

**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 16, 2021, at 1:30PM

TRUSTEES PRESENT: Dylan Renz
Chris Salsman
Jerry O'Halloran
Samuel Kiburz
Greg Andrulonis

TRUSTEES ABSENT: None

OTHERS PRESENT: Scott Christiansen, Christiansen & Dehner
Chrissy Stoker, Foster & Foster
Braeleen Scott, Foster & Foster
Kerry Richardville, AndCo Consulting
Kristin Simeone, City Finance Director

1. **Call to Order** – Dylan Renz called the meeting to order at 1:30PM and a quorum was determined.
2. **Roll Call** – As reflected above.
3. **Public Comments** – None.
4. **Approval of Minutes**

The September 29, 2021, quarterly meeting minutes were approved as presented, upon motion by Samuel Kiburz and second by Jerry O'Halloran; motion carried 5-0.

5. **Consent Agenda**
 - a. Payment ratification
 - i. Warrant #27
 1. Foster & Foster, plan administration, invoice #21420, \$1,400.00
 2. AndCo, invoice #39448, \$4,500.00
 3. Christiansen & Dehner, invoice #34954, \$2,363.90
 4. Foster & Foster, plan administration, invoice #21594, \$1,452.62
 5. Garcia Hamilton & Associates, invoice #34745, \$4,275.13
 6. Salem Trust, 3rd quarter fees, \$3,918.02
 - b. New invoices for payment
 - i. None
 - c. Fund Activity Report for September 10, 2021 – December 9, 2021

The consent agenda was approved as presented, upon motion by Greg Andrulonis and second by Jerry O'Halloran; motion carried 5-0.

6. **New Business**
 - a. Actual expenses as of September 30, 2021
 - i. Chrissy Stoker reminded the Board the report of actual expenses was mandated by the State to compare projected fiscal year expenses to the actual administrative expenses of the plan. Chrissy commented she would send the report to the City and also to the State.

The Board approved the actual expenses as of September 30, 2021, as presented, upon motion by Samuel Kiburz and second by Greg Andrulonis; motion carried 5-0.

- b. Upcoming trustee term expirations
 - i. Chrissy Stoker commented Chris Salsman was a member-elected trustee whose term would expire on 2/16/22. Chrissy asked Chris if he wanted to continue to serve and Chris confirmed he did. Chrissy commented she would send a nomination notice to Dylan Renz to distribute to the membership to determine if any active police officers had an interest in running against Chris. Chrissy commented she would advise the Board if an election would need to be held.
 - ii. Chrissy Stoker commented Greg Andrulonis was a Council-appointed trustee whose term would expire on 3/20/22. Chrissy asked Greg if he wanted to continue to serve on the Board and Greg commented he was unsure. Scott Christiansen commented Greg could continue to serve until he was removed or replaced.
 - iii. Scott Christiansen commented Samuel Kiburz's term was expiring in May and reminded Chrissy Stoker to add the Re-Election of the 5th Trustee to the next meeting agenda.

7. **Old Business** – None.

8. **Reports**

- a. Foster & Foster, Braeleen Scott, Board Actuary
 - i. October 1, 2021, actuarial valuation
 - 1. Braeleen Scott introduced herself and commented on her experience.
 - 2. Braeleen Scott reminded the Board the contribution amounts set forth in the valuation report were applicable to the plan/fiscal year ending 9/30/23.
 - 3. Braeleen Scott commented the Minimum Required Contribution amount decreased from the previous valuation from \$936,223 to \$901,368.
 - 4. Plan experience was favorable overall on the basis of the plan's actuarial assumptions. The primary source of actuarial gain was an investment return of 9.53% (Actuarial Asset Basis) which exceeded the 7.0% assumption. There were no significant sources of actuarial loss.
 - 5. Braeleen Scott reviewed the reconciliation of unfunded actuarial accrued liabilities.
 - 6. Braeleen Scott commented the funded ratio increased from 90.2% to 91.5% which was based on the Actuarial Value of Assets. Braeleen commented for accounting purposes, the City did not use a smooth value, so for the City's accounting purposes the plan was almost 103% funded.
 - 7. Samuel Kiburz asked Braeleen Scott about the impact of further reducing the assumed rate of return. Braeleen commented the FRS was at 6.8% so it would not be a bad idea to reduce the assumption, though 7.0% was reasonable. Braeleen commented the Fire Board requested a study to determine the cost of lowering the assumption rate and added this was an option for the Police Board too. Kristin Simeone commented it was a good time to lower the assumed rate of return if the Board elected to do so and there would not be any pushback from the City.

The Board voted to approve the actuary to prepare a study of the cost of lowering the assumed rate of return from 7.00% to 6.75%, upon motion by Samuel Kiburz and second by Chris Salsman; motion carried 5-0.

The Board voted to approve the October 1, 2021, actuarial valuation as presented, upon motion by Samuel Kiburz and second by Greg Andrulonis; motion carried 5-0.

- ii. Ad Hoc COLA Study
 - 1. Braeleen Scott reviewed the study was to determine the cost of a Cost-of-Living-Adjustment (COLA) for anyone in payment status or participating in

- the DROP for at least one year as of 10/1/21 and would provide a one-time increase equal to 1% for each full year of retirement (including DROP) as of 10/1/21, up to a maximum of a 6% increase.
2. Braeleen Scott commented the City used the Market Value of Assets not the Actuarial Value of Assets. Braeleen commented the City had a pension asset right now, not a pension liability, and the cost of an ad hoc COLA would almost eliminate the pension asset. Braeleen added the COLA would reduce the funded ratio from 91.5% to 89.2%.
 3. Scott Christiansen commented the COLA would be for current retirees only and was not negotiable, though it would need to be paid for by the City. Kristin Simeone commented the City Council would need to approve the COLA, as it would require an Ordinance change. Kristin commented Police negotiations were coming up soon as well.
 4. Greg Andrulonis commented given the funded status of the plan and the length of time since the last COLA increase this was a good idea. Dylan Renz commented with the current levels of inflation and the length of time since the last COLA increase, the least they could do was give the ad hoc COLA a shot and send an Ordinance to Council for consideration.

