

**TEQUESTA GENERAL EMPLOYEES' PENSION TRUST FUND
REGULAR BOARD MEETING MINUTES
MAY 14, 2018**

CALL TO ORDER

The Regular Quarterly Board Meeting of the Tequesta General Employees' Pension Trust Fund was held in the Village Chambers, 345 Tequesta Drive, Tequesta, Florida, on May 14, 2018. The meeting was called to order at 8:30 a.m.

ROLL CALL

A roll call was requested by Chairman Michael Rhodes. In attendance at the meeting were: Chairman Michael Rhodes, Secretary Bernard Ward, Board Member Michelle Gload, Jesse Oakley III and Board Member Dennis Rick.

Also in attendance were Attorney Bonni Jensen, Pension Administrator Scott Baur and Kerry Dutton, Investment Monitor Jennifer Gainfort and Investment Manager Greg Peters.

RE-APPOINTMENT 5TH TRUSTEE

Ms. Dutton addressed the Fifth Trustee seat which is appointed by the other four Trustees.

MOTION:

Board Member Bernard Ward made a motion to reappoint Michael Rhodes to the Fifth Trustee seat. Board Member Gload seconded the motion, which carried by 5-0 vote.

PUBLIC COMMENT

None

APPROVAL OF AGENDA

It was requested to move item: 14 to be included under the administrators report. Trustee Gload requested the addition of the fiscal year 2019 budget for discussion.

MOTION:

Secretary Bernard Ward made a motion to approve the Agenda as amended. Board Member Gload seconded the motion, which carried by 5-0 vote.

CONSENT AGENDA

5. Ratification of invoices paid since last quarterly meeting

<u>Check#</u>	<u>Paid Date</u>	<u>Vendor / Description</u>	<u>Amount</u>
1314	2/12/2018	Pension Resource Centers Administrator Fee - February 2018 Invoice# 16133	\$855.39
1315	2/12/2018	DANA Investment Advisors Management Fee - 4th Quarter 2017 Account# 451856620 Invoice# 59176	\$2,597.51
1316	2/12/2018	DANA Investment Advisors Management Fee - 4th Quarter 2017 Account# 451856610 Invoice# 59136	\$593.51

1317	2/12/2018	Klausner, Kaufman, Jensen & Levinson Legal Services Rendered through 1/31/18 Invoice# 21136	\$455.00
1318	3/12/2018	Pension Resource Centers Administrator Fee - March 2018	\$800.00
1319	3/12/2018	Klausner, Kaufman, Jensen & Levinson Legal Services Rendered through 2/28/18 Invoice# 21276	\$1,624.50
1320	4/10/2018	Pension Resource Centers Administrator Fee - April 2018	\$800.00
1321	4/10/2018	& Co Consulting, LLC 1stQuarter 2018 Invoice #24701	\$3,125.00
1322	4/10/2018	Klausner, Kaufman, Jensen & Levinson Legal Services Rendered through 3/31/18 Invoice# 21427	\$1,908.00

Total: \$12,758.91

Ms. Dutton reviewed the invoice from Ellen Schaffer. The Board requested to add the invoice for further discussion under the administrator report.

6. Reporting of new applicants for participation in Pension Plan:

Carroll Rudolph Smith
Michael DelGuzzi
R. Michael Bendsneyder
Lynne Britt
Richard Rivera

7. Non-Vested Terminated employees who have not yet taken their contributions:

- * 4-24-17 *First Notification Letter*
- * 5-8-18 *Second Notification Letter*
- Brett Steele – Termed 5/16/2014
- Nathan Litteral – Termed 12/29/2014
- Martin Meehan – Termed 2/13/2016
- Simon Jamason – Termed 5/10/2016
- Edward Black – Termed 1/05/2018
- *5-8-18 *First Notification Letter*
- Kyle Lanham – Termed 12/22/2017
- Sam Heady – Termed 01/09/2018
- Michael Sudell – Termed 01/10/2018

8. Benefit Approvals

END OF CONSENT AGENDA

MOTION:

Secretary Bernard Ward made a motion to approve the Consent Agenda and Ratification of Warrants as amended. Board Member Oakley seconded the motion, which carried by unanimous 5-0 vote.

APPROVAL OF MINUTES

1. Tequesta General Employees' Pension Trust Fund Board of Trustees Regular Quarterly Meeting Minutes – February 5, 2018.

Chairman Rhodes requested the minutes reflect the congratulations to Dan Johnson given was on behalf of the Board. Board Member Gload requested the typographical error on her name referenced in the motion for approval of the July 31, 2017 minutes. She also requested Alexandre Canali be added to the non-vested terminated employees listed. Board Member requested the correction of motion denying the pro-rated payment to JoAnn Forsythe reflect 4-1 as it was not a unanimous vote.

