

**TEQUESTA GENERAL EMPLOYEES' PENSION TRUST FUND
REGULAR BOARD MEETING MINUTES
MAY 4, 2020.**

CALL TO ORDER

The Regular Quarterly Board Meeting of the Tequesta General Employees' Pension Trust Fund was held via RingCentral Video Conference as permitted by Executive Order 2020-69 on May 4, 2020. The meeting was called to order at 8:42 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 Jessie Oakley III, and Board Member Dennis Rick.

Also, in attendance were Attorney Bonni Jensen, Pension Administrators Scott Baur and A.C. Lovingood, Investment Monitor Jennifer Gainfort, and Investment Manager Greg Peters.

POLICY ON USE OF A-V OR TELEPHONE CONFERENCING

1. Jensen Memo – Governor DeSantis Executive Order 2020-69

Attorney, Bonni Jensen reviewed Executive Order 2020-69 issued by Governor DeSantis with the Pension Board Trustees. Mrs. Jensen informed the Board that the Executive Order relaxed the Sunshine Law requiring the Board to meet in person and allow for the Board Meetings to be conducted via video or teleconference due to the COVID-19 Pandemic. Executive Order 2020-69 has an expiration date of May 8, 2020; however, the Executive Order could be extended to a later date.

2. Virtual Meeting Policy

Mrs. Jensen the introduced a Policy for the Board on the use of A-V or telephone conferencing. Mrs. Jensen reviewed the Policy with the Board, noting that the expiration date of the Policy coincides with the expiration date of Executive Order 2020-69.

MOTION:

Board Member Bernard Ward made a motion to approve the Policy on Use of A-V or Telephone Conferencing. Board Member Jessie Oakley III seconded the motion, which carried by 4-0 vote.

APPROVAL OF AGENDA

The Board reviewed the agenda and requested the addition of Election of Officers as item 13.

MOTION:

Board Member Michelle Gload made a motion to approve the amended minutes. Board Member Jessie Oakley III seconded the motion, which carried by 5-0 vote.

APPROVAL OF MINUTES

3. Regular Quarterly Meeting Minutes – February 3, 2020.

The Board reviewed the Regular Quarterly Meeting Minutes dated February 3, 2020.

MOTION:

Board Member Bernard Ward made a motion to approve the Meeting Minutes dated February 3, 2020 as amended. Board member Dennis Rick seconded the motion, which carried by 4-0 vote.

4. Quarterly Performance Report as of March 31, 2020 – Greg Peters, Dana Investments

Mr. Greg Peters presented the Dana Quarterly Report as of March 31, 2020 to the Board. Mr. Peters reviewed the account activity, stating that on September 30, 2019 the portfolio value was \$2,814,775.45, there was \$149,150.46 in contributions, investment income was \$34,698.91, the unrealized loss for the two quarter period was \$129,494.69, a realized loss of \$99,935.63, and a change in accrued income of \$177.93 which resulted in the Portfolio value of \$2,769,372.43 at the close of business on March 31, 2020. The total losses for these two quarters totaled to \$194,553.48 and the portfolio's current yield is at 2.51%. The performance gross of fees through March 31, 2020 for the LC Fund was -21.11% compared to the benchmark of -19.60%. The year to date performance was -13.14% compared to the benchmark of -12.31% and the rolling 12 month return for the fund was -5.39% compared to the benchmark of -6.98%. The average annual performance of the fund at the three-year mark was 5.18% compared to the benchmark of 5.10%, the five year was 5.36% compared to the benchmark of 6.73%, and since inception the performance of the fund is at 7.73%, compared to the benchmark of 7.60%.

