

**VILLAGE OF TEQUESTA GENERAL EMPLOYEES' PENSION TRUST FUND
REGULAR BOARD MEETING MINUTES
MAY 2, 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 May 2, 2022. Chairman Michael Rhodes called the meeting to order at 8:35 a.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, Board Member Julie Mitchel, and Board Member Dennis Rick.

Also, in attendance were Attorney Bonni Jensen, Pension Administrator Scott Baur and A.C. Lovingood, and Investment Monitor Jennifer Gainfort. Amed Avila, Fiduciary Trust 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 the Pension Member Workshop update under the Administrative Report as line item D.

MOTION:

Board Member Julie Mitchell made a motion to approve the agenda as amended. The motion received a second from Board Member Michelle Gload, which carried by a 5-0 vote.

PUBLIC COMMENT

There were no public comments.

APPROVAL OF MINUTES

1. Regular Quarterly Meeting Minutes – February 7, 2022.

The Board reviewed the Regular Quarterly Meeting Minutes dated February 7, 2022. After a short discussion, the Board decided to table the Quarterly Meeting Minutes dated February 7, 2022, until the next Board Meeting.

PRESENTATIONS

2. Quarterly Performance Report as of March 31, 2022 - Jennifer Gainfort, AndCo

Ms. Jennifer Gainfort started her presentation by reviewing the market environment executive summary and the market environment market rate and yield curve comparison with the Board in detail. 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 \$9,357,756 on December 31, 2021 and closed with a total market value of \$8,899,406 on March 31, 2022. For the first quarter, the Plan had a total of \$141,369 in contributions, \$76,325 in distributions, management fees of \$7,994, and other expenses of \$21,061. Income for the quarter totaled \$28,487 and capital losses totaled \$523,825, resulting in an ending balance of \$8,899,406 on March 31, 2022. For the quarter ending March 31, 2022, the Plan earned -5.29%, compared to the benchmark of -3.91%. The Fiscal-Year-To-Date trailing returns was -0.80%, compared to the benchmark rate of 1.46%. The One-Year trailing returns was 4.92% compared to the benchmark rate of 7.46%. The Three-Year trailing returns were 11.34%, compared to the 12.27% benchmark, the Five-Year returns were 9.98%, compared to the benchmark rate of 10.65%, and since inception, the Plan has earned 6.90%, beating the benchmark rate of 6.65%. Ms. Gainfort then reviewed the individual managers performance with the Board in detail, noting that ASB Real Estate did very well for the quarter earning 7.90%, which was just shy of the benchmark rate of 7.97%. Dana Investments recently did a value to growth shift, EuroPacific Growth Fund did poorly due to exposure in China due to the COVID-19 Shutdowns in that country, and Ms. Gainfort informed the Board that PIMCO had a 2% of its portfolio in Russian Investments. Ms. Gainfort then informed the Board that Georgette Baxter had left ASB Real Estate Investments to go work for RhumLine Advisors. The Long-Term Performance of the Plan and the Compliance Checklist was reviewed with the Board in detail. Ms. Gainfort concluded her presentation with informing the Board that as of market close on Friday April 29, 2022, the Plan was at \$8,379,000.

MOTION:

Board Member Julie Mitchell made a motion to approve the AndCo Investment Performance Report Dated March 31, 2022, as presented. The motion received a second from Secretary Bernard Ward, which carried by a 5-0 vote.

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

Mr. Avila presented the Board the Fiduciary Trust Annual SOC1 Audit, reviewing a few highlights within the audit report. Mr. Avila informed the Board that PWC's review of his firm's policies, procedures, and controls resulted in a clean, unqualified opinion. Chairman Michael Rhodes congratulated Mr. Avila on the audit results which was echoed by the other Trustees. Mr. Avila concluded his presentation with asking if the Board had any questions. Chairman Michael Rhodes inquired about the communication stream between his firm, the Plan Administrator, and the Village, which Mr. Avila stated was seamless.

MOTION:

Secretary Bernard Ward made a motion to approve the Fiduciary Trust Presentation as presented. The motion received a second from Julie Mitchell, which carried by a 5-0 vote.

CONSENT AGENDA

The Board reviewed the consent agenda.

