

**MINUTES OF THE CITY OF GALVESTON EMPLOYEES' RETIREMENT FUND
BOARD OF TRUSTEES OF GALVESTON, TEXAS**

**Meeting Date
February 4, 2020**

The following members were present:

**Don Davison
Mike Loftin
Robert Simmons
Jeff Ammerman**

The following members were absent:

**Rodney Low
James Patterson**

Also attending was Ron Kern and Katie Nesbit (Graystone Consulting)

It was determined that a quorum was present, and the meeting was called to order at 1:00.

Robert Simmons presented the name of Lewis Rosen fill the vacated position of Michel Boyer. Robert Simmons moved approval; Jeff Ammerman seconded. Motion passed unanimously.

Motion for approval of November 5, 2019 minutes was made by Mike Loftin; second by Robert Simmons. Motion passed unanimously.

Ron Kern, with the Quantitative Group, presented the Performance Evaluation. The following illustrates the returns and balances for the quarter:

Manager	Market Value	Actual	Benchmark	
iShares Core S&P 500 ETF	8,548,405	8.97%	Standard & Poors 500	9.07%
iSharesMSCI USA Min ETF	8,974,014	2.94%	Standard & Poors 500	9.07%
Vanguard Mid Cap	9,272,115	6.87%	Russell MidCap	7.06%
iShares Core S&P Small-f	4,907,237	8.26%	S&P Small Cap 600	8.21%
iShares Cove MSCI EAFE E	2,915,641	8.29%	MSCI ACWF ex-US	8.92%
iShares Core MSCI Emerg.	1,453,402	12.18%	MSCI EM Net	11.84%
Baird Aggregate Bond	3,332,140	0.30%	Barclays US Aggre	0.18%
Met West Total Rtn Bdl	3,561,467	0.19%	Barclays US Aggre	0.18%
TIAA CREF Bond Fund	3,308,719	0.23%	Barclays US Aggre	0.18%
Brandywine Global Opp	2,080,920	4.22%	SB World Govt Bond	-0.35%
PIMCO Income Fund	2,629,861	2.53%	Barclays US Aggre	0.18%
FPA Crescent	2,422,941	5.69%	HFRI Equity Hedge	5.71%
Salient Technical Growth	1,251,227	5.64%	HFRI Equity Hedge	5.71%
Wells Fargo Absolute Re	1,517,548	5.29%	HFRI Equity Hedge	5.71%
Cash	1,338,279			
Total	57,513,916			

Ron discussed the performance report. He pointed out that total fees are approximately .37% and fees have been very carefully controlled. The Fund performance gained 5.13% for the quarter and gained 20.63% for the year to date.

Total rate of return since inception has been 7.15%; total over 10 years has been 7.98%.

Ron Kern noted that both Brandywine and the alternative investments will be taken off watch as performance has now exceeded benchmark. There were no other recommendations for the quarter

As approved at the previous meeting, Rudd and Wisdom drafted the funding policy require by SB 322 that details the fund's plan for achieving a funding ratio that is equal to or greater than 100%. This written policy must be filed with the PRB. Motion by Don Davison, second by Jeff Ammerman to remove the reference on page 3 that refers to a Board plan to lower the rate of return to 7%. Motion passed unanimously. Robert Simmons moved, with a second by Mike Loftin, to approve the document as amended. Motion passed unanimously.

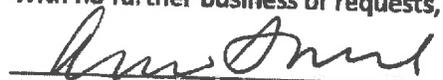
The Board reviewed the RFP's received from 5 independent firms proposing to evaluate the investment practices and performance of the investment manager and make recommendations for improvement. Motion by Mike Loftin, second by Robert Simmons to approve the proposal from Roland/Criss. Motion passed unanimously.

Chris Breaux presented the engagement letter from Whitley Penn for the 2019 audit. Motion to accept made by Mike Loftin; second by Robert Simmons. Motion passed unanimously.

The next regular meeting was set for Tuesday, May 5, 2020.

Compiled financial statements for the quarter showed an increase in changes in net assets for the quarter of \$2,731,754 and an increase of \$8,983,576 for year to date.

With no further business or requests, the meeting was adjourned at 2:30


Ann Masel, Plan Administrator