

TEQUESTA PUBLIC SAFETY OFFICERS' PENSION TRUST FUND  
REGULAR BOARD MEETING MINUTES  
May 3, 2021

**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 Wednesday, March 3, 2021. The meeting was called to order at 1:32 p.m.

**ROLL CALL**

A roll call was taken by Pension Administrator Scott Baur. In attendance at the meeting were: Chairman Ed Sabin, Secretary John Terzakis, Trustee Kristopher Cowles, and Trustee Ray Korkowski, and Trustee Zachary Wichert.

Also, in attendance were Attorney Bonni Jensen, Pension Administrators A.C. Lovingood, Scott Baur, and Alison Lichter, Investment Monitor Jennifer Gainfort, and Member Chief Trube.

**EXTRAORDINARY CIRCUMSTANCES FOR TRUSTEES TO ATTEND 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 Secretary John Terzakis to join electronically.

**MOTION:**

**Trustee Kristopher Cowles made a motion to approve the ability for Secretary John Terzakis to join the Board Meeting electronically due to the Extraordinary Circumstances of the COVID-19 Pandemic. Trustee Zachary Wichert seconded the motion, which carried by a 3-0 vote.**

**APPROVAL OF AGENDA**

The Board reviewed the agenda.

**MOTION:**

**Trustee Zachary Wichert made a motion to approve the Meeting Agenda as amended, Trustee Kristopher Cowles seconded the motion, which carried by a 4-0 vote.**

**PUBLIC COMMENT**

There were not public comments at this time.

**APPROVAL OF MINUTES**

1. Tequesta Public Safety Officers' Pension Trust Fund Board of Trustees Regular Quarterly Meeting Minutes – March 3, 2021.

The Board reviewed the minutes dated March 3, 2021.

**MOTION:**

**Trustee Kristopher Cowles made a motion to approve the Meeting Minutes for December 2, 2020 as amended. Secretary John Terzakis seconded the motion, which carried by a 4-0 vote.**

## **PRESENTATION**

### **2. 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.

### **3. Quarterly Performance Report as of March 31, 2021 – Jennifer Gainfort, AndCo Consulting**

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. The Pension Fund assets had a total market value of \$21,278,706 on December 31, 2020 and closed with a total market value of \$22,055,930 as of March 31, 2021. For the first quarter, the Plan had a total of \$201,900 in contributions, \$101,208 in distributions, management fees of \$4,370, and other expenses of \$15,520, income of \$66,516, and capital gains of \$629,906 resulting in an ending balance of \$22,055,930 as of March 31, 2021. For the quarter ending March 31, 2021, the Plan earned 3.26% beating the benchmark of 3.04%. For the Fiscal-Year-To-Date, the Plan earned 13.93%, beating the benchmark rate of 13.77%. For the One-Year trailing returns, the Plan earned 37.22% compared to the benchmark rate of 37.53%. The Three-Year trailing returns were 10.58%, compared to the 11.58% benchmark, the Five-Year returns were 10.49%, compared to the benchmark rate of 11.56%, and since inception, the Plan has earned 7.51%, trailing the benchmark rate of 7.72% by 0.21%.

Ms. Gainfort then reviewed the individual managers performance in detail with the Board. Mrs. Gainfort then reviewed the Plan's Asset Allocation and noted that the Plan is out of compliance in Domestic Equity, noting this is due to how well this sector has been doing in the markets. The Plan is underweight the most in Real Estate and Domestic Fixed Income. Mrs. Gainfort then made the recommendation to take 2.5% from Domestic Equity and transfer those funds into Fixed Income, which would be a total of \$575,000 being invested in the Fixed Income Fund and 3.5% from Domestic Equity to fund an additional commitment to ASB Real Estate Fund, which would total \$800,000. Mrs. Gainfort informed the Board that Real Estate has started to become more stable and ASB Real Estate has been doing well in the recent quarter and that the fund does their capital calls once a quarter and that after the last Board Meeting, ASB did not have a que at this time. Trustee Kristopher Cowles inquired about interest rates and the affect that it has on the Domestic Fixed Income sector. Mrs. Gainfort explained the reasons for moving funds over the Domestic Fixed Income to get the Plan back in compliance. There was a detailed conversation between Mrs. Gainfort, Attorney Bonni Jensen, and the Trustees regarding how the Plan should reallocate the funds to get back into compliance with Secretary John Terzakis noting that he feels comfortable with rebalancing into ASB Real Estate only. The Board then discussed how to get the Plan into compliance through till the next Board Meeting.

