

TEQUESTA PUBLIC SