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

Meeting Date
Tuesday, May 13, 2025

The following members were present:
Zack Perry
Dan Buckley
Hal Rochkind
Csilla Ludanyi
Scott Gordon

The following members were absent:
Destin Sims
Geoff Gainer
Jonathan
Coward

Also attending were Ron Kern and Katie Hendin (Graystone Consulting), David Sawyer and Barry Anderson (Definiti LLC), Patrick Simmons and Laura Lynch (Whitley Penn)

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

There were no public comments.

Hal Rochkind moved approving the minutes of the February 4, 2025 regular meeting; second by Zack Perry. Motion passed unanimously.

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

Ron Kern and Katie Hendin discussed the investment performance report. Quarter to date (and YTD) the portfolio is down (0.71%) compared to the composite benchmark of (1.32%). Fees remain at 0.42% 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	7,984,599	-4.28%	Standard & Poors 500	-4.27%
Vanguard Mid Cap ETF	3,983,524	-1.57%	Russell Midcap	-3.40%
ishares S&P Small Cap	2,397,372	-8.93%	S&P Small Cap 600	-8.93%
ishares MSCI EAFE ETF	3,133,120	7.55%	MSCI EAFE Index	6.86%
ishares MSCI Emerging Mkts	962,555	2.85%	MSCI EM Net	2.93%
American Funds New World	986,603	1.67%	MSCI EM Net	2.93%
Nuveen Asset	7,239,073	2.21%	Bloomberg Inter Govt	2.42%
Bluerock Total Income	104,237	0.58%	NCEIR Property Index	1.27%
Ares Diversified Credit	597,968	0.96%	S&P LSTA Leveraged	0.48%
Blue Owl Credit Income	591,140	1.71%	S&P LSTA Leveraged	0.48%
Pomona	585,103	1.52%	Cambridge us private Eq	2.01%
Cash	41,011			
	28,606,305			

The revised Investment Policy Statement was discussed. Motion to accept was made by Hal Rochkind; second by Zack Perry. Motion passed unanimously.

Laura Lynch reviewed the audit of the 12/31/24 financial statements, discussing the audit process and procedures. The audit was a “clean” unqualified opinion, with -0- misstatements.

Dave Sawyer discussed the January 1, 2025 Actuarial Valuation Report. Highlights:

- Assumed investment return remained at 7%
- AAL of 64,426,141 is 47.1%, which is “not a great rate” but compares favorably to 44.3% in the prior year
- Normal cost rate is 10.29% of payroll
- Continuation of contribution rate of 30% assumed
- Amortization period is 13 years compared to the prior amortization period of 15 years
- Payroll growth assumption 3.5%

Dave Sawyer was requested to review, with input from Ron Kern, the ramifications of changing from the current 7% return assumption to a 6.34% return assumption for the next annual actuarial valuation

Discussion ensued regarding the requested actuarial study to determine the effect of a COLA for retired officers, such study included in the actuarial valuation as requested. Because the funded status of the plan is currently only 47.10%, and the AAL for those already receiving benefits is greater than the value of the assets, the Actuary does not think this is the appropriate time to address a COLA. Motion made by Dan Buckley that based on actuarial study, now is not the time address a COLA. Motion seconded by Hal Rochkind; passed unanimously.

Ann was requested to draft a letter to all retirees stating that there will be no COLA at this time, but it will be reexamined on an annual basis.

No action was taken on calculation of years of service. Report will continue to be a future discussion item. For purposes of illustration Ann has given Csilla the names of the last 5 retirees in order to compare the current calculation method to the other methods.

Dan moved, with a second by Scott, to defer discussion and make any Plan changes once a year with more members present. Motion passed unanimously.

Hal Rochkind left at 11:40.

Due to lack of quorum, all agenda items were after 6a. were deferred to next meeting,

Future action items requested:

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,
3) Report from actuary regarding change from 7% return to 6.34% return
4) Plan priorities

The next regular meeting was set for **Tuesday, August 5. 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