

**VILLAGE OF TEQUESTA GENERAL EMPLOYEES' PENSION TRUST FUND
REGULAR BOARD MEETING MINUTES
FEBRUARY 7, 2022.**

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 7, 2022. Chairman Michael Rhodes called the meeting to order at 12:01 p.m.

ROLL CALL

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

Also, in attendance were Attorney Bonni Jensen, Pension Administrator A.C. Lovingood, Investment Monitor Jennifer Gainfort, and Greg Peters, Dana Investments. Jeffrey Amrose, GRS Consulting joined the Board Meeting Via Zoom Video Conference.

EXTRAORDINARY CIRCUMSTANCES FOR TRUSTEES JOINING ELECTRONICALLY

All Trustees were physically present.

APPROVAL OF AGENDA

The Board reviewed the agenda for approval. The Board requested that a discussion topic regarding an impact statement be added as line-item B for GRS Consulting and add the Pension Member Workshop update under the Administrative Report as line item B.

MOTION:

Secretary 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 1, 2021.

The Board reviewed the Regular Quarterly Meeting Minutes dated November 1, 2021. A few minor errors were noted.

MOTION:

Secretary Bernard Ward made a motion to approve the Quarterly Board Meeting Minutes dated November 1, 2021, as amended. The motion received a second from Board Member Dennis Rick, which carried by a 4-0 vote.

PRESENTATIONS

2. GRS Actuarial Valuation Report – Jeffrey Amrose, GRS

Jeffrey Amrose presented the Board with the October 1, 2021 Actuarial Valuation. Mr. Amrose reported the Plan is in excellent shape with the Village's contribution percentage of 8.44%, with an Assumed Rate of Return of 6.5%. The required Village contribution rate decreased by \$18,335 or 1.21% of pay for the fiscal year ending September 30th, 2021. There were no changes in the actuarial assumptions or methods since the previous valuation and there was a new actuarial gain of \$193,056 for the year, which means that the actual experience was more favorable than expected. The primary reason for the gain was greater than expected investment earnings of 10.2% on an actuarial basis, compared to the 6.5% expected rate of return along with lower-than-expected salary increases. These actuarial gains caused the required employer contribution to decrease by 0.67% of covered payroll. The funded ratio for the Plan is at 104.3% this year compared to 101.7% last year. Mr. Amrose then noted that if the Plan did not use smoothing, the funded ratio would increase to 115.22%. Chairman, Michael Rhodes inquired on how the covered payroll for the contribution year is determined, which Mr. Amrose explained in detail with the Board and Chairman Rhodes also inquiring about current Village hiring and retention trends. Board Member Michell Gload informed the Board that there is a lot of employee movement at this time. Attorney Bonni Jensen asked if last year's required contribution was \$380,003, this year's required contribution is \$339,505, and next year's required contribution will be \$321,170. Mr. Amrose confirmed that Mrs. Jensen's required contribution understanding is correct. Mr. Amrose then concluded his presentation by reviewing the Reconciliation of Membership Data and Historical Actuarial Gains and Losses with the Board. 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 Dennis Rick made a motion to approve the 2021 Actuarial Valuation Report as presented. Board Secretary Bernard Ward seconded the motion, which carried by 4-0 vote.

MOTION:

Secretary 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 Michelle Gload seconded the motion, which carried by 4-0 vote.

DROP Impact Study

Board Member Michelle Gload informed the Board and Mr. Amrose that the Village is considering offering the DROP as an added benefit to the General Employees' Pension Fund and inquired on how the Village would engage GRS on requesting an Impact Study. Mr. Amrose stated that the Impact Study would be performed between the first and second reading. Chairman Michael Rhodes inquired on who would pay for the study. Mr. Amrose stated that the Plan can request that the Village pay for the study and that he would need direction from the Board to work with the Village. The Board had a lengthy discussion regarding the study and how involved the Board should be in the process, which resulted in ensuring that the Board is copied on all materials produced. The Board asked Mr. Amrose if he could produce a Member and Village Pro and Con comparison study regarding the DROP Program for the May Quarterly Board Meeting that the Plan will pay for, and Chairman Rhodes has requested that Village Administration be invited to the next Board Meeting. The Board asked Mrs. Jensen if the Board needed to vote on allowing GRS to work with the Village for this study, which Mrs. Jensen stated that Mr. Amrose can take direction from the Board which resulted in the Board giving GRS permission to engage with the Village when the DROP Impact Study request is formally submitted.

