

TEQUESTA PUBLIC SAFETY OFFICERS' PENSION TRUST FUND
REGULAR BOARD MEETING MINUTES

November 4, 2019

CALL TO ORDER

The Regular Quarterly Board Meeting of the Tequesta Public Safety Officers' Pension Trust Fund Board of Trustees was held at the Village Hall Council Chambers, 345 Tequesta Drive, Tequesta, Florida, on May 6, 2019. The meeting was called to order at 8:30 a.m.

ROLL CALL

A roll call was taken by Pension Administrator A.C. Lovingood. In attendance at the meeting were: Chairman Ed Sabin, Secretary John Terzakis, Trustee Kristopher Cowles, and Trustee Ray Giblin.

Also, in attendance were Attorney Bonni Jensen, Pension Administrators A.C. Lovingood and Scott Baur, Investment Monitor Jennifer Gainfort, and Investment Manager Georgette Baxer.

PUBLIC COMMENT

There was no public comment.

APPROVAL OF AGENDA

The Board reviewed the agenda and requested that.

MOTION:

Trustee Ray Giblin made a motion to approve the Meeting Agenda as amended for November 4, 2019. Secretary John Terzakis seconded the motion, which carried by unanimous 5-0 vote.

APPROVAL OF MINUTES

1. Tequesta Public Safety Officers' Pension Trust Fund Board of Trustees Regular Quarterly Meeting Minutes – May 6, 2019

The Board reviewed the Quarterly Meeting Minutes for August 5, 2019.

MOTION:

Trustee Ray Giblin made a motion to approve the Meeting Minutes for August 5, 2019 as presented. Secretary John Terzakis seconded the motion, which carried by unanimous 5-0 vote.

PRESENTATION

2. **ASB Real Estate Performance Report – Georgette Baxter, ASB Real Estate.**

Ms. Georgette Baxter came before the Board to present the ASM Allegiance Real Estate Fund performance. Ms. Baxter started her presentation by reviewing the firm, informing the Trustees that there has been no turnover in staff or changes in management. The firm assets under management as of September 30, 2019 was \$8.0 billion in 20 U.S. Markets with over 16.8 million

square feet in office, retail, industrial, and residential space. The three funds that ASB runs was then reviewed and Ms. Baxter informed the Board that ASB is looking into opening the Meridian Fund III. The investment objective of the ASB Allegiance Real Estate Fund is to achieve full cycle risk-adjusted out-performance through long-term net operating income growth within a core equity portfolio. The fund targets major U.S. Metros with economic growth engines, supply constraints, and demonstrated liquidity. The fund gross return since inception is 6.29%, the three-month return was -0.55% with a year to date return of 2.87% and a one-year rate of return of 4.36%. Ms. Baxter then reviewed the fifteen-year analysis of the fund with the Board. The repositioning was then reviewed, Ms. Baxter informed the Board that Barney's, an upscale Department Store, suddenly filed bankruptcy and vacated the retail building located at 15 E. Pak Street in Chicago Illinois. The building has a 100-walk score and a 92 transit score, and the plan is to turn the space into a mixed-use office and retail space in addition to maintaining restaurant use on the top floor. The portfolio took the full write down in the third quarter to account for the losses and it will take 15-18 months to stabilize the space. The Performance Prospective NOI Growth was then reviewed with the Board where Ms. Baxter noted that that commencements of approximately \$26.3 million are projected over the next four quarters. The near-term growth opportunities related to current vacancies and lease rollovers were reviewed with the Board, noting that the discounted leases that were signed during the recession are coming due for renewal. Ms. Baxter concluded her presentation by informing the Board that ASB Allegiance Real Estate Fund is a diversified portfolio of high-quality urban assets with 93% occupancy that is very well positioned for NOI growth, with active Portfolio management, moderate risk profile, and consistent leadership producing long-term track record. Chairman Ed Sabin asked Ms. Baxter to explain what Workforce Housing is. Ms. Baxter informed the Board that in the portfolio, they have some investments in Workforce Housing which is a form of government subsidized housing that is located close to large commercial, industrial, and retail sectors as a means to provide affordable housing in areas where the cost of living exceeds the ability of the local workforce. The Board thanked Ms. Baxter for your presentation.

