

TOWN OF LANTANA POLICE RELIEF AND PENSION FUND  
BOARD OF TRUSTEES QUARTLY MEETING MINUTES  
ELECTRONIC MEETING  
OF MAY 6, 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 8:30 AM via Ring Central Remote Video Conferencing.

Those persons present included:

TRUSTEE

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

OTHERS

Kyle Tintle & Scott Baur, Resource Centers  
Bonni Jensen, Klausner Kaufman Jensen & Levinson  
Jennifer Gainfort, AndCo  
Jeff Amrose, Gabriel Roeder Smith

2. Ms. Jensen presented the Board with the Administrative Policy governing the use of Audio-Video or Telephone Conferencing for the purpose of conducting virtual Public Board of Trustees meetings. She then reviewed the extension of the Executive Order approving the use of virtual Public Board of Trustee meetings through May 8, 2020 due to the public health emergency caused by COVID 19.

Troy Schaaf made a motion to approve the Administrative Policy Governing Virtual Meetings. The motion received a second by Simion Pavlov, approved 5-0.

3. APPROVAL OF MINUTES

- a. The Board reviewed the minutes for February 5, 2020.

Ken White made a motion to approve the Minutes from February 5, 2020. The motion received a second by Troy Schaaf, approved 5-0.

4. REPORTS

**a. 2019 Actuarial Valuation Report, Jeff Amrose, GRS**

Jeffrey Amrose of Gabriel Roeder Smith Consulting came before the Board to present the Actuarial Valuation report as of October 1, 2019. The report measures the Plans funding progress; determines the employer contribution rate for the Fiscal Year End (FYE) 09/30/2021; and determine the actuarial information for the Government Accounting Standards Board (GASB 67) report. The required employer net contribution for fiscal year end (FYE) 09/30/2021 based on the 10/01/2019 valuation is \$900,296 which is 39.51% of covered payroll, if paid quarterly. The employer contribution is up slightly from \$795,702, which is 40.58% of covered payroll for the FYE 9/30/2020; a decrease of \$104,594 (1.07%). Mr. Amrose reported the combined employer and State contribution is \$1,033,924 which is 45.38% of covered payroll; a slight decrease of \$104,594 (2.02%). The contribution reflects a slight decrease from the previous valuation requiring \$929,330 which was 47.40% of covered payroll. The Actuarial experience was less favorable than expected due to a net actuarial loss of \$543,039 for the year. The loss is due to a higher than expected than expected salary increases and a return on the actuarial valuation of assets below the assumed rate of 7.25% the actual rate of 10.2% compared to 6.0%. This year's funded ratio is 79.7% compared to 77.7% last year. Mr. Amrose reported there will not be a cost of living adjustment for retirees and beneficiaries due to the cumulative net actuarial losses. He recommended the Board consider lowering the investment rate of return to 7% or 7.25%. Discussion ensued in reference to the assumption used for the valuation report. Mr. Amrose replied to the Boards questions. He

presented several scenarios for changing or not changing the assumptions for the next valuation which was followed by discussion by the Board.

Stephanie Crowley made a motion to direct Jeffrey Amrose to prepare a study using 7.0% and 6.75% assumed rate of return. The motion received a second by Renee Lampman, approved 5-0.

Ken White made a motion to approve the Actuarial Valuation Report as of October 1, 2019. The motion received a second by Renee Lampman, approved 5-0.

Simion Pavlov made a motion to approve the expected annual rate of return of 7.25% for the Fund for the next year, the next several years, and the long-term thereafter. The motion received a second by Ken White, approved 5-0.