MOTION:

Board Member Dennis Rick made a motion to approve the February 5, 2018 Regular Quarterly Meeting Minutes as amended. Board Member Gload seconded the motion, which carried by 5-0 vote

PRESENTATIONS

4. Cyber Liability Coverage – Rodney Lewis, Gehring Group

Mr. Rodney Louis addressed the Board. He reviewed why cyber liability coverage is necessary. He stated standard commercial policies give little protection against electronic damages and the costs associated from cyber exposure. He stated the exposures covered by cyber liability insurance. Cyber security and privacy threats include hackers, attackers, intruders and malicious code. He explained the difference between first party and third party liability coverage and stated third party coverage is often included with a tech professional's errors and omissions insurance. He reviewed the coverage limits per claim and aggregate. He explained the Village's coverage extends to the pension. There was a discussion on notification of a breach to members within the 30 day time requirement. Mr. Louis confirmed the initial notification would fall under the Village's policy and the responsibility would be determined afterwards. Mr. Louis confirmed that all Boards and committees would be covered under the Village's policy since they are acting within the scope of their duties. There was a brief discussion on being a named insured. Chairman Rhodes requested the Board be listed as an additional insurer on service providers' policies. Mr. Baur stated the Resource Centers policy may not allow over 60 pension plans to be listed as an additional insured. Ms. Jensen confirmed a request will be sent out to all service providers. The Board thanked Mr. Louis.

3. Danas' Quarterly Performance Report as of March 31, 2018 – Greg Peters, Dana Advisory

Greg Peters, Dana Advisor, presented to the Board the Dana Advisors Investment Performance Report as of March 31, 2018. He stated the quarter return gross of fees is in line with the index at -1.09%. He reviewed the bond characteristics explaining the over and underweight of each category. He noted the portfolio is of high quality. He noted the market's volatility. The yields curve experienced nearly a parallel shift which was up by 30-45 basis points. Corporate Bond spreads were reviewed by quality for the quarter. The sectors were reviewed with respect to returns for the quarter. He reviewed the performance gross fees through December 31, 2017 contributing to the quarters return. He reviewed the performance of the market environment during quarter. Mr. Peters explained Dana's investment strategy including the sector basis. Mr. Peters summarized the first quarter observations. He noted the top performance contributors and the top performance detractors during this quarter. He reviewed the fixed income sectors return. The fixed income sector is expected to bounce back to be in line with the

historical performance at the end of this calendar year. Overall the rising trade tensions, fears over higher inflation and interest rates, and a pull-back within the technology sector resulted in a sharp increase in volatility for the U.S. Equity. Mr. Peter's reviewed the additions and deletions for the quarter. Dana is generally pleased with the Strategy's performance for the quarter.

MOTION:

Board Member Jesse Oakley III made a motion to approve the presentation by Dana Advisory. Board Member Gload seconded the motion, which carried by 5-0 vote

4. Quarterly Performance Report as of March 31, 2018 - Jennifer Gainfort, And Co Consulting

Jennifer Gainfort explained Tyler Grumbles family situation and his request for less travel time away from his family. She stated Mr. Grumbles will be in attendance at the next board meeting and going forward from that point she will be the fund's acting consultant. MS. Gainfort reviewed her education and career history up until this point in time.

Ms. Gainfort reported the performance as of March 31, 2018. The market returns were broadly negative across major equity and fixed income. The interest rates on the U.S. Treasury Yield Curve ended the quarter higher across all maturities and growth outperformed value. The asset allocations were reviewed as follows; Domestic Equity 51.8%, International Equity 15.7%, Domestic Fixed Income 18.3%, Global Fixed Income 4.7%, total Real Estate 9.3% and Cash Equivalent 0.2%. Ms. Gainfort reported that for quarter ending March 31, 2018 the Plan's market value was \$5,290,318. The Plan was flat for the quarter and reflected in the financial reconciliation. She stated the assets gained 0.02% for the quarter compared to the -0.46% benchmark. The fiscal year to date return was strong for the half year mark at 4.38% and was and was ahead of the benchmark. She reviewed the trailing returns for the quarter. Ms. Gainfort reviewed and commented on individual manager performance. She stated the raising rates made for Templeton to have a nicely positive return at 1.66%. Ms. Gainfort also noted ASB Real Estate's return for the quarter was also positive at 1.99%. She reviewed the objectives listed on the compliance checklist. Ms. Gainfort had no recommendation on asset allocations at this time. There was discussion on Dana's fee structure.

MOTION:

Board member Michelle Gload made a motion to approve the Investment Performance Report as of March 31, 2018 as presented. Board Member Dennis Rick seconded the motion, which carried by unanimous 5-0 vote.

OLD BUSINESS

9. Approved Vendor List

Ms. Dutton reviewed the vendors listed on the vendor list to be approved. The Board request to have the company name listed first for each vendor. There was discussion on the managers paid directly versus automatically debited. Dana Advisory's fee is to be updated to reflect the new fee upon the Boards approval. A discussion ensued on the custodian fees and the RFP process when Fiduciary Trust was hired.

MOTION:

Board Member Michelle Gload made a motion to approve the Approved Vendors List as amended. Board Member Dennis Rick seconded the motion, which carried by unanimous 5-0 vote.

10. Dana Advisory's Fee Addendum

The Board reviewed the fee addendum.

MOTION:

Secretary Bernard Ward made a motion to approve the Dana Advisory fee addendum presented. Board Member Jesse Oakley III seconded the motion, which carried by unanimous 5-0 vote.

