

**VILLAGE OF TEQUESTA GENERAL EMPLOYEES' PENSION TRUST FUND
REGULAR BOARD MEETING MINUTES
FEBRUARY 2, 2021.**

CALL TO ORDER

The Board of Trustees for the Village of Tequesta General Employees' Pension Trust Fund met in the Village Council Chambers on February 2, 2021. Chair Michael Rhodes called the meeting to order at 12:07 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 Jessie Oakley III, and Board Member Michelle Gload.

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

EXTRAORDINARY CIRCUMSTANCES FOR TRUSTEES JOINING ELECTRONICALLY

Attorney Bonni Jensen reviewed the Extraordinary Circumstances for Trustees joining the quarterly Board Meeting electronically. Mrs. Jensen stated that she believed that the COVID-19 Pandemic qualifies as an extraordinary circumstance to allow Trustees to join electronically.

Board Member Bernard Ward made a motion to allow Jesse Oakley III to join the Board Meeting Electronically due to the extraordinary circumstances due to the ongoing COVID-19 Pandemic. The motion received a second from Board Member Michelle Gload, which carried by a 3-0 vote.

APPROVAL OF AGENDA

The Board reviewed the Agenda for approval.

MOTION:

Board Member Bernard Ward made a motion to approve the Agenda as amended. The motion received a second from Board Member Michelle Gload, which carried by a 4-0 vote.

PUBLIC COMMENT

There were no public comments.

APPROVAL OF MINUTES

1. Regular Quarterly Meeting Minutes – November 6, 2020.

The Board reviewed the Regular Quarterly Meeting Minutes dated November 6, 2020.

MOTION:

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

2. Quarterly Performance Report as of December 31, 2020 – Greg Peters, Dana Investments

Mr. Joe Veranth presented the Dana Portfolio and Economic Report as of December 31, 2020 to the Board. Mr. Veranth reviewed the account activity, stating that on September 30, 2019 the portfolio value was \$2,814,775.45, there was \$271,295.58 in contributions, investment income was \$69,043.84, the unrealized gain for the fiscal year was \$301,065.68, a realized loss of \$89,604.88, and a change in accrued income loss of \$965.69, which resulted in the Portfolio value of \$3,365,609.98 at the close of business on September 30, 2020. The total gain for the fiscal year is \$279,538.95, with equities contributing 12.57% for the period compared to a 15.15% gain for the S&P 500 Index and fixed income securities contributing 5.62% for the period. Mr. Veranth then reviewed the higher bond coupon rates with the Board within the various sectors, noting that short term rates are at or close to 0%. These low rates are expected to last for the next one to three years. In the current economic environment, Mr. Veranth stated that ten-year bond maturities offer a better investment opportunity. He then reviewed the Federal Funds rate expectations with the Board, noting that the inflation target rate is at 2%. He also reviewed the Equity Market Update and S&P 500 Index Sector Performance in detail. The data indicates that the economy experienced a V-shape recovery from the pandemic. Chairman Michael Rhodes asked Mr. Veranth if the Pension Fund benefitted from the portfolio being sector neutral. Mr. Veranth reviewed the economic sectors benefiting from the COVID-19 pandemic, compared to the cap weighted indices concentrated in a few securities. Portfolios that did not own those specific names, responsible for most of the recent gains in the index, trailed the index performance.

Mr. Veranth then reviewed the Dana Large Cap Equity strategy for the Board, noting that the portfolio benchmarks to the S&P 500 Index. The portfolio typically holds 50-55 stocks, with a target allocation of 0-1% in cash. Dana keeps the portfolio sector neutral to the index with a 4% limit on any individual holding. He then reviewed the characteristics of the current holdings with the Board. He noted that the ISM Manufacturing Purchasing Managers Index fell below 50% only three times historically during periods of market expansion, which usually preceded corrections in the market. He reviewed current unemployment rates, new job formation, and housing, noting that home sales remain strong. Mr. Veranth finished his presentation by reviewing recent purchases and sales within the portfolio.

MOTION:

Board Member Michelle Gload made a motion to approve the Dana Presentation as presented. Board Member Bernard Ward seconded the motion, which carried by a 4-0 vote.