**b. Quarterly Report, Jennifer Gainfort, AndCo**

Ms. Gainfort reviewed the investment report for the quarter ending March 31, 2020. Due to the COVID-19 global pandemic both domestic and international equities were down. In 2019 unemployment was at an all-time low but now unemployment skyrocketed. The market downturn ended an 11 year Bull Market. The S&P was down 19.6%, Energy and Financials were lower, and Fixed Income was positive as investors looked for relative safety during the uncertainty of equities. She reviewed the asset allocations demonstrating they are all in compliance. The total portfolio balance for March 31, 2020 was \$15,085,264 versus the previous quarter closing at \$17,697,699 on December 31 2019. The total fund lost -14.42% (66) gross and 14.45% net for the quarter compared to -13.61% (54) for the benchmark; the 1 year numbers were -5.53% (58) gross, -5.69% net compared to the policy at -4.22% (31). She proceeded to review individual manager's performance. Ms. Gainfort noted that the market moved in the positive direction in April bring the portfolio up to around \$16,000,000. In March 2020 the market losses were -\$2,627,653, the fund started at \$17,697,699, contributions were \$344,278, and distributions were -\$346,442, expenses -\$36,331 with an ending balance of \$15,085,267. Ms. Gainfort did not recommend any manager changes or rebalancing at this time. Gainfort remarked the portfolio is very well diversified to weather the ups and downs of the market.

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

**c. Bonni Jensen, Klausner Kaufman Jensen & Levinson**

Ms. Jensen began by mentioning the Trustees to the Form 1 in their meeting packet and reminding them that the forms are due to the Supervisor of Election of their place of residence by July 1<sup>st</sup>. She continued reviewing the CARES Act care coverage in regard to COVID, discussing the areas that might be impacted, and expected benefit coverage. Ms. Jensen noted the special use of retirement funds and the level of flexibility for withdrawals up to \$100,000 for COVID-19 related expenses and the terms of paying the funds back. The proposed ordinance she presented represented a mandatory change by the IRS adjusting the age for required minimum distributions to 70 from 70 ½. Ms. Jensen suggested they ask the Town Council incorporate the power given to the Board to approve required IRS changes. She said it would be a worthwhile discussion to have with the Town.

Ken White made a motion to recommend the Town approve the ordinance reflecting the changes to the required minimum distribution as required by the IRS. The motion received a second from Simion Pavlov, approved by the Trustees 5-0.

Ms. Jensen discussed complying with social distancing, she provided some issues other Boards and service providers were facing.

d. Scott Baur, Resource Centers

Mr. Baur presented the fiscal year 2021 Administrative Budget along with the fiscal year 2019 expense report for review. He reviewed the fiscal year expenses and explained the projected numbers and how they were calculated. The Trustees noted that the Budget does not provide an actual prescription for expected expenditures. After a brief discussion a motion was made.

**Simion Palov made a motion approve the Administrative Budget. The motion received a second from Renee Lampman, approved by the Trustees 5-0.**

Mr. Baur reviewed the operations of The Resource Centers during COVID-19. The office is closed to walk in's however there is a convenient DROP box for members to deliver required documents. The operations are continuing smoothly without interruption to the members. A small group of employees come into the office periodically but for the most part employees are working remotely, and it is working quite well. Mr. Baur presented the expenses dated May 5, 2020. Mr. Baur presented the Benefit Approvals to be reviewed by the Trustees.

**Simion Pavlov made a motion to approve the retirements for Felix Latorture and Kenneth Young, Jr.; a DROP Distribution for Kenneth Young, Jr.; refund of contributions for Joseph Sanders and Edgar Guarin. The motion received a second from Troy Schaaf, approved by the Trustees 5-0.**

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

5. OLD BUSINESS

The confusion relating to the payroll codes still exists. The Board requested Mr. Baur reach out to the finance department to get clarification on the payroll codes utilized to classify wages. The Board agreed by consensus that the information be available by the next Board meeting.

6. NEW BUSINESS

There was no new business.

7. PUBLIC COMMENTS

There were no public comments at this time.

8. ADJOURNMENT

**There being no further business a motion was made by Ken White to adjourn the meeting at 10:14 AM. The motion received a second from Renee Lampman.**

Respectfully Submitted,

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