

**TEQUESTA GENERAL EMPLOYEES' PENSION TRUST FUND
REGULAR BOARD MEETING MINUTES
AUGUST 6, 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 August 6, 2018. The meeting was called to order at 1:01 p.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, Board Member Jesse Oakley III and Board Member Dennis Rick.

Also in attendance were Attorney Bonni Jensen, Pension Administrator Kerry Dutton, Investment Monitors Jennifer Gainfort and Tyler Grumbles.

PUBLIC COMMENT

None

APPROVAL OF AGENDA

Ms. Dutton requested the removal of the Annual Custodian Update form the agenda as Fiduciary Trust requested the presentation be moved to the November meeting. Ms. Dutton explained Fiduciary Trust is in the process of updating forms and would like to have them available for presentation to the Board. Chairman Rhodes requested the addition of item 13 to discuss the public record request made by JoAnn Forsythe and the addition of a item 14 to discuss the reduction of the Expectant Rate of Return. Trustee Gload requested the addition of the Village Council presentation and the removal of Nathan Litteral's name under Consent Agenda.

MOTION:

Board Member Dennis Rick made a motion to approve the Agenda as amended. Board Member Oakley seconded the motion, which carried by 5-0 vote.

CONSENT AGENDA

4. Ratification of invoices paid since last quarterly meeting:

Check#	Paid Date	<u>Vendor / Description</u>	Amount
1323	5/8/2018	Gabriel Roeder Smith & Company For Services Rendered through 3/31/18	\$3,000.00
1324	5/8/2018	DANA Investment Advisors Management Fee - 1st Quarter 2018 Account# 451856620 Invoice# 60813	\$2,634.47
1325	5/8/2018	DANA Investment Advisors Management Fee - 1st Quarter 2018 Account# 451856620 Invoice# 60775	\$605.09
1326	5/8/2018	Pension Resource Centers Administrator Fee - May 2018 Invoice# 16336	\$800.00

1327	5/8/2018	Klausner, Kaufman, Jensen & Levinson Legal Services Rendered through 04/30/18 Invoice# 21588	\$265.00
1328	6/11/2018	Pension Resource Centers Administrator Fee - June 2018 Invoice# 16404	\$800.00
1329	6/11/2018	Ellen Schaffer Computer Services	\$1,287.50
1330	6/11/2018	Klausner, Kaufman, Jensen & Levinson Legal Services Rendered through 05/31/18 Invoice# 21745	\$3,013.00
1331	7/11/2018	Pension Resource Center Administrative Fees- July 2018	\$800.00
1332	7/11/2018	Klausner, Kaufman, Jensen & Levinson Legal Services Rendered through 06/30/18 Invoice# 21910	\$246.00
1333	7/11/2018	And Co Consulting Services Actuarial Services 2nd Quarter 2018	\$3,125.00
Total Paid:			\$16,576.06
Custodian			
Fiduciary Trust International 1st Quarter 2018 3ACCTS			\$851.83
Fiduciary Trust International 4th Quarter 2017 3ACCTS			\$835.54
ASB Capital Management Quarter Ending 6/30/18			\$1,561.15
Total paid by Custodian:			\$3,248.52

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

Julie Hurst
Joe Grande
Maynor Manuel Barrientos

6. Terminated Non-Vested 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
 - Martin Meehan – Termed 2/13/2016
 - Sam Heady – Termed 5/10/2016
 - Simon Jamason – Termed 5/10/2016
 - Edward Black – Termed 1/05/2018
- *7-31-18 First Notification Letter
 - Carroll Rudy Smith – Termed 06/26/2018
 - Alex Gavillan

END OF CONSENT AGENDA

APPROVAL OF MINUTES

1. Tequesta General Employees' Pension Trust Fund Board of Trustees Regular Quarterly Meeting Minutes – May 14, 2018.

Trustees Gload requested the removal of Kyle Lanham and Michael Sudell's name from the non-vested termination list as they are both vested. The Board requested the addition of the amended Dana fees to be added. They rescinded the approval motion on the approval of the 2019 drafted budget. Ms. Jensen clarified some language regarding the sample retirement packet. Trustee Gload requested the addition of language stating the meeting minutes are to be made available to the Trustees for the sixth request.

MOTION:

Board Member Michelle Gload made a motion to approve the May 14, 2018 Regular Quarterly Meeting Minutes as amended. Board Member Ward seconded the motion, which carried by 5-0 vote

PRESENTATIONS

3. Quarterly Performance Report as of June 30, 2018 – Jennifer Gainfort, AndCo

Ms. Gainfort reviewed the market environment stating market returns were mixed across equity and Fixed Income sectors. It was reported International Equity posted negative returns for the quarter with Emerging Markets stocks falling the greatest degree and noted small cap stocks outperformed mid as well as large cap stocks. Ms. Gainfort reported that for quarter ending June 30, 2018 the Plan's market value was \$5,417,988. The asset allocations were reviewed as follows; Domestic Equity 52.6%, International Equity 15.1%, Domestic Fixed Income 18.4%, Global Fixed Income 4.5%, total Real Estate 9.2% and Cash Equivalent 0.2%. The Plan is in compliance with the asset targets. She confirmed the Plan is in compliance with its policy. Ms. Gainfort reviewed the trailing returns for the quarter. Ms. Gainfort reviewed and commented on individual manager performance. She explained Global Stocks were in a tricky position due to the US dollar strengthening. The Financial Reconciliation was reviewed. She stated as of the end of July the fiscal year to date Plan return is 7.4%.