3. Quarterly Performance Report as of December 31, 2020 - Jennifer Gainfort, AndCo

Jennifer Gainfort started her presentation by reviewing the changes within AndCo, noting that AndCo is now has a total staff of 91 team members advising approximately \$100 billion in client assets. The Firm's investments made into the organization for 2020 were reviewed along with the forecast of continued investments for 2021. The Pension Fund assets had a total market value of \$7,103,921 on September 30, 2020, increasing to \$7,921,102 as of December 31, 2020. For the fourth quarter, the Plan had a total of \$145,081 in contributions, \$37,048 in distributions, management fees of \$5,696, and other expenses of \$8,487, resulting in an ending balance of \$7,921,102 as of December 31, 2020. For the quarter ending December 31, 2020 the Plan earned 10.09% compared to the benchmark of 10.40%. For the One-Year trailing returns, the Plan earned 13.70% compared to the benchmark rate of 15.09%. The Three-Year trailing returns were 9.79%, compared to the 10.31% benchmark, the Five-Year returns were 10.20%, compared to the benchmark rate of 11.13%, and since inception, the Plan has earned 6.09%, beating the benchmark rate of 6.52%. Ms. Gainfort then reviewed the individual managers performance with the Board, noting that Real Estate is close to the lower end of the Plan's allocations; however, with the Real Estate market still unstable, Mrs. Gainfort stated that she wants to hold off three to six months before adding any additional funds into this sector. Mrs. Gainfort noted that the fourth quarter earnings were very strong and that ASB Real Estate Investments has some outperformance, wish was nice to see with all things considered in that sector. Chairman, Michael Rhodes noted that he is in agreement with Mrs. Gainfort on waiting on adding additional funds to the Real Estate Investment Sector. Mrs. Gainfort then reviewed the Plan's Long-

Term Performance as a result of Chairman, Michael Rhodes request with the Board. Chairman, Michael Rhodes asked if there were any issues regarding compliance. Mrs. Gainfort stated that there are no concerns at this time. Secretary, Bernard Ward noted that he agrees with waiting the three to six months before adding any funds to the Real Estate Sector.

MOTION:

Board Member Bernard Ward made a motion to approve the AndCo Investment Performance review dated December 31, 2020. The motion received a second from Board Member Jesse Oakley III, which carried by a 4-0 vote.

4. Investment Policy Statement – Global Fixed Manager Change - Jennifer Gainfort, AndCo

Jennifer Gainfort presented the Board with an updated Investment Policy Statement that reflected the changes that were made at the last Board Meeting, replacing The Templeton Global Return R6 Strategy with the PIMCO Diversified Income Strategy. The new Investment Policy Statement changes were reviewed along with the benchmarks chosen to compare the new PIMCO fund to for performance tracking. Chairman, Michael Rhodes inquired to what the ranges are for the fund's investment allocation. Mrs. Gainfort stated that PIMCO's investment range is 1% to 5%. Mrs. Gainfort also pointed out the removal of the Assumed Rate of Return from the Investment Policy Statement for simplicity, resulting in the IPS not needing to be updated every time that the Board changes the Assumed Rate of Return. There was a discussion regarding the Assumed Rate of Return and if the rate was in-line with the Plan's Peers. Mrs. Gainfort confirmed that an Assumed Rate of Return of 6.5% was reasonable and in-line with other Pension Plans that she is the Investment Monitor for.

MOTION:

Board Member Michelle Gload made a motion to approve the updated Investment Policy Statement reflecting the Global Fixed Manager Change as presented. The motion received a second from Board Member Bernard Ward, which carried by a 4-0 vote.

