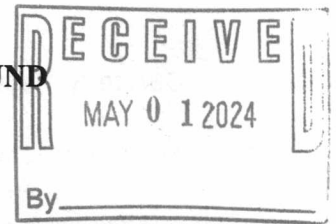


TOWN OF LANTANA POLICE RELIEF AND PENSION FUND
BOARD OF TRUSTEES QUARTERLY MEETING MINUTES
February 7, 2024



1. CALL TO ORDER

Simion Pavlov called the Quarterly Meeting of the Board of Trustees for the Town of Lantana Police Relief and Pension Fund to order at 9:00 AM at the Town of Lantana Development Services Conference Room. Those persons present included:

TRUSTEE

Simion Pavlov, Chair
Troy Schaaf, Secretary
Ken White, Trustee
Stephanie Wilt, Trustee
Renee Lampman, Trustee (Electronically)

OTHERS

Kyle Tintle, Resource Centers
Bonni Jensen, Klausner Kaufman Jensen & Levinson
Jennifer Gainfort, AndCo
Chuck Landers, Saltmarsh, Cleavland, & Gund
Jeff Amrose, Gabriel, Roeder, Smith & Co

2. EXTIGENT CIRCUMSTANCES

Troy Schaaf made a motion to allow Trustee Renee Lampman to join the meeting electronically. The motion received a second from Simion Pavlov, approved by the Trustees 4-0.

3. REPORTS

Audit Report: Saltmarsh, Cleavland, & Gund (Chuck Landers)

Mr. Landers came before the Board to present the Audit for the fiscal year ending September 30, 2023. He began by thanking all the service providers and City members who assisted him in preparing the financial statements. The audit opinion is clean and unmodified which is the best opinion. The required supplementary information has been provided and the financial information is fairly stated. Looking at the fair market value, the plan ended 2023 with total assets of \$22,435,919 compared to 2022 with total assets of \$19,966,713. There was an investment gain of \$1,573,555 versus investment's losses of (\$4,847,535) in 2022. The benefit paid out stayed constant and the intergovernmental revenue went up slightly. Mr. Landers reviewed several pages of notes and highlighted the investments costs versus the fair market values. He discussed the net pension liability of the Town and the funding requirements. The 2023 funding ratio has increased to 81.01%. Mr. Landers reminded the Board the audit is a snapshot of a specific day, from year to year, and the investment will go up and down over the years, but they are investing for the long term. The actuarial numbers consider a smoothing of the gains and losses. Mr. Lander will send the audit representation letter to Attorney Jensen for review.

Troy Schaaf made a motion to approve the Audit for fiscal year ending September 30, 2023 as presented. The motion received a second from Ken White, approved by the Trustees 5-0.

Actuary Report: Gabriel, Roeder, Smith, & Company (Jeff Amrose)

Mr. Amrose presented the 10/01/2023 Actuarial Valuation outlining the Town's required contribution to the pension plan. The report measures the Plans funding progress, determines the employer contribution rate; and determines the actuarial information for the Government Accounting Standards Board (GASB 67) report. The required employer net contribution for fiscal year end (FYE) 09/30/2025 based on the 10/01/2023 valuation is \$1,212,460 which is an increase of \$56,678 over last year's required contribution. If paid quarterly is 48.32% of the covered payroll. If the net employer contribution is paid in full on the first day of the fiscal year as a percentage of covered payroll is \$1,022,428 which is 40.75%. There will not be a cost-of-living adjustment payable to retirees and beneficiaries based on the cumulative net actuarial losses as of September 30, 2023. Mr. Amrose reviewed the calculation of the normal costs, the liquidation of the unfunded actuarial accrued liability, and reconciliation of plan assets.

At the end of the quarter on September 30, 2023 the net actuarial loss was (\$302,778) which means that actual experience was less favorable than expected. There has been no revision in benefits since the previous valuation. The returns for the first half of the year are good.

Troy Schaaf made a motion to approve the Actuarial Valuation as presented. The motion received a second from Ken White, approved by the Trustees 5-0.

