

**TOWN OF LONGBOAT KEY CONSOLIDATED RETIREMENT SYSTEM
BOARD OF TRUSTEES QUARTERLY MEETING**

MEETING MINUTES: NOVEMBER 18, 2022

1. CALL TO ORDER

Chairman Steve Branham called a meeting of the Board of Trustees for the Town of Longboat Key Consolidated Retirement System to order at 9:00 AM. He called roll.

Those persons present included:

TRUSTEES:

Steve Branham, Chair
Thomas Batchelor
Carolyn Brown
Frank Cona
Rabbi Kasdan
Deborah Murphy
Andy Sawyer
Steve Schield
Martin Sharkey

OTHERS:

David Wheeler & Theodore Loew, Investment Consultant
(Graystone Consulting)
Ron Cohen, Attorney (Lorium Law)
Scott Baur, Administrator (Resource Centers)
Susan Smith, Finance Director (Town of Longboat Key)
Stephanie Janney, Clerk's Office (Town of Longboat Key)

Absent:

None

All those present recited the Pledge of Allegiance.

2. Public Comment

Stephanie Janney, from the Clerk's Office at the Town of Longboat Key, joined the meeting to administer the oath of office to Trustees Tom Batchelor, Frank Cona, and Andy Sawyer at the start of their new terms on the Board.

Chair Branham reported that Commissioners are pleased with the progress made with the Retirement System.

3. Approval of Minutes: August 17, 2022

Rabbi Kasdan asked to receive the minutes with a larger font size.

Rabbi Kasdan made a motion to approve the minutes for the August 17, 2022 meeting. The motion received a second from Carolyn Brown, approved by the Trustees 9-0.

4. Reports

Investment Report (David Wheeler & Theodore Loew, Graystone Consulting)

Dave Wheeler reviewed historical market performance. For the first time in recent history, both stocks and bonds posted losses at the same time. The S&P 500 and Bloomberg Aggregate Bond Index reached new lows as of September 30, with markets reacting to persistent inflation. Following the September 30 fiscal year end, inflation began to show signs of slowing, raising hopes that the rate of interest rate increases might also slow. Consumer sentiment hit a new low as well, another positive indicator for the market. Mr. Wheeler further reviewed the performance of markets and various asset classes during the September 30 quarter. He noted that fixed income assets performed so poorly that 90-day T-Bills provided better results for the trailing 5- and 7- year periods.

The Retirement System assets returned -3.62% for the September 30 quarter and -11.16% for the fiscal year, ahead of the -3.71 quarterly and -12.43% annual returns for the benchmark. The plan finished the fiscal year ending September 30 with \$39.29 million in total assets. The Board raised \$1 million cash late in 2021 to fund projected outflows for all of 2022, so the Retirement System did not need to draw from investments during this period. The portfolio currently underweights fixed income assets and overweights alternative investments. Managers performed well in relative terms except for the international managers, but the consultant expressed continued confidence in all of the managers retained by the Board.

For the current quarter through November 10, the assets gained 7.9% for the fiscal year to date with assets increasing to \$42,046,049.

Mr. Wheeler recommended rebalancing assets from the Vanguard Large Cap Growth and American Realty Core Real Estate allocations to reduce exposure to real estate and provide further cash to fund projected outflows through September 2023. He would ultimately deploy some of the current cash to fixed income holdings when market conditions appear favorable.

Rabbi Kasdan made a motion to raise \$600,000 cash from the Vanguard Large Cap Growth and \$1,500,000 cash from the American Core Realty allocations. The motion received a second from Frank Cona, approved by the Trustees 9-0.

Dave Wheeler will review the Investment Policy Statement at the next quarterly meeting.

Administrator Report (Scott Baur, Resource Centers)

Mr. Baur reported the results of the recently completed election and Board appointments. He also reported that the Division of Management Services approved the Annual Report for the Consolidated Retirement System. He provided the Board with the Fiduciary Liability Policy that renewed as of October 1. Finally, he reported on the results of the most recent SOC 1 Type 2 audit report completed by his firm. The SSAE-18 audit reviews and tests the internal controls and procedures in place at the administrator; the firm completed a SOC 1 audit now for 15 years with no exceptions noted.

Mr. Baur presented the quarterly meeting schedule for 2023. Finally, he reviewed upcoming educational opportunities available to the trustees.

Attorney Report (Ron Cohen, Lorium Law)

Mr. Cohen commented that the Board did not have to file annual reports retroactively with the Division of Management Services.

Mr. Cohen advised that the Board engaged Kessler Topaz in 2018 to monitor the portfolio holdings for possible securities litigation matters and file class action claims on behalf of the Board. Kessler Topaz wants to receive an annual update on accounts included in the monitoring service. The Board asked to receive the quarterly portfolio reports provide by Kessler Topaz. Mr. Baur will include the portfolio reports with other reports received for the Retirement System.

5. Plan Financials

Interim Financial Statement

The Board received and reviewed the interim financial statement through September 30, 2022.

Warrant: Approval Expenses

The Board reviewed the Warrant for payment of expenses dated November 18, 2022.

Rabbi Kasdan made a motion to approve the Warrant dated November 18, 2022, for payment of expenses. The motion received a second from Tom Batchelor, approved by the Trustees 9-0.

6. New Business

The Board reviewed renewal dates for agreements with contracted service providers.

Trustee Cona asked about payment of the waiver of recourse rider on the Board fiduciary liability policy. The Town separately pays the additional premium on behalf of the trustees.

7. Old Business

The Board had no old business for consideration.

8. Board Comments

Deborah Murphy reported that she may have to leave the Board if she successfully runs for an open seat on the City Commission.

9. Next Meeting

The Board previously scheduled the next quarterly meeting for Friday, February 17, 2023 at 9:00 AM.

10. Adjournment

There being no further business, Chairman Branham adjourned the meeting at 10:32 AM.

Respectfully Submitted,

Rabbi Kasdan, Board Secretary