The performance gross of fees through March 31, 2020 for the Fixed Income Fund was 1.63% compared to the benchmark of 2.49%. The year to date performance was 2.14% compared to the benchmark of 2.96% and the rolling 12 month return for the fund was 6.00% compared to the benchmark of 6.86%. The average annual performance of the fund at the three-year mark was 3.66% compared to the benchmark of 3.87%, the five year was 2.69% compared to the benchmark of 2.82%, and since inception the performance of the fund is at 3.72%, compared to the benchmark of 3.87%. Mr. Peters then reviewed the bond characteristics for the quarter, noting that the credit quality is currently at Aa3 compared to the benchmark of Aa1. The current annualized yield to maturity at market is 1.98%, beating the benchmark rate of 1.41%, the average coupon rate is at 3.12%, beating the benchmark rate of 2.19%, and the effective duration of the bonds within the fund is at 3.48 years, compared to the benchmark of 3.41 years. Mr. Peters noted that the fund being underweight on Treasuries and overweight on Corporate Bonds hurt performance. Concerns about the global economy resulted in a massive risk-off trade across all sectors. The U.S. Treasury sector was the largest beneficiary, while lower rated sectors suffered. The first quarter observations were reviewed with the Board and Mr. Peters noted that his firm continues to suggest that investors manage their average duration within a certain range to utilize higher credit quality as a means to mitigate the impact of a potential further economic slowdown. Mr. Peters then reviewed the fixed income sector returns and the total returns by asset class, the equity summary, and equity market indices, noting that Russia and OPEC had a disagreement with regards to oil production that ended with the price of crude oil to significantly drop. Chairman Michael Rhodes inquired about the outlook of the fund. Mr. Peters stated that the current outlook is at 12.7%. The sector contributors and detractors were reviewed along with the investments that were sold from the

fund. Trustee Jessie Oakley III inquired if the stocks that were sold were at a loss or gain. Mr. Peters stated that it was a mix of some winners and some losers. Mr. Peters concluded his presentation by informing the Board that he expects a “U” shaped recovery.

MOTION:

Board Member Jessie Oakley III made a motion to approve the Dana Investment Performance Review dated March 31, 2020. Board member Dennis Rick seconded the motion, which carried by 3-0 vote

5. Quarterly Performance Report as of March 31, 2020 - Jennifer Gainfort, AndCo

Jennifer Gainfort started her presentation by reviewing the market environment with the Board. Broad asset class returns declined significantly during the 1st quarter of 2020 due primarily to the COVID-19 pandemic. Both domestic and international equity markets experienced significant drawdowns as investors moved into perceived haven assets such as US Treasury Bonds. Equity market volatility reached its highest level since the Financial Crisis in 2008. Through the quarter, global economic growth turned negative as countries responded to the pandemic by shuttering their economies. In the US, because of the decision to institute social distancing and shelter-in-place orders, labor markets suffered significant losses as businesses closed and employees were either furloughed or laid off. Rising economic concerns resulted in swift action by the Federal Reserve, which cut its overnight lending rate to between 0% to 0.25%. Importantly, the US government responded with a stimulus package consisting of forgivable loans and other short-term benefits, that is designed to act as a bridge for the economy until businesses can reopen. Within domestic equity markets, large cap stocks outperformed small cap equities during the quarter with the S&P 500 Index returning -19.6% versus a -30.6% return for the small cap Russell 2000 Index. US equity returns over the one-year period turned negative because of the drawdown with large and mid-cap stocks returning -7.0% and -18.3% respectively, while small cap stocks fell -24.0%.

On December 31, 2019 Plan’s assets were at \$6,706,718 and as of March 31, 2020 the assets of the Plan closed at \$5,780,041. The asset allocations targets were reviewed with the Board and Ms. Gainfort stated that she does not see a need to rebalance the Plan at this time due to the volatility in the market. For the first quarter, the Plan had a total of \$133,771 in contributions, \$75,126 in distributions, management fees totaled \$5,359, and other expenses totaled at \$30,067. The income for the quarter was \$28,162 and the total capital loss for the quarter was \$978,058. For the quarter ending March 31, 2020, the trailing returns were -14.11% compared to the benchmark of -13.74%, the fiscal year to date returns were -8.36%, which was inline with the benchmark of -8.36%. The one-year returns were -4.02%, beating the -4.62% benchmark by 0.60%. The three-year returns were 3.81%, beating the benchmark of 3.79%, the five-year returns were 3.63% versus the 4.67% benchmark, and the total returns since inception was 5.64% versus the 5.20% benchmark.

