

TOWN OF LANTANA POLICE RELIEF AND PENSION FUND
BOARD OF TRUSTEES QUARTLY MEETING MINUTES
FEBRUARY 3, 2021

1. CALL TO ORDER

Troy Schaaf called a regular Quarterly Meeting of the Board of Trustees for the Town of Lantana Police Relief and Pension Fund to order at 9:00 a.m. at the Lantana Police Department. Those persons present included:

TRUSTEE

Troy Schaaf, Secretary
Ken White
Stephanie Crowley
Renee Lampman

OTHERS

Kyle Tintle, Alison Lichter, & Scott Baur, Resource Centers
Bonni Jensen, Klausner Kaufman Jensen & Levinson, via Ring Central
Jennifer Gainfort, AndCo, via Ring Central
Jeanine Bittinger & Richard Cristini, Saltmarsh

2. Extraordinary Circumstance for Trustees Joining Electronically.

No extraordinary circumstances were necessary as there were no Trustees joined the meeting electronically.

3. REPORTS

a. **Audit Report: Saltmarsh, Cleaveland & Gund PA (Richard Cristini & Jeanine Bittinger)**

Ms. Bittinger reported the audit provided an unqualified (clean) opinion for the Audited Financial Statements as of September 30, 2020. This opinion is the highest opinion rendered and one of the best she has seen; there has been great growth over the year. The financial statements present fairly and independently the results of the Plan's financial position. Ms. Bittinger stated as of September 30, 2020 the Pension Fund has total assets of \$18,574,531 increasing from \$16,442,434 the previous year. Ms. 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, 2020 versus 2019 which were \$1,103,695 and \$105,797 respectively. The employer contribution increased from \$833,774 in 2019 to \$991,819 in 2020. Ms. Bittinger noted unsettled transactions in the amount of \$3,689 in 2020 down from \$5,593 in 2019 which are liabilities listed as accounts payables, broker dealers. She reviewed the notes for the Financial Statement. Mr. Cristini presented the schedule of investment returns for the past five years. He stated that the numbers are net of investment expenses showing the returns. He reviewed the different GASAB reports and the requirements for the Comprehensive Annual Financial Report (CAFR). Mr. Cristini acknowledged Ms. Jennifer Gainfort from AndCo for her assistance in providing the fair value of investments which is necessary information for the report. He noted the expected rate of return for the Plan is 7.25%. Ms. Bittinger and Mr. Cristini answered the questions asked and reviewed the financial statement footnotes and the required supplementary information.

Renee Lampman made a motion to approve the Audited Financial Statement for Fiscal Year September 30, 2020. The motion received a second from Stephanie Crowley, approved by the Trustees 4-0.

Jeanine Bittinger and Richard Cristini departed the meeting at 9:25 AM.

b. **Investment Report: AndCo (Jennifer Gainfort)**

Ms. Gainfort reviewed the investment report for the quarter ending December 31, 2020. She began with looking back at 2020 and the annual CEO Mike Welker letter. All would agree 2020 was a very different year full of challenges such as social distancing, masks and virtual meetings. The AndCo team is comprised of 91 team members advising \$100 billion in client assets. The total portfolio

balance for December 31, 2020 was \$21,110,206 versus the previous quarter closing at \$18,672,097. International and small cap returns were strong during the quarter. Equities managed to recover all of the losses during the year and closed with strong gains. Ms. Gainfort reviewed the asset allocations compared to the targets and all are in compliance. The total fund gained 10.63% (54) gross and 10.59% net for the quarter compared to 10.45% (59) for the benchmark; the 1 year numbers were 15.92% (34) gross, 15.73% net compared to the total fund policy at 15.51% (43). Ms. Gainfort reviewed the cash flow and the individual manager's performance. She remarked the portfolio is very well diversified and had phenomenal returns for the quarter.

Ms. Gainfort distributed a Global Fixed Income Manager Analysis to review alternatives to Templeton as discussed the last quarterly meeting. The report evaluated Loomis, Sayles & Company; Pacific Investment Management Company (PIMCO); and Franklin Templeton Investments. She presented a comparison of the three options describing their return of strategy; ranking versus the peer group; and short term performance. Templeton was all over the place while PIMCO's performance was more consistent. The recommendation is to replace Templeton with PIMCO to take the volatility away.

Renee Lampman made a motion on the advice of the investment monitor to replace Franklin Templeton in the portfolio with PIMCO. The motion received a second from Ken White, approved by the Trustees 4-0.

Renee Lampman made a motion to approve the Quarterly Report as presented. The motion received a second from Troy Schaaf, approved by the Trustees 4-0.

Ms. Gainfort reviewed the Summary Plan Description (SPD) distributed in the meeting packet. The red-line version highlighted the changes that were made. A brief discussion of the SPD was held.

Ken White made a motion to approve the Summary Plan Description as presented. The motion received a second from Renee Lampman, approved by the Trustees 4-0.

c. Bonni Jensen, Klausner Kaufman Jensen & Levinson

Ms. Jensen reviewed the requirements for the new law for registration and use of the E-Verify system effective 01/01/2021. She informed the Board that all future contracts will need to comply with E-Verify to verify the work authorization status of newly hired employees. All current providers will be notified of the requirements and asked to provide verification of registration with E-Verify. Ms. Jensen reviewed a draft of the statement policy regarding contractual provisions for investment managers. The policy acknowledges the fiduciary relationship between the Plan and the investment managers. The contracts will contain a provision that the Manager has a fiduciary relationship with the Mutual Fund itself. Ms. Jensen recommended the policy should be reviewed every three years. A brief discussion was held followed by a motion.

Ken White made a motion to accept the Statement of Policy Regarding Contractual Provisions for Investment Managers. The motion received a second from Renee Lampman, approved by the Trustees 4-0.

Ms. Jensen covered the redline changes that were made to the Summary Plan Description (SPD) to update the document as of November 2020; the previous version was from May 2016. The changes incorporated changes in Federal and State laws covering pension plans, updated language, and collective bargaining. The SPD will be distributed electronically to the members of the Plan.

Stephanie Crowley made a motion to approve the Summary Plan Description. The motion received a second from Renee Lampman, approved by the Trustees 4-0.

On August 14, 2020, an act was signed into law the "Safeguarding America's First Responders Act of 2020" (the Act). Ms. Jensen updated the Board on the provisions of the Act which creates a general presumption that a public safety officer who dies from Covid-19 or related complications sustained a personal injury in the line-of-duty.

d. Scott Baur, Resource Centers

Mr. Baur presented the proposed meeting dates for 2021. After a brief discussion, the Trustees confirmed the dates of the meetings. However, the time of the meeting would be 9:00 AM beginning May 5, 2021. He discussed the "new normal" and summarized a slide presentation on Plan Administration amid Covid. Mr. Baur reviewed how operations were being handled remotely. He informed the Board of the results of the SOC1 type2 Audit performed by an outside auditor of the processes and procedure of the Resource Centers. He was happy to report a completely clean audit report it was delivered without any exceptions. Mr. Baur covered the two types of reports; type 1 describes the internal controls and procedures in place; type 2 audit not only describes the internal controls and procedures, but also tests those controls to fully identify and exceptions.

4. APPROVAL OF MINUTES

The Board reviewed the minutes from the August 5, 2020 quarterly meeting.

Ken White made a motion to approve the Minutes from August 5, 2020. The motion received a second from Renee Lampman. The Trustees unanimously approved the motion, 4-0.

5. APPROVAL OF WARRANT

The Trustees reviewed the Warrants dated November 4, 2020 and February 3, 2021.

Renee Lampman made a motion to ratify the expenses on the Warrants for November 4, 2020 and February 3, 2021. The motion received a second from Stephanie Crowley, approved by the Trustees 4-0.

6. OLD BUSINESS

None

7. NEW BUSINESS

Mr. Baur raised the topic of Cost of Living Increases (COLA) as is has a benefit implications. The Actuary questioned if there is time period a member that has to be retired before they receive a COLA. Certain plans require a member be retired for a period of one year before they receive a COLA. Ms. Jensen reviewed the Ordinance for the Board, if a member retires before October 1st they are eligible for the 13th check; it does not state you need to be retired for a year to receive a COLA. A lively discussion was held.

Ken White made a motion that eligible members that retire before October 1st received a COLA if it is determined by the Actuary and based on the CPI of the previous fiscal year. The motion received a second from Renee Lampman, approved by the Trustees 4-0.

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 10:36 AM. The motion received a second from Renee Lampman.

Respectfully Submitted,


