MINUTES OF THE CITY OF GALVESTON EMPLOYEES' RETIREMENT FUND
BOARD OF TRUSTEES OF GALVESTON, TEXAS

Meeting Date
May 7, 2024

The following members were present:
Robert Simmons
Csilla Ludanyi
Roland Bassett, Jr.
Don Davison
Rodney Low

The following members were absent:
Lewis Rosen
Trina Jankowski

Also attending was Ron Kern (Graystone Consulting), Laura Lynch (Whitley Pen) and Mark Fenlaw (Rudd and Wisdom)

It was determined that a quorum was present, and the meeting was called to order at 1:00.

Motion to approve minutes of February 6, 2024 was made by Csilla Ludanyi; second by Roland Basssett; Motion passed unanimously.

Ron Kern and Katie Hendrick with the Quantitative Group, presented the Performance Evaluation. The following illustrates the returns and balances for the quarter:

Manager	Market Value	Actual	Benchmark	
iShares Core S&P 500 ETF	23,802,426	10.42%	Standard & Poors 500	10.56%
Vanguard Mid Cap	13,178,109	7.87%	Russell MidCap	8.60%
iShares Core S&P Small-(	6,974,254	2.39%	S&P Small Cap 600	2.46%
iShares Cove MSCI EAFE E	4,802,628	5.59%	MSCI ACWF ex-US	4.69%
iShares Core MSCI Emerg.	1,141,392	2.43%	MSCI EM Net	2.37%
American Funds New Wo	1,047,562		MSCI EM Net	2.37%
Baird Aggregate Bond	3,386,849	-0.44%	Bloomberg US Aggre	-0.78%
Met West Total Rtn Bdl	3,662,404	-0.84%	Bloomberg US Aggre	-0.78%
TIAA CREF Bond Fund	3,121,528	0.04%	Bloomberg US Aggre	-0.78%
Brandywine Global Opp	2,062,868	-4.76%	SB World Govt Bond	-2.42%
PIMCO Income Fund	2,481,391	1.39%	Bloomberg US Aggre	-0.78%
Bluerock Total Income	1,164,539	-33.40%	NCREIF Prop Index	-0.92%
CION Ares Diversified	2,317,826	2.80%	S&P LSTA us	2.46%
Pomona Investment	2,332,678	0.00%	S&P Global List PE	8.42%
Cash	745,315			
Total	72,221,769			

Ron discussed the performance report. He referred to page 14 of the report which discloses all fees and pointed out that total fees are approximately .36% and fees have been very carefully controlled. The Fund performance was up 5.30% for the quarter and up 16.51% for the 12 months ended March 31,

2024. The fund was rewarded for staying invested during the tough times at the beginning of the year and is well diversified by asset class. The Plan is now returning some of the previous large gains.

Total rate of return since inception has been 7.05%; total over 10 years has been 6.48%.

Blurock is being liquidated and there will be cash at the end of the next quarter, at which time Ron will make a recommendation for additional investments..

Laura Lynch presented the audit report, giving an overview of audit procedures. The audit opinion was unqualified, and no audit adjustments were proposed. Laura Lynch discussed the posting/keypunch error that was made by MNB in October, 2023 but not noticed or corrected until February, 2024 when it was brought to their attention by this Plan administration. MNB has stated that they have corrected their internal control procedures which would preclude a repeat of this error. Csilla Ludanyi moved acceptance of the audit draft; second by Roland Bassett, subject to inclusion of the GASB 67 information and correction in the MD&A note regarding change in contribution rate which should reflect 13.3% rather than 12.15%. Motion passed unanimously.

Mark Fenlaw and Rebecca Morris presented the December 31, 2023 Actuarial Valuation.

Actuarial condition of the Plan

- Report assumes total contribution rate of 19.35%
- Normal cost rate is 10.62% and leaves 8.73% available to amortize the unfunded liability of $21,840,918
- Amortization period is 8.9 years, decreasing from 9.01 years
- PRB guidelines are for amortization period of 10 to 25 years; consequently, low amortization period provides cushion for adverse investment years

Plan provisions changed January 1, 2024 and are reflected in the valuation

- addition of 3% COLA
- raising the multiplier to 2.65
- raise in the City contribution rate to 13.35

Change in Plan assumptions used in valuation

- lowering estimated admin expenses from .55% to .50%
- increase in projected benefits from unused vacation and sick pay increased from 1% to 3%
- changed assumed disability rates to be same as those used by TCDRS
- changed assumed termination rates
- average expected retirement age changed from 63.1 to 62.8
- assumed compensation rate increases for merit and promotion to be 1.7% per year rather than 1.4%
- change in mortality table used to MP-2024

Csilla Ludanyi moved to accept the report; second by Rodney Low. Motion passed unanimously.

Dan Buckley requested a new study changing the factor from 2.65 to 2.75. This study will be paid for by the City, not the Plan. Once complete, a special meeting will be called to present this.

The next regular meeting was set for Tuesday, August 6, 2024.

Compiled financial statements for the quarter showed an increase in changes in net assets of $4,193,600 for year to date. The compilation report was discussed, including specifically the categories of investment income, benefits paid, administrative fees and the comparison to the same period in the prior year. Ccsilla Ludanyi moved, second by Rodney Low to accept compilation report.

New chairman, Robbie Simmons, was elected at the November 15, 2024 meeting. Strictly as a matter of clarification, Csilla Ludanyi moved, with a second by Rodney Low, that as Chairman, Robbie Simmons has the authority to be the new signors on all Plan financial and administrative documents. Motion passed unanimously.

With no further business or requests, the meeting was adjourned at 2:30.

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Ann Masel, Plan Administrator

Term expiration dates:
Robert Simmons-11/26
Trina Janlowski-11/26
Rodney Simmons-11/26
Don Davison-Board designee 8/26
Roland Bassett-8/26
Lewis Rosen-Board designee 2/4/20
Csilla Ludanyi-City Finance appt.