

**CITY OF PUNTA GORDA POLICE OFFICERS'  
RETIREMENT SYSTEM PENSION BOARD OF TRUSTEES  
QUARTERLY MEETING MINUTES  
CITY HALL, COUNCIL CHAMBERS  
326 W. MARION AVENUE, PUNTA GORDA, FL 33950**

Thursday, December 17, 2020 at 1:30PM

**TRUSTEES PRESENT:** Dylan Renz, Chair  
Greg Andrulonis  
Sam Kiburz  
Gerry O'Halloran  
Chris Salsman

**TRUSTEES ABSENT:** None

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

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. September 17, 2020, quarterly meeting
  - b. October 21, 2020, special meeting

**The Board approved the September 17, 2020 quarterly meeting minutes and October 21, 2020 special meeting minutes, upon motion by Greg Andrulonis and second by Gerry O'Halloran; motion carried 5-0.**

5. **Consent Agenda**
  - a. Payment ratification
    - i. Warrant #18
      1. Christiansen & Dehner, invoice #34180, \$3,662.50
      2. Foster & Foster, invoice #18039, \$1,400.00
      3. Foster & Foster, invoice #17931, \$200.00
      4. AndCo, invoice #36385, \$4,500.00
      5. Christensen & Dehner, invoice #34254, \$1,104.00
      6. Christensen & Dehner, invoice #34255, \$231.75
    - ii. Warrant #19
      1. Foster & Foster, invoice #18306, \$1,400.00
      2. Garcia Hamilton & Associates, invoice #33007, \$3,593.94
      3. Salem Trust, 3<sup>rd</sup> quarter fees, \$3,307.09
      4. Christiansen & Dehner, invoice #34308, \$3,198.00
      5. Foster & Foster, invoice #18498, \$1,400.00
      6. Christiansen & Dehner, invoice #34360, \$276.00
  - b. New invoices for payment
    - i. None
  - c. Fund Activity Report for September 11, 2020 – December 10, 2020

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

The Fund Activity Report was approved as presented, upon motion by Greg Andrulonis and second by Gerry O'Halloran; motion carried 5-0.

The Board approved the DROP entry of trustee Chris Salsman, upon motion by Sam Kiburz and second by Greg Andrulonis, motion carried 4-0.

6. **New Business**

a. Actual expenses as of September 30, 2020

- i. Kim Kilgore commented the total final expenses through September 30, 2020 was \$90,218.79 lower than the total budget of \$107,700.00.

The Board approved the actual expenses as of September 30, 2020 as presented, upon motion by Sam Kiburz and second by Chris Salsman; motion carried 5-0.

7. **Old Business** – None.

8. **Reports**

a. Foster & Foster, Board Actuary, Patrick Donlan

i. October 1, 2020, valuation report

1. Patrick Donlan stated the valuation report presented would be the funding requirements for October 1, 2021 to September 30, 2022.
2. Patrick Donlan commented the minimum required contribution had decreased from the previous valuation from \$971,878 to \$936,223 annually. Patrick further commented the City's required contribution decreased from \$551,994 to \$516,213 annually.
3. Patrick Donlan commented the City may use up to \$200,000 of the money received from the State and the amount over would be split 50/50 with 50% going to the City Funding Requirement and 50% into the Share Plan for the Police Officers.
4. Patrick Donlan reviewed the annualized rate of return using the four (4) year smoothing method was 9.14%. Patrick commented for period ending September 30, 2020 the fund had a 12.19% rate of return net of investment related expenses.
5. Patrick Donlan stated the plan experience was unfavorable overall on the basis of the plan's assumptions. Patrick further stated the sources of actuarial loss included unfavorable retirement experience, salary increases exceeding assumption and inactive mortality experience and these losses were offset by investment return outperformance.
6. Patrick Donlan stated the net pension liability had decrease from \$2,745,168 to \$1,709,137 with this valuation.
7. Patrick Donlan commented there was one assumption change on the State mandate to use the rates of mortality used by the Florida Retirement System (FRS) for special risk employees. Patrick further commented this change produced a savings of \$143,000 for the fund.
8. Patrick Donlan commented the plan's funded ratio had increased from 86.30% to 90.20% from the last valuation.
9. Patrick Donlan reviewed the method change for the rate of return from the four (4) year to five (5) year smoothing method using dollar amount not percentage amount. Patrick commented by

using this method the amount would be more mathematically consistent.

10. Patrick Donlan stated Share Plan statements would be produced for each eligible member.
11. Sam Kiburz asked how the City was doing with meeting the required pension contributions. Kristin Simeone commented the City always projected the budget out five years and allowed for a 5.00% increase on pension cost.

