

**VILLAGE OF TEQUESTA GENERAL EMPLOYEES' PENSION TRUST FUND  
REGULAR BOARD MEETING MINUTES  
May 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 May 3, 2021. Secretary Bernard Ward called the meeting to order at 8:36 a.m.

**ROLL CALL**

A roll call was requested by Secretary Bernard Ward. In attendance at the meeting were: Secretary Bernard Ward, Board Member Jessie Oakley III, Dennis Rick, and Board Member Michelle Gload.

Also, in attendance were Attorney Bonni Jensen, Pension Administrators Scott Baur, A.C. Lovingood, and Alison Lichter.

Those who joined the Board Meeting via RingCentral Video Conference were Investment Monitor Jennifer Gainfort and Fiduciary Trust Relationship Manager, Amed Avila.

**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 Jesse Oakley III 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 – February 2, 2021.**

The Board reviewed the Regular Quarterly Meeting Minutes dated February 2, 2021, Michelle Gload noted the timing of when the minutes were sent out to the Board. Michelle Gload also inquired as what the outcome was regarding the timing of the submission of a retirement application and asked for confirmation that this issue will

be addressed at today's Board Meeting. Bernard Ward requested that the minutes reflect the service providers that join in the Board Meeting electronically.

**MOTION:**

**Board Member Dennis Rick made a motion to approve the Quarterly Board Meeting Minutes dated February 2, 2021 as amended. The motion received a second from Board member Jesse Oakley III, which carried by a 4-0 vote.**

**2. Special Board Meeting Minutes – March 3, 2021.**

The Board reviewed the Special Board Meeting Minutes dated March 3, 2021.

**MOTION:**

**Board Member Jesse Oakley III made a motion to approve the Special Board Meeting Minutes dated March 3, 2021, as presented. The motion received a second from Board member Michelle Gload, which carried by a 4-0 vote.**

**3. Fiduciary Trust Presentation – Amed Avila, Fiduciary Trust**

Mr. Amed Avila thanked the Board for the opportunity to present at today's Board Meeting and apologized for his tardiness due to some technical difficulties along with a few work-related issues that needed to be addressed. Mr. Avila stated that the only item that he wanted to address with the Board was the 2020 SOC1 Type 2 Audit Report. Mr. Avila reviewed the qualified findings from the 2018 and 2019 SOC1 Type 2 Audits along with the steps that Fiduciary Trust International and their parent company, Franklin Templeton took to correct out those qualified findings. Mr. Avila stated that he was pleased to inform the Board that the SOC1 Type 2 Audit Report for the period of October 1, 2020, through September 20, 2020, had no qualified findings. Secretary Bernard Ward congratulated Mr. Avila and Fiduciary Trust for the clean audit and inquired if this audit is performed annually. Mr. Avila informed the Board that this audit is performed annually. The Board had no further questions for Mr. Avila and thanked him for his presentation.

**MOTION:**

**Board Member Michelle Gload made a motion to approve the Fiduciary Trust SOC1 Type 2 Audit as presented. Board Member Bernard Ward seconded the motion, which carried by a 4-0 vote.**

**4. Quarterly Performance Report as of March 31, 2021 - Jennifer Gainfort, AndCo**

Mrs. Jennifer Gainfort started her presentation by reviewing the market environment with the Board. For the first quarter of 2021 both US equity and international equity markets posted positive returns, noting that the rollout of the COVID-19 vaccines and economic stimulus incentives helped to bolster investors' optimism. The fixed income sector, however, saw negative returns for the quarter. Mrs. Gainfort then reviewed the domestic equity index performance with the Board. The Pension Fund assets had a total market value of \$7,921,102 on December 31, 2020 and closed with a total market value of \$5,717,940 on March 31, 2021. Mrs. Gainfort then reviewed the asset allocations of the Plan, noting that domestic equity is at 54.7% and the Plan's maximum allowed allocation is 55% and recommended that the Plan take 2% from Domestic Equity and transfer those funds into Fixed Income, which would be a total of \$172,000 being invested in the Dana Fixed Income Fund, with \$86,000 coming from the Dana Large Cap and \$86,000 coming from the Vanguard Total Stock Market Fund. Mrs. Gainfort also

recommended 3.5%, or \$300,000 from Domestic Equity to fund an additional commitment to ASB Real Estate Fund.