11. Summary of Actions List

Ms. Jensen stated the presentations to the Village Council are only needed on an annual basis going forward. She stated the next presentation is scheduled for July 12, 2018. . Ms. Jensen suggested including specific informational pages from the Valuation in the power point presentation.

MOTION:

Board Member Dennis Rick made a motion to approve the annual presentation to the Village Council. Board Member Michelle Gload seconded the motion, which carried by unanimous 5-0 vote.

ACCOUNTING REPORTS

15. Accounting Reports – *Board Member, Michelle Gload, Finance Department*

Ms. Gload reviewed the outlined draft budget report. The Board agreed to address the projected 2017-2018 budget. The Board reviewed and discussed each category in detail. The following expenditures were increased for the remaining fiscal year as follows: Legal Services, Custodial Services, Insurance, and Pension Distributions/Benefits. The Board reviewed the costs thus far in the year to assist in predicting the 2018-2019 proposed budget.

MOTION:

Secretary Bernard Ward made a motion to approve the 2017-2018 Budget as amended. Board Member Jesse Oakley III seconded the motion, which carried by unanimous 5-0 vote.

No comment on the year to date financials.

MOTION:

Board Member Dennis Rick made a motion to approve the financial statements as presented. Board Member Jesse Oakley III seconded the motion, which carried by unanimous 5-0 vote.

NEW BUSINESS

12. Government on Sunshine Law Memo – *Attorney Bonni Jensen, Klausner, Kaufman, Jensen & Levinson*

Ms. Jensen reviewed the recent case involving the St. Lucie Mayor and council members violating the sunshine law. She reviewed the action which took place causing the accusations of violating the sunshine law. She reviewed the importance of the law and confirmed emails are included.

13. Form 1 Filing – *Attorney Bonni Jensen, Klausner, Kaufman, Jensen & Levinson*

Bonni Jensen reminded the Trustees of the required filing of the Form 1 due on July 1st. She explained that this can be filed by the Trustee directly or through her office. She recommended filing with a confirmed receipt.

ADMINISTRATIVE REPORT

16. Retirement Timelines for Retirees – Plan Administrator Kerry Dutton, Pension Resource Centers

Ms. Dutton reviewed each timeline of all current retirees. She specified which entities processed each members retirements. The Board reviewed the detail. The Board requested to add the first payment date of each retiree to the timeline and to keep a tracking of all retirees going forward.

17. Sample Retirement Packet – Plan Administrator Kerry Dutton, Pension Resource Centers

Ms. Dutton briefly reviewed the forms included in the retirement packet. Chairman Rhodes requested an update on the commencement language found within the Summary Plan Description (SPD). Ms. Jensen stated the request was sent to the Village and a follow up will be made. There was discussion on the required actions needed for processing a member's retirement. Ms. Baur confirmed the chronological process of communication between Pension Resource Centers and a member does not change whether in per or through emails. The Board requested verbiage change in the drafted "What to Expect" document to reflect up to 90 days for retirement processing. The Board requested timely and effective communication to members. Ms. Jensen suggested adding retirement two examples in the "What to Expect" document to help clarify specifics to the members. The Board requested the removal of the Deferred Retirement Option from the retirement application as the Fund does not offer such option.

MOTION:

Board Member Michelle Gload made a motion to approve the requested amendments to the retirement application and the "What to Expect" document as discussed. Board Member Dennis Rick seconded the motion, which carried by unanimous 5-0 vote.

18. Notification of Trustee Ricks Expired Term - Plan Administrator Kerry Dutton, Pension Resource Centers

Ms. Dutton notified the Board of Trustee Rick's expiring term. Trustee Rick expressed his interest to serve another term on the Board.

14. Discussion on New Payroll File

Ms. Dutton explained the change in the format of the payroll data supplied by the Village. Ms. Gload recapped the change in software resulting in the change of format. Mr. Scott Baur summarized the issues with the data files. This resulted in a delay of payment requested by two members. A discussion ensued on the past and recent issues since the payroll software was implemented back in July 2017.

ANY OTHER MATTER

19.FY2018 Calendar Schedule

IT was requested the addition of the Village Council presentation on July 12, 2018 to be added to the FY2018 Calendar.

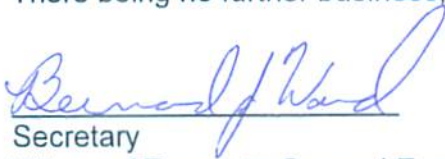
The Board reviewed the invoice presented by Ellen Schafer, pension computer programmer. Ms. Dutton stated the invoice is a result of the changes needed in order to for the new payroll data file format to be compatible.

MOTION:

Board Member Michelle Gload made a motion to approve the invoice from Ellen Schafer in the amount of \$1,287.50 as presented. Board Member Dennis Rick seconded the motion, which carried by unanimous 5-0 vote.

ADJOURNMENT

There being no further business, the meeting was adjourned at 12:18 p.m.

A handwritten signature in blue ink, appearing to read "Bernard J. Ward", is written over a horizontal line.

Secretary

Village of Tequesta General Employees' Pension Plan