

TOWN OF LANTANA POLICE RELIEF AND PENSION FUND
BOARD OF TRUSTEES QUARTLY MEETING

MINUTES: QUARTERLY MEETING OF AUGUST 2, 2017

1. CALL TO ORDER

Chairman Robert Hagerty called a regular Quarterly Meeting of the Board of Trustees for the Town of Lantana Police Relief and Pension Fund to order at 8:35 AM in the Police Department Conference Room at 500 Greynolds Circle in Lantana, Florida.

Those persons present included:

TRUSTEES

Robert Hagerty, Chair
Renee Lapman
Eddie Tavcar
Ken White

OTHERS

Scott Baur & Kyle Tintle, Resource Centers
Bonnie Jensen, Klausner Kaufman Jensen & Levinson
John McCann & Tyler Grumble, AndCo

The Board clarified that the next quarterly meeting was previously scheduled for Wednesday, November 8 at 8:30 AM. Commander Hagerty advised that the location for the next meeting will change to the "Multipurpose Room" at the new building located at 901 N. 8th Street.

The Trustees welcomed Renee Lapman to the Board.

2. PUBLIC COMMENTS

No members of the public had any comment for the Board.

3. APPROVAL OF THE MINUTES

The Board reviewed the Minutes for the meeting of May 3, 2017.

Ken White made a motion to approve the Minutes for May 3, 2017. Eddie Tavcar seconded the motion, approved by the Trustees 4-0.

4. REPORTS

Commander Hagerty advised that he must leave by 9:30 AM. The Board therefore addressed items appearing on the Agenda first that required action.

Bonni Jensen, Klausner Kaufman Jensen & Levinson

The Board considered the renewal and options for fiduciary liability insurance. Ms. Jensen recommended the Board cover the plan for cyber essentials, a relatively new area of liability. The Board considered the available options and policy limits. Bonni Jensen explained the stand-alone policy also covers costs for legal defense. Ken White asked who must notify the members in the event of a breach. The Resource Centers, administrator for the Pension Fund, carries separate coverage for cyber liability, as does Salem Trust

(custodian for the Pension Fund). The Trustees considered the extended coverage offered with the regular fiduciary liability insurance maintained by the Board, while continuing to consider separate coverage.

Eddie Tavcar made a motion to approve the "Option A" renewal of the fiduciary liability insurance renewal with Euclid. Ken White seconded the motion, approved by the Trustees 4-0.

The Board considered the budget requirement, mandated by the Florida legislature, for the 2018 fiscal year. The Trustees discussed the possibility for additional coverage for cyber liability in the proposed budget, as well as the amount for conference travel for Trustee education. The administrator will post the required documents to the Pension Fund website, and the Town can link to the page to satisfy the Town requirements for posting documents online.

Ken White made a motion to approve the fiscal year 2018 budget as amended for \$6,000 to insurance and \$10,000 for trustee education. Eddie Tavcar seconded the motion, approved by the Trustees 4-0.

GRS, actuary for the Pension Fund, provided an addendum to the current agreement with an additional fee to cover new electronic reporting and filing requirements at the state. Bonni Jensen also added language to update the agreement for new public records language requirements.

Ken White made a motion to approve the Addendum to the GRS Agreement. Eddie Tavcar seconded the motion, approved by the Trustees 4-0.

The Board considered the approval of expenses on the Warrant dated August 2, 2018.

Ken White made a motion to approve the Warrant dated August 2, 2017. Eddie Tavcar seconded the motion, approved by the Trustees 4-0.

Investment Consultant: John McCann & Tyler Grumble, AndCo

John McCann reviewed the plan assets as of June 30, 2017. He reported that the total assets increased to \$13,380,822. The portfolio gained 2.79% gross/2.76% net for the quarter compared to a return of 3.01% for the benchmark. For the fiscal year to date, the assets returned 8.78% gross/8.66% net compared to 9.11% for the benchmark. Mr. McCann reviewed the performance for each of the individual managers engaged by the Board. The ASB real estate portfolio lagged the real estate benchmark with a higher weighting of assets to high end retail rentals. The use of index options for domestic equity allocations keeps the overall fees to the Pension Fund lower. John McCann recommended no changes to the portfolio or allocation at this time.

Tyler Grumble reported that he would review the asset allocation study at the next meeting. ASB, as a more conservative real estate manager, still compares favorably to the fixed income securities that the real estate mandate replaced in the asset allocation. John McCann added that he does not believe that the real estate market has yet peaked for this cycle. The Board discussed the high end destination type retail holding in the ASB portfolio.

Bonni Jensen, Klausner Kaufman Jensen & Levinson

Ms. Jensen provided an update for the 2017 legislative session. She reported that no actions by the Florida legislature directly impacted the Pension Fund. Some attorneys made a business by exploiting public records laws, so the legislature added new posting requirements designed to protect public bodies from predatory practices. The Board must post contact information for the Pension Fund locally and on the Pension Fund website. Ms. Jensen reported that retired firefighters now have a public records exemption.

Finally, new employees enrolling in FRS on and after January 1, 2018 will default to the defined contribution option rather than the defined benefit plan.

Ms. Jensen explained that first responders injured in the line of duty will get a property tax exemption if qualified for Social Security disability. The forms for the exemption, due on August 1, were not issued until July 17. Thereafter, eligible retirees must apply by March 1 each year for the exemption. A body camera bill allows officers to review coverage before giving a statement. A broader property tax bill, meanwhile, raises the homeowners' exemption and lowers local tax revenue. Ms. Jensen will provide an updated Summary Plan Description at the November quarterly meeting. Finally, Ms. Jensen advised the Trustees to file the annual Form 1 financial disclosure if they did not already file for July 1.

5. NEW BUSINESS

The Board discussed issues making reservations for conferences and prior delays receiving reimbursements. Mr. Baur detailed procedures to pay conference expense and reimburse mileage and per diem allowances in advance of travel. The Trustees considered the procedures as a possible alternative to applying for a Board credit card.

Commander Hagerty departed the meeting at 9:50 AM.

Ms. Jensen provide further clarification to Renee Lapman regarding the Form 1 financial disclosure requirements.

6. ADJOURNMENT

There being no further business and the next Quarterly Meeting having previously been scheduled for Wednesday, November 8 at 8:30 AM, the meeting adjourned at 9:53 AM.

Respectfully Submitted,

Simione Pavlov, Secretary