**MOTION:**

**Board Member Jesse Oakley III made a motion to sell \$86,000 of the Dana Large Cap Equity and \$86,000 of the Vanguard Total Stock Market Fund, totaling \$172,000 and invest the cash in the Dana Fixed Income Fund and commit and additional \$300,000 to ASB Real Estate and have those funds pulled from Domestic Equity when Capital is called. The motion received a second from Board Member Michelle Gload, which carried by a 4-0 vote.**

For the first quarter, the Plan had a total of \$269,049 in contributions, \$108,014 in distributions, management fees of \$11,703, and other expenses of \$19,213. Income for the quarter totaled \$60,309 and capital gains totaled to \$943,709, resulting in an ending balance of \$8,238.057 as of March 31, 2021. For the quarter ending March 31, 2021, the Plan earned 3.53%, beating the benchmark of 3.48%. The Fiscal-Year-To-Date returns for the Plan was 13.98% compared to the benchmark rate of 14.25%, the One-Year trailing returns was 37.05% compared to the benchmark rate of 38.07%. The Three-Year trailing returns were 11.06%, compared to the 11.75% benchmark, the Five-Year returns were 10.96%, compared to the benchmark rate of 11.51%, and since inception, the Plan has earned 6.99%, beating the benchmark rate of 6.61%. Ms. Gainfort then reviewed the individual managers performance with the Board, noting that ASB Real Estate earned 2.40% for the quarter, beating the benchmark rate of 2.25%. Mrs. Gainfort also reviewed the new PIMPCO Diversified Income Mutual Fund with the Board, noting that even though the quarterly return was -2.53%, the Fund did outperform the benchmark of -2.64%. Secretary Bernard Ward requested that Mrs. Gainfort review the Long-Term Performance Ranking review on page 23 of the report, which Mrs. Gainfort reviewed in detail with the Board. There was a question regarding the Village's required contributions which was reviewed in detail by Attorney Bonni Jensen. The presentation was concluded with Mrs. Gainfort stating that the Plan is doing well.

**Board Member Michelle Gload made a motion to approve the AndCo Investment Performance review dated December 31, 2020. The motion received a second from Board Member Dennis Rick, which carried by a 4-0 vote.**

**CONSENT AGENDA**

The Board reviewed the consent agenda. Board Member Michelle Gload inquired about missing new participants in the Plan under section 6 and inquired if two members who terminated had taken their refunds yet. Mr. Lovingood informed the Board that Arango-Lorick's refund is in process and that Jamason has not turned in an application as of today. Mr. Lovingood informed the Board that Martin Meehan's refund is in process and that his refund is pending the letter of instruction for the rollover request. Secretary Barnard Ward confirmed that Mr. Meehan was the member that the Plan had an issue locating and asked a question regarding member's birth dates listed on the Benefit Approvals. Mr. Baur informed the Board that only the month and year are indicated as that is standard with the State of Florida.

**5. Ratification of invoices paid since last quarterly meeting.**

**VILLAGE OF TEQUESTA GENERAL EMPLOYEES' PENSION FUND  
WARRANT - PAID INVOICES  
MAY 3RD, 2021**

**Paid by Custodian:**

<u>Date</u>	<u>Payee/Description</u>	<u>Check Number</u>	<u>Amount</u>
February 12, 2021	Pension Resource Center Administrative Fee- February 2021 Inv 18426	1440	\$ 800.00
February 12, 2021	Klausner Kaufman Jensen & Levinson Legal Services through 01/31/21 Inv 27779	1441	\$ 503.50
February 12, 2021	Dana Advisors, Inc. (1087 cc) Investment Management Fees for QE 12/31/20 Inv 79844	1442	\$ 3,391.62
February 12, 2021	Dana Advisors, Inc. (1087 cb) Investment Management Fees for QE 12/31/20 Inv 79815	1443	\$ 943.94
March 9, 2021	Pension Resource Center Administrative Fee- March 2021 Inv 18486	1444	\$ 821.92
March 9, 2021	Klausner Kaufman Jensen & Levinson Legal Services through 2/28/21 Inv 27952	1445	\$ 1,197.50
April 15, 2021	Pension Resource Center Administrative Fee- April 2021 Inv 18544	1446	\$ 800.00
April 15, 2021	AndCo Investment Consultant Fees for QE 3/31/21 Inv 37973	1447	\$ 3,125.00
April 15, 2021	Gabriel Roeder Smith & Company Actuary Fees; Inv 461672 dated 4/7/21	1448	\$ 8,296.00
April 15, 2021	Klausner Kaufman Jensen & Levinson Legal Services through 3/31/21 Inv 28145	1449	\$ 903.50
<b>TOTAL:</b>			<b>\$ 20,782.98</b>
Dated this 3rd Day of May 2021.			
CHAIR		SECRETARY	
_____		_____	

