

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

Meeting Date

Tuesday, February 4, 2020

The following members were present:

Mike Loftin

Hal Rochkind

Richard Moore

Dan Buckley

Andre Mitchell

Destin Sims

The following members were absent:

Matthew Cauley

Geoff Gainer

Also participating was Dave Sawyer (Retirement Horizons)

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

The new notebooks were discussed. Each member will take one home, but they will be updated electronically after each meeting. Motion made by Hal Rochkind to adopt this process; second by Richard Moore. Motion passed unanimously.

Richard Moore moved approval of the minutes of the November 6, 2019 meeting. Second by Mike Loftin. Motion passed unanimously.

Hal Rochkind moved, with a second by Richard Moore, to ratify previously approved loans made to Officers Robert Sanderson, Amanda Smith and Larry Smith. Second by Richard Moore; motion passed unanimously.

Chris Breaux presented the audit letter from Whitley Penn for the year ended December 31, 2019. Mike Loftin moved to accept; second by Andre Mitchell. Motion passed unanimously.

Dan Buckley moved to defer discussion of the Bylaws until a future meeting when more members could be present. Second by Destin Sims. Motion passed unanimously.

The new legislation allows an assumed rate of return not to exceed 7%. Richard Moore moved to approve the assumed rate of return at 7%; second by Mike Loftin. Motion carried unanimously.

Dave Sawyer discussed the new mortality tables which will potentially be changing every year. Richard Moore moved to approve a change to the mortality improvement scale from MP-2018 to MP-2019. Hal Rochkind seconded; motion carried unanimously.

Dave Sawyer discussed the need for a study to review the actual changes in the salary scale in order to project future estimated increases and payroll growth. Depending on the quality of the data he receives, the study could be approximately \$1,000. Destin Sims moved to approve the study; Mike Loftin seconded and approval was unanimous.

Richard Moore reported on the results of the Investment Committee meeting. The return for the year was 18.38% and the investment manager is projecting a 3-6% growth for 2020. The strategy of CapTrust (STMM) as asset managers compared to the previous strategy of Greystone as investment managers overseeing funds was discussed. The charge to the Investment Committee is to evaluate risk vs. reward.

Interest rates on employee loans were discussed. Dan Buckley moved, with a second by Richard Moore, to lower the interest rate to 9.5% for new loans after today and to evaluate the rate annually. Motion passed unanimously.

Discussion of a budget was tabled for 2 quarters to be looked at later after 3rd quarter in order to evaluate normal operating expenses in a non-legislative environment.

The compiled financial statements for the quarter were presented. Net increase for the quarter was \$2,533,797; net year to date increase was \$4,096,414.

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

With no further business or requests, the meeting was adjourned at 11:45



Ann Masei
Plan Administrator