

**VILLAGE OF TEQUESTA GENERAL EMPLOYEES' PENSION TRUST FUND**  
**REGULAR BOARD MEETING MINUTES**  
**May 1, 2023.**

**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 1, 2023. Board Member Bernard Ward called the meeting to order at 8:32am.

**ROLL CALL**

A roll call was requested by Bernard Ward. In attendance at the meeting were: Board Member Bernard Ward, Member Michelle Gload, Board Member Dennis Rick, and Board Member Julie Mitchell (8:36am).

Also, in attendance were Attorney Bonni Jensen, Pension Administrator A.C. Lovingood, Bank Custodial Bank Relationship Manager Mindy Johnson, and Investment Monitor Jennifer Gainfort.

**EXTRAORDINARY CIRCUMSTANCES FOR TRUSTEES JOINING ELECTRONICALLY**

All Trustees were physically present.

**APPROVAL OF AGENDA**

The Board reviewed the agenda for approval.

**MOTION:**

Board Member Dennis Rick made a motion to approve the agenda as amended. The motion received a second from Board Member Michelle Gload, which was carried by a 3-0 vote.

**PUBLIC COMMENT**

There were no public comments.

**APPROVAL OF MINUTES**

**1. Regular Quarterly Meeting Minutes – February 6, 2023.**

The Board reviewed the Regular Quarterly Meeting Minutes dated February 6, 2023. The Board noted some minor changes and corrections in the draft minutes.

**MOTION:**

Board Member Michelle Gload made a motion to approve the Regular Quarterly Board Meeting Minutes dated February 6, 2023, as amended. The motion received a second from Board Member Julie Mitchell, which was carried by a 4-0 vote.

## PRESENTATIONS

### **2. Fiduciary Trust Annual Presentation – Mindy Johnson, Fiduciary Trust**

Mindy Johnson thanked the Board for allowing her to come introduce herself and review Fiduciary Trust's Annual SOC1 Audit Report. Mrs. Johnson provided the Board with an overview of her 20 years of banking and trust experience and informed the Board of Trustees that she is the Plan's new Relationship Manager. Mrs. Johnson then presented the Board with the Fiduciary Trust SOC 1 Type 2 Audit Report. The Auditor, Price Waterhouse Coopers review of Fiduciary Trust's policies, controls, and procedures resulted in a clean, unqualified opinion. Attorney Bonni Jensen noted the controls that Fiduciary Trust has in place and Plan Administrator A.C. Lovingood reviewed the signature and callback process with the Board, noting that Fiduciary Trust is very thorough with ensuring that all of the information is correct before processing a payment to a member. Mrs. Johnson then reviewed a few highlights of the Audit with the Trustees and concluded her presentation by thanking the Board for being a long-term client of Fiduciary Trust and that she looks forward to working with the Plan and the Plan's Service Providers.

#### **MOTION:**

Board Member Julie Mitchell made a motion to approve the Fiduciary Trust Annual Presentation as presented. The motion received a second from Board Member Dennis Rick, which was carried by a 4-0 vote.

### **3. AndCo Investment Monitor – Jennifer Gainfort, AndCo**

#### **a. Quarterly Performance Report as of December 31, 2022**

Jennifer Gainfort started her presentation by reviewing the current market environment with the Board of Trustees. Ms. Gainfort reported that the US Federal Reserve Bank continued to increase interest rates during the quarter with two successive 0.25% increases in the Fed Funds rate for the months of January and February. The Federal Reserve's policy remains aggressive on fighting the current high inflation rate. The US labor market continues to show resilience with adding approximately 236,000 jobs during the 1<sup>st</sup> quarter, bringing the unemployment rate down to 3.50% in the month of March. US equities moved broadly higher during the quarter, despite concerns regarding stubbornly high inflation, the potential for additional rate hikes, slowing global GDP growth, and shaken confidence in the global banking system. International stocks also experienced strong returns for the quarter. Performance across the domestic Bond market sectors was positive for the quarter, which was led by corporate investment grade bonds. Global Bonds slightly outperformed domestic fixed income in the quarter, this was due to a combination of higher coupons and narrower credit spreads. The US Treasury Bonds rebounded this quarter as yields at longer maturities fell and investors fled to safety amidst troubles in the banking sector. Ms. Gainfort then explained the banking issues that led to the liquidity issues at First Republic Bank, Silicon Valley Bank, and Signature Bank. The Market Rate and Yield Curve Comparison was reviewed in detail with the Board of Trustees with Ms. Gainfort noting that the yield curve for the Short-Term and Long-Term rates remain inverted and historically, a persistent inversion of these two key rates has been a precursor of an economic recession within 6 to 24 months.

