

**VILLAGE OF TEQUESTA GENERAL EMPLOYEES' PENSION TRUST FUND
SPECIAL BOARD MEETING MINUTES
MARCH 3, 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 March 3, 2021. Chairman Michael Rhodes called the meeting to order at 8:30 a.m.

ROLL CALL

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

Also, in attendance were Attorney Bonni Jensen, Pension Administrators Scott Baur, A.C. Lovingood, and Alison Lichter, Investment Monitor Jennifer Gainfort, and Actuary Jeffrey Amerose, GRS.

APPROVAL OF AGENDA MOTION:

Board Member Jesse Oakley III made a motion to approve the Agenda. The motion received a second from Board Member Michelle Gload, which carried by a 5-0 vote.

PUBLIC COMMENT

There were no public comments.

PRESENTATIONS

1. GRS Actuarial Valuation Report – Jeffrey Amrose, GRS

Jeffrey Amrose presented the Board with the October 1, 2020 Actuarial Valuation. Mr. Amrose reported the Plan is in excellent shape with the Village's contribution percentage of 9.65% , wich is the lowest that it has been in the past six years. The required Village contribution rate i decreased by \$88,005.00 or 1.41% of pay for the fiscal year ending September 30th, 2020. The changes in the Plan's assumptions and the implementation of the new FRS Mortality Table helped to earn a \$300,000 net gain for the Plan. In addition to these changes, there was 12 terminations, seven of which were non-vested, compared to the four expected terminations, and lower than normal expected salary increases also helped in strethining the funded ratio to 101.74%. Mr. Amores then noted that if the Plan did not use smoothing, the funded ratio would increase to 103%. Mr. Amrose then reviewed possible situatons that could affect the plan with the Board and noted that there is currently \$138,000 in unrecognized returns that can offset any future losses. Mr. Amrose then reviewed the before and after assumption changes in detail with the Board along with the GASB67. Chairman, Michale Rhodes inquired if the Plan had a net member reducitons. Mr. Amrose reviewed the Reconciliation of Membership Data with the Board, pointing out that the number of Active Memebers went from 56 down to 47 members, terminated vest members increased from seven to nine members, and the number of retirees increased from eight members to nine. There was a lenthly discussion regarding terminations, their causes, and the effects that they have on the Pension Plan. The Plan's Assumed Rate of Return was then discussed with the Board, noting that the Plan had 7.3% in return on an actuarial bases, compared to the 6.5% expected rate. Attorney, Bonni Jensen asked if other plans are lowering their Assumed Rate of Returns down to the 6.5% range like this Pension Plan has. Mr. Amrose stated that 7.05%-7.5% is the current average, though it's hard to say who is right and who is wrong. Chairman, Michael Rhodes

asked Mr. Amrose if he had any recommendations regarding the Assumed Rate of Return. Mr. Amrose informed the Board that he does not see any need to make a change to the Assumed Rate of Return as the Plan is doing well; however, he noted that he is unable to predict the future. Trustee Michelle Gload asked Mr. Amrose if it is possible to create a comparison of The Tequesta General Employees' Pension Plan versus all the Plans that he is the Actuary for. Mr. Amrose stated that he could provide a comparison for 2019 fairly quickly; however, a comparison for 2020 would not be ready until June or July of this year. Mrs. Gload stated that waiting until June or July is reasonable to ensure that the most accurate data is included. Chairman, Michael Rhodes requested that Mr. Amrose prepare and send the Annual Letter to the State on behalf of the Board. Mr. Amrose stated that he would and concluded his presentation.

MOTION:

Board Member Michelle Gload made a motion to approve the 2020 Actuarial Valuation Report as presented. Board Member Dennis Rick seconded the motion, which carried by 5-0 vote.

MOTION:

Board Member Bernard Ward made a motion based on the advice of the investment consultant, the Board expects to get a 6.5% rate of return in the next year, the next several years, and for the long term thereafter. Board Member Jesse Oakley III seconded the motion, which carried by 5-0 vote.

New Business

2. Attorney Update – Attorney Bonni Jensen, Klausner, Kaufman, Jensen & Levinson

- a. **Jensen Memo - Missing and Nonresponsive Participant:** Attorney Bonni Jensen presented the Board with the Missing and Nonresponsive Participant Memo to the Board. Mrs. Jensen reviewed the best practices with attempting to locate a missing or nonresponsive member of the Pension Plan which resulted in a lengthy discussion of the many available options available, along with the potential costs associated with these services. Plan Administrator Alison Lichter noted that TransUnion offers a program called TLOxp, which is used by various industries such as Law Enforcement, Financial Services, Collections Agencies, and Insurance Companies to locate and track an individual. The Board requested to add this matter to the May Agenda for further discussion.
- b. **Jensen Memo – IRS Mileage Rate for 2021:** Mrs. Jensen informed the Board that the IRS released its updated Standard Mileage Rate for 2021. The new rate is \$0.56 per mile for miles driven after January 1, 2021. Mrs. Jensen noted that this amount is down 1.5 cents from last year. Mrs. Jensen then noted that the mileage rate can fluctuate within the same year and that her firm will do their best to inform the Board and the Administrator of any changes.

MOTION:

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

ANY OTHER MATTERS

3. Tequesta General Employees' Pension Fund 2020 Annual Proxy Vote Summary

The Board was presented the 2020 Annual Proxy Vote Summary for review.

MOTION:

Board Member Michelle Gload made a motion to approve the 2020 Annual Proxy Vote Summary as presented. Board Member Jesse Oakley III seconded the motion, which carried by 5-0 vote.

Ms. Jenson advised the Board that the Presentation to the Village Council will be in August.

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 9:27 a.m.

Secretary, Village of Tequesta General Employees' Pension Plan