## **MOTION:**

**Trustee Kristopher Cowles made a motion to approve the portion of Mrs. Gainfort's recommendation to move 3.5% from Domestic Equity and invest those funds into ASB Real Estate, but not to move any funds from Domestic Equity to Domestic Fixed Income. The motion received a second from Trustee John Terzakis, which carried by a 4-0 vote.**

Attorney Bonni Jensen inquired if there is a que for ASB real Estate if the Board will need to meet? Mrs. Gainfort confirmed that the Board would need to meet and will follow up as soon as possible in the event that a special Board Meeting is required.

**CONSENT AGENDA:**

- 4. Ratification of Invoices Paid Since Last Quarterly Meeting**
- 5. Reporting of New Applicants for Participation in the Pension Plan**

There were no new applicants to report to the Board.

- 6. Terminated Employees Who Have Not Yet Taken Their Contributions**

There were no new applicants to report to the Board.

- 7. Benefit Approvals for Retirements**

Chairman Ed Sabin explained the con.

**MOTION:**

**Trustee Zachary Wichert made a motion to approve the Consent Agenda as presented. Trustee Kristopher Cowels seconded the motion, which carried by a 4-0 vote.**

At 1:57pm Trustee Ray Korkowski jointed the Board Meeting.

**NEW BUSINESS:**

- 8. ATTORNEY UPDATE – Attorney Bonni Jensen, Klausner, Kaufman, Jensen & Levinson**

**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.

- 9. ADMINISTRATIVE REPORT:**

**A. Fiscal Year 2020 Admin Expense Report and Fiscal Year 2022 Budget**

This item has been tabled till the next Board Meeting.

**B. FPPTA Upcoming Events**

Mr. Lovingood reviewed the upcoming FPPTA Upcoming Events with the Board. Mr. Lovingood notified the Trustees that if they are interested in attending the FPPTA Annual Conference in Orlando to let him know so that he can register the Trustee and have that fee paid in advance. Mr. Lovingood also noted that the Trustees who do wish to attend do not need to wait for the FPPTA's registration to open as the hotel is accepting reservations at this time.

**C. Member Workshops**

Mr. Lovingood 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 several years ago. Trustee Ray Korkowski noted that the Police Officers would be very interested in a workshop regarding the Pension Plan. Mrs. Alison Lichter noted that some other municipalities include the Plan Workshops into new hire orientation.

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

This matter was tabled till the next Board Meeting.

#### **10. OTHER MATTERS:**

##### **A. Chief Trube**

Chief Trube informed the Board that he receives a \$6,000.00 a year "General Expense All" stipend; however, he does not submit any receipts for this stipend and is not a traditional expense account. Chief Trube then reviewed the definition of Pensionable Wages with the Board and noted that the \$6,000.00 annual stipend is not described in the definition, and it does not fall into any of the excluded categories. Attorney Bonni Jensen explained that the Village believes that this stipend is an allowance and therefore is not pensionable wages. Mrs. Jensen then noted that her understanding that the Chief Trube's contract is the same contract that was used for the prior contract. The contract does not determine if the \$6,000.00 is or is not pensionable. Trustee Ray Korkowski explained the clothing allowance given to Police Officers to cover the costs of cleaning the uniforms and a boot allowance. There was a lengthy discussion regarding the stipend in question and what those funds are for, how it's listed on the pay stub, and that there were no deductions made from the stipend into the Pension Plan, along with the Village's response. Upon conclusion of the discussion, Chairman Ed Sabin stated that the Board does not have the authority to decide if the stipend is pensionable wages or not with the information provided; however, he does see the point that is being brought to the Board's attention. Chief Trube then presented the calculation of sick and vacation time to the Board and inquired as to what the amount should be and if certifications should be included due to the Village basing his sick and vacation payout on his base pay only. Attorney Bonni Jensen explained how the Plan uses the time; however, the rate is determined by the Village via a policy or contractual agreement.

##### **B. Share Accounts**

Attorney Bonni Jensen reviewed the creation of the Share Accounts and the arbitration agreement between the effected members and the Village. Mrs. Jensen also informed the Board that there is a pending Ordinance that is supposed to be approved in the coming weeks and that she hopes to have the Ordinance at the next Board Meeting.

##### **C. Trustee Seats**

Chairman Ed Sabin confirmed with Secretary John Terzakis that this is last Board Meeting as his term is expiring and Mr. Sabin informed the Board that he is moving and will need to step down upon moving as his seat requires him to be a resident of the Village. Mr. Lovingood reminded the Board that John Terzakis' seat is the 5<sup>th</sup> Trustee seat.

#### **PUBLIC COMMENT**

Mr. Lovingood informed the Board that no public comments or questions.

#### **ADJOURNMENT**

There being no other busines to discuss the meeting was adjourned at 2:50pm.

Respectfully submitted,

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Board Member  
Village of Tequesta Public Safety Officers' Pension Plan