The Board voted to authorize Scott Christiansen to draft an Ordinance providing an ad hoc COLA to plan retirees for consideration at the next meeting, upon motion by Samuel Kiburz and second by Greg Andrulonis; motion carried 5-0.

The Board voted the declaration of returns for the plan shall be 7.0% for the next year, the next several years, and the long-term thereafter net of investment related expenses, upon motion by Greg Andrulonis and Jerry O'Halloran; motion carried 5-0.

- b. AndCo Consulting, Kerry Richardville, Investment Consultant
 - i. Quarterly report as of September 30, 2021
 1. Kerry Richardville gave an overview of the market over the quarter.
 2. The Market Value of Assets as of 9/30/21 was \$24,138,297.
 3. Kerry Richardville reviewed the asset allocation of the fund, commenting she had no recommendations to rebalance at this time.
 4. The gross total fund returns for the quarter were -0.27%, outperforming the benchmark of -0.44%. The 1, 3, 5 and 10-year returns were 19.61%, 12.11%, 11.56% and 10.50%. Since inception (10/1/1998), total fund net returns were 7.35%, outperforming the benchmark of 6.87%.
 5. Kerry Richardville reviewed the comparative performance of each asset class.
 6. Kerry Richardville reviewed the performance of each manager.
 - ii. Flash Report as of November 30, 2021
 1. Kerry Richardville reviewed the monthly flash report, commenting the value of the fund was \$25,158,021 as of 11/30/21.
 - iii. Discussion of strategies to reduce fixed income (GTAA Manager Analysis)
 1. Kerry Richardville commented the Board had previously requested to see different ways of reducing the amount of fixed income in the portfolio. Kerry commented the current allocation to Domestic Fixed Income was approximately 27%.
 2. Kerry Richardville reviewed the fees for the JP Morgan Income Builder R6 Fund and the PIMCO All Asset Institutional Fund.
 3. Kerry Richardville reviewed the firm and strategy information for each fund. Kerry commented JP Morgan aimed to generate a high-income yield whereas PIMCO was a diversifier against stocks and bonds.
 4. Kerry Richardville reviewed the asset allocation of each fund.
 5. The Board and Kerry Richardville discussed the benefits and drawbacks of investing with liquid alternatives.

- c. Christiansen & Dehner, Scott Christiansen, Board Attorney
 - i. Legislative/legal update
 - 1. Scott Christiansen reminded Chrissy Stoker to add the re-selection of Officers to the next meeting agenda.
 - 2. Scott Christiansen asked if the Summary Plan Description had been distributed to the membership and Dylan Renz confirmed it had been.
 - 3. Scott Christiansen reminded Chrissy Stoker to send the annual report of investment activity to the City Council.
 - 4. Scott Christiansen commented the proposed Ordinance was to amend the Required Minimum Distribution (RMD) age, and it passed first reading on 12/1/21. Scott commented it would go for second reading/adoption on 1/1/22.
 - 5. Scott Christiansen reviewed a piece of legislation that was pre-filed that proposed to add COVID to the list of In-Line of Duty (ILOD) disability presumptions.
- d. Foster & Foster, Chrissy Stoker, Plan Administrator
 - i. Possible FPPTA Board membership
 - 1. Chrissy Stoker reminded the Board at the last meeting they discussed possibly joining the FPPTA. Chrissy reminded the Board this was an educational organization that advocated for public defined benefit pension plans, and they had trustee schools and an annual conference every year to provide trustee education and networking. Chrissy commented if the Board wanted to join, the Board membership fee for 2022 was \$750.
 - 2. Scott Christiansen commented the trustees were required to obtain education at least once per term.
 - 3. Dylan Renz asked if the entire Board needed a membership for any trustees to attend. Chrissy Stoker commented that was correct.

The Board voted to join the FPPTA for 2022, upon motion by Samuel Kiburz and second by Chris Salsman; motion carried 5-0.

- ii. Educational opportunities
 - 1. Chrissy Stoker commented the next upcoming educational event with the FPPTA was the Winter Trustee School. Chrissy briefly reviewed the program agenda, commenting any trustees who wanted to attend should let her know. Chrissy reviewed Foster & Foster would always handle conference registrations and the trustees would need to reserve and pay for their own hotel rooms and submit for reimbursement.

9. Trustee Reports, Discussions, and Action

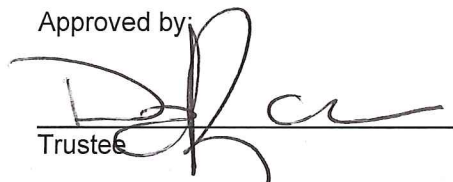
- i. Braeleen Scott commented the last time retirees received any COLA was a 2.10% COLA on 10/1/2003, and the COLA was given to all General, Police, and Fire retirees.

10. **Adjournment** – The meeting adjourned at 2:44PM.

11. **Next Meeting** – March 17, 2022, at 1:30PM, Quarterly Meeting

Respectfully submitted by:


 Chrissy Stoker, Plan Administrator

Approved by:

 Trustee

Date Approved by the Pension Board: March 17, 2022