3. DANA Investments Quarterly Performance Report as of December 31, 2021 –Greg Peters, DANA Investment

Greg Peters started his presentation giving the Board an update on his firm. Mr. Peters stated that DANA Investments now has a total of 47 employees and that there was one retirement within his firm. Mr. Peters then reviewed the portfolio summary with the Board, noting that as of September 30, 2021, the fund had a value of \$4,000,357.06 with a total of \$585.55 in withdrawals, \$14,812.83 in investment income, an unrealized gain of \$185,325.41, a realized loss of \$6,075.16 and an accrued income of \$1,822.98, which resulted in a total gain of \$195,886.06 for the quarter and the value as of December 31, 2021, was \$4,195,657.57. Mr. Peters then reviewed the portfolio allocation in detail with the Board and stated that the 1087cc Large Cap Equity Fund earned 9.13% for the quarter, compared to the S&P 500 benchmark rate of 11.03%, the One-Year rolling return was 26.34% compared to the benchmark rate of 28.71%, the Three-Year return was 25.29% compared to the benchmark rate of 26.07%, the Five-Year trailing returns were 18.10% compared to the benchmark of 18.417%, and since inception the fund has earned 10.93% compared to the benchmark rate of 11.04%. The 1087cb Fixed Income Fund had a loss of -0.53% for the quarter compared to the Barclays Intermediate Aggregate benchmark rate of -0.50%, the One-Year rolling return was -1.42% compared to the benchmark rate of -1.29%, the Three-Year return was 3.675, beating the benchmark rate of 3.60%, the Five-Year returns were 2.81% which outperformed the benchmark rate of 2.79%, and since inception, the fund has earned 3.46% compared to the benchmark rate of 3.54%.

Mr. Peters then reviewed the 1087cb Fixed Income Fund in detail with the Board, noting that the fund's investments have a credit quality rating of Aa2 with a current annualized yield to maturity at market of 1.52%. The average coupon rate in this fund is 2.79% and the fund has an effective duration of 3.58. Mr. Peters then reviewed the Fixed Income Market for the fourth quarter, noting that it was one of the most volatile fourth quarters experienced in the past few years. The historical Bond returns and interest rates from 1940 through 2020 were reviewed in detail with the Board along with the US Treasury Yield Curve pre-pandemic, pre-vaccines, and post-vaccines for 2019, 2020, and 2021. Mr. Peters then reviewed market-moving events throughout 2021 for the 10-Year Treasury, corporate debt dynamics, and the fixed income dynamics in detail with the Board. Mr. Peters then reviewed the 1087cc Large Cap Equity Fund Fund in detail with the Board, noting that in October Meta dropped out of the S&P 500's top 5 constituents due to its poor performance and was replaced by Tesla. Mr. Peters then reviewed the top 5 cap-weighted constituents in the S&P 500 Index with the Board along with the historical profit margin of the S&P 500 Index. The select contributors and detractors for the fourth quarter were reviewed in detail and Mr. Peters concluded his presentation by reviewing the DANA Large Cap Equity Strategy characteristics.

Board Member Michelle Gload made a motion to approve the DANA Quarterly Performance Report Dated December 31, 2021 as presented. The motion received a second from Board Member Dennis Rick, which carried by a 4-0 vote.

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

Ms. Jennifer Gainfort started her presentation by reviewing the AndCo Firm Update in detail with the Board Members, noting that Brian Green and Kerry Richardville had been named partners. Ms. Gainfort then reviewed the Plan's asset allocation by asset class with the Board, noting that the plan is currently in compliance with the policy targets. The Pension Fund assets had a total market value of \$8,858,794 on October 1, 2021 and closed with a total market value of \$9,357,756 on December 31, 2021. For the fourth quarter, the Plan had a total of \$143,641 in contributions, \$50,770 in distributions, management fees of \$7,563, and other expenses of \$8,856. Income for the quarter totaled \$49,743 and capital gains totaled \$372,767, resulting in an ending balance of \$9,357,756 on December 31, 2021. For the quarter ending December 31, 2021, the Plan earned 4.75%, compared to the benchmark of 5.59%. The One-Year trailing returns was 14.70% compared to the benchmark rate of 15.73%. The Three-Year trailing returns were 16.87%, compared to the 17.26% benchmark, the Five-Year returns were 12.31%, compared to the benchmark rate of 12.57%, and since inception, the Plan has earned 7.25%, beating the benchmark rate of 6.94%. Ms. Gainfort then reviewed the individual managers performance with the Board in detail, noting that ASB Real Estate lowered their fees from 1.25% down to 1%. Chairman Michael Rhodes inquired

if there is any concern with the European Markets, which Ms. Gainfort stated that they have no concern at this time. The compliance checklist was then reviewed with the Board and Ms. Gainfort concluded her presentation by informing the Board that as of market close on Friday, February 4, 2022, the Plan had a total market value of \$8,920,000.

