

**CITY OF PUNTA GORDA
GENERAL EMPLOYEES PENSION BOARD OF TRUSTEES
QUARTERLY MEETING MINUTES
City Hall Council Chambers, 326 W Marion Ave, Punta Gorda, FL 33950**

Thursday, September 16, 2021, at 10:30AM

TRUSTEES PRESENT: Linda Sposito
Bill Page
John Smith

TRUSTEES ABSENT: Bradley Teets
Harry Bartell

OTHERS PRESENT: Scott Christiansen, Christiansen & Dehner
Kerry Richardville, AndCo Consulting
Chrissy Stoker, Foster & Foster
Kim Kilgore, Foster & Foster
Kristin Simeone, City Finance Director
Members of the Plan

1. **Call to Order** – Linda Sposito called the meeting to order at 10:30AM and a quorum was determined.
2. **Roll Call** – As reflected above.
3. **Public Comments** – None.
4. **Approval of Minutes**
 - a. June 17, 2021, quarterly meeting

The minutes from the June 17, 2021, quarterly meeting were approved as presented, upon motion by John Smith and second by Bill Page; motion carried 3-0.

5. **Consent Agenda**
 - a. Payment ratification
 - i. Warrant #77
 1. Foster & Foster, invoice #20282, \$1,400.00
 2. Foster & Foster, invoice #20214, \$5,080.00
 3. Baron Capital Management, 1st quarter fees, \$8,248.56
 4. United Members Insurance, invoice #07747, \$5,995.00
 - ii. Warrant #78
 1. AndCo, invoice #38650, \$6,000.00
 2. Christiansen & Dehner, invoice #34799, \$1,097.10
 3. Garcia Hamilton & Associates, invoice #34213, \$9,974.24
 4. Foster & Foster, invoice #20560, \$1,421.28
 5. Salem Trust, 2nd quarter fees, \$8,702.20
 - iii. Warrant #79
 1. Baron Capital Management, 2nd quarter fees, \$8,934.26
 2. Christiansen & Dehner, invoice #34849, \$286.80
 3. Foster & Foster, invoice #21139, \$1,476.51
 - b. New invoices for payment
 - i. None
 - c. Fund Activity Report for June 11, 2021 – September 9, 2021

The Board approved the consent agenda as presented, upon motion by John Smith and second by Bill Page; motion carried 3-0.

6. **New Business**

- a. Update on 5th Trustee seat
 - i. Kim Kilgore informed the Board Bradley Teets' 5th Trustee seat was ratified by City Council so he would serve another term.
- b. Proposed 2022 Meeting Dates
 - i. Scott Christiansen commented the proposed dates and times came from his office and were coordinated with the Police Board, as the expenses were shared.

The Board approved the 2022 meeting dates as presented, upon motion by John Smith and second by Bill Page; motion carried 3-0.

7. **Old Business**

- a. Portal Discussion
 - i. Kim Kilgore reviewed at the last meeting the Board decided to wait and see if the Fire and Police Boards purchased the portal.
 - ii. Kristin Simeone commented the Fire Board met just before the General Board and decided to purchase the portal. Kristin commented there would be a cost savings if more than one plan signed on at the same time. Kristin added there would be an implementation fee and an annual fee and Foster & Foster would provide usage metrics.
 - iii. Scott Christiansen commented the implementation fee was \$2,500 and the annual fee was \$5,000 for biweekly updates, with a 10% discount if the other two boards also purchased the portal. Kim Kilgore commented she would reach out to the actuary to confirm the cost if only the Fire Board signed on.
 - iv. Linda Sposito asked if they would be locked into the portal for 5 years. Scott Christiansen commented the annual fee was locked in for 5 years, but they could decide to opt out of the portal at any time.
 - v. Linda Sposito asked if the portal would allow members to run their own calculations and Kim Kilgore commented that was correct. Kim added one of the other pension boards she worked with looked at the usage statistics annually to see if it was worth the cost and Kim commented they could do this as well.
 - vi. Linda Sposito asked if there would be any cost to the plan for final benefit calculations if they purchased the portal. Kim Kilgore commented final calculations would still need to be produced by the actuary at a cost to the plan.
 - vii. Scott Christiansen commented there were 61 active members as of 10/1/20.
 - viii. Linda Sposito asked about the "green sheets" and Kim Kilgore commented they could still be produced and loaded onto the portal, but the portal information would be more accurate as payroll data would be uploaded on a biweekly basis.

The Board voted to table the decision to purchase the portal until the full Board was present, upon motion by John Smith and second by Bill Page; motion carried 3-0.

