

**TEQUESTA GENERAL EMPLOYEES' PENSION TRUST FUND
REGULAR BOARD MEETING MINUTES
NOVEMBER 5, 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 November 5, 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, 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, Custodian Representative Amed Avila, and Investment Manager Greg Peters.

PUBLIC COMMENT

None

APPROVAL OF AGENDA

Ms. Dutton requested the addition of Special Tax Notice and the Resolution of the Records Management Liaison Officer. Chairman Rhodes requested the addition of an update on Additional Insured and response from Gabriel Roeder Smith. Trustee Gload requested the addition of budget reports.

MOTION:

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

APPROVAL OF MINUTES

1. Tequesta General Employees' Pension Trust Fund Board of Trustees Regular Quarterly Meeting Minutes – August 6, 2018.

The Board requested the removal of a sentence in the Approval of Minutes section of the August 6th meeting minutes. There were a few typographical errors that were noted for correction.

MOTION:

Board Member Michelle Gload made a motion to approve the August 6, 2018 Regular Quarterly Meeting Minutes as amended. Secretary Ward seconded the motion, which carried by 5-0 vote

CONSENT AGENDA

5. Ratification of invoices paid since last quarterly meeting:

Check#	Paid Date	<u>Vendor / Description</u>	Amount
1334	8/15/2018	Pension Resource Center	\$800.00
		Administrative Fee- August 2018	

1335	8/15/2018	Klausner, Kaufman, Jensen & Levinson Legal Services Rendered through 7/31/18	\$927.50
1336	8/15/2018	Gabriel Roeder Smith & Company Services Rendered through 06/30/2018	\$1,250.00
1337	8/15/2018	DANA Investment Advisors Management Fee- 2QTR18	\$621.64
1338	8/15/2018	DANA Investment Advisors Management Fee- 2QTR18	\$2,337.07
1339	8/15/2018	Gehring Group, Inc Fiduciary Liability Insurance 10/01/18- 10/01/19	\$1,328.51
1340	9/11/2018	Pension Resource Center Administrative Fee- September 2018	\$800.00
1341	9/11/2018	Kalusner, Kaufman, Jensen & Levinson Legal Services Rendered through 8/31/18	\$1,772.50
1342	10/10/2018	Pension Resource Center Administrative Fees- October 2018	\$800.00
1343	10/10/2018	AndCo Consulting Services 3rd Quarter 2018	\$3,125.00
Total:			\$13,762.22
Custodian			
		ASB Capital Management 3rd Quarter 2018	\$1,586.42
Total:			\$1,586.42

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

Jay Wickham
Kelly Waffner
Tara Simon

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

Brett Steele – Termed 5/16/2014 (4-24-17 First Notification Letter & 5-8-18 Second Notification Letter)
Martin Meehan – Termed 2/13/2016 (4-24-17 First Notification Letter & 5-8-18 Second Notification Letter)
Simon Jamason – Termed 5/10/2016 (4-24-17 First Notification Letter & 5-8-18 Second Notification Letter)
Sam Heady – Termed 01/09/2018 (5-8-18 First Notification Letter & 10-29-18 Second Notification Letter)
Edward Black – Termed 01/05/2018 (5-8-18 First Notification Letter & 10-29-18 Second Notification Letter)
Julie Hurst – Termed 8/28/2018 (9-13-18 First Notification Letter)
Carroll Rudy Smith – Termed 06/26/2018 (7-31-18 First Notification)
Alex Gavillan (7-31-18 First Notification)

END /OF CONSENT AGENDA

MOTION:

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

PRESENTATIONS

2. Annual Custodian Update – Amed Avila, Fiduciary Trust

Mr. Avila addressed the Board. He presented Fiduciary Trust's SOC 1 Report for the 9/30/16-10/1/17 period. Mr. Avila explained the SOC 1 report for the 9/30/17-10/1/18 period is currently under way. He reviewed the controls and procedures and stating a recommendation was made to update the signature authorization and authority page for all clients. The updated forms will be given to Pension Resource Centers to be circulated amongst the Board for signatures. The processing time for invoices was reviewed and discussed. Mr. Avila stated the invoice issuance time has been refined and Trustee Gload confirmed the invoices are paid through 9/30/2018. There was discussion on Fiduciary Trust returning to the February Meeting to present the SOC 1 the period ending 9/30/2018. Mr. Avila also reviewed the insurance coverage that Fiduciary Trust carries which includes cyber liability. It was confirmed that Fiduciary Trust's compliance department will not allow for additionally insured. The Board requested to have the renewal certificate to be sent annually. Ms. Jensen suggested having the cyber liability insurance coverage added to an amended contract with Fiduciary Trust. She will review and add the detail to the contract. Mr. Avila thanked the Board.