3. Quarterly Performance Report as of September 30, 2019 - Jennifer Gainfort, And Co Consulting

Ms. Jennifer Gainfort reviewed the market stating that broad asset class returns were mixed during the 3rd quarter of 2019 with both US large cap equity and fixed income indices extending their year-to-date gains while US small cap and international indices declined. Volatility was high during the period as investors weighted the effects of the ongoing trade disruption and slowing global economic data against the announcement of several new central bank stimulus measures. Ms. Gainfort then reported the performance of the Plan to the Board. On June 30, 2019 the Plan's assets were at \$15,853,970 and as of September 30, 2019 the assets grew to \$16,370,561. The asset allocations targets were reviewed with the Board and Ms. Gainfort stated that she does not see a need to rebalance the Plan at this time. For the third quarter of 2019, the Plan had a total of \$476,599 in contributions, \$66,474 in distributions, the total expenses for the quarter was \$18,426 and \$6.188 in management fees. Income for the quarter was \$65,483 and the total capital gain for the quarter was \$65,598. For the fiscal year to date, the Plan had a total of \$1,094,748 in contributions, \$271,582 in distributions, the total expenses were \$80,012, \$25,770 in management fees, \$289,729 in income, and the total capital gains was \$266,761. For the quarter ending September 30, 2019 the trailing returns were 0.82% compared to the benchmark of 0.93%, the fiscal year to date returns were 3.55% compared to the benchmark of 4.75%. The one-year returns were 3.55% compared to the 4.75% benchmark, three-year returns were 8.17% versus the benchmark of 9.09%, five-year returns were 6.90% versus the 7.42% benchmark, and the total returns since inception was 6.71% versus the 6.86% benchmark. Ms. Gainfort then reviewed and commented on individual manager performance, stating that there are no recommendations at this time and that she does not see a need to rebalance the portfolio. Chairman Ed Sabin inquired to

what the Assumed Rate of Return is for the Pension Plan, Ms. Gainfort confirmed that the current Assumed Rate of Return is 7%.

CONSENT AGENDA

4. Ratification of Invoices Paid Since Last Quarterly Meeting

The Board reviewed the ratification of invoices paid since last quarterly meeting.

VILLAGE OF TEQUESTA PUBLIC SAFETY PENSION FUND			
WARRANT - PAID INVOICES			
NOVEMBER 4TH, 2019			
TO:	Resource Centers, Plan Administrator		
FROM:	Board of Trustees		
Paid by Custodian:			
Fiduciary Trust International			\$ 2,403.81
Custodian Fees for QE 09/30/19			
Date	Payee/Description	Check Number	Amount
-			-
August 15, 2019	Pension Resource Center Administrative Fees- August 2019	1373	\$ 950.00
August 15, 2019	Garcia Hamilton & Associates Management Fees for QE 6/30/19	1374	\$ 1,872.44
August 15, 2019	Gabriel Roeder Smith & Company Actuarial Services Rendered through 06/30/19	1375	\$ 5,900.00
August 15, 2019	Klausner Kaufman Jensen & Levinson Legal Services Rendered through 07/31/19	1376	\$ 1,351.50
September 12, 2019	Pension Resource Center Administrative Fees- September 2019	1377	\$ 950.00
September 12, 2019	Klausner Kaufman Jensen & Levinson Legal Services Rendered through 8/31/19	1378	\$ 1,529.75
October 11, 2019	Pension Resource Center Administrative Fees- October 2019	1379	\$ 950.00
October 11, 2019	Klausner Kaufman Jensen & Levinson Legal Services Rendered through 09/30/19	1380	\$ 371.00
October 11, 2019	AndCo Consulting Performance Monitor Fees for 2nd & 3rd Qtr 2019	1381	\$ 9,000.00
October 11, 2019	Gabriel Roeder Smith & Company Actuarial Services Rendered through 8/31/19	1382	\$ 1,500.00
October 23, 2019	Gehring Group, Inc. Fiduciary Liability Policy Renewal 10/1/19- 10/1/20	1383	\$ 4,763.79
TOTAL:			\$31,542.29

5. Reporting of New Applicants for Participation in the Pension Plan

There were no new applicants to report to the Board.

6. Approval of Withdrawal of Contributions

The Board reviewed the Refund of Contributions for Maximillian R. Lally.

7. Terminated Employees Who have Not Yet Taken Their Contributions

There were no new applicants to report to the Board.

8. Benefit Approvals for Retirements

There were no Benefit Approvals to report to the Board.

MOTION:

Trustee Ray Giblin made a motion to approve the Consent Agenda containing the Warrant dated November 4, 2019 and the Benefit Approval dated November 4, 2019 as presented. Secretary John Terzakis seconded the motion, which carried by unanimous 4-0 vote.

NEW BUSINESS

9. Legislative Update – Attorney Bonni Jensen, Klausner, Kaufman, Jensen & Levinson

A. Summary Plan Description

Attorney Bonni Jensen presented Summary Plan Description to the Board for review and informed the Board that she will be sending a clean copy. Ms. Jensen noted the managers updated on page 14 and Trustee Ray Giblin noted that the multiplier is incorrect, and that the ordinance needs to be updated to reflect the change in the multiplier. Ms. Jensen stated that she will incorporate the cancer presumption into the Summary Plan Description.

B. Jensen Memo – Divorce

Ms. Jensen reviewed the Divorce Memo with the Board that should be given out to any members who are going through a divorce. Ms. Jensen noted that the Pension Plan is not covered by ERISA, and for this reason, the Pension Plan is not required to and cannot honor Qualified Domestic Relation Orders (QDROs).

C. Police Officer Transition into Pension Plan

Ms. Jensen informed the Board that there has been several issues that came to light after the rollover of funds for all police officers opting into the Pension Plan. Some of these issues include outstanding loans on member's pension funds, excess funds from previous 401k and other retirement plans outside of the Village contributions being rolled into the Pension in error.

D. Jensen Memo – Statutory Death Benefits and Expanded Definition of Home Address

Ms. Jensen reviewed the statutory Death Benefits and Expanded Public Records Exemptions Memo with the Board. Ms. Jensen noted that effective July 1, 2019, SB 7098 increases the statutory death benefit for Public Safety Officers as follows; Accidental Death Benefit of \$75,000.00, Emergency Death Benefit of \$150,000.00, and Intentional Act Death Benefit of \$225,000.00. In addition to the statutory death benefits set forth, spouses and children are entitled to receive educational benefits, which include the waiver of tuition and educational expenses while obtaining a career certificate, undergraduate education, or post graduate education at a state educational institution. The second item that Ms. Jensen reviewed was SB248/Chapter 2019-12 noting the updated changes and exemptions for home addressed under Florida's Public Record Law, which was reviewed with the Board.

E. Jensen Memo – Changes in Tax Rules for Alimony

Ms. Jensen reviewed the Changes in Tax Rules for Alimony Memo with the Board, noting that alimony and separate maintenance payments are no longer deductible for any divorce or separation agreement executed after December 31, 2018, or for any divorce or separation agreement executed on or before December 31, 2018, and modified after that date.

ADMINISTRATIVE REPORT

10. Resource Centers Memo – Resource Centers SOC-1 Audit and Cyber Security

Scott Baur Scott Baur presented the Board with a memo regarding The Resource Centers SOC 1 Audit and Cyber Security. Mr. Baur started his discussion with Cyber Security Measures mentioned in his memo. He informed the Board that the information is only a general overview of The Resource Centers current security procedures that are in place to prevent a cyber security breach within the company. He noted that due to the Board Meeting being a public meeting per the requirements of Florida Sunshine Laws, some of the safety steps taken are not mentioned in the memo, however, if any Trustee would like more details on the steps taken, The Resource Centers would be more than happy to schedule a meeting to review these details. Mr. Baur then reviewed The Resource Centers SOC 1 Type 2 Audit noting that not all Pension Plan Administration firms have a third party come in and perform this type of audit. The SOC 1 Audit results had no findings or exceptions found, which means that all The Resource Center's Policies and Procedures are being followed correctly. Mr. Baur informed the Board that The Resource Center has \$3 Million in cyber liability coverage across three separate insurance providers and is looking into increasing the cyber liability coverage.

ANY OTHER MATTERS

11. Cyber Certificates

The Board was presented with the Cyber Security Certificates for The Resource Centers, AndCo, Klausner Kaufman Jensen & Levinson, Gabriel Roeder & Smith, and Fiduciary Trust for inspection.

ADJOURNMENT

There being no further business, the meeting was adjourned at 10:15 AM.

Respectfully submitted,