**The Board approved the valuation report as presented, upon motion by Gerry O'Halloran and second by Sam Kiburz; motion carried 5-0.**

**The Board voted the declaration of returns for the plan shall be 7.00% for the next year, the next several years and for the long-term thereafter net of investment related expenses as recommended by the Investment Consultant, upon motion by Greg Andrulonis and second by Sam Kiburz; motion carried 5-0.**

- b. AndCo Consulting, Investment Consultant, Kerry Richardville
  - i. Quarterly report as of September 30, 2020
    1. Kerry Richardville reviewed the market environment during the past quarter commenting they had a very strong domestic market with large caps outperforming mid and small caps.
    2. Kerry Richardville reviewed a graph showing the U.S.Treasury yield curve at the end of each of the last four calendar quarters, showing interest rates were still low.
    3. The market value of assets as of September 30, 2020 was \$20,375,622.
    4. The asset allocation as of September 30, 2020 were Domestic Equity 51.80%, International Equity 14.80%, Domestic Fixed Income 27.40%, Global Fixed Income 2.00%, and Cash 2.00%.
    5. Kerry Richardville reviewed the asset versus the target allocation stating all were within the ranges per the Investment Policy Statement and stated there was no need to rebalance at this time.
    6. The gross total fund returns for the quarter was 6.13% outperforming the benchmark of 5.47%. The 1, 3, 5 and 10-year returns were 12.63%, 9.02%, 9.41% and 8.34%. Since inception (10/1/1998) was 6.82% outperforming the benchmark of 6.28% by 0.54%.
    7. Kerry Richardville commented the fund had a very successful fiscal year returns even against their peers.
    8. Gerry O'Halloran asked about the changing of the president and the possible effect on the market. Kerry Richardville commented they were cautiously optimistic with a change in the domestic and international markets.
    9. Gerry O'Halloran asked about the investments with China. Kerry Richardville commented China was the second largest bond and equity market in the world and they had no real short-term concerns but would be watching closely over the next few quarters.
  - ii. Flash Report as of November 30, 2020
    1. Kerry Richardville stated the total fund balance as of November 30, 2020 was \$22,160,408. Kerry further stated the total return for the month was 8.20%.

2. The fund performance through November 30, 2020 for the FYTD, 1, 3 and 5-year returns were 6.71%, 16.20%, 10.28% and 9.77% all outperforming the benchmark.

iii. Global Bond Search

1. Kerry Richardville reviewed some alternate mixes along with the current mix for the global bond space for discussion.
2. Kerry Richardville reviewed the estimated returns, standard deviation and long-term horizon return estimate for each of the mixes.
3. Sam Kiburz commented their goal for this space would be to get the best return with the least amount of risk.
4. Kerry Richardville commented the Global fixed managers presented at the meeting to consider were Loomis Sayles, PIMCO Diversified, Brandywine Global and Templeton Global.
5. Conversation ensued amongst the trustees about each of the mixes presented.
6. Sam Kiburz suggested moving international exposure in Templeton Global fund to Garcia Hamilton fixed income.

**The Board approved to sell Templeton Global and buy into Garcia Hamilton Fixed Income, upon motioned by Sam Kiburz and second by Gerry O'Halloran; motion carried 5-0.**

- c. Christiansen & Dehner, Board Attorney, Scott Christiansen
  - i. Scott Christiansen reminded the Plan Administrator to send the annual report of investment activity to the City as required by the State.
- d. Foster & Foster, Plan Administrator, Kim Kilgore
  - i. Foster & Foster's cyber liability coverage
    1. Kim Kilgore commented Foster & Foster increased their cyber liability coverage from \$1 million to \$2 million per claim.
  - ii. Educational opportunities
    1. Kim Kilgore commented the upcoming FPPTA Winter Trustee School from January 24-27, 2021 in Orlando had been cancelled. FPPTA would be replacing the on-site Trustee school with a virtual program over three months in March, April, and May.
  - iii. Salem signature authorization form updated
    1. Kim Kilgore stated the Salem signature authorization form needed to be updated to add her on as an authorized signature.

9. **Trustee Reports, Discussions, and Action** – None.

10. **Adjournment** – The meeting adjourned at 2:43PM.

11. **Next Meeting** – March 18, 2021 at 1:30PM, Quarterly Meeting

Respectfully submitted by:

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

Approved by:

  
\_\_\_\_\_  
Dylan Renz, Chairman

Date Approved by the Pension Board: 3-18-2021