Ms. Gainfort then reviewed the individual managers, noting that ASB Real Estate’s move of going defensive and realizing the loss of income from the Barney’s Bankruptcy helped with the earning of 3.03% compared to the benchmark of 2.44%. Attorney Bonni Jensen asked if ASB could provide the Board with an update on the COVID-19 impact on the Fund, specifically keeping current leases vs. re-leasing space, and the rent moratorium. Ms. Gainfort stated that she will request this information from ASB. Mrs. Jensen requested that the update be sent to Scott Baur at The Resource Centers and requested that Mr. Baur send the update out to the Trustees of the Pension Plan. Ms. Gainfort concluded her presentation by informing the Board that at the close of business on April 30, 2020, the Plan was up 7.5% and the fiscal year to

date earnings is at -1.5%. Chairman Michael Rhodes noted that it appears that the Plan is facing a long recovery period and inquired if there needs to be any changes made to the Plan's investments. Ms. Gainfort informed the Board that the Plan is well positioned and does not see a need to make any changes at this time.

MOTION:

Board Member Bernard Ward made a motion to approve the AndCo Investment Performance Review dated March 31, 2020. Board member Jessie Oakley III seconded the motion, which carried by 4-0 vote.

CONSENT AGENDA

6. Ratification of invoices paid since last quarterly meeting

VILLAGE OF TEQUESTA GENERAL EMPLOYEES' PENSION FUND WARRANT - PAID INVOICES MAY 4TH, 2020			
Paid by Custodian:			
	Fiduciary Trust International		\$ 977.04
	Custodian Fees for QE 03/31/20 (3 Accounts)		
<u>Date</u>	<u>Payee/Description</u>	<u>Check Number</u>	<u>Amount</u>
-			-
February 13, 2020	Pension Resource Center Administrative Fees- February 2020	1397	\$ 800.00
February 13, 2020	Klausner Kaufman Jensen & Levinson Legal Services through 01/31/2020 Inv 25320	1398	\$ 937.57
February 13, 2020	Dana Advisors, Inc. Investment Management Fees for QE 12/31/19 Inv 73371	1399	\$ 718.20
February 13, 2020	Dana Advisors, Inc. Investment Management Fees for QE 12/31/19 Inv 73400	1400	\$ 2,989.81
February 13, 2020	Gabriel Roeder Smith & Company Actuarial Services Rendered through 12/31/19 Inv 452480	1401	\$17,130.00
March 11, 2020	Pension Resource Center Administrative Fees- March 2020	1402	\$ 861.22
March 11, 2020	AndCo Services Rendered for QE 03/31/20 Inv #34921	1403	\$ 3,125.00
March 11, 2020	Klausner Kaufman Jensen & Levinson Legal Services through 02/27/2020 Inv 25514	1404	\$ 1,903.57
April 9, 2020	Pension Resource Center	1405	\$ 800.00

Administrative Fees- April 2020			
April 9, 2020	Klausner Kaufman Jensen & Levinson Legal Services through 03/31/2020 Inv 25719	1406	\$ 409.66
April 9, 2020	FPPTA Pension Fund Membership Fee Inv #2533	1407	\$ 620.00
April 9, 2020	Gabriel Roeder Smith & Company Actuarial Services Rendered through 02/29 Inv 453383	1408	\$ 7,135.00
TOTAL:			\$38,407.07

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

Mr. Lovingood reported that he was notified that Maxwell S. Cooper became a member of the Pension Plan on December 30, 2019.