Secretary Bernard Ward made a motion to approve the AndCo Investment Performance Report Dated December 31, 2021 as presented. The motion received a second from Board Member Michelle Gload, which carried by a 4-0 vote.

CONSENT AGENDA

The Board reviewed the consent agenda.

5. Ratification of invoices paid since last quarterly meeting.

VILLAGE OF TEQUESTA GENERAL EMPLOYEES' PENSION FUND WARRANT - PAID INVOICES FEBRUARY 7TH, 2022

TO: Resource Centers, Plan Administrator
FROM: Board of Trustees

Paid by Custodian:

Fiduciary Trust International	\$	1,561.55
Fees for QE 12/31/21 (3 Accounts)		

<u>Date</u>	<u>Payee/Description</u>	<u>Check Number</u>	<u>Amount</u>
November 11, 2021	Pension Resource Center Administrative Fee- November 2021 Inv 18976	1471	\$ 800.00
November 11, 2021	Klausner Kaufman Jensen & Levinson Legal Services through 10/31/21 Inv 29413	1472	\$ 450.00
November 11, 2021	Dana Advisors, Inc. (1087cb) Investment Management Fees for QE 09/30/21 Inv 85591	1473	\$ 1,095.00
November 11, 2021	Dana Advisors, Inc. (1087cc) Investment Management Fees for QE 09/30/21 Inv 85620	1474	\$ 3,652.42
December 15, 2021	Pension Resource Center Administrative Fee- December 2021 Inv 19041	1475	\$ 1,000.00
December 15, 2021	Klausner Kaufman Jensen & Levinson Legal Services through 11/30/21 Inv 29579	1476	\$ 1,310.00
January 14, 2022	Pension Resource Center Administrative Fee- January 2022 Inv 19102	1477	\$ 800.00
January 14, 2022	Klausner Kaufman Jensen & Levinson Legal Services through 12/31/21 Inv 29757	1478	\$ 150.00
January 14, 2022	Gabriel Roeder Smith & Company Inv 466465 dated 12/13/21 and Inv 467104 dated 01/04/22 -Actuary Fee	1479	\$ 11,558.00

TOTAL:**\$****25,501.97**

Dated this 7th Day of February, 2022.

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

- Carmen Bratu – Hire Date 12-28-2021

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

- Simon Jamason – Terminated 05/10/2016
(Notification Letter: 1st sent 04-24-17, 2nd sent 05-08-18, 3rd sent 05-07-19, 4th sent 07-06-2020, 5th sent 10-26-2021, 6th sent 12-15-2021, 7th FedEx sent 01-31-2022)
- 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, 5th sent 10-26-2021, 6th FedEx sent 01-31-2022)
- Jennie Dilsa – Terminated 05-01-2020
(Notification Letter: 1st sent 10-26-2021)
- Carolyn Flectcher – Terminated 04-23-2021
- Kathleen Maloney-Pollack – Terminated 02-04-2022

8. Benefit Approvals:

**VILLAGE OF TEQUESTA BOARD OF TRUSTEES GENERAL EMPLOYEES' PENSION TRUST FUND
MEETING OF FEBRUARY 7, 2022**

BENEFIT APPROVALS

MICHAEL SUDELL

(Terminated Vested Normal)

DATE OF BIRTH	07/1957
DATE OF HIRE	09/10/2001
DATE OF TERMINATION	01/10/2018
RETIREMENT COMMENCEMENT DATE	07/01/2021
YEARS OF SERVICE	16 YR 4 MO 0 DAY
AGE AT RETIREMENT	63 YRS
FORM OF BENEFIT	LIFE ANNUITY
MONTHLY BENEFIT AMOUNT	\$1,743.90

ACTION: Approved**MICHELLE TERRIAULT**

(Normal)

DATE OF BIRTH	06/1956
DATE OF HIRE	05/01/2000
DATE OF TERMINATION	06/28/2021
RETIREMENT COMMENCEMENT DATE	07/01/2021
YEARS OF SERVICE	21 YR 0 MO 26 DAY