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

Demetrius McDonald

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

Martin Meehan – Terminated 02/13/2016

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

Simon Jamason – Terminated 05/10/2016 (Notification Letter: 1<sup>st</sup> sent 04-24-17, 2<sup>nd</sup> sent 05-08-18, 3<sup>rd</sup> sent 05-07-19, 4<sup>th</sup> sent 07-06-2020, 5<sup>th</sup> sent 07-28-2020)

Edward Black – Terminated 01/05/2018

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

**8. Benefit Approvals:**

**VILLAGE OF TEQUESTA GENERAL EMPLOYEES' PENSION TRUST FUND  
MEETING OF MAY 3, 2021**

**BENEFIT APPROVALS**

***PENSION BENEFITS VESTED TERMINATED***

SPENCER, KIM

DATE OF BIRTH	01/1958
DATE OF HIRE	01/01/2001
DATE OF TERMINATION	08/24/2007
PENSION START DATE	02/01/2021
TYPE OF BENEFIT ELECTED	LIFE ANNUITY
MONTHLY BENEFIT AMOUNT	\$418.62
VESTED	YES

ACTION: **Approved**

**END /OF CONSENT AGENDA**

**MOTION:**

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

**OLD BUSINESS**

**Vested Differed Pension Start Date Issue**

Attorney Bonni Jensen reviewed some of the options that the Board could take with mitigating a delay in the processing of a Pension Benefit when a member is slow in submitting all the required paperwork. Mrs. Jensen stated that some of the Plans that she works with will initially setup an estimated benefit for a retiree until all of the required forms are submitted. Secretary Bernard Ward inquired if the delay is a major issue for the Plan and Board Member Michelle Gload explained the fallout of the retiree's delay in submitting her paperwork had on the Village's Finance Department. There was a lengthy discussion regarding the pension application process, how other Plans address similar situations with pending applications that are in process at Fiscal Year End, along with the various personal reasons for a member to delay the submission of their forms.

**NEW BUSINESS**

**9. Jensen – Attorney Update**

- A. **Jensen Memo – Form 1:** Attorney Bonni Jensen informed that their Form 1 reports need to be filed no later than July 1, 2021. Mrs. Jensen stated that she could not give advice on how to fill the forms

- B. **Declaration of Emergency Extended:** The Declaration of Emergency for the State of Florida was extended through June 26, 2021. There was some pending legislation that would have allowed Boards to meet without the requirement of having a physical quorum; however, that legislation did not pass.
- C. **Presentation to Council:** The Plan has its presentation to the Village Council on August 12, 2021. Mrs. Jensen stated that she will coordinate with the Board to ensure that all of the needed information is available. Board Member Michelle Gload inquired about the Board's request to have Jeffrey Amrose put together a table comparing the Plan to other Pension Plans that GRS is the Actuary for. Mr. Lovingood stated that Mr. Amrose said that he would have enough data by the end of June or early July to fulfill the Board's request. Mr. Lovingood would touch base with Mr. Amrose to get a status update for the Board.
- D. **Statement of Policy Regarding Contractual Provisions for Investment Managers:** Mrs. Jensen presented the Board with a Policy Regarding Contractual Provisions for Investment Managers to the Board for consideration and adoption. Mrs. Jensen explained to the Board that this Policy would give her a written guide to follow when negotiating contracts with new Investment Managers and give her the ability to give potential managers a guide to the requirements that must be included in any new contract. Mrs. Jensen then reviewed the policy in detail along with pointing out a provision within the policy that allows for the Board to make an exception to the standard contractual provisions if the Board wished to do so in the negotiation process. There was a discussion regarding existing contracts and the new E-Verify law. Secretary Bernard Ward asked if other Pension Plans are adopting this new policy which Mrs. Jensen confirmed that this policy is something that she is bringing to every Board that she is the Plan Attorney for, and her Boards have been considering the policy or have adopted the policy as presented. There was a lengthy discussion regarding when existing contracts are updated to include this new policy and the E-Verify law and how the policy would be implemented.