4. Ratification of invoices paid since last quarterly meeting.

**VILLAGE OF TEQUESTA GENERAL EMPLOYEES' PENSION FUND
WARRANT - PAID INVOICES
MAY 2ND, 2022**

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>
February 11, 2022	Pension Resource Center Administrative Fee- February 2022 Inv 19162	1481	\$	800
February 11, 2022	Dana Advisors, Inc. (1087cc) Investment Management Fees for QE 12/31/21 Inv 87933	1482	\$	3,985
February 11, 2022	Dana Advisors, Inc. (1087cb) Investment Management Fees for QE 12/31/21 Inv 87905	1483	\$	1,089
February 11, 2022	Klausner Kaufman Jensen & Levinson Legal Services through 01/31/22 Inv 29940	1484	\$	280
February 28, 2022	Pension Resource Center Administrative Fee- March 2022 Inv 19218	1485	\$	871
March 8, 2022	Klausner Kaufman Jensen & Levinson Legal Services through 02/28/22 Inv 30132	1486	\$	2,205
April 12, 2022	Pension Resource Center Administrative Fee- April 2022 Inv 19283	1487	\$	800
April 12, 2022	AndCo Investment Consultant Fees for QE 03/31/22 Inv 41008	1488	\$	3,125
April 12, 2022	Gabriel Roeder Smith & Company Invoice 469921 dated 4/4/22	1489	\$	5,379
April 12, 2022	Klausner Kaufman Jensen & Levinson Legal Services through 03/31/22 Inv 30307	1490	\$	1,332
TOTAL:			\$	19,867

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

- Canning, Stephen 03-01-2022
- Collazo, Leannamae 04-18-2022
- Conti, Lisa 03-01-2022
- Fell, Chance 03-01-2022
- Ferman, Alexander 03-10-2022
- Fowler Jr., Donn 03-21-2022
- Snyder, Jeffery 03-18-2022

6. 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)

- Meghan Arango-Lorick – Terminated 10-10-2020
- Carolyn Flectcher – Terminated 04-23-2021
- Kathleen Maloney-Pollack – Terminated 02-04-2022

7. Benefit Approvals:

There were no Benefits to approve.

END /OF CONSENT AGENDA

Terminated non-vested member Simon Jamason was reviewed by the Board. Mr. Lovingood informed the Board that, he has sent another letter to Mr. Jamason via FedEx to ensure that the Plan has proof that the member was properly contacted. The Board, Plan Attorney, and Plan Administrators has a detailed conversation regarding the terminated non-vested members, how often those individuals are contacted regarding their refund of contributions, along with what the next step should be to take with Mr. Jamason.

MOTION:

Board Member Julie Mitchell made a motion to process Simon Jamason's Refund of Contributions and send those funds to the member at the address that the Plan has on file. The motion received a second from Secretary Bernard Ward, which carried by a 5-0 vote.

MOTION:

Secretary Bernard Ward made a motion to approve the Consent Agenda as amended to add the missing terminations and new hires. The motion received a second from Board Member Michelle Gload, which carried by a 5-0 vote.

OLD BUSINESS

There was no old business to discuss at this time.

NEW BUSINESS

8. Attorney Update

a. Jensen – Summary Plan Description

Attorney Bonni Jensen presented the Board with a draft version of the updated Summary Plan Description for approval. Mrs. Jensen reviewed the changes that were made in detail with the Board and answered various questions that the Trustees had.

MOTION:

Board Member Michelle Gload made a motion to approve the Summary Plan Description as amended. The motion received a second from Secretary Bernard Ward, which carried by a 5-0 vote.

b. Jensen Memo – Form 1

Mrs. Jensen reminded the Board that their Form 1 needs to be submitted by July 1, 2022. Mrs. Jensen also informed the Board that the State is testing out the ability to submit Form 1's electronically.

c. Jensen Memo – IRS Milage Rate for 2022

Mrs. Jensen informed the Board that the Internal Revenue Service released its updated Standard Milage Rate for 2022. The new rate is 58.5 center per mile for miles driven on or after January 1, 2022. This is up 2.5 cents from last year. Mrs. Jensen noted that in previous years, the milage rate can fluctuate within the same year and that her firm will do their best to keep the Trustees and Plan Administrator informed of any changes.

d. Jensen Memo – IRS RMD Guidance and Crypto Investment

Mrs. Jensen reviewed the IRS proposed regulations revising the required minimum distribution regulations to align with the SECURE Act, as well as providing additional guidance. Mrs. Jensen informed the Board that the IRS clarified the definition of “eligible designated beneficiaries” and further defined the meaning of “disability” and “chronically ill,” and clarified the timing of distributing required mandatory distributions.

