

TOWN OF LANTANA POLICE RELIEF AND PENSION FUND
BOARD OF TRUSTEES QUARTLY MEETING MINUTES
OF FEBRUARY 5, 2020

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 8:32 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
Jeanine Bittinger & Richard Cristini, Saltmarsh, Cleaveland & Gund

2. PUBLIC COMMENTS

There were no public comments at this time.

3. REPORTS

- a. 2019 Audit Report, Jeanine Bittinger & Richard Cristini – Saltmarsh, Cleaveland & Gund PA
Jeanine Bittinger reported the audit provided an unqualified (clean) opinion for the Audited Financial Statements as of September 30, 2019. The financial statements present fairly the results of the Plan's financial position. She stated as of September 30, 2019 the Pension Fund has total assets of \$16,442,434 increasing from \$15,720,264 the previous year. Jeanine Bittinger reviewed the statement of income and expenses for the fiscal year in detail. She reviewed the net appreciation (depreciation) in fair value of investments as of September 30, 2019 versus 2018 which were 105,797 and \$847,703 respectively. The employer contribution increased from \$701,427 in 2018 to \$833,774 in 2019. Jeanine Bittinger noted unsettled transactions in the amount of \$5,593 which are liabilities listed as accounts payables, broker dealers. She reviewed the notes for the Financial Statement. Richard Cristini presented the schedule of investment returns for the past five years. He stated that numbers are net of investment expenses showing the returns. Richard Cristini reviewed the different GASAB reports and the requirements for the Comprehensive Annual Financial Report (CAFR). Richard Cristini acknowledged Jennifer Gainfort from AndCo for her assistance in providing the fair value of investments which is necessary information for the report. Jeanine Bittinger presented the Auditing Services Contract between the Town of Lantana Police Officers' Retirement System and the Auditing Firm of Saltmarsh, Cleaveland & Gund PA for the fiscal year ending September 30, 2020.

Ken White made a motion to approve the Auditing Services Agreement from Saltmarsh, Cleaveland & Gund PA. The motion received a second from Troy Schaaf, approved by the Trustees 5-0.

Simion Pavlov made a motion to approve the Audited Financial Statement for Fiscal Year September 30, 2019. The motion received a second from Troy Schaaf, approved by the Trustees 5-0.

Jeanine Bittinger and Richard Cristini departed the meeting at 8:52 AM.

4. APPROVAL OF THE MINUTES

The Board reviewed the minutes for the meeting of November 6, 2019.

Troy Schaaf made a motion to approve the minutes for November 6, 2019. The motion received a second from Simion Pavlov, approved by the Trustees 5-0.

5. REPORTS (cont.)

Jennifer Gainfort, AndCo

Ms. Gainfort reviewed the investment report for the quarter ending December 31, 2019. She began with a firm update as it is AndCo's 20th anniversary. They employ 89; adding 9 new team members and 2 new partners that were promoted from within. The 2019 US equity markets were the highest since 2013 with large-cap at 31.5%, mid-cap at 30.5% and small-cap posting a return of 25.5%. Unemployment was down while wages went up during the quarter. Ms. Gainfort noted consumer spending was still strong which is vital for future growth. She reviewed the asset allocations demonstrating they are all in compliance. The capital gains for the quarter were \$970,883. The total portfolio balance for December 31, 2019 was \$17,697,699 versus the previous quarter closing at \$16,446,844. The total fund gained 5.87% (27) gross and 5.82% net for the quarter compared to 6.18% (16) for the benchmark; the 1year numbers were 5.87% (24) gross, 5.82% net compared to the policy at 6.18% (19). Ms. Gainfort reviewed the cash flows; she will reach out to Salem Trust to rebalance the excess cash. She proceeded to review individual manager's performance. Ms. Gainfort did not recommend any manager changes however they are monitoring Templeton closely. She said JP Morgan does better when the market does better. Ms. Gainfort remarked the portfolio is very well diversified.

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

Bonni Jensen, Klausner Kaufman Jensen & Levinson

Ms. Jensen began by inviting the Trustees to the Klausner, Kaufman, Jensen & Levinson annual client conference at the W Hotel in Ft. Lauderdale, May 27th to 29th. She informed the Board as of January 1, 2020 the IRS mileage rate went down from \$0.58 to 57.5 cents. Ms. Jensen reviewed the SECURE Act - Setting Every Community Up for Retirement Enhancement Act; which increased the age for required minimum distributions from 70 ½ to 72 years of age. In addition the SECURE Act removed the age limit for traditional IRA contributions. Ms. Jensen reviewed HB113/SB1270 which addresses fiduciary standards for local officers and appointed public officials which directly applies to trustees of local retirement systems. The next memo covered the changes to Florida's notary public law which now permits online notarizations. Now, in Florida, a notary can notarize across the country. This leaves the door open for mischief. Some discussion of the items covered ensued and Ms. Jensen answered the Trustees questions. She updated the Board on the discussions with the Town on the review of the death benefits for members. Ms. Jensen forwarded the Town a 5 year comparison study as they requested. She would like a conference call with the Town and the Plan's Actuary so questions would be addressed. The percentages of deaths are very low and seeing comparable towns would demonstrate existing policies. Ms. Jensen will follow up with the Town to continue discussions. She presented a legislative update bring the Trustees up-to-date on what proposals are in the pipeline, what became a law and what did not pass.

Kyle Tintle & Scott Baur, Resource Centers

Ms. Tintle 2020 presented the 2020 Conference schedule to the Board. The Trustees were very enthusiastic in discussing the various conferences describing them to Stephanie Crowley, the newest

member of the Board. The Trustees listed the conferences they wished to attend to Ms. Tintle, who will register them for the educational programs. Ms. Tintle referenced the Salem Trust Service report contained in the meeting packets and gave an update on the transition of Salem Trust to be under the TMI umbrella. Mr. Baur introduced the possibility of Salem Trust sending out an “Are you alive” letter to avoid payments being made to deceased members. The cost of the letters, tracking, and follow-up letters is approximately \$6.00. Mr. Baur explained the processes currently in place to verify the pension payments are being received properly. After a brief discussion a motion was held.

Troy Schaaf made a motion to have Salem Trust manage the “Are you alive” mailing and verification process. The motion received a second from Stephanie Crowley, approved by the Trustees 5-0.

Ms. Tintle presented the disbursements for January 10, 2020 and updated the Board on the progress of Kenny Young’s application to exit the DROP.

Troy Schaaf made a motion to ratify the expenses. The motion received a second from Simion Pavlov, approved by the Trustees 5-0.

Simion Pavlov exited the meeting at 9:59 AM.

6. OLD BUSINESS

7. NEW BUSINESS

Troy Schaaf raised the topic of developing a communication plan. He is interested in creating something that would communicate the benefits of the pension plan. Having a robust pension plan is a wonderful marketing tool for attracting and retaining new employees.

8. ADJOURNMENT

There being no further business a motion was made by Ken White to adjourn the meeting at 10:07 AM. The motion received a second from Renee Lampman.

Respectfully Submitted,
