MINUTES OF THE REGULAR MEETING OF CITY OF GALVESTON RETIREMENT FUND FOR POLICE BOARD OF TRUSTEES OF GALVESTON, TEXAS

Meeting Date
Tuesday, May 7, 2024

The following members were present:
Destin Sims
Xavier Hancock
Dan Buckley
Hal Rochkind
Jonathan Coward
Csilla Ludanyi
Geoff Gainer
Scott Gordon

The following members were absent:
None

Also attending were Ron Kern (Graystone Consulting), David Sawyer (Definiti)

It was determined that a quorum was present, and the meeting was called to order by Geoff Gainer at 10:00.

Public comments were made by the following retired officers:
Terry Hoecker, John Bertolino, Paul Millo, Freddie Poor, Philip Morris, Jimmy Delasantis, and W. Villareal. All public comments were related to retired officers request for consideration of a Cost of Living Increase.

Hal Rochkind moved approving the minutes of the February 6, 2024 meeting; second by Dan Buckley.; Motion passed unanimously.

Dan Buckley moved, with a second by Hal Rochkind for ratification of loans to Gainer, Duenez, Owens and Torres. Motion passed unanimously with the exception of Geoff Gainer who abstained.

Ron Kern and Katie Hendin discussed the investment performance report. YTD the portfolio is up 4.94% through 3/31/24; 12 month return is 14.87% Since inception of 3/89, the fund is up 7.79%. Quarter to date the fund is up 4.94%, compared to the composite benchmark which is up quarter to date by 5.24%. Fees remain at 0.41% combined annual fees.

Manager	Market Value	Actual	Benchmark	
iShares Core S&P 500 ETF	8,012,125	10.55%	Standard & Poors 500	10.56%
Vanguard Mid Cap	3,498,040	7.87%	Russell MidCap	8.60%
iShares Core S&P Small-Cap	2,297,711	2.46%	S&P Small Cap 600	2.46%
iShares Cove MSCI EAFE ETF	2,932,358	5.34%	MSCI EAFE Index	5.78%
iShares MSCI Emerging Mkts ET	828,748	2.20%	MSCI EM Net	2.37%
American Funds New World	907,276	5.19%	MSCI EM Net	2.37%
Nuveen Asset Mgmt	6,862,854	-0.11%	Blomberg Inter. Govt	-0.15%
Bluerock Total Income	283,636	-3.43%	S&P US Reit	-0.36%
Ares Diversified Credit	552,197	2.82%	S&P LSTA leveraged	2.46%
Pomona Investment	537,029	2.49%	S&P Global Private Eq	16.05%
Cash	147,572			
Total	26,859,546			

There were no recommendations for change at this meeting.

Dave Sawyer presented the Actuarial Report for the year ended January 1, 2024
Highlights mentioned are as follows:

- Fair Value of assets at January 1, 2024 is $26,994,734
- Actuarial accrued liability 63,163,155 which went up over the prior year because pay increases were more than expected, causing future benefits to increase
- Normal cost rate as a percent of payroll 10.02%
- UAL Amortization period 15 years
- Investment return assumption 7.00%
- Active members 149
- Funding policy contribution rates 12% officer, 18% city
- Actuarial determined contribution rate 23.80%

Discussion ensued regarding the withholding of pension contribution from roll-out pay when an officer terminates employment, but not receiving credit for that contribution in the calculation of their pension pay, The actuary reported on his study on the impact to the Plan of eliminating withheld City and officer contributions on roll-out and supplemental payments made to retiring officers. The study reflected that it is not a material factor and would not even change his usual assumptions of changed; however, no changes can be made until after the 5 year period which ends November, 2024.

The compilation was reviewed. Year to date gain at March 31, 2024 was 530,057 compared to a gain of 514,418 for the same period in the prior year. In the future, Ann will footnote the amount of City contributions received in October.

The audit note was read to the board stating that the audit is not complete, and the auditors have requested a special meeting for presentation. The meeting will be set for Tuesday, June 4, 10:00 and Ann will send out a calendar invite. Hal and Xavier will not be able to attend.

The Board discussed the request from retired officers to receive a COLA. Geoff Gainer gave his opinion, with the other Board members in consensus, that benefits for the newer and current officers have been reduced as compared to those of the older retired group. This is a result of necessary changes in the formula which were needed to make the Plan healthier. Currently the Plan is only 44% funded, although the PRB would define 80% as a healthy Plan, and any COLA would only add the burden to the current officers.

The Board consensus was to defer the review and discussion of necessary bylaw changes, and to also include the Plan Document in future reviews.

Future action items requested:
None

Future discussion items requested:
1) Review and discuss changes to Plan bylaws
2) Determination of how years of service are calculated and admin (unpaid) leave impacts years of service, and how that is communicated to the administration and the Plan (Geoff Gainer will call a special meeting to discuss)

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

With no further business or requests, the meeting was adjourned at 12:15

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Ann Masel
Plan Administrator

Notes: Officer's terms:
Gainer-designee of President of GMPA
Hancock-2024
Coward-2025
Sims-2026
Ludanyi-Pleasure of City Manager
Buckley-Pleasure of City Manager
Rochkind-expired 9/25 Council appt
Gordon-9/24 Mayoral appt