Mr. Rhodes recapped the request to reduce the expected rate of return. Other pension plans including California reported to have been reducing the pension funds expected rate of return. However, Mr. Grumbles explained that the Board has taken action, in his opinion; the Board is ahead of the trend with reducing the expectant rate of return. Mr. Grumbles recommends a more formal asset allocation study be completed and presented at the November pension Board meeting. The Board agreed to have the asset allocation study completed and presented at the November Board meeting. There was a discussion on last year's assumptions compared to the actuals. Mr. Grumbles explained the assumptions are released in late November and would therefore be more beneficial to revisit at the February 2019 meeting.

The Board voiced their appreciation to Mr. Grumbles for his many years of service.

MOTION:

Board Member Dennis Rick made a motion to approve the Investment Performance Report as of June 30, 2018 as presented. Board Member Gload seconded the motion, which carried by unanimous 5-0 vote.

MOTION:

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

OLD BUSINESS

There was no old business at this time.

NEW BUSINESS

7. Legislative Update – Attorney Bonni Jensen, Klausner, Kaufman, Jensen & Levinson

There was no legislative update at this point in time.

Ms. Jensen stated the Gabriel Roeder Smith and Dana Investment Advisors fee amendments are ready today for signature. Ms. Jensen reviewed the requirement for additional language to be present in any agreements after 2016.

Ms. Jensen gave update on communication with the Village on adding the Plan Document in the Municipal Code. This would allow for the Plan Document to be more accessible and Municode would assist with keeping the Plan Document up to date. Ms. Jensen reviewed the current Village practice on plan amendments and explained the reinstatement process.

MOTION:

Board Secretary Bernard Ward made a motion to request legal counsel discuss to have the Pension Plan placed in Municode with the Village and report back at the next board meeting. Board Member Michelle Gload seconded the motion, which carried by unanimous 5-0 vote.

Ms. Jensen reviewed the direction given at the last Board meeting by Rodney Lewis, of the Gehring Group, to have the pension plans added as an additional insured with the Plan's service providers. Fiduciary Trust's liability insurance policy does not allow for this. The additional insured request findings will be shared with the Gehring Group.

ACCOUNTING REPORTS

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

Ms. Gload reviewed the budget report. The Board reviewed the Budget. Trustee Gload noted the ASB invoice was not included in the current warrant. She also questioned the total assets reported in AndCo's report versus the balance sheet ran by the Finance Department's total assets. Mr. Grumbles explained multiple reasoning's for the difference the total assets. The Board reviewed and discussed each category in detail. The Board reviewed the costs thus far in the year to assist in predicting the 2018-2019 proposed budget.

ADMINISTRATIVE REPORT

9. Fiduciary Liability Insurance Renewal – Plan Administrator Kerry Dutton, Pension Resource Centers

Ms. Dutton stated the policy is on a three year renewal and this is the second year for the locked in policy. She reviewed the proration of the premium based on the plan assets and is shared with the Public Safety Officers Fund.

MOTION:

Board Member Michelle Gload made a motion to approve the Fiduciary Liability Insurance Renewal as present in the amount of \$1,328.51. Board Member Dennis Rick seconded the motion, which carried by unanimous 5-0 vote.

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

Ms. Dutton reviewed the timelines of each retiree specifying the entity which administrated the process with the retiree. The Board reviewed the average time length of 4-6- weeks from the members selected retirement date to the payment date. The Board requested Pension Resource Centers to reach out to Gabriel Roeder Smith regarding a shorter turnaround time on calculation certifications. Trustee Gload requested the final average salary for the last retirement processed.

ANY OTHER MATTER

11. FY2018 Calendar Schedule

The Board requested the addition of Fiduciary Trust Annual Presentation to the November 5, 2018 meeting along with the removal of Gehring Group and the annual presentation by ASB Real Estate.

12. Draft 2019 Calendar

The Board also requested an annual review of the Summary Plan Description be added to the November 5, 2019 meeting Agenda.

MOTION:

Board Member Bernard Ward made a motion to approve the Administrative Report as presented. Board Member Michelle Gload seconded the motion, which carried by unanimous 5-0 vote.

13. JoAnn Forsythe's Public Record Request

Bonni Jensen reviewed the public record request made by JoAnn Forsythe during the November 2017 board meeting. There was a discussion currently no requirement to record pension board meeting. The Board discussed the benefits of recording future board meetings. Ms. Dutton is to inquire about the Chambers microphones.

MOTION:

Board Member Bernard Ward made a motion to voice record all meetings going forward. Board Member Michelle Gload seconded the motion, which carried by unanimous 5-0 vote.

14. Village Council Presentation

Ms. Jensen explained the Village Council requests only annual updates from each Pension Board. Therefore the next presentation expected from the General Employees' Plan is at the August 9, 2018 Council meeting. Board Secretary Ward confirmed his availability to present.

ADJOURNMENT

There being no further business, the meeting was adjourned at 3:17 p.m.

Secretary

Village of Tequesta General Employees' Pension Plan