

**CITY OF CRESTVIEW GENERAL EMPLOYEES' PENSION TRUST FUND
PENSION BOARD OF TRUSTEES
QUARTERLY MEETING MINUTES
198 N. Wilson Street
Crestview, FL 32536**

Tuesday, December 3, 2024, at 1:00pm

TRUSTEES PRESENT: Bryan Lewis
Allen Halford
Natasha Peacock
Nicholas Schwendt

TRUSTEES ABSENT: Jerry Maughon

OTHERS PRESENT: Tyler Grumbles, Mariner Institutional
Sean Sendra, Klausner, Kaufman, Jensen, & Levinson
Siera Feketa, Foster & Foster
Joe Griffin, Foster & Foster
Billy Gilliam, City Comptroller

1. **Call to Order** – The meeting was called to order at 1:06pm.
2. **Roll Call** – As reflected above.
3. **Public Comments** – None.
4. **Approval of Minutes**
 - a. August 27, 2024, quarterly meeting

The Board voted to approve the August 27, 2024 quarterly meeting minutes as presented, upon motion by Natasha Peacock and second by Bryan Lewis; motion carried 4-0.

5. Reports (Attorney/Consultants)

- a. Mariner Institutional, Tyler Grumbles, Investment Consultant
 - i. Quarterly report as of September 30, 2024
 1. Tyler Grumbles gave an overview of the role of the investment consultant.
 2. Tyler Grumbles gave an update on the market for the quarter.
 3. Tyler Grumbles reviewed the asset allocation by asset class.
 4. Tyler Grumbles reviewed the asset allocation compliance.
 5. Nicholas Schwendt asked why real estate was tracking lower. Tyler Grumbles discussed the real estate environment and the factors that caused it to be lower; commenting last time it was higher other investments were a little lower.,
 6. Tyler Grumbles reviewed the financial reconciliation.
 7. As of September 30, 2024, the preliminary market value of assets was \$26,676,826. The preliminary total fund net returns for the quarter were 5.03%, underperforming the benchmark of 5.35%. The preliminary trailing returns for the 1, 3, 4, and 5-year periods were 20.43%, 4.51%, 8.11%, and 8.27% respectively. Since inception (07/01/1998) returns were 6.40%, slightly underperforming the policy benchmark of 6.47%.
 8. Tyler Grumbles discussed the performance of the managers and how they impacted the overall portfolio.

- ii. Domestic Bond Analysis
 - 1. Tyler Grumbles discussed the current fund they were invested in, MetWest Total Return. Tyler commented their performance had not been the best. Tyler discussed the different funds in the analysis. Tyler discussed the risk/return of each investment. Tyler discussed the strategy of each fund. Tyler recommended a combination of Dodge & Cox and JPMorgan to replace MetWest.

The Board voted to approve the recommendation of investment consultant, upon motion by Nicholas Schwendt and second by Allen Hallford, motion carried 4-0.

- iii. International Equity Portfolio Analysis
 - 1. Tyler Grumbles discussed the different funds in the analysis for both growth and value. Tyler discussed the risk/return of each investment. Tyler discussed the strategy of each fund for growth and value. Tyler discussed his recommendation for growth commenting he thought MFS was the best option. Tyler recommended DFA for the value side. Tyler commented for value they had been with TransAmerica. Tyler commented he would like to split the DFA between value and core equity with international value being at 30% and 20% to emerging markets and the other 50% to MFS.

The Board voted to approve the recommendation of investment consultant as presented, upon motion by Bryan Lewis and second by Nicholas Schwendt, motion carried 4-0.

- b. Klausner, Kaufman, Jensen, & Levinson, Sean Sendra, Board Attorney
 - i. Sean Sendra introduced himself and gave an overview of KKJL.
 - ii. New Contract Requirements Memo
 - 1. Sean Sendra discussed the new contractual requirements commenting they relate to human trafficking and the second relates to countries of concern. Sean discussed the affidavits that would need to be completed by the vendors. If it comes to light that the vendor was doing any of these things then they could terminate that vendor.
 - iii. New Withholding Rule Memo
 - 1. Sean Sendra discussed the memo commenting on or after January 1, 2026, if a retiree payment was going to a foreign country, then they cannot elect “no withholding” on their pension payment.
- c. Sean Sendra commented they monitor the legislative sessions to make sure there were no changes that would impact the pension plan.