MOTION:

Board Member Michelle Gload made a motion to approve the presentation by Fiduciary Trust. Secretary Ward seconded the motion, which carried by 5-0 vote

3. Dana Quarterly Performance Report as of September 30, 2018 – Greg Peters, Dana Investment Advisors

Greg Peters, Dana Advisor, presented to the Board the Dana Advisors Investment Performance Report as of September 30, 2018. He stated the Fiscal Year total was 5.68% versus the 17.91% benchmark and the gross of fees return for the quarter was 5.68% versus the benchmark at 7.71%. He noted the fund was trailing for the S&P for the quarter. The Treasury Yield curve was reviewed noting US treasuries were traded at 2.81%-3.1%. He reviewed the bond characteristics explaining the over and underweight of each category. He noted the portfolio is of high quality. The sectors were reviewed with respect to returns for the quarter. He reviewed the performance gross fees through September 30, 2018 contributing to the quarters return. He reviewed the performance of the market environment during quarter. He noted the top performance contributors and the top performance detractors during this quarter. He reviewed the fixed income sectors return. Mr. Peter's reviewed the additions and deletions for the quarter.

MOTION:

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

4. Quarterly Performance Report as of September 30, 2018 – Jennifer Gainfort, AndCo

Ms. Gainfort reviewed the market environment stating market returns notating that Growth continues to outperform. Ms. Gainfort reported that for quarter ending September 30, 2018 the Plan's market value was \$5,693,187. The asset allocations were reviewed as follows; Domestic Equity 53.2%, International Equity 14.3%, Domestic Fixed Income 17.5%, Global Fixed Income 4.4%, total Real Estate 8.9% and Cash Equivalent 1.7%. 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 stated that Vanguard will outperform when the market is

up and Dana protects on the downside. She stated as of the end of July the fiscal year to date Plan return is 8.94%.

The Board agreed to have the asset allocation study completed and presented at the February Board meeting. Mr. Gainfort reviewed the compliance checklist and explained the two out of compliance is due to Dana's underperformance. There are no recommendations at this time.

MOTION:

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

OLD BUSINESS

There was no old business at this time.

NEW BUSINESS

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

Ms. Jensen reviewed Amendment 6 and informed the Board of voting which is set for tomorrow. She explained the amendment would change the level of review. The amendment would require judges and hearing officers to independently interpret statutes and rules rather than deferring to government agency's interpretation. She explained the concern of a loss of judicial deference may harm municipal pension boards.

Ms. Jensen stated the Internal Revenue Service has issued a new tax notice. The notice explains the penalty, rollover treatment and more. Ms. Jensen stated this applies to Refund of Contributions. She stated the section of the notice referring to rollovers to Roth IRA will be removed since the Plan does not allow for it.

Ms. Jensen explained the State requires a liaison. She stated Pension Resource Centers would be appointed as Records Management Liaison. She stated there is a form that should be completed and submitted to the State. She stated this requires records to be kept for 5years however the recommendation is to keep all records until no payments are left.

Ms. Jensen reviewed the questions from the presentation at the last council meeting. Mr. Ward reviewed the historical performance with the Village Council members at the last council meeting. Ms. Jensen stated next year the Pension Boards are only expected to present to the Council once a year.

ACCOUNTING REPORTS

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

Ms. Gload reviewed the budget report. The Board reviewed the Budget. Trustee Gload noted the amendment was put into miscellaneous at the last meeting was not needed since there was no deficiency. Benefit payments have increased due to more retirements this year over any past year. Ms. Gload reviewed the detail of activity this year reflected on the accounting reports.

MOTION:

Board Member Dennis Rick made a motion to approve accounting reports as presented. Secretary Ward seconded the motion, which carried by unanimous 5-0 vote.

ADMINISTRATIVE REPORT

11. Meeting Audio Recordings – Plan Administrator Kerry Dutton, Pension Resource Centers

Ms. Dutton stated the voice recordings of the meetings is not required and have not been continuously recorded. The Board requested to have all meetings recorded going forward.

12. Ellen Schaffer FYE Programing Invoice – Plan Administrator Kerry Dutton, Pension Resource Centers

Ms. Dutton reviewed the invoice but was unable to confirm the process that the invoice resulted from. The Board Tabled until the next board meeting.

MOTION:

Board Member Michelle Gload made a motion to table Ellen Schaffer's invoice. Board Member Rick seconded the motion, which carried by unanimous 5-0 vote.

Ms. Jensen reviewed the usual process with payroll. Pension Resource Centers will work with Ms. Gload on reviewing the payroll. Communication of the outcome from the review of the payroll will be made to the Board.

Chairman Rhodes expressed the significance of the meeting minutes being completed and distributed to the Board within 4weeks from the meeting.

ANY OTHER MATTER

13. Election of Officers'

Ms. Dutton stated the officers' of the Board have expired. Ms. Jensen confirmed the November 2017 was the last appointment of officers'. Trustee Rhodes expressed his desire to continue as Board Chairman and Bernard Ward as secretary.

MOTION:

Board Member Dennis Rick made a motion to elect Michael Rhodes as Chairman and Bernard Ward as Secretary. Board Member Oakley seconded the motion, which carried by unanimous 5-0 vote.

14. Draft 2019 Calendar

The addition of Fiduciary Trust's annual presentation was added to the February 2019 meeting. Trustee Gload requested to add the Summary Plan Description review to the August 2019 meeting.

MOTION:

Secretary Bernard Ward made a motion to approve the 2019 meeting calendar as amended. Board Member Gload seconded the motion, which carried by unanimous 5-0 vote.

ADJOURNMENT

There being no further business, the meeting was adjourned at 11:19 a.m.

Secretary

Village of Tequesta General Employees' Pension Plan