Mrs. Jensen also informed the Board that on March 10, 2022, the U.S. Department of Labor published a compliance assistance release concerning 401(k) plans investing in cryptocurrencies and related products due to significant risk of fraud, theft, and loss because of their speculative nature custodial, recordkeeping, and valuation concerns, in addition to evolving regulatory market.

e. Jensen Memo – Signature Authorization Forms

Mrs. Jensen also informed the Board that there are instances where the Signature Authorization Forms in the possession of existing service providers are no longer up to date as Trustee terms expire every two to four years, depending on the language of the plan ordinance. To that end, Mrs. Jensen stated that she is recommending that the Plan Administrator maintain a generic Signature Authorization Form for the Fund and update the signers annually.

f. Enrollment and Beneficiary Designation Form

Mrs. Jensen informed the Board that the Village of Tequesta has requested the New Hire Enrollment Form be updated to allow for additional beneficiaries to be listed. The Board, Mrs. Jensen, and the Plan Administrators had a detailed discussion regarding the requested change in addition to the Plan having a separate beneficiary designation form which resulted in the recommendation for the Enrollment Form to be separate from the beneficiary designation form.

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

Board Member Michelle Gload reviewed the accounting reports and the approved Fiscal-Year Budget for 2021-2022 with the Board in detail.

MOTION:

Board Member Julie Mitchell made a motion to accept accounting reports as presented. The motion received a second from Board Member Michelle Gload, which carried by a 5-0 vote.

10. Administrator Report

a. Resource Centers Memo – Office Lease Rollover Example

Scott Baur presented the Board with a Memo regarding office lease rollovers as it has been a continuous discussion with the Boards who have Real Estate investments. Mr. Baur informed the Board that his firm is eliminating

approximately one-third of the office space that is currently being used. Mr. Baur explained that that way the Administrators work within his company has changed for the long-term and the upcoming lease renewal was an opportune moment to jettison the unused space.

b. Resource Centers Fee Increase Letter

Mr. Baur presented the Board with a Fee Increase Letter which was reviewed in detail with the Board. Mr. Baur noted that his firm has not asked for an increase in over 12 years. Trustee Julie Mitchell inquired as to why no increases have been asked for in 12 years, which Mr. Baur explained that it was due to staffing changes that had an impact on the Plan. Mr. Baur and the Trustees had a detailed conversation regarding the increase and how the increase was calculated. The Trustees then discussed the new fee request and had a discussion adding in an annual COLA.

MOTION:

Secretary Bernard Ward made a motion to approve the \$600 Resource Centers Retainer Fee subject to contract modification and for Fiscal Year end 2023, add an annual COLA that is tied to the CPI-U with an effective date of October 1, 2023. The motion received a second from Board Member Julie Mitchell, which carried by a 5-0 vote.

MOTION:

Secretary Bernard Ward made a motion to authorize Attorney Bonni Jensen to draft the Resource Centers Contract Modification. The motion received a second from Board Member Michelle Gload, which carried by a 5-0 vote.

c. Authorized Signer Updates

Mr. Lovingood informed the Board that he has updated Signature Authorization Forms for the Trustees to sign.

d. Pension Member Workshop

Mr. Baur informed the Board that his firm held a Pension Member Workshop on March 30, 2022 and. There were approximately 25 participants in attendance along with both Michelle Gload and Dennis Rick III. Chairman Michael Rhodes stated that he was pleased with the turnout.

MOTION:

Board Member Julie Mitchell made a motion to approve the Administrator Report. The motion received a second from Secretary Bernard Ward, which carried by a 5-0 vote.

ANY OTHER MATTER

11. Establishment of DROP

The Pros and Cons DROP review produced by GRS was reviewed by the Board. It was noted that this inquiry was made by the previous Finance Manager and the Village as a new Finance Manager named Jeff Snyder. Attorney Bonni Jensen explained the DROP to the Board and clarified the Pro and Con letter included in the Board Meeting Packet with the Trustees.

The Board discussed implementing a cap on the COLA for the new Administrator Fee Agreement.¹

MOTION:

Secretary Bernard Ward made a motion to amend the annual COLA for the Resource Centers to have a maximum of 3%. The motion received a second from Board Member Julie Mitchell, which carried by a 5-0 vote.

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 August 1, 2022, at 12:00 p.m.

There being no further business, Board Member Julie Mitchell made a motion to adjourn the Board Meeting at 12:12 p.m. The motion received a second from Board Member Michelle Gload, which carried by a 5-0 vote.

Secretary, Village of Tequesta General Employees' Pension Plan

¹ Section 10-B Resource Centers Fee Increase Letter