Ms. Gainfort reported that on December 31, 2022, the Plan had \$8,231,768.00 and closed out the quarter on March 31, 2023, at \$8,602,862. The Asset Allocations were reviewed in detail with the Board and Ms. Gainfort noted that the allocations remain in-line and that there is no need to rebalance at this time. The Financial Reconciliation for the Quarter Ending March 31, 2023, was then reviewed in detail with the Trustees. The Plan had returns totaling 4.01% for the quarter, compared to the benchmark rate of 4.94%. The Fiscal-Year-To-Date Returns were 9.97%, compared to the benchmark rate of 10.99%. The One-Year Rolling Returns for the Plan was -5.64%, compared to the benchmark of -5.59%. The Five-Year trailing returns for the plan was 6.29 %, compared to the benchmark rate of 7.20%, and since inception, the returns totaled 6.30%, beating the benchmark rate of 6.08%. Ms. Gainfort then reviewed the returns of each investment manager in detail, noting

that Dana Investments was lower due to a shift from value. Ms. Gainfort concluded her presentation by informing the Board that as of market close on Friday, April 28, 2023, the Plan's value was up and closed with a portfolio value of \$8.65 Million.

**MOTION:**

Board Member Julie Mitchell made a motion to approve the AndCo Investment Performance Report Dated March 31, 2023, as presented. The motion received a second from Board Member Michelle Gload, which was carried by a 4-0 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 1ST, 2023				
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 13, 2023	Pension Resource Center Administrative Fee- February 2023 invoice 19908	1524	\$	- 1,403.28
February 13, 2023	Klausner, Kaufman, Jensen & Levinson Legal Services rendered through 01/31/23 invoice 32109	1525	\$	300.00
March 16, 2023	Pension Resource Center Administrative Fee- March 2023 invoice 19968	1526	\$	1,401.64
March 16, 2023	Dana Advisors, Inc. (1087cb) Investment Management Fee for QE 12/31/22	1527	\$	1,034.76
March 16, 2023	Dana Advisors, Inc. (1087cc) Investment Management Fee for QE 12/31/22	1528	\$	3,352.92
March 16, 2023	Klausner, Kaufman, Jensen & Levinson Attorney Fees for February 2023 invoice 32286	1529	\$	975.00
April 19, 2023	Pension Resource Center Administrative Fee- April 2023 invoice 20029	1530	\$	1,444.94
April 19, 2023	Klausner, Kaufman, Jensen & Levinson Legal Services rendered through 03/31/23 invoice 32474	1531	\$	1,407.50
April 19, 2023	Gabriel, Roeder, Smith & Company Invoice 477845 dated 04/05/23	1532	\$	15,335.00
April 19, 2023	Gehring Group, Inc. Invoice I-074051- Fiduciary Liability Policy #105999206 Policy Period: 10/01/22-11/01/22	1533	\$	152.70

**TOTAL:**

**\$ 26,807.74**

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

- Leanne Libbey – *Hired 02-13-2023*
- Barrett Steinhauser – *Hired 02-15-2023*
- Bret Bowers – *Hired 03-07-2023*
- Patrick Madsen – *Rehired 04-03-2023 (Original Hire Date: 10-27-2015)*

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

- Simon Jamason – Terminated 05-10-2016 (*Nonresponsive*)
- Edward Black – Terminated 01-05-2018 (*Nonresponsive*)
- Jennie Dilsa – Terminated 05-01-2020 (*Notification Letter: 1<sup>st</sup> sent 10-26-2021, 2<sup>nd</sup> sent 01-31-2023*)
- Meghan Arango-Lorick – Terminated 09-30-2020 (*Member was sent Refund forms on 04-23-2021, Notification Letter: 2<sup>nd</sup> sent 01-31-2023*)
- Kathleen Maloney-Pollack – Terminated 02-04-2022 (*Notification E-Mail: 1<sup>st</sup> sent 07-07-2022, 2<sup>nd</sup> sent 01-31-2023*)
- Michelle Thomas – Terminated 03-15-2022 (*Notification Letter: 1<sup>st</sup> sent 06-22-2022, 2<sup>nd</sup> sent 01-31-2023*)
- Donn Fowler Jr. – Terminated 06-10-2022 (*Notification Letter: 1<sup>st</sup> sent 06-22-2022, 2<sup>nd</sup> sent 01-31-2023*)
- Richard Martin – Terminated 06-22-2022 (*Notification Email: 1<sup>st</sup> sent 05-11-2022 – Incomplete Refund Application Submitted 07-19-2022, Follow-up sent 01-31-2023*)
- Matthew Hammond – Terminated 07-01-2022 (*Notification Email: 1<sup>st</sup> sent 07-05-2022, 2<sup>nd</sup> sent 01-31-2023*)
- Alexander Ferman – Terminated 08-05-2022 (*Notification Email: 1<sup>st</sup> sent 08-06-2022, 2<sup>nd</sup> sent 01-31-2023*)
- Lisa Conti – Terminated 02-01-2023 (*Notification Email: 1<sup>st</sup> sent 02-01-2023*)

**7. Benefit Approvals:**

***Tequesta General Employees' Pension Fund***

**Benefit Approvals**

**Meeting of May 1, 2023**

**REFUND**

**Dunkley, Hugh**

SSN	XXX-XX-XXXX
Date of Birth	XX/XX/XXXX
Pension Entry Date	09/09/2019
Termination Date	03/26/2022
Refund Amount	17,624.74
Refund Type	Rollover Distribution

**END /OF CONSENT AGENDA****MOTION:**

Board member Julie Mitchell made a motion to approve the Consent Agenda as presented. The motion received a second from Board Member Dennis Rick, which was carried by a 4-0 vote.

**OLD BUSINESS****a) Non-Responsive Terminated Non-Vested Members and Service Provider Contract Review**

The Board of Trustee noted that Service Provider Contract Review topic item and the Terminated Non-Vested Non-Responsive Member topic item were tabled at the February 6, 2023, Board Meeting and will be on the August 7, 2023, Quarterly Board Meeting Agenda.

**NEW BUSINESS****8. Attorney Update – Bonni Jensen, Klausner, Kaufman, Jensen & Levinson****a. Jensen Memo – Form 1**

Attorney Bonni Jensen reminded the Board that their annual Form 1 filings are due on July 1, 2023.

**b. Village of Tequesta Village Council Presentation Update**

Mrs. Jensen informed the Board that the Presentation to the Village Council has been postponed until May 11, 2023. Mrs. Jensen and the Board of Trustees discussed the Annual Presentation and Secretary Bernard Ward stated that if Chairman Michael Rhodes is unable to give the Presentation, that he could Present to the Village Council.

**c. Jensen Memo – Fee Increase Request**

Mrs. Jensen presented the Board with a proposed Professional Services Agreement for her legal services that would increase the hourly rate from \$300.00 per hour to \$350.00 per hour. Mrs. Jensen explained in detail how the new rate was derived and noted that 2019 was the last time that a fee increase was requested. The Trustees reviewed the Professional Services Agreement and discussed the fee increase amount. Trustee Michelle Gload suggested adding an annual Cost of Living Adjustment to the agreement. The Board requested that Mrs. Jensen provide a additional Professional Services Agreement with a COLA tied to the CPI and present both options to the Board at the August 7, 2023, Quarterly Board Meeting.

**d. Voting Proxy**

Mrs. Jensen informed the Board that she spoke to Dana Investments to vote against the protection of Corporate Officers from liability for reckless conduct should the question ever be included in the Annual Voting Proxy.

**e. House Bill 3**

Mrs. Jensen informed the Board that the legislature passed House Bill 3, which limits the Board to consider only pecuniary factors when investing the Plan's assets. Mrs. Jensen stated that the Board will need to file a new comprehensive and detailed report not later than December 15, 2023; however, the State has not defined the new reporting requirements. Mrs. Jensen stated that she would update the Board as more information regarding this report becomes available.

**MOTION:**

Board Member Julie Mitchell made a motion to approve the Attorney Report as presented. The motion received a second from Board Member Michelle Gload, which was carried by a 4-0 vote.

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

Board Member Michelle Gload presented the Board of Trustees with the Plan Accounting Reports and reviewed them in detail along with the 2022-2023 Fiscal-Year Budget. The Board of Trustees then discussed the Plan's 2023-2024 Fiscal-Year Budget in detail. Mrs. Gload concluded her presentation by informing the Board that the Plan Budget is in-line with no adjustments needing to be made at this time.

**MOTION:**

Board Member Julie Mitchell made a motion to approve the Pension Plan's 2022-2023 Fiscal Year Financial Reports as presented. The motion received a second from Board Member Dennis Rick, which was carried by a 4-0 vote.

**MOTION:**

Board Member Julie Mitchell made a motion to approve the Pension Plan's 2023-2024 Fiscal Year Budget as presented. The motion received a second from Board Member Dennis Rick, which was carried by a 4-0 vote.

**10. Administrator Report – A.C. Lovingood**

**a. Resource Centers – Administrative Updates**

A.C. Lovingood informed the Board of Trustees that the Change of Address and Direct Deposit Forms for the Plan have been updated to include the notary block as an additional level of security to protect the Plan and its members. Mr. Lovingood also informed the Board that he has taken over the processing and review of member applications while his firm trains two new Client Service Representatives.

**b. Local Checking Account Signor Update**

Mr. Lovingood informed the Board that he has obtained the required signatures to update the Plan's Authorized Signors for the local checking account.

## ANY OTHER MATTER

### 11. Pension Plan Member Workshop

The Board of Trustees requested that Mr. Lovingood explore a few dates to hold another Pension Plan Workshop.

## 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 7, 2023, at 12:00pm.

There being no further business, Board Member Julie Mitchell made a motion to adjourn the Board Meeting at 10:58am. The motion received a second from Board Member Dennis Rick, which was carried by a 4-0 vote.

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Secretary, Village of Tequesta General Employees' Pension Plan