

**TOWN OF LANTANA POLICE RELIEF AND PENSION FUND
BOARD OF TRUSTEES QUARTLY MEETING MINUTES
OF NOVEMBER 6, 2019**

1. CALL TO ORDER

Simion Pavlov called a regular Quarterly Meeting of the Board of Trustees for the Town of Lantana Police Relief and Pension Fund to order at 8:30 AM in the Police Department Multipurpose Room at 901 North 8th Street in Lantana, Florida.

Those persons present included:

TRUSTEE

**Simion Pavlov, Secretary
Troy Schaaf
Stephanie Crowley
Ken White
Renee Lampman**

OTHERS

**Kyle Tintle & Scott Baur, Resource Centers
Bonni Jensen, Klausner Kaufman Jensen & Levinson
Jennifer Gainfort, AndCo
Detective Sergeant Jim Eddy, Lantana Police**

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 August 7, 2019.

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

4. REPORTS

Jennifer Gainfort, AndCo

Ms. Gainfort reviewed the quarterly investment report for the quarter and the fiscal year ending September 30, 2019. With many factors impacting the markets, reported the markets had a volatile quarter. Manufacturing and employment both slowed down this quarter, the trade wars and the 2 rate cuts all impacted the markets during the quarter. However, consumer spending remained strong. Surprisingly, Fixed Income outperformed equities for both the quarter and the fiscal year. Value issues performed better than Growth, a shift that has not occurred now for some time. Ms. Gainfort reviewed the sector performance and noted that domestic equities fared better than international equities. The Pension Fund finished the fiscal year with assets of \$16,446,884, up from \$15,726,501 at the start of the fiscal year. The portfolio gained 0.68% gross and 0.64% net for the quarter compared to 0.91% for the benchmark, and 4.92% gross and 4.72% net compared to the benchmark 4.76% for the fiscal year to finish the year in the top 36%. The 5 year gain of 7% or investments ranks in the top 15%. Ms. Gainfort reviewed the cash flows and reviewed individual manager's performance. She explained that Capital Group had a portfolio manager change for the Europacific Growth Fund. AndCo continues to have confidence in the strategy, which utilizes multiple managers. Templeton's holdings in Argentina created losses in the global bonds strategy for the quarter. Ms. Gainfort did not recommend any manager changes. AndCo does not foresee an imminent recession so long as consumer activity remains strong. She discussed performance by JP Morgan, which has not matched their benchmark in recent years.

Troy Schaaf made a motion to approve the Quarterly Report as presented. The motion received a second from Renee Lampman, approved by the Trustees 5-0.

Bonni Jensen, Klausner Kaufman Jensen & Levinson

Ms. Jensen provided a memo to review on the Uniformed Services Employment & Reemployment Rights Act (USERRA) of 1994 for members called to active service and retiring following completion. She discussed both reserve and Active duty service. A member can receive up to 5 years of credit for active military service provided they promptly return to employment following discharge. Ken White discussed holding certifications during these periods of military service. An example is Delvis Santana, a reserve officer, who is currently on active military duty. Ms. Jensen highlighted the 3 main objectives of the USERRA law: ensuring employees are not disadvantaged in their careers based on their time in the military; prompt reemployment in an employee's pre-military position upon return from duty; and elimination of discrimination based on military service.

Ms. Jensen provided the Board with copies of the cyber liability policies for AndCo and Salem Trust. She is requesting a fee increase from \$265 to \$300 an hour effective January 1, along with a new professional services agreement. The annual Klausner, Kaufman, Jensen & Levinson conference will be in the end of May or the beginning of June 2020 and Ms. Jensen encouraged the Trustees to attend. In addition to the attorney client relationship, the firm also acknowledges a fiduciary responsibility to the Plan.

Ken White made a motion to approve the fee increase. The motion received a second from Troy Schaaf, approved by the Trustees 5-0.

Ms. Jensen noted the Board needed to elect officers with the retirement of Commander Haggerty.

Troy Schaaf made a motion to nominate Simion Pavlov as Chairman of the pension board. The motion received a second from Renee Lampman, approved by the Trustees 5-0.

Ken White made a motion to nominate Troy Schaaf Secretary of the pension board. The motion received a second from Renee Lampman, approved by the Trustees 5-0.

