

City of Marco Island Florida Fire Pension
MINUTES OF MEETING HELD June 9, 2023

1. Steve Gaskill called the meeting to order at 9:06 AM in the training room 2nd floor of new fire station. Those persons present included:

TRUSTEES

Steve Gaskill Chair
Tom Kirstein Trustee
Leslie Shade Trustee
Michael Shone Trustee
Christine O’Neal
Joan Taylor (City Clerk)
Excused Trustees Absent:
Jake Clemmons (MAND Training)

OTHERS

Scott Baur & Toby Rabelo, Administrators (Resource Centers)
Scott Owens - Greystone
Pedro Herrera – Sugarman, Susskind, Brasswell & Herrera)

2. **ROLL CALL**

Each person present introduced themselves.

3. **PUBLIC COMMENT**

No members of the public had any comment.

4. **APPROVAL OF MINUTES**

The Board reviewed the minutes for the March 3, 2023 and March 21, 2023 meetings.

- **Steve Gaskill made a motion to approve the March 3 & 21 minutes. The motion received a second from Tom Kirstein. Approved unanimously**

5. **REPORTS**

Investment Consultant (Scott Owens – Greystone)

Scott Owens took the opportunity to explain how his firm conducts business since so many new board members were present. Many of the comments were covered in the Memo: Portfolio Questions (Michael Shone). Scott Owens went over “Best Execution” trade criteris and how due to the amount of plans Greystone has they are able to offer a fee reduction of:

- 1st 40 Million .35 BPS
- Next 40 Million .20 BPS
- Over 80 Million .10 BPS
- **Michael Shone made a motion to accept the fee reduction from Greystone (First 40 million .35%, Next 40 Million .20 %, Over 80 Million .10% with the fee to First State being carved out via addendums reviewed by Attorney Pedro Herrera. The motion received a second from Leslie Shade. Motion Approved Unanimously.**

Scott Bauer sent the board two emails during the meeting at their request. One with the IPS (Investment Policy Statement) and the Municipal Code for their pension. The second email with the American Core Real Estate Manager Report.

Board had several questions regarding a manager’s autonomy to make changes within their respective classes, however not for asset allocation. The chair has temporary power to make changes in a market downturn upon consultant’s recommendations. Scott Owens stated more volatility is predicted.

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Trustee Leslie Shade asked is a 7% assumption rate is good. Both Scott Owens and Trustee Michael Shone said yes. Board then discussed options reference the real estate section of the portfolio. Consider cashing out dividends. Scott Owens is not keen on the real estate sector.

MOTION by Tom Kirstein to receive dividends from American Core Real Estate – Second by Leslie Shade. Motion passed unanimously

MOTION by Leslie Shade to reduce American Core to 5% - Second by Steve Gaskill. Motion passed unanimously.

Scott Owens then went over performance review.

Scott Owens had several takeaways to include:

- Where are most of the trades being conducted through (EX: Morgan Stanley...)
- Michael Shone wants Scott Owens to compare performance with more benchmarks and asked for the 5/7 and 10 year numbers for upside – downside capture
- Manager Performance Reports
- Asset Allocation Study
- Recommendations for board based on that study
 - After reviewing the study, the board would like to consider asking the City for more flexibility in the pension ordinance for fewer restrictions on caps.

Attorney Report (Pedro Herrera, Sugarman, Susskind, Brasswell & Herrera)

Pedro Herrera via ZOOM reported on the recent legislation passed by the Governor (HB 3) – See handout. Summary is HB3 adds “Pecuniary Factors” to definition of Fiduciary Standards – empirical metrics. There are bi-annual reports, first is due 9-15-23. Pedro indicated the State will provide further guidance on this. Pedro reminded everyone about their FORM 1 obligation. The attorney will look into the definition of “Equity” and provide a recommendation to distinguish between Marketable or Private Security.

Chair Gaskill asked about Senate Bill 7024 (FRS). Pedro will have a summary of that bill for next meeting

The attorney suggested the union should raise concerns about the CBA and he is happy to assist them if necessary.

- **NO MOTION**

Administrator Report (Scott Baur & Toby Rabelo, Resource Centers)

Scott Bauer went over our on line system, explaining what was still pending and needed. Scott requested the approval of a \$1,500.00 (one time cost) expenditure to have GRS give estimate figures which would have a less than one percent margin of error.

MOTION by Steve Gaskill, second by Leslie Shade. Motion Approved Unanimously

Leslie Shade requested to add a disclaimer to estimates on the percentage of the margin of error.

Board would like to see a live demo of an estimate and the on line system at the next meeting

Scott reminded all trustee, particularly new appointed trustee Michael Shone to complete the FORM 1 reports prior to July 1. Toby sent Michael an example of a completed form by email.

Scott went over the FY 22 & FY 24 Admin Expense Report – he will modify the numbers to include Greystones reduction of fees

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6. APPROVALS

The Trustees reviewed the Warrant dated June 9, 2023 for payment of plan expenses.

- **Leslie Shade made a motion to approve the Warrant dated June 9, 2023 for payment of expenses. The motion received a second from Tom Kirstein, Motion Approved Unanimously..**

The Board reviewed benefits approvals.

- **Tom Kirstein made a motion to approve the Warrant dated June 9, 2023 for benefit approvals. The motion received a second from Leslie Shade, Motion Approved Unanimously.**

7. NEW BUSINESS

The Board had no new business for consideration.

8. OLD BUSINESS

The Board considered the options to renew the cyber liability insurance policy.

Mark Harms made a motion to approve the Coalition Cyber Policy recommended by Brown & Brown. The motion received a second by Christine O'Neal, Motion Approved Unanimously.

9. Board Member Comments

Steve Gaskill asked Attorney Herrera to provide a summary of the changes made to FRS for the next meeting. The Board had no new business for consideration.

10. PUBLIC COMMENTS

No members of the public had any comment.

11. ADJOURNMENT

There being no further business and the Board having previously scheduled the next regular meeting for Monday, September 8, 2023 @ 9:00 AM.

Tom Kirstein made a motion to adjourn the meeting at 1:05PM. The motion received a second from Leslie Shade, Motion Approved Unanimously.

Jake Clemmons, Secretary