



City of Sanibel

800 Dunlop Road
Sanibel, FL 33957

Meeting Minutes - Draft General Employees Pension Plan Board of Trustees

Wednesday, May 14, 2025

10:00 AM

MacKenzie Hall - 800 Dunlop Road

1. Call to Order

The meeting convened at 10:02 A.M.

2. Pledge of Allegiance

The Pledge of Allegiance was led by Chair Fellows

3. Roll Call

Present: 3 - Board Member Bill Fellows, Board Member Richard Healey, and Board Member John Juzkiw

Absent: 2 - Vice Chair Richard Pyle, and Board Member Brad Gloer

a. Motion to excuse absent Trustees:

Board Secretary Juzkiw moved, seconded by Board Member Healey to excuse Board Members Pyle and Gloer. The motion carried.

Absent: 2 - Vice Chair Richard Pyle, and Board Member Brad Gloer

4. Consent Agenda

a. Approval of February 12, 2025 Meeting Minutes

Board Secretary Juzkiw moved, seconded by Board Chair Fellows to adopt the February 12, 2025 meeting minutes as presented. The motion carried.

Excused: 2 - Vice Chair Richard Pyle, and Board Member Brad Gloer

5. Consultants Reports

a. Presentation by Burgess Chambers & Associates, Inc. (Burgess Chambers)

Burgess Chambers, the Board's Investment Advisor, gave an overview of the report included in the agenda packet.

Discussion ensued regarding the value of the US dollar in light of recent presidential orders, and members further inquired if foreign investors would be impacted. Mr.

Chambers spoke to the competitive nature this provides for product sales from the United States in a global market and provided real-world examples. The members further inquired about global percentages of larger mega cap companies. Mr. Chambers spoke to the fact that more than half of all mega cap stocks have significant overseas operations.

Additional discussion ensued regarding local impacts of the terrifs. Mr. Chambers spoke to the uniqueness of Florida and how this area is mostly a service provider or a tourism-based industry. He further gave examples of Germany and Japan, where they have a larger manufacturing base; these countries might be impacted more so than the service industries of other areas or countries.

b. Richmond Capital Quarterly Portfolio Reports (Informational)

Board member discussion ensued regarding the duration; if interest rates go up, it will compress the principal value of the bond, and the same for the opposite.

The board inquired regarding the income from bonds and if Mr. Chambers would suggest that the board buy more bonds. Mr. Burgess spoke to the ability to use the positive flow income to purchase more bonds. In speaking to the maturity of the bonds, Mr. Burgess stated that the board had about 6 million dollars in returns over the span of 10 years. He additionally noted that bonds were selling below and above cost, liquidating the portfolio now would equal about 16 million; alternatively, if the bonds were held, returns could be above or below this number, but not by much.

Discussions continued regarding the duration. The higher the duration, the more sensitive the portfolio is to rising and falling rates. Average the number of years left before the bonds mature out, estimating about 15 years, counting on a 5% yield to maturity for many years, because the bonds were bought at value. Mr. Chambers provided some data on returns for bonds and equity categories.

Mr. Chambers concluded his reporting on the topic of real estate, gaining little under 1% due to the lowering of interest rates last year.

6. Staff Liaison Reports

a. Cash Flow Analysis prepared by Steve C. Chaipel, Deputy City Manager/CFO

Steve Chaipel, staff liaison, spoke to the cash flow schedule attached in the agenda packet. Mr. Chaipel detailed where expenses have been and further provided that a new employee has entered the DROP program with full payout, and the date of the

drop is detailed in the report.

c. Corrected Foster and Foster FY2024 Actuarial Study

Sara Carlson, the Board's Actuary from Foster and Foster, provided that the Florida retirement system had updated its mortality rates. She further detailed the mandate requiring her to use the new rates for next year's valuation. It was shown that members are living longer and thus benefits are being paid out longer. Ms. Carlson detailed that the new rates would into effect by the next reporting cycle and could see changes at the February meetings report.

Discussion ensued regarding an impact study. Ms. Carlson spoke about providing an impact study to see what effects it will have on individual plans, which takes 2 months and \$1,600 for each impact study. The study would provide impacts to unfunded liability and the fixed amount of benefit payments, adding that this could be beneficial, but it is also early.

Board Members spoke in agreement regarding not moving forward with the study at this time due to the lack of potential changes; the first impacts would not be until 2027.

b. Presentation of Fiscal Year 2024 Annual Comprehensive Financial Report

Deputy City Manager, Steve Chaipel reported that both Pension plans are audited through the City's auditing firm. He further spoke to the restructuring of the agenda and including the invoices and financial statements as part of his reporting. Mr. Chaipel reported it was a good year financially for the board, 4.8 million to the bottom line and does not see any issues.

He further noted the update to the actuarial study, a scrivens error on one page, didn't change any calculations but wanted to provide the correct information.

Chair Fellows congratulated the Finance Department for the hard work done on the audit as well as the award for ACFR.

7. Reports

a. Chair

No specific report.

b. Attorney

Attorney Chudacheck reminded the board of the Form 1 filings due to the state ethics

office by July 1st.

8. Public Comment

None at this time.

9. Next Meeting Date

- a. August 13, 2025

A brief discussion was had regarding the improvements to MacKenzie Hall. Mr. Chaipel noted his hope for the board's next meeting to be held in the new and improved space with better lighting and visuals for the public and sitting members.

10. Adjournment

There being no further business, the meeting adjourned at 10:45 A.M.