AGE AT RETIREMENT	65 YRS
FORM OF BENEFIT	LIFE ANNUITY
MONTHLY BENEFIT AMOUNT	\$1,711.82

ACTION: **Approved**

REFUND OF CONTRIBTUIONS

MARTIAN MEEHAN

DATE OF BIRTH	02/1970
DATE OF HIRE	07/01/2015
DATE OF TERMINATION	02/13/2016
TYPE OF DISTRIBUTION	LUMP SUM
AMOUNT OF REFUND	\$1,516.76
VESTED	NO

ACTION: **Approved**

END /OF CONSENT AGENDA

Terminated non-vested member Simon Jamason was reviewed by the Board. Mr. Lovingood informed the Board that Mr. Jamason has been contacted several times and has spoken with him a few times; however, Mr. Jamason does not seem interest in completing the required paperwork to receive his refund. Attorney Bonni Jensen made the recommendation to have another letter sent to the member via FedEx with signature requirement to ensure that the Board has proof that the member was properly contacted.

MOTION:

Secretary Bernard Ward made a motion to approve the Consent Agenda as presented and to contact Mr. Jamason again regarding his refund of contributions via FedEx signature confirmation delivery. The motion received a second from Board Member Dennis Rick, which carried by a 4-0 vote.

OLD BUSINESS

There was no old business to discuss at this time.

NEW BUSINESS

9. Jensen – Summary Plan Description

Attorney Bonni Jensen informed the Board that she has updated the Summary Plan Description that reflects the recent IRS Tax Code changes and that she will have Mr. Lovingood email the updated Summary Plan Description to the Board Members to review and will have this item on the next Board Meeting Agenda for formal approval.

ACCOUNTING REPORTS

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

Board Member Michelle Gload reviewed the accounting reports with the Board in detail.

Board Member Michelle Gload informed the Board that it is time to create the Fiscal-Year Budget for 2021-2022. The Board reviewed the 2020-2021 Fiscal-Year Budget and actual costs along with the anticipated expenses for the 2021-2022 Fiscal Year. The Board collectively decided to set the appropriations as follows, Legal Services at \$20,000, Actuarial Services at \$25,000, Pension Administration at \$10,400, Other Contractual Services at \$0, Travel and Per Diem at \$3,000, Insurance at \$1,800, Other Miscellaneous Charges and Obligations at \$2,000, Books Publications Subscriptions and Membership Dues at \$1,500, and Pension Seminars & Training at \$3,000, Investment Services at \$30,700, Custodial Services at \$6,300, Investment Advisor Costs at \$12,500, anticipated Pension Distributions/Refunds at \$25,000, anticipated Pension Benefit Payments at \$250,000, expected Employer Contributions of \$340,000, and anticipated Employee Contributions of \$176,000.

MOTION:

Board Member Dennis Rick made a motion to accept the Fiscal-Yar Budget for 2021-2022 as discussed. The motion received a second from Board Member Michelle Gload, which carried by a 4-0 vote.

ADMINISTRATOR REPORT

A. Resource Centers System Updates

Mr. Lovingood informed the Board that The Resource Centers new Benefit Notification System is now up and running. Mr. Lovingood informed the Board that the new notification system works like how one can track a package that is being delivered where the member will know what the status of their Pension or Refund of Contributions are at throughout the processing timeline. Chairman Michael Rhodes stated that he thinks that HR should have access to the status reports, which Mr. Lovingood stated he would inform Mr. Baur to see how this request can be met.

B. Pension Member Workshop

Mr. Lovingood reviewed the last discussion regarding the Pension Member Workshop with the Board. The Board had a detailed discussion for the need to have another workshop for the members and stated that that the manner which the last Workshop was done back in 2017 worked out extremely well and would like the next Workshop to be done the same as last time. There was a discussion on when to hold the Workshop with the Board giving a preference for March 7, 2022 if possible and an preferred backup date of March 4, 2022.

ANY OTHER MATTER

There were no other matters to discuss at this time.

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

The next Board Meeting is scheduled for May 2, 2022, at 8:30 a.m.

There being no further business, Board Member Dennis Rick made a motion to adjourn the Board Meeting at 3:47 p.m. The motion received a second from Secretary Bernard Ward, which carried by a 4-0 vote.

Secretary, Village of Tequesta General Employees' Pension Plan