Troy Schaaf made a motion based on the advice of consultants; the Board expects to get a 6.75% rate of return for the next year, the next several years, and for the long-term thereafter. The motion received a second from Ken White, approved by the Trustees 5-0.

Attorney Report: Klausner Kaufman Jensen & Levinson (Bonni Jensen)

Ms. Jensen presented a memo listing the new mileage rate for 2024. As of January 1, 2024 the rate is \$0.67 per mile, up 1.5 cents up from the end of 2023. She informed the Board this year's Form 1, Statement of Financial Disclosure, is only available to submit using the online portal. The EFDMS – Electronic Financial Disclosure Management System has FAQs and tutorials are available on the website. Ms. Jensen provided a copy of the previous custodian agreement with Salem Trust and changed its name to TMI Trust Company. Salem has now joined Argent Institutional Trust Company, located in Tampa, Florida. A new custodial agreement will be necessary.

Investment Report: AndCo (Jennifer Gainfort)

Ms. Gainfort began with an economic and market overview. The Fed paused on rate hikes during the 4th quarter. The market gains broadened this quarter, not just gains for the magnificent 7. The plan finished the December 31st quarter with \$24,718,090 compared to the September 30th quarter at \$22,209,386 in total assets. Ms. Gainfort reviewed the financial reconciliation: contributions of \$747,735, distributions were (\$197,997), management fees of (\$7,459), other expenses (\$27,940), income of \$141,238, Capital gains were \$1,853,127 totaling \$24,718,090 for the market value. She continued to review individual manager performance. The total fund ended with 8.74% (gross) 8.71% (net) compared to the policy at 8.72% for the fiscal year to date.

Administrative Report: Resource Centers (Kyle Tintle)

Ms. Tintle reported the Soc 1 Type 2 audit as the Resource Centers successfully completed another internal audit. The 2023 SSAE-18 SOC 1 Type 2 Audit (aka SOC 1) reported by the auditor no exceptions, a completely clean audit report, which makes 16 years with the same results. The audit reviewed the internal controls and procedures established to avoid inadvertent errors and fraud. The auditor compares the controls and procedures to the actual workflow. Ms. Tintle informed the Board that the required biennial report was submitted to the state by December 15th.

4. MINUTES

The Trustees reviewed the minutes for the Quarterly meeting held on November 1, 2023 with form 8B from Troy Schaaf.

Simion Pavlov made a motion to approve the minutes for the Quarterly meeting held on November 1, 2023. The motion received a second from Stephanie Wilt, approved by the Trustees 5-0.

5. FINANCIALS

Ms. Tintle presented the Warrants dated February 7, 2024 for review by the Trustees.

Simion Pavlov made a motion to approve the warrant dated February 7, 2024. The motion received a second from Troy Schaaf, approved by the Trustees 5-0.

6. OTHER BUSINESS

The Board considered members receiving the Cost of Living (COLA) on October 1. The Board previously discussed the issue. Ms. Jensen recommended to state all eligible members (those who retire on or after October 1, 2017 including DROP members and their beneficiaries) who were retired on October 1 each year receive a COLA if one is determined by the rules and ordinance of the plan.

Simion Pavlov made a motion to state all eligible members retired on or prior to October 1 each year received the COLA if one is determined by the actuary. The motion received a second from Stephanie Crowley, approved by the Trustees 3-0.

Troy Schaaf abstained from the vote and must file a form 8B voting abstention form.

Ms. Tintle informed the Board of the pending construction of the multipurpose room in the Police Station which will necessitate an alternative meeting location during the upcoming year.

The Board considered a 6-year DROP, which will have a nominal cash impact. The union may consider the change in bargaining.

7. PUBLIC COMMENTS

There were no comments from the public.

8. ADJOURNMENT

Troy Schaaf made a motion to adjourn the meeting at 9:58 AM. The motion received a second from Stephanie Crowley, approved by the Trustees 5-0.

Simion Pavlov adjourned the meeting at 9:58 A.M.

The next Quarterly Meeting is scheduled for May 1, 2024 at 9:00 A.M.

Respectfully Submitted,