CONSENT AGENDA

5. Ratification of invoices paid since last quarterly meeting.

VILLAGE OF TEQUESTA GENERAL EMPLOYEES' PENSION FUND WARRANT - PAID INVOICES FEBRUARY 1ST, 2021			
TO:	Resource Centers, Plan Administrator		
FROM:	Board of Trustees		
Paid by Custodian:			
<u>Date</u>	<u>Payee/Description</u>	<u>Check Number</u>	<u>Amount</u>
October 23, 2020	Pension Resource Center Administrative Fee- October 2020 Inv 18187	1425	\$ 800.00
October 23, 2020	AndCo Consulting Investment Consultant Fees for QE 09/30/20 Inv 36455	1426	\$ 3,125.00
October 23, 2020	Klausner Kaufman Jensen & Levinson Legal Services through 9/30/20 Inv 26985	1427	\$ 1,961.00
October 23, 2020	Dana Advisors, Inc. (1087 cb)	1428	\$ 893.58

	Investment Management Fees for QE 09/30/20 Inv 78621			
October 23, 2020	Dana Advisors, Inc. (1087 cc) Investment Management Fees for QE 09/30/20 Inv 78650	1429	\$	3,145.82
November 13, 2020	Pension Resource Center Administrative Fee- November 2020 Inv 18247	1430	\$	800.00
November 13, 2020	Klausner Kaufman Jensen & Levinson Legal Services through 10/31/20 Inv 27188	1431	\$	89.00
November 13, 2020	Gehring Group, Inc. Fiduciary Liability Policy #105999206 Effective 10/1/20-10/1/21 (split between plan pro- rata)	1432	\$	1,088.33
December 17, 2020	Pension Resource Center Administrative Fee- December 2020 Inv 18307	1433	\$	800.00
December 17, 2020	Klausner Kaufman Jensen & Levinson Legal Services through 11/30/20 Inv 27387	1434	\$	1,052.50
January 14, 2021	Pension Resource Center Administrative Fee- January 2021 Inv 18366	1435	\$	800.00
January 14, 2021	Klausner Kaufman Jensen & Levinson Legal Services through 12/31/20 Inv 27571	1436	\$	106.00
January 14, 2021	AndCo Consulting Investment Consultant Fees for QE 12/31/20 Inv 37234	1437	\$	3,125.00
January 14, 2021	FPPTA 2021 Membership Dues Inv 3554	1438	\$	620.00
January 14, 2021	Gabriel Roeder Smith & Company Actuarial Services Rendered- Inv 459638 dated 1/5/21	1439	\$	4,504.00
TOTAL:				\$ 22,910.23

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

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

Martin Meehan – Terminated 02/13/2016

(Notification Letter: 1st sent 04-24-17, 2nd sent 05-08-18, 3rd sent 05-07-19, 4th sent 07-06-2020, 5th sent Certified Mail 07-28-2020)

Edward Black – Terminated 01/05/2018

(Notification Letter: 1st sent 05-08-18, 2nd sent 10-29-18, 3rd sent 05-07-19. 4th sent 07-06-2020)

David Queen – Terminated 04/06/2020

Jennie Dilsa – Terminated 05-01-2020

Meaghan Arango-Lorick – 09-30-2020

Kelley Bonneau – 10-01-2020

8. Benefit Approvals:

VILLAGE OF TEQUESTA GENERAL EMPLOYEES' PENSION TRUST FUND MEETING OF FEBRUARY 1, 2021

BENEFIT APPROVALS

REFUND OF CONTRIBUTIONS

BONNEAU, KELLY

DATE OF BIRTH	05/1981
DATE OF HIRE	05/11/2005
DATE OF TERMINATION	10/01/2020
TYPE OF BENEFIT ELECTED	LUMP SUM
MONTHLY BENEFIT AMOUNT	\$12,795.87
VESTED	NO

ACTION: **APPROVED**

END /OF CONSENT AGENDA

The Board reviewed the Consent Agenda. Attorney, Bonni Jensen noted that Kelley Bonneau is on the benefit approvals, therefore is no longer a former member who has not taken their Refund of Contributions.

MOTION:

Board Member Bernard Ward made a motion to approve the Consent Agenda. The motion received a second from Board Member Jesse Oakley III, which carried by a 4-0 vote.

OLD BUSINESS

A. Terminated Non-Vested Employee – Martin Meehan

Attorney Bonni Jensen informed the Board that Mr. Meehan is quickly approaching the five-year mark and that the Plan will need to locate him in order to send him his Refund of Contributions. There was a lengthy discussion regarding the options to locate Mr. Meehan and the potential costs associated with these options. Mrs. Jensen also expressed concerns regarding potential scams directed towards Mr. Meehan if the funds are escheated to the State. Mr. Lovingood stated that he would utilize the options discussed as a means to try and contact Mr. Meehan.

A. Jensen – Attorney Update

Attorney Bonni Jensen informed the Board that effective January 1, 2021 a new Florida State Law requiring the Registration and Use of E-Verify went into effect with two requirements which are applicable for public retirement plans. The new law requires Public Employers to register with and use the free E-Verify system to verify the work authorization status of all newly hired employees and that contracts entered into by Public Employers must contain a provision requiring the parties to use the E-Verify system. Chairman, Michael Rhodes requested that Mr. Lovingood add E-Verify to the agenda for the May 3, 2021 Board Meeting. Mrs. Jensen stated that she will be drafting new procedures on what to do when the Board is unable to locate a missing non-vested member and procedures to follow when bringing on a new Investment Manager.

MOTION:

Board Member Bernard Ward made a motion to accept Attorney Bonni Jensen's Attorney Update as presented. The motion received a second from Board Member Michelle Gload, which carried by a 4-0 vote.

ACCOUNTING REPORTS

9. Accounting Reports – Board Member, Michelle Gload, Finance Department

Board Member Michelle Gload presented the Board with the Pension Plan Accounting Reports for review. Mrs. Gload reviewed all of the various reports and expenditures that the Plan has paid so far through the year, noting that thus far, the Plan is under budget. Secretary, Bernard Ward inquired if 2020 Fiscal Year was also under budget, which, Mrs. Gload confirmed. Mrs. Gload concluded her presentation by requesting that Mr. Lovingood email her before the Board Meeting packets go out so that she can provide Mr. Lovingood with the Plan Financials to ensure that they are included.

MOTION:

Board Member Bernard Ward made a motion to accept Accounting Report as presented. The motion received a second from Board Member Jesse Oakley III, which carried by a 4-0 vote.

ADMINISTRATOR REPORT

A. Resource Centers SOC1 Type 2 Audit

Mr. Lovingood presented the Board with The Resource Centers SOC 1 Type Two Audit Report. Mr. Lovingood informed the Board that The Resource Centers had a Clean Audit with no exceptions found. Mr. Lovingood also informed the Board that he included a memo from Mr. Baur that explains what a SOC1 Type 2 Audit covers and what makes it different from other Audits.

B. Member Workshops

Mr. Lovingood informed the Board that The Resource Centers has the ability to host member workshops in the same manner that his firm has hosted the virtual Board Meeting via RingCentral and that Mr. Baur will be present at the next Board Meeting to discuss the workshops in greater detail along with choosing potential dates for these workshops.

NEW BUSINESS

A. Vested Differed Pension Start Date Issue

Mr. Lovingood informed the Board that Trustee Michelle Gload wanted to bring up a non-vested deferred Pension Application up due to the unique circumstances that transpired with this benefit. The member in question had submitted their application; however, it took the member over six months to submit the remaining required documents into the Resource Centers so that the Pension could commence. Mr. Lovingood explained that, historically, when a member first submits their application to start their Pension, that the start date indicated on the application is the date which is used, regardless of any missing items within the application. Attorney Bonni Jensen noted that there is nothing in the Pension Plan that gives a timeframe as to when one needs to submit all of the required documents; however, if the Board wishes, she can make changes to the Plan Documents.

The Board asked Mr. Lovingood how often this happens with other Plans that he is the Administrator for. Mr. Lovingood stated that this instance was the first time that he has had a delay like this one come across his desk. Mr. Lovingood stated that retirees usually want to get their Pension Checks as soon as possible and indicated that this situation was anomaly.

ANY OTHER MATTER

The Board had no other business for discussion.

PUBLIC COMMENT

Mr. Lovingood informed the Board that there were no public comments or questions emailed before or during the Board Meeting, and no members of the Public attended the Board Meeting via video or audio conference.

ADJOURNMENT

There being no further business, the meeting was adjourned at 2:02 p.m.

Secretary, Village of Tequesta General Employees' Pension Plan