CITY OF ST. CLOUD GENERAL EMPLOYEES’ RETIREMENT SYSTEM
QUARTERLY MEETING MINUTES
City Hall, Building A, First Floor Conference Room
1300 Ninth Street, St. Cloud, FL 34769

Tuesday, August 13, 2019, 1:30PM

TRUSTEES PRESENT: Scott Kaplan
Donna Cooley
Scott Stoll
James Reus
Arthur Lee
Brian Liotta

TRUSTEES ABSENT: Nadine Zilke

OTHERS PRESENT: Scott Christiansen, Christiansen & Dehner
Dave West, AndCo Consulting
Ferrell Jenne, Foster & Foster
Siera Feketa, Foster & Foster
Gloria Emanuel, City of St. Cloud, Finance
Donna Miller, Retiree

I. Call to Order/Roll Call/Determination of a Quorum
   a. Chairman Zilke called the meeting to order at 1:35pm. There was a quorum with six (6) members present.
   b. Roll Call – as stated above

II. Public Comments –
   a. Donna Miller, a recent retiree, stated she received the rollover check of her DROP, which she thought was going to be sent directly to the financial institution as one of the forms she signed provided direction that the check would be mailed directly to the rollover institution. Donna stated she would like to receive the interest she lost by not having her funds in her account as soon as was possible. Scott Christiansen informed Donna Miller the board did not have the authority to do that. Scott Christiansen asked why the check was mailed directly to the member. Ferrell Jenne commented this was a standard policy with Fifth Third. Siera Feketa commented the Fifth Third document signed by the member stated all rollover checks would be mailed directly to the member. The board requested the administrators to ask Fifth Third if they were able to change this policy and inform them of Fifth Third’s response.

III. Approval of Minutes
   a. May 14, 2019, quarterly meeting minutes, prepared by Shelly Baumann
   b. May 14, 2019, joint meeting minutes, prepared by Shelly Baumann
The board voted to approve the May 14, 2019, quarterly meeting minutes and the May 14, 2019 joint meeting minutes as presented, upon motion by James Reus and second by Scott Stoll; motion carried 6-0.

IV. Reports (Attorney/Consultants)
   a. AndCo Consulting, Dave West, Investment Consultant
      i. Dave West gave an overview of the market environment for the quarter.
      ii. Dave West commented the Fund may not meet their actually-assumed rate of return for the year, however, a poor-performing year would drop off, which would be an improvement for smoothing purposes.
      iii. The total market value of the fund as of June 30, 2019, was $61,453,005.
      iv. The total fund gross returns as of June 30, 2019, were 3.25%. The 1-, 3-, and 5-year total fund gross trailing returns were 6.79%, 8.72%, and 6.67% respectively, compared to the benchmarks of 7.6%, 9.04%, and 6.87% for the same respective periods. Since inception (4/1/04), the total fund gross returns were 6.83%, slightly underperforming the benchmark of 6.9%. The fiscal year-to-date total fund gross returns were 3.86%. For the 1-, 3-, and 5-year periods the fund’s returns were in the 35th, 58th, and 17th percentile respectively.
      v. Dave West reviewed the GAMCO strategy commenting all value managers seemed to be struggling in this market.
      vi. Dave reviewed the comparative performance, giving a brief overview of each manager’s strategy. Dave commented Intercontinental was not a beneficiary of rising interest rates.
      vii. Dave West commented they had three well respected real estate managers announce a writedown. Dave commented this was being checked on an on-going basis and, as of now, was not an issue. Scott Christiansen asked if the managers were directed to writedown their gains by a third-party factor. Scott Christiansen and Dave West reviewed the third party that reviewed the managers and the process.
      viii. Dave West reviewed the FYTD cash flow of the plan.
      ix. Dave West commented he was not recommending any asset allocation changes at this time, and AndCo Consulting would continue to monitor GAMCO.
   b. Christiansen & Dehner, Scott Christiansen, Plan Attorney
      i. Trustee term expiration
         1. Scott Christiansen reviewed the upcoming trustee term that is expiring, Brian Liotta’s member-elected seat. Ferrell Jenne confirmed with Brian Liotta he would like to run again. Scott Christiansen requested the administrators send the election notice to the City to be distributed in October.
         2. Donna Cooley asked Ferrell Jenne what the election process was like under the new administrator. Ferrell Jenne briefly reviewed the process. Ferrell and the board discussed the process and the best way to send the election notice so members without email addresses also received the notice.
      ii. Addendum to Operating Rule and Procedures
         1. Scott Christiansen presented the addendum to the Operating Rules and Procedures commenting he made the requested change to Section 1.7, Election Procedures, to encourage candidates to
provide a statement with their qualifications to serve as a trustee, for distribution to the membership with the ballots.