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

- a. AndCo Consulting, Investment Consultant, Kerry Richardville
 - i. Quarterly report as of June 30, 2021
 1. Kerry Richardville gave an overview of the market over the quarter, commenting markets were strong as a continuation of the reopening trade.
 2. The MVA as of 6/30/21 was \$58,766,762.
 3. Kerry Richardville reviewed the asset allocations versus the targets, commenting they were a bit overweight to domestic and international equity and underweight about 3% in fixed income, but they were still

comfortably within policy targets. Kerry commented she had no recommendations to rebalance at this time.

4. Total fund net returns for the quarter were 5.03%, outperforming the policy benchmark of 4.90%. Total fund net Fiscal YTD returns were 15.95%, outperforming the benchmark of 15.15%. Total fund net trailing returns for the 3, 5 and 10-year periods were 11.17%, 10.26% and 8.48%. Since inception (3/1/1999) total fund net earnings were 6.41% outperforming the policy benchmark of 6.11%.
 5. Kerry Richardville reviewed the performance of each manager.
- ii. Flash report as of August 31, 2021
1. Kerry Richardville commented the value of the fund as of 8/31/21 was \$59,861,566.
 2. Kerry Richardville commented the returns for the Fiscal YTD were 19.08% and 1.58% for the month of August.
- iii. Real estate discussion
1. Kerry Richardville commented she brought information on two real estate managers, TerraCap and Harrison Street, that were less focused on office space. Scott Christiansen asked if these funds would be a replacement for the existing real estate managers and Kerry commented these managers would pair nicely with the fund's existing real estate managers and the intention was not to replace any of the current managers.
 2. Kerry Richardville commented Harrison Street did not invest in the major property types that Intercontinental and American invested in. Kerry commented they focused on specialty property types such as medical offices, senior housing, laboratories, and self-storage.
 3. Kerry Richardville commented TerraCap invested in the four major property types but looked for properties that had potential that may need to be refurbished. Kerry commented only 10%-15% of their portfolio was in office space; the majority was apartments, flex/industrial, etc. Kerry commented this would be a nice complement to the funds they already had.
 4. Kerry Richardville provided a comparison of both funds.
 5. Kerry Richardville commented Harrison Street was open-ended whereas TerraCap would close their fund at the end of the year.
 6. Kerry Richardville reviewed the performance of Harrison Street.
 7. Kerry Richardville reviewed the fund level net investment rate of return of the TerraCap funds.
 8. Kim Kilgore read the questions she received questions from Bradley Teets on Harrison Street via email, as he was unable to attend the meeting. Linda Sposito commented they should wait for Bradley to be present to further discuss real estate. Kerry Richardville commented the door would be closed on Terracap at the end of this year, but she could bring other options to future meetings.
 9. John Smith and Kerry Richardville discussed the impact of the pandemic on office spaces and the residential housing market.
 10. Linda Sposito and Kerry Richardville discussed the recent domestic migration patterns.
 11. The Board and Kerry Richardville discussed real estate at length.
 12. By consensus the Board agreed to discuss real estate further at a future meeting.
- b. Christiansen and Dehner, Board Attorney, Scott Christiansen
- i. Scott Christiansen commented all trustees filed their financial disclosure forms on time.

- ii. Scott Christiansen presented the updated Summary Plan Description and reviewed the changes made.

The Board voted to approve the updated Summary Plan Description as presented, upon motion by John Smith and second by Bill Page; motion carried 3-0.

- iii. Legal representation
 - 1. Scott Christiansen referenced the legal representation letter, commenting he was downsizing his practice once again but would continue to represent the Board.

- c. Foster & Foster, Plan Administrator, Kim Kilgore/Chrissy Stoker
 - i. Kim Kilgore reviewed the upcoming FPPTA Fall Trustee School and Virtual Events. Chrissy Stoker clarified the Virtual CEU Event would be held 10/12/21-10/13/21 and the Virtual CPPT Event would be held 10/19/21-10/21/21. Linda Sposito commented she would like to be registered for the Virtual CEU Event.
 - ii. Kim Kilgore commented the actuary confirmed the Board would receive a 10% discount on the implementation fee if two boards purchased the portal.
 - iii. Kim Kilgore advised the Board she would still be an administrator assigned to the plan, but Chrissy Stoker was another administrator working on the plan who would be attending future meetings.
 - iv. Linda Sposito requested future encrypted emails to be sent via Barracuda, not ShareFile.

- 9. **Trustee Reports, Discussion, and Action** – None.
- 10. **Adjournment** – The meeting adjourned at 11:29AM.
- 11. **Next Meeting** – December 16, 2021, 10:30AM, Quarterly Meeting

Respectfully submitted by:

Approved by:



Chrissy Stoker, Plan Administrator



Linda Sposito, Chairperson

Date Approved by the Pension Board: December 16, 2021