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

Meeting Date
Tuesday, November 12, 2024

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

The following members were absent:
None

Also attending were Ron Kern and Katie Hendin (Graystone Consulting) and David Sawyer (Definiti LLC)

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

There were no public comments.

Hal Rochkind moved approving the minutes of the August 6, 2024 regular meeting; second by Scott Gordon. Motion passed unanimously.

Dan Buckley moved, with a second by Hal Rochkind for ratification of employee loans. Motion passed unanimously.

Ron Kern and Katie Hendin discussed the investment performance report. YTD the portfolio is up 12.47% through 9/30/24; 12 month return is 22.26% Quarter to date the fund is up 6.09%, compared to the composite benchmark which is up quarter to date by 5.76%. Fees remain at 0.40% combined annual fees.

All investments remain diversified, with the largest holdings in S&P 500 stock index funds.

	Market Value	Actual Return	Benchmark	
ishares S&P 500ETF	7,968,768	5.88%	Standard & Poors 500	5.89%
Vanguard Mid Cap ETF	3,693,620	9.36%	Russell Midcap	9.21%
ishares S&P Small Cap	2,431,598	10.09%	S&P Small Cap 600	10.13%
ishares MSCI EAFE ETF	3,083,677	7.70%	MSCI EAFE Index	7.26%
ishares MSCI Emerging Mkts	922,062	7.26%	MSCI EM Net	8.72%
American Funds New World	985,968	6.92%	MSCI EM Net	8.72%
Nuveen Asset	6,945,181	3.81%	Bloomberg Inter Govt	4.68%
Bluerock Total Income	172,302	0.76%	S&P US REIT	0.73%
Ares Diversofoed Credit	580,162	2.51%	S&P LSTA Leveraged	2.09%
Pomona	558,903	0.38%	Cambridge us private Eq	1.77%
Cash	196,063			
	27,538,304			

Ron Kern recommended the following proposal for changes to the portfolio:
Continue divesting Blue Rock and add Blue Owl Credit Income. Hal Rochkind moved to accept the proposal below and Dan Buckley seconded. Motion passed unanimously for the following changes:

ishares S&P 500ETF	750,000
Vanguard Mid Cap ETF	350,000
ishares S&P Small Cap	225,000
ishares MSCI EAFE ETF	275,000
ishares MSCI Emerging Mkts	75,000
American Funds New World	50,000
Nuveen Asset	250,000
Bluerock Total Income	(35,000)
Blue Owl	575,000
Cash	(2,515,000)

Csilla will be issuing an RFP through the City for the December 31, 2024 audit services will be going out next week. No action taken at this meeting, but selection of the firm, by the Board, will be an action item at a special called meeting at a date to be determined..

Discussion ensued regarding the need for an actuarial study to determine the effect of a COLA for retired officers. This could take many forms such as a 13th check or a 1 time 5% COLA. Action was deferred until a special called future meeting, at a to be determined time, pending data regarding the retiree population for Dave Sawyer. An action item for that next meeting will be a discussion and possible approval of requesting the actuary to perform a study of a COLA for retired officers, if needed after review of data.

The previously appointed committee noted that results of the study on Plan changes and clarifications will be brought to the Board at the February meeting. Items to be considered include:

1) 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
2) calculations and reporting of unpaid administrative leave and military leave
3) calculation of years of service using 60-months rather than 5 years, and changing the data sheet to/from the actuary that clearly reflects the 60-month period used and also requiring sign off by HR for eligible years of service before submission to actuary

It was requested that Dave Sawyer put in narrative form the impact to the Plan of losing contributions of rollout pay. This will be discussed at a future special called meeting.

The compilation was reviewed. Year to date gain at September 30, 2024 was $1,396,242 compared to a loss of $562.315 for the same period in the prior year. The amount of City contributions received in October, 2023 were $2,880,800; in October, 2024 they were $3,004,870.

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:

1) Possible approval of actuarial study regarding a COLA and possible approval of method determining a COLA
2) Approval of audit firm for December 31, 2024 audit
3) Possible approval of changing withholding of contributions in roll-out pay

Future discussion items requested:

1) Review and discuss changes to Plan bylaws
2) Report from Committee chosen (above) to review determination of how years of service are calculated, impact of admin (unpaid) leave and military service, and contributions in the calculation of rollout pay.
3) Open records discussion, especially as it affects reporting of employee loans

The next regular meeting was set for **Tuesday, February 4. 2025 at the office of Ham, Langston and Brezina, LLP.**

With no further business or requests, the meeting was adjourned at 12:00

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Ann Masel
Plan Administrator

Notes: Officer's terms:
Gainer-designee of President of GMPA
Perry-2027??
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