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

Meeting Date
February 4, 2025

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

The following members were absent:
Lewis Rosen

Also attending was Ron Kern and Katie Hendrick (Graystone Consulting) and Dan Buckley

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

Motion to approve minutes of November 12, 2024 was made by Csilla Ludanyi; second by Trina Jankowski; 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:

	Market Value	Actual Return	Benchmark	
ishares S&P 500ETF	25,615,000	2.46%	Standard & Poors 500	2.41%
Vanguard Mid Cap ETF	14,080,000	0.45%	Russell Midcap	0.62%
ishares S&P Small Cap	7,271,000	-0.56%	S&P Small Cap 600	0.58%
ishares MSCI EAFE ETF	4,548,000	-8.53%	MSCI EAFE Index	-7.60%
ishares MSCI Emerging Mkts	1,155,000	-7.03%	MSCI EM Net	-8.01%
American Funds New World	1,063,000	-6.50%	MSCI EM Net	-8.01%
baird aggregate bond fund	5,467,000	-2.83%	Bloomberg Inter Govt	-3.06%
Nuveen Core Bond Fund	5,472,000	-2.50%	Bloomberg Inter Govt	-3.06%
PIMCO Income Fund	4,617,000	-0.85%	Bloomberg Inter Govt	-3.06%
Bluerock Total Income	553,000	-2.08%	NCREIF Property Index	9.40%
Cion Ares Diversified Credit	2,405,000	2.27%	Morningstar LSTA	2.27%
FS Credit REIT	2,430,000	1.77%	Morningstar LSTA	2.27%
Pomona Investment	2,360,000	0.00%	S&P Global Listed Pri Eq	0.00%
Cash	992,577			
	78,028,577			

Ron discussed the performance report. He referred to page 8 of the report which discloses all fees and pointed out that total fees are approximately .38% and fees have been very carefully controlled. The Fund performance was down 0.19% for the quarter and up 12.92% for the 12 months ended December 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 7.11%; total over 10 years has been 6.92%.

Ron Kern made the following recommendation to liquidate 100% of Pomona, and he will have an investment recommendation for the cash at the next meeting. Motion to approve made by Csilla Ludanyi and second by Rodney Low. Motion passed unanimously.

Ron Kern noted that due to the increase in value of equities ,it is necessary to move cash to the fixed income category in order to align with the investment policy. Motion to accept was made by Roland; second by Trina. Motion passed unanimously.

The IPS will be reviewed at the next meeting, specifically with respect to allocation percentages.

The studies requested from the actuary regarding changing the cap were discussed. Rodney Low moved to increase the cap to $75,000 and increase the multiplier to 2.80%, effective February 15, based on the actuary recommendation. Trina seconded the motion, and it passed unanimously.

Discussion ensued about possible future changes enabling allowing employees who have reached the cap to have the ability to make their employee contributions contributed to a different plan, while having the City continue the City's contributions to the City Plan. Another option for study would be to have the employee contributions go to the different Plan, the City contribution up to normal cost remain going in to the City Plan, and the different between City contribution amount (currently 13.35%) and normal cost be put into the additional Plan. Robbie Simmons moved to request the Actuary to study this procedure; second by Don Davison. Moton passed unanimously.

Compiled financial statements for the quarter showed an increase in changes in net assets of $12,268,129 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.

With no further business or requests, the meeting was adjourned at 2:15.

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Ann Masel, Plan Administrator

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