Simion Pavlov addressed the issue of inconsistent pension contributions that has been brought up by several members. He introduced Detective Sergeant Jim Eddy, Lantana Police to the Board. Mr. Eddy addressed the issue of the pension contributions and the balance. He currently figures his contribution is 7 to 8% but the pay stub however is confusing. Mr. Baur explained that the Resource Centers reconciles pay to contributions but do not receive all of the pay detail for pay elements included and excluded from pay. Ms. Jensen reviewed the definition of pay from the ordinance. Stephanie Crowley noted her relationship to Mr. Eddy. She explained the Town has come up with a new "payroll ending" system but the members lack confidence in the system and the process lacks transparency. Renee Lampman explained coding of paychecks from her own experience. Troy Schaaf would like the Board to engage a person to review pay coding. The previous union representative did not take any action, but the system is so convoluted that members cannot identify specific issues.

Mr. Eddy is on straight pay, but even his contributions fluctuate. Stephanie Crowley stated these issues have continued for 10 years. Ms. Jensen said the Board can engage an accountant to review the issue. Troy Schaaf has tried to review these issues over time with Steve Kaplan. They reviewed the pay codes for administrative leave, bereavement, collective bargaining and comp time without any clarity on the issue. Renee Lampman also explained how hourly rates must be correct for different pay elements. Ms. Jensen said it needs to be clear what wages are pensionable and what is not pensionable. Paycheck to paycheck should match, but for certain people and positions but they do not. Ms. Jensen has a list of pay codes from 10/01/2015 the Board will need to obtain a recent pay code list from the City.

Simion Pavlov exited the meeting at 9:44 AM.

Mr. Eddy acknowledged, at some point historically this Plan refunded excess contributions to members. Ms. Jensen urged the Trustees to separate union issues from pension issues.

Troy Schaaf made a motion to direct Scott Baur to perform an informal audit. The motion received a second from Stephanie Crowley, approved by the Trustees 4-0.

Mr. Eddy exited the meeting at 9:58 AM.

Scott Baur, Resource Centers

Mr. Baur presented the meeting schedule for 2020 to the Board for review.

Ken White made a motion to approve the meeting schedule for 2020. The motion received a second from Renee Lampman, approved by the Trustees 4-0.

Mr. Baur referred to the warrants included in the meeting packet for the Boards review.

Ken White made a motion to approve the Warrants dated September 11, 30, and October 4. 2019. The motion received a second from Renee Lampman, approved by the Trustees 4-0.

Mr. Baur presented the updated Authorized Signors list.

Ken White made a motion to approve the updated Signors List. The motion received a second from Renee Lampman, approved by the Trustees 4-0.

Mr. Baur referenced the Salem Trust Service Report included in the meeting packet for the Trustees to review. He discussed the memo on Cyber Security and the SOC 1 report. Mr. Baur and Sergio Giron, the IT Director for the Resource Centers, recently attended a conference on cyber security with members of the FBI and the Secret Service. The treats are wide ranging and ransomware is a constant news item. Several Cities and Towns have been faced with losing their data or paying the ransom and only getting a portion of their data returned. Stuart had their data compromised and they did not pay the ransom. They lost years of police work and evidence; many municipalities are considered an easy target. Older networks are easier to take down; the Resource Centers have upgraded their computers to Windows 10. Also, there are many steps to safeguard the member's information like not having a front facing system. Mr. Baur noted the Resource Centers currently has \$4,000,000 cyber insurance coverage, but will be increasing the policy to \$6,000,000. He explained that outside thumb drives are not allowed without being cleared by IT.

5. OLD BUSINESS

Ms. Jensen addressed and updated the Federal, State and local death benefits for Public Safety Officers. She also reviewed the death benefits provisions for the Lantana Police Relief and Pension Fund. This Plan does not differentiate between duty and non-duty deaths. She discussed some of the death provisions for similar local plans. Ms. Jensen has tried to get plans to consider death benefits. Troy Schaaf reported the Town is reluctant to implement any benefit increases. Ms. Jensen said the Board can send a letter to the Town and Union asking them to consider the issue. Troy Schaaf suggested the Board needed to provide the Town with options and costs. The Board considered possible duty death benefit levels for survivors.

Ken White made a motion to request the Actuary do a cost estimate for a comparable benefit like the West Palm Beach Police 66 2/3 death benefit for a maximum of \$500. The motion received a second from Renee Lampman, approved by the Trustees 4-0.

6. NEW BUSINESS

None

7. ADJOURNMENT

There being no further business a motion was made by Troy Schaaf to adjourn the meeting at 10:51 AM. The motion received a second from Renee Lampman.

Respectfully Submitted,
