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

Meeting Date
Tuesday, February 4, 2025

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

The following members were absent:
Zack Perry

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 November 12, 2024 regular meeting and December 17, 2024 special meeting; second by Dan Buckley. 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 11.28% compared to the composite benchmark of 12.28%. Quarter to date the fund is down 1.09%, compared to the composite benchmark which is down quarter to date by 1.19%. Fees remain at 0.41% combined annual fees.

All investments remain diversified, with the largest holdings in S&P 500 stock index funds. Ron Kern noted that the bond fund requirement in the IPS may be outdated and should be evaluated and reviewed at the next meeting.

	Market Value	Actual Return	Benchmark	
ishares S&P 500ETF	8,902,608	2.40%	Standard & Poors 500	2.41%
Vanguard Mid Cap ETF	4,050,169	0.44%	Russell Midcap	0.62%
ishares S&P Small Cap	2,633,584	-0.60%	S&P Small Cap 600	-0.58%
ishares MSCI EAFE ETF	3,092,461	-8.42%	MSCI EAFE Index	-8.11%
ishares MSCI Emerging Mkts	931,344	-6.97%	MSCI EM Net	-8.01%
American Funds New World	970,421	-6.59%	MSCI EM Net	-8.01%
Nuveen Asset	7,082,434	-1.63%	Bloomberg Inter Govt	-1.60%
Bluerock Total Income	132,905	-2.09%	NCEIR Property Index	0.94%
Ares Diversofoed Credit	592,767	1.46%	S&P LSTA Leveraged	2.27%
Blue Owl Credit Income	575,000		S&P LSTA Leveraged	2.27%
Pomona	576,005	3.00%	Cambridge us private Eq	2.60%
Cash	110,410			
	29,650,108			

Ron Kern recommended the liquidation of Pomona due to concern that future internal actions made by Pomona may make liquidation more difficult. Hal moved to liquidate 100% of Pomona; second by Scott. Motion passed unanimously. The next opportunity for liquidation will be in April. Ron will bring recommendations for the resulting cash influx to the next meeting in May.

Discussion ensued regarding the requested actuarial study to determine the effect of a COLA for retired officers. Two possible options discussed were 1) a one-time increase paid to the retiree or spouse or 2) an increase that will remain (but not escalate) each year. Neither option would have promise of increases in future years. Action on the actuarial report was tabled until inclusion of information in the Annual Actuarial Valuation to be presented at the May meeting. Included in the valuation will be a percentage increase as determined by the actuary to be a valid example for use in his calculations, plus any other information that the actuary determines will assist him in explaining the options.

Csilla Ludanyi requested that each Board member provide to Ann the guiding principles that they believe, as Board members, should be used in the Board's decision process. These should be given to Ann before the next Board meeting so that she can accumulate them and provide a report.

Dave will supply raw data to Ann who will distribute to Board.

Hal Rochkind left at 11:20.

The previously appointed committee considering Plan recommendations presented results of the study on Plan changes and clarifications. The 3 items considered were:

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 – handled by Board 12/17/24, effective 1/1/25 rollout pay, defined as sick pay, vacation pay and frozen or unfrozen comp pay will have no contributions, City or Officer, withheld from final paycheck.
2) Leave impact of missing contributions because of unpaid administrative leave and military leave-3 option solution
   A) pay plan back for missing contributions
   B) work the additional time to compensate for the missing contributions
   C) use most recent 130 pay periods of contributions if member was eligible to retire prior to approved 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

No action was taken; Report will continue to be a future discussion item. For purposes of illustration Ann will give Csilla the names of the last 3 retirees in order to compare the current calculation method to the proposed method above.

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) IPS-Investment Policy Statement

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) Financial training for Officers

4) Plan priorities

The next regular meeting was set for **Tuesday, May 6. 2025 at the office of Ham, Langston and Brezina, LLP.**

With no further business or requests, the meeting was adjourned at 12:30

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