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

Martin Meehan – Terminated 02/13/2016 (*Notification Letters: 1st sent 4-24-17. 2nd sent 5-8-18, 3rd sent 05-07-19*)

Simon Jamason – Terminated 05/10/2016 (*Notification Letters: 1st sent 4-24-17, 2nd sent 5-8-18, 3rd sent 05-07-19*)

Sam Heady – Terminated 01/09/2018 (*Notification Letters: 1st sent 5-8-18, 2nd sent 10-29-18 Second Notification Letter*)

Edward Black – Terminated 01/05/2018 (*Notification Letters: 1st sent 5-8-18 First Notification Letter & 10-29-18 Second Notification Letter*)

William Davis – Terminated 12/06/2019

James Liberman – Terminated 04/06/2020

Joseph Herzog – Terminated 04/06/2020

David Queen – Terminated 04/06/2020

Michael Filipkowski – Terminated 04/06/2020

9. Benefit Approvals:

DAVIS, WILLIAM

DATE OF BIRTH	02/1992
DATE OF HIRE	10/01/2017
DATE OF TERMINATION	12/06/2019
TYPE OF DISTRIBUTION	LUMP SUM
AMOUNT OF REFUND	\$6,528.77
VESTED	NO

CURRA, NEIL

DATE OF BIRTH	04/1964
DATE OF HIRE	03/21/2016
DATE OF TERMINATION	10/28/2019
TYPE OF DISTRIBUTION	LUMP SUM
AMOUNT OF REFUND	\$6,587.87
VESTED	NO

DATE OF BIRTH	09/1971
DATE OF HIRE	08/01/2016
DATE OF TERMINATION	09/14/2019
TYPE OF DISTRIBUTION	LUMP SUM
AMOUNT OF REFUND	\$6,705.23
VESTED	NO

END /OF CONSENT AGENDA

The Board reviewed the Consent Agenda. It was noted that there were several individuals missing from the New Hire and Terminated Non- Vested Sections. There was a discussion on how The Resource Centers receives this information and how to best streamline the notifications to mitigate any errors.

MOTION:

Board Member Bernard Ward made a motion to approve Items 4 and 7 of the Consent Agenda. Board Member Jessie Oakley III second the motion, which carried by 5-0 vote.

OLD BUSINESS

10. JoAnn Forsythe – Bonni Jensen, Klausner Kaufman Jensen & Levinson

Attorney Bonni Jensen informed the Board that she had been in contact with JoAnn Forsythe and Ms. Forsythe mentioned that she wanted to pay the Plan back in one lumpsum payment. Mrs. Jensen stated that a letter should be sent to Ms. Forsythe informing her that the payback will be done via monthly deductions unless otherwise stated.

MOTION:

Board Member Bernard Ward made a motion to approve the notification letter to JoAnn Forsythe, informing her that the Pension Overpayment will be deducted monthly unless other payment arrangements are made. Board Member Jessie Oakley III second the motion, which carried by 4-0 vote.

11. Legislative Updates - Attorney Bonni Jensen, Klausner, Kaufman, Jensen & Levinson

A. Jensen Memo – Form 1

Attorney Bonni Jensen informed the Board that the State Form 1 Financial Disclosures are due by July 1, 2020. Mrs. Jensen noted that Palm Beach County Office of Elections does allow for these forms to be submitted electronically via email.

B. Jensen Memo – CARES Act

Mrs. Jensen reviewed the CARES Act with the Board. It was noted that the tax penalty for the withdrawal of funds from a retirement plan or account has been suspended for the entire year of 2020 for COVID-19 related expenses.

C. Jensen Memo – COVID-19 Social Distancing

Mrs. Jensen provided the Board with an update on the operations of her firm. Klausner, Kaufman, Jensen & Levinson will remain in remote operation through the end of April and remote operations may continue if concerns of public safety do not improve. Mrs. Jensen stated that her firm has the capability to host both video and telephone conferences and that her firm is researching options to securely obtain remote signatures.