6. New Business

- a. Review of Proposals for Custodian (Fiduciary Trust/Salem Trust)
 - i. Siera Feketa discussed the role of the custodian and gave an overview of why the Board decided to issue an Request For Proposal (RFP) and the concerns they have had with Regions Bank.
 - 1. Sean Sendra commented Fiduciary Trust was proposing a fee of 5.85 Bps and those fees would be guaranteed for 3 years.
 - 2. Sean Sendra commented Salem Trust was proposing a fee of 4.5 bps and were guaranteeing that fee for 2 years.
 - 3. Nicholas Schwendt asked why they had Regions in the first place. Tyler Grumbles commented they had Regions for a long time. Billy Gilliam commented Regions was their only custodian.

4. The Board discussed the individual line items that Salem charges for.
5. Tyler Grumbles discussed if Fiduciary Trust keeps standing letters of direction on file for rebalancing as needed.
6. Bryan Lewis asked about the timeline to reevaluate vendors. Sean Sendra commented they could terminate a vendor at any time, but usually there was a 30-day notice in the contract.
7. The Board discussed Salem Trust vs Fiduciary Trust and the lower fees of Salem and they would handle rebalancing letters.
8. Nicholas Schwendt asked about the process to make this change. Sean Sendra and Siera Feketa discussed. Billy Gilliam discussed the transition with Police & Fire commenting the transition was a little difficult mostly on Regions side, but he had not heard any issues with Salem on the Police & Fire side.
9. Allen Hallford asked if there would be additional fees for the transition. Sean Sendra commented there would not be.

The Board voted to terminate Regions and engage with Salem Trust, upon motion Nicholas Schwendt and second by Natasha Peacock; motion carried 4-0.

- b. Update on Trustee terms
 - i. Siera Feketa welcomed the new trustees commenting they had three new trustees.
- c. Election of 5th Trustee
 - i. Siera Feketa commented Jerry Maughon was currently the 5th Trustee and the Board could either reelect him or elect a new 5th Trustee.

The Board voted to reelect Jerry Maughon as 5th trustee, upon motion by Allen Hallford and second by Bryan Lewis, motion carried 4-0.

7. **Old Business** – None.

8. **Consent Agenda**

- a. Payment ratification – Warrant #37
- b. Invoices for approval – None
- c. Fund activity report for August 21, 2024 – November 26, 2024

The Board voted to approve the Consent Agenda as presented, upon motion by Natasha Peacock and second by Nicholas Schwendt; motion carried 4-0.

10. **Staff Reports, Discussion and Action**

- a. Foster & Foster, Siera Feketa, Plan Administrator
 - i. Update on Fiduciary Liability Policy
 1. Siera Feketa gave a brief update commenting they ended up binding the policy with a different carrier because the fee was about \$1K less.
 - ii. Fee Agreement Letter
 1. Siera Feketa reviewed the letter and the two different fee options presented commenting one was a fixed monthly fee and the second was based on hourly work.
 2. The Board discussed the different options and how they work.
 3. Sean Sendra discussed the options, commenting most plans had approved option A.

4. The Board discussed the fees and the work that Foster & Foster does. Siera Feketa commented they could guarantee the base fee for a 2-year period.

The Board voted to approve Option A with a 2-year guarantee, upon motion Natasha Peacock and second by Allen Hallford; motion carried 4-0.

11. Trustee Reports, Discussion and Action -- None

12. Next Meeting – March 4, 2025, at 1:00pm.

13. Adjournment - The meeting adjourned at 2:20pm.

Respectfully submitted by:



Siera Feketa, Plan Administrator

Approved by:



Jerry Maughon, Chairman

Date Approved by the Pension Board: 3/4/25