The board approved the addendum to Section 1.7 of the Operating Rules & Procedures, upon motion by Donna Cooley and second by Scott Stoll; motion carried 6-0.

iii. Summary Plan Description
2. Scott Christiansen commented this needed to be updated every two years and it was last updated September 1, 2017. Scott commented, with the board’s approval, he would provide an updated Summary Plan Description for approval at the next quarterly meeting.

The board approved Scott Christiansen to update the Summary Plan Description, upon motion by Arthur Lee and second by Donna Cooley; motion carried 6-0.

iv. Cost of Living Adjustment (COLA) Ordinance
1. Scott Christiansen provided a brief update on the COLA ordinance commenting he sent it to the City and had not received any further communication. Siera Feketa commented Ordinance 2019-39 passed second reading on June 26, 2019 and was sent to the State on July 2, 2019. Scott requested Siera Feketa send him an executed copy of Ordinance 2019-39.

v. Proposed 2020 meeting dates
1. Scott review the proposed 2020 meeting dates.

The board approved the 2020 meeting dates as presented, upon motion by Donna Colley and second by Brian Liotta; motion carried 6-0.

V. New Business
a. Arthur Lee asked Siera Feketa and Ferrell Jenne to provide an update on the portal. Siera Feketa commented she met with the City that morning and they were trying to determine how to pull the pensionable wages as it was currently being done manually. The board requested a rough estimate in the length of time before it was set up. Ferrell Jenne commented it was 60-90 days once the data was received.

VI. Old Business – None

VII. Consent Agenda
a. Ferrell Jenne gave a brief overview of the consent agenda.
b. Invoices for ratification
   i. Warrant #10
      1. FPPTA, invoice #361, 2019 Fall Trustee School registration, Scott Kaplan, $850.00.
   ii. Warrant #11
      1. Christiansen & Dehner, invoice #33350, legal services, $3,355.60.
      2. AndCo Consulting, invoice #32494, investment consulting, $6,750.00
      3. Christiansen & Dehner, invoice #33411, legal services, $708.70
4. Foster & Foster, invoice #14902, plan administration, $3,866.67
5. Fifth Third Bank, invoice #5881558, custodial services (Auto-deduct), $4,056.40
6. Garcia Hamilton & Associates, invoice #30610, investment management, $7,731.89
7. Dana Investment Advisors, invoice #68943, $14,528.89
8. Gamco Asset Management, invoice #20190630-157-4883-A, investment management, $10,082.00
d. Fund activity report for June 1, 2019 through August 6, 2019

The board approved the consent agenda as presented, upon motion by Arthur Lee and second by James Reus; motion carried 6-0.

VIII. Staff Reports
a. Foster & Foster, Ferrell Jenne/Siera Feketa, Plan Administrator
   i. Siera Feketa reviewed the upcoming FPPTA Fall Trustee School from October 6-9, 2019, in Ponte Vedra, Florida. Scott Kaplan commented he was already registered and recommended reaching out to Nadine Zilke to see if she would like to attend. James Reus and Scott Stoll expressed their intentions of attending the FPPTA trustee school.
   ii. Siera Feketa reviewed the Florida Division of Retirement 49th Annual Police Officers’ & Firefighters’ Pension Conference from October 29, 2019 – October 31, 2019, in Orlando, Florida.

IX. Trustees’ Reports, Discussion and Action
a. Scott Stoll commented he will not be attending the November meeting.

X. Adjournment – The meeting adjourned at 2:24pm

XI. Next Meeting – Quarterly Meeting, Wednesday, November 12, 2019 at 1:30pm.

Respectfully submitted by: Approved by:

Siera Feketa, Plan Administrator

Scott Kaplan, Vice-Chairman

Date Approved by the Pension Board: 12/12/19