 2020 Virtual Summit would be held online between October 26-28, 2020 with a cost of \$225 per person. Linda Sposito requested for an email to be sent to the trustees with the details for the summit and the trustees who would like to be registered could reply to the email.

9. **Trustee Reports, Discussion, and Action –**

- a. Julie McGillivray asked if the next meeting would be held remotely or in person. Scott Christiansen commented the current Governor's order expired on October

1<sup>st</sup> and the Governor had been extending one month at a time, and it was looking like it would not be extended. Linda Sposito requested the plan administrator reach out to the Board before the next meeting for their choice of a physical or remote meeting if remote was still allowed.

- 10. **Adjournment** - The meeting adjourned at 11:48AM.
- 11. **Next Meeting** - December 17, 2020, 10:30AM, Quarterly Meeting

Respectfully submitted by:

Approved by:



\_\_\_\_\_  
Kim Kilgore, Plan Administrator

\_\_\_\_\_  
Linda Sposito, Chairperson

Date Approved by the Pension Board: \_\_\_\_\_