

TEQUESTA PUBLIC SAFETY OFFICERS' PENSION TRUST FUND
REGULAR BOARD MEETING MINUTES
November 1, 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 Tuesday, November 1, 2021. The meeting was called to order at 1:01pm.

ROLL CALL

A roll call was taken by Pension Administrator A.C. Lovingood. In attendance at the meeting were: Trustee Kristopher Cowles, Trustee Ray Korkowski, and Trustee Rick Sartory.

Also, in attendance were Attorney Bonni Jensen, Pension Administrator A.C. Lovingood, Investment Monitor Jennifer Gainfort, and ASB Real Estate Investment Manager Georgette Baxter.

EXTRAORDINARY CIRCUMSTANCES FOR TRUSTEES TO ATTEND ELECTRONICALLY

Zachary Wichert joined the Board Meeting Electronically due to possible exposure to COVID-19. Attorney Bonni Jensen informed the Board that this falls under extraordinary circumstances and the Board will need to vote to allow Zachary to attend virtually.

MOTION:

Chairman Kristopher Cowles made a motion to allow Zachary Wichert to join the Board Meeting electronically due to the COVID-19 Pandemic. Secretary Ray Korkowski seconded the motion, which carried by a 3-0 vote.

APPROVAL OF AGENDA

The Board reviewed the agenda.

MOTION:

Trustee Rick Sartory made a motion to approve the Meeting Agenda as presented. Chairman Kristopher Cowles seconded the motion, which carried by a 4-0 vote.

PUBLIC COMMENT

There were no members of the public present to comment.

APPROVAL OF MINUTES

1. Tequesta Public Safety Officers' Pension Trust Fund Board of Trustees Regular Quarterly Meeting Minutes – August 2, 2021.

The Board reviewed the Quarterly Meeting Minutes for August 2, 2021.

MOTION:

Chairman Kristopher Cowles made a motion to approve the Meeting Minutes for August 2, 2021 as presented. Secretary Ray Korkowski seconded the motion, which carried by a 4-0 vote.

PRESENTATION

2. Quarterly Performance Report as of September 30, 2021 – *Georgette Baxter, ASB Real Estate*

Georgette Baxter started her presentation with reviewing her firm along with the office and retail dispositions of portfolio. Mrs. Baxter then reviewed the industrial, multifamily, and self-storage acquisitions with the Board and noted that ASB Real Estate has a major focus on workforce housing sector. As of September 30, 2021, the Fund's total gross assets were at \$7.9 billion, net assets of \$6.2 billion, with 79 separate investments with a total of 274 properties totaling over 18.6 million square feet of real estate. The Fund has over 325 investors with a leverage of 22.5%. Mrs. Baxter informed the Board that three years ago, the leverage was at 12% and the Fund's current property occupancy rate is at 95%. Mrs. Baxter then reviewed the diversification of the Fund with the Board along with the moderate risk profile and the major geographic exposure. Mrs. Baxter then reviewed the trimming of retail and office space with the Board and noted that self-storage is a very popular and high demand sector. Mrs. Baxter concluded her presentation by reviewing the ASB Allegiance Fund Capital Summary as of October 1, 2021, in detail with the Board. Attorney Bonni Jensen inquired about the disposition of Data Centers, Mrs. Baxter informed the Board that ASB Real Estate has exited the Data Center Real Estate Sector.

