

**TOWN OF LANTANA POLICE RELIEF AND PENSION FUND
BOARD OF TRUSTEES QUARTLY MEETING MINUTES
OF AUGUST 7, 2019**

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 8:31 AM in the Police Department Multipurpose Room at 901 North 8th Street in Lantana, Florida.

Those persons present included:

TRUSTEE

**Commander Robert Hagerty, Chairman
Simion Pavlov, Secretary
Troy Schaaf
Ken White
Renee Lampman**

OTHERS

**Kyle Tintle, Wanda Gordon & Scott Baur, Resource Centers
Bonni Jensen, Klausner Kaufman Jensen & Levinson
Jennifer Gainfort, AndCo
Jeanine Bittinger, Davidson Jamieson & Cristini (via phone)
Karen Russo, Salem Trust Company**

2. PUBLIC COMMENTS

There were no public comments at this time.

3. APPROVAL OF THE MINUTES

The Board reviewed the minutes for the meeting of May 7, 2019.

Troy Schaaf made a motion to approve the minutes for May 7, 2019. The motion received a second from Simion Pavlov, approved by the Trustees 5-0.

4. REPORTS

Audit Report – Jeanine Bittinger and Richard Cristini

Jeanine Bittinger joined the meeting by phone to report that the audit team was moving from Davidson, Jamieson & Cristini to Saltmarsh, Cleveland & Gund which would give their team more resources. The firm of Davidson, Jamieson & Cristini will continue but no longer do audits. Ms. Bittinger reported no other changes to the team.

Simon Pavlov made a motion to approve the Engagement Letter for Saltmarsh, Cleveland & Gund. The motion received a second from Ken White, approved by the Trustees 5-0.

Custodian: Karen Russo, Salem Trust

Ms. Russo came before the Board to present a few items for review. The first letter was regarding the change in ownership. She reported that TMI Holdings acquired 100% of Salem Trust Company. She also reported that TMI was now a Florida chartered trust company headquartered in Tampa. No other changes in management or to the public fund trust custody group. Salem Trust will use the same trust accounting system, but the back office operations will change over time. Ms. Russo then addressed the Money Market Sweep Fund, which is attached to each account that has cash. The investment consultant typically chooses the type of Money Market Sweep vehicle for the manager accounts. All the accounts using Goldman Sachs Money Market sweep vehicle have a dollar for dollar value, but Prime Obligations Fund NAV will no longer have a dollar for dollar value, this fund will now have a fluctuating rate. She provided a historical performance report comparing yields for 3 Goldman Sachs Money Market sweep funds. The Board made no changes to current Prime Obligation Fund.

Finally Ms. Russo provided the Salem Trust Service report and pledged a service fee guarantee. Karen will continue to provide updates to the Board as Salem changes back office operations.

Investment Consultant: Jennifer Gainfort, AndCo

Ms. Gainfort reported the markets had a strong though volatile quarter. Both equities and fixed income assets had gains. The equity market dropped 7% in May before reaching all-time highs in June. AndCo expects continued market volatility due to the increase in tariffs in the month of May. Ms. Gainfort reviewed the current assets allocation reporting assets currently fell within target policy ranges. She did not recommend any rebalancing. The Pension Fund ended the quarter with total assets of \$16,607,443 after gains and cash flows. The portfolio gained 3.56% for the quarter ending June 30, 2019 compared to 3.46% (3.51% net for the benchmark) to rank in the top 18%. FYTD the Plan had returns of 4.21%, 8.05% for trailing 1 year in top 8% and 6.7% over 5 years in the top 15%. The Board briefly discussed the possibility of a recession. Ms. Gainfort then reviewed the individual manager's performance.

Troy Schaaf made a motion to approve the Investment Policy Target update to 7.25%. The motion received a second from Simon Pavlov, approved by the Trustees 5-0.

Bonni Jensen, Klausner Kaufman Jensen & Levinson

Ms. Jensen addressed changes to tax tables for alimony since pensions are often a significant asset in marital disputes and settlements. She also recommended adding some language to the Summary Plan Description along with a memo to offer guidance to counsel for members going through a divorce. The Board does not need to take any action.

Ms. Jensen then provided an additional legislative update. First the definition of "home address" changed for police officers for the public records exemption. The exemption changes also apply to former officers and current employees. Statutory death benefits also increased to \$75,000 for duty related deaths, \$150,000 for accidental death in emergency response, and \$225,000 for intentional death but no further Cola. The Town can purchase insurance to cover the possible liability.

Finally, Ms. Jensen provided a memo on Cyber Liability. Ransomware attacks are on the rise in the public sector. Even wire instructions have been hacked. Bonni suggests retyping email address rather than just replying. Ms. Jensen recommends Boards and Service providers carry Cyber Liability Insurance.

The Board had a brief discussion to consider their death benefits. The beneficiary of a member passing away before 10 years receives a refund of contribution. The Board previously made a suggestion to the Union during the bargaining process. Ms. Jensen advised that the Plan provisions followed the minimum statutory requirements for death benefits however; bargaining still needs to be addressed on this matter.

There was a brief discussion regarding Commander Hagerty's last meeting. There will have to be an Election to fill his seat. His official last day is August 31st. The Board would like to put death benefits on the next agenda for further discussion. GRS has already provided a cost estimate. Mr. Schaaf determined the matter made it into the contract so now we need an ordinance. Ms. Jensen believes the ordinance change was done.

Kyle Tintle, Resource Centers

Ms. Tintle presented the warrants and invoice for the quarter. The Board reviewed the expenses for the following dates: May 8, June 10, July 24 and August 7, 2019.

Troy Schaaf made a motion to approve the Warrants dated May 8, June 10, July 24 and August 7, 2019. The motion received a second from Ken White, approved by the Trustees 5-0.

Ms. Tintle presented the Benefit Approvals for Okens Cherismat, Marcos Blanco, Doug Sills and Jared Schorr.

Simon Pavlov made a motion to approve the benefits for Okens Cherismat, Marcos Blanco, Doug Sills and Jared Schorr. The motion received a second from Troy Schaaf, approved by the Trustees 5-0.

Ms. Tintle presented the Fiduciary Liability Insurance policy renewal which had a \$48.00 increase in premium from last year.

Ken White made a motion to approve the Fiduciary Liability Insurance renewal. The motion received a second from Simon Pavlov, approved by the Trustees 5-0.

Compliance Report received from GRS per mandate.

Mr. Pavlov departed the meeting at 9:56 AM

5. NEW BUSINESS

Discussion regarding COLA increases effective October 1, 2019 for retired members and members in the DROP who retired after 10/1/18 and discussion to increase member contribution.

Commander Hagerty commented on this being his last meeting and he thanked the Board. He is very proud of the progress of the Plan.

6. ADJOURNMENT

There being no further business a motion was made by Ms. Lampman to adjourn the meeting at 10:08 am. The motion received a second from Mr. White.

Respectfully Submitted,