D. Jensen Memo – COVID-19 Extension of Virtual Meetings

Mrs. Jensen informed the Board that Governor DeSantis extended the suspension of the requirement that a quorum be present in the public meeting place with Executive Order 20-112. This Executive Order allows Pension Boards to meet via video or telephone conference through the end of May.

MOTION:

Board Member Bernard Ward made a motion to approve the four memos Attorney Bonni Jensen presented to the Board as. Board Member Jessie Oakley III second the motion, which carried by 4-0 vote.

E. IRS Ordinance

Mrs. Jensen presented the Board with an Ordinance to amend the Internal revenue Code changes that took effect on January 1, 2020, increasing the required minimum distribution age from 70½ to 72.

MOTION:

Board Member Bernard Ward made a motion to approve the IRS Ordinance Revision as presented. Board Member Jessie Oakley III second the motion, which carried by 4-0 vote.

ACCOUNTING REPORTS

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

Board Member Michelle Gload was not present at the Board Meeting to present the Board with the Pension Plan Accounting Reports.

MOTION:

Board Member Bernard Ward made a motion to table the Accounting Report. Board Member Jessie Oakley III second the motion, which carried by 4-0 vote.

ADMINISTRATIVE REPORT

A. Resource Centers Memo – Pandemic Planning

Mr. Baur informed the Board that The Resource Centers is fully functional and working remotely except for a few key employees who issue payments and process incoming and outgoing mail. Mr. Baur stated that he believes that the need to work remotely and social distance could be long term depending on how the pandemic progresses. Trustee Bernard Ward inquired if The Resource Centers network security needs any form of change or

modification. Mr. Baur stated that no changes need to be made with his firm's network security due to the use of VPN technology that has been in use. The only modification that needed to be updated was the integration of the phone system to support the remote environment. Chairman Michael Rhodes inquired if there are any changes to the manner that the Village and The Resource Centers communicate with one another. Mr. Baur assured the Board that no changes have been made and that all normal forms of communication can continue to be used.

B. Fiduciary Liability Insurance Update

Mr. Lovingood presented the Board with a copy of the Fiduciary Liability Insurance Policy for informational purposes. It was noted that the policy did not have the General Employee' Pension Plan name included in it. Mr. Lovingood stated that he would investigate the matter and follow up with the Board regarding his findings.

C. GRS Proposed Fee Increase for Actuarial Valuation Report

Mr. Lovingood presented the Board with the GRS Proposed Fee Increase for the Annual Actuarial Valuation Report. Per the Board's request, Mr. Lovingood informed the Board that he had looked into the Actuarial Valuation Report fees for the other Pension Plans that he is the Administrator for and who use GRS as their Actuary. Mr. Lovingood stated that the proposed fees are inline with what his other Pension Plans are paying. Chairman Michael Rhodes noted that he is pleased that GRS had spelled out the four-year gradual increase in the fee proposal.

MOTION:

Board Member Bernard Ward made a motion to approve the GRS Proposed Fee Increase for the Annual Actuarial Valuation Report as presented. Board Member Jessie Oakley III second the motion, which carried by 4-0 vote.

MOTION:

Board Member Jessie Oakley III made a motion to accept the Administrator Report as presented. Board member Bernard Ward seconded the motion, which carried by 4-0 vote.

ANY OTHER MATTER

13. Additional Reports

AndCo Consulting's ADV Part 2a Annual Amendment and the AndCo Consulting Privacy Notice presented to the Board for informational purposes.

MOTION:

Board Member Jessie Oakley III made a motion to accept the AndCo Consulting ADV Part 2a Annual Amendment and the AndCo Consulting Privacy Notice as presented. Board member Bernard Ward seconded the motion, which carried by 4-0 vote.

PUBLIC COMMENT

There was no public comment.

ADJOURNMENT

There being no further business, the meeting was adjourned at 11:45 a.m.

Secretary
Village of Tequesta General Employees' Pension Plan