

TOWN OF LANTANA POLICE RELIEF AND PENSION FUND
BOARD OF TRUSTEES QUARTLY MEETING MINUTES
MAY 5, 2021

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 9:02 a.m. at the Lantana Police Department. Those persons present included:

TRUSTEE

Simion Pavlov, Chair
Troy Schaaf, Secretary via Ring Central
Ken White
Renee Lampman

OTHERS

Kyle Tintle, Alison Lichter, & Scott Baur, Resource Centers
Bonni Jensen, Klausner Kaufman Jensen & Levinson
Jennifer Gainfort, AndCo, via Ring Central
Karen Russo, Salem Trust
Robert Hagerty
Jeff Amrose, Gabriel, Roeder, Smith & Co.

2. Extraordinary Circumstance for Trustees Joining Electronically.

Ms. Jensen explained Trustee Troy Schaaf may join the meeting electronically; however, a motion needs to be made to let Troy Schaaf participate in the meeting electronically.

Ken White made a motion to approve Troy Schaaf participating in the meeting electronically. The motion received a second from Renee Lampman, approved by the Trustees 3-0.

3. APPROVAL OF MINUTES

The minutes from the February 3, 2021 will be reviewed next meeting.

4. REPORTS

a. Custodian Report: Salem Trust (Karen Russo)

Ms. Russo informed the Board that Salem Trust has completed the transition to Truist. Salem Trust changed platforms but they are not using Truist accounting systems. The retirees received two 1099R forms last year due to the platform changes. The Hollywood satellite office was closed but it should not affect the Plan in any way. Ms. Russo requested an updated standing letter of direction for the R&D account as the existing letter includes a mutual fund that is no longer in the portfolio.

b. Actuary Report: GRS (Jeff Amrose) Valuation

Mr. Amrose provided an overview of the requested study to lower the investment return assumptions to net 7.25%. An opportunity exists to lower that assumption without increasing the City's contribution. He provided combinations of a lower return assumption with the new mandated mortality assumption. The new FRS mortality lowers the contribution requirement from \$898,200 to \$837,947 or 35.74% of pay. With a 7% return assumption the town contribution goes from \$898,200 to \$932,633 or 39.78%. The Board discussed the alternatives. Mr. Amrose stated that the 7% net assumption falls in the "range of reasonableness." Troy Schaaf noted that the assumption change affects the timing of contributions but not the overall cost of the Plan. Ms. Gainfort supported the lower assumption rate at either 6.75% or 7%. The Trustees considered an incremental change to 7% net.

Ken White made a motion to reduce the rate of return assumption to 7% net for the October 1, 2020 valuation report. The motion received a second from Renee Lampman, approved by the Trustees 4-0.

Ken White made a motion to approve the Valuation report subject to incorporating the new assumption rate. The motion received a second from Renee Lampman, approved by the Trustees 4-0.

Ms. Jensen advised the Board they need to set the expected rate of return.

Ken White made a motion based on the advice of the Investment Consultant; the Board expects to get a 7% rate of return for the next year, the next several years, and for the long-term there after. The motion received a second from Renee Lampman, approved by the Trustees 4-0.

The town can keep the contribution requirements essentially unchanged if they pay the town's contribution amount on October 1.

c. Investment Report: AndCo (Jennifer Gainfort)

Ms. Gainfort reviewed the investment report for the quarter ending September 30, 2020 with a balance of \$18,672,097 in assets. She also reviewed the cash flow and expenses. The assets gained 10.92% compared to 11.04% for the benchmark, to finish in the top 11% of the rankings. The 5-year average return of 9.38% was also in the top 11%. Ms. Gainfort reviewed each manager's performance as well. The equity asset classes all posted gains while fixed income had losses as interest rates increased. She discussed the market environment for the quarter ending March 31, 2021 one year into the COVID recovery, has total assets of \$21,612,565. Ms. Gainfort noted the assets now had a slight over weight to equities, still within Policy guidelines. She reviewed the assets which gained 3.11% for the quarter compared to 3.13% for the bench and fiscal year to date of 14.07% versus 13.91%. The 5-year average gain of 11.39% ranks in the top 14% of the public plan universe. Ms. Gainfort reviewed the individual manager results for the quarter, year and 5-year results. She noted PIMCO, which replaced Templeton, lacked a full quarter of performance to report. Ms. Gainfort will provide a new letter of direction substituting PIMCO for Templeton.

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

c. Attorney Report: Klausner Kaufman Jensen & Levinson (Bonni Jensen)

Ms. Jensen drafted a policy to describe the implementation of the COLA. All eligible members for the new COLA, receive an increase on October 1 even if it is their first year of retirement. Mr. Amrose clarified members hired after 2017 receive a maximum 1% cost of living increases. Ms. Jensen will update the proposed policy.

Ms. Jensen reminded the Board of the Annual Form 1 Financial Disclosure form filling requirement. She informed the Board the mileage rate decreased to \$0.56 per mile. Ms. Jensen provided evidence for best practices to locate missing participants due benefits. She confirmed the firm of Klausner Kaufman Jensen & Levinson has registered for E-Verify.

d. Administrative Report: Resource Centers (Scott Baur)

Mr. Baur informed the Board of the upcoming FPPTA conference in June. He reviewed the purpose of the FY2020 Expenses and Fiscal Year 2022 Administrative Budget. After some discussion a motion was made for the budget and the current expenses.

Simion Pavlov made a motion to approve the FY2020 Expenses & FY2022 Administrative Budget. The motion received a second from Renee Lampman, approved by the Trustees 4-0.

Ken White made a motion to ratify the expenses of the May 5, 2021 warrant. The motion received a second from Renee Lampman, approved by the Trustees 4-0.

5. PUBLIC COMMENTS

Mayor Robert Hagerty thanked the Board and the Board congratulated the Mayor and thanked him for his service on the Board.

6. ADJOURNMENT

Simion Pavlov adjourned the meeting at 10:23 AM.

Respectfully Submitted,