3. Quarterly Performance Report as of September 30, 2021 – *Jennifer Gainfort, AndCo Consulting*

Jennifer Gainfort started her presentation by reviewing the market environment executive summary with the Board. The Pension Fund assets had a total market value of \$23,474,508 on June 30, 2021, increasing to \$23,835,231 as of September 30, 2021. For the fourth quarter, the Plan had a total of \$459,691 in contributions, \$70,099 in distributions, management fees of \$7,041, other expenses of \$14,701, income of \$68,297, and capital loss of \$75,424 resulting in an ending balance of \$23,835,231 on September 30, 2021. For the quarter ending September 30, 2021, the Plan earned 0.01% compared to the benchmark of 0.27%. For the One-Year trailing returns, the Plan earned 20.90% compared to the benchmark rate of 20.80%. The Three-Year trailing returns were 10.92%, compared to the 11.78% benchmark, the Five-Year returns were 10.78%, compared to the benchmark rate of 11.60%, and since inception, the Plan has earned 7.67%, compared to the benchmark rate of 7.87%. Ms. Gainfort then reviewed the individual managers performance with the Board. Chairman Kristopher Cowles made an inquiry regarding Gharcia Hamilton, Mrs. Gainfort informed the Board that Garcia Hamilton is a high-quality investment, however the past three quarters show that this investment has not been doing very well compared to the benchmark, due to the poor performance, Garcia Hamilton on the watch list.

MOTION:

Secretary Ray Korkowski made a motion to approve the AndCo Performance Report for the Quarter Ending September 30, 2021 as presented. Trustee Rick Sartory seconded the motion, which carried by a 4-0 vote.

CONSENT AGENDA:

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

MOTION:

Secretary Ray Korkowski made a motion to approve the Consent Agenda as presented. Trustee Rick Sartory seconded the motion, which carried by a 4-0 vote.

NEW BUSINESS:

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

- A. **Jensen Memo – Federal Death Benefit and COVID Memo 2021:** Ms. Jensen informed the Board that her firm has had several active member deaths from COVID-19 and wanted to review the Federal Death Benefit and COVID Memo with the Board once again. Mrs. Jensen reviewed the requirements and the presumptions in order to qualify for this benefit.
- B. **Jensen Memo – Federal, State, and Local Death Benefits:** Mrs. Jensen reviewed the Jensen Memo regarding the Federal, State, and Local Death Benefits with the Board.
- C. **Ordinance Restatement:** Mrs. Jensen informed the Board that she will start working on the restatement of the Pension Plan Ordinance due to recent changes to IRS Tax Code and the amendment to the DROP Policy by the Actuary.

MOTION:

Chairman Kristopher Cowles made a motion to grant the Firefighters' Local 2928 Union to utilize the Pension Plan's Actuary for the purpose of providing an Impact Statement. Secretary Ray Korkowski seconded the motion, which carried by a 3-0 vote.

9. ADMINISTRATIVE REPORT:

- A. **Fiduciary Trust:** Mr. Lovingood informed the Board that a question came up regarding the ability to have insurance premiums deducted from one's monthly Pension. Mr. Lovingood informed the Board that he inquired with Fiduciary Trust to see if that was a capability, which Fiduciary Trust confirmed is possible. Attorney Bonni Jensen noted that she does not believe that the Ordinance has language that would allow these deductions.

MOTION:

Chairman Kristopher Cowles made a motion to approve the 2022 Board Meeting Schedule as presented. Trustee Rick Sartory seconded the motion, which carried by a 3-0 vote.

10. OTHER BUSINESS:

- A. **5th Trustee Seat:** With Four Trustees being present, the Board discussed the Fifth Trustee Seat.

MOTION:

Secretary Ray Korkowski made a motion to appoint Peter Allen to the Fifth Trustee Seat. Trustee Rick Sartory seconded the motion, which carried by a 4-0 vote.

- B. **Ryan Cook:** Mr. Lovingood informed the Board that former Police Officer Ryan Cook expressed concern about being notified about his Refund of Contribution Form being found on a printer within the Police Department. Secretary Ray Korkowski explained the issue in detail with the Board, noting that the printer in question is in a restricted area within the Police Department.

PUBLIC COMMENT

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

ADJOURNMENT

There being no other business to discuss the meeting was adjourned at 2:16pm.

Respectfully submitted,

Secretary Ray Korkowski
Village of Tequesta Public Safety Officers' Pension Plan