**MOTION:**

**Board Member Jesse Oakley III made a motion to accept The Statement of Policy Regarding Contractual Provisions for Investment Managers as presented. The motion received a second from Board Member Michelle Gload, which carried by a 4-0 vote.**

**ACCOUNTING REPORTS**

**10. 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 the various reports and expenditures that the Plan has paid so far through the year, noting that the Plan is under budget. There was a question regarding how the Fiduciary Liability Insurance premium is split between the two Boards, Mr. Baur stated that he would look into the matter and follow up with the Board on the answer.

**MOTION:**

**Board Member Dennis Rick 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. Pension Plan Website Annual Review**

Mr. Lovingood informed the Board that the Plan's website is currently being updated to ensure that everything is current and up to date. Mr. Lovingood reviewed the recently updated items with the Board

in detail. Board Member Michelle Gload noted that the Admin rules that are on the website is an old version that does not include the current timeframe that the Board agreed to with regards to the Board Meeting Minutes would be provided to the Board. Mrs. Gload also inquired to when the Summary Plan Description was last updated. Mrs. Jensen stated that she will look into that and get back with the Board as to when the Summary Plan Description was last updated.

#### **B. FPPTA Upcoming Events**

Mr. Baur gave the Board an update on the FPPTA Annual Conference on the information that the FPPTA has released so far. Mr. Baur informed the Board that the host hotel is open for reservations for any members that wish to attend and that if any Trustee is interested in attending that his firm can register them for the conference.

#### **C. Member Workshops**

Mr. Baur informed the Board that there was a conversation regarding holding member workshops and discussed the various options available to perform the workshops, noting that the last one was done about three years ago. The Board decided to keep the Member Workshops on the agenda as a standing item for future consideration.

#### **D. Resource Centers Fiduciary Trust Authorized Signer Update**

Mr. Lovingood and Mr. Baur informed the Board that with the upcoming elections and pending appointments by the Village Council for the Board of Trustees, the Plan may need to update the Trustee Signature Card for the Plan and that with Mr. Lovingood's pending departure due to personal health issues will also require the Resource Centers Signature Card to be updated in the near future. Trustee Jesse Oakley III informed the Board that he will be stepping down as Trustee of the Tequesta General Employees' Pension Plan. The Board thanked Jesse Oakley III for his commitment and service to the Board over his tenure and wish him the best in all his future endeavors.

#### **E. E-Verify**

Mr. Lovingood reminded the Board that E-Verify be kept on the agenda as a reminder to ensure that all of the Plan's service providers are in compliance with the new Florida State E-Verify law.

#### **ANY OTHER MATTER**

Attorney Bonni Jensen informed the Board that the Village Finance Department received a letter from the IRS last week regarding the determination letter and that the Village passed the required ordinance to be in compliance. Mrs. Jensen informed the Board that the letter was just a follow-up and that the Pension Plan has received verbal confirmation from the IRS that the Plan is in compliance and should be receiving writing confirmation of compliance from the IRS soon.

#### **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**

Secretary Bernard Ward reminded the Board that the next Board Meeting is scheduled for August 2, 2021 at 12:00 p.m. and inquired as to the reason for the Board Meeting alternating between 8:30 a.m. and 12 p.m. Mrs. Jensen stated that the 8:30 a.m. timeslot was in high demand with both the General and Public Safety Boards which resulted in the Boards agreeing with the alternating schedule.

There being no further business, the meeting was adjourned at 10:29 a.m.

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Secretary, Village of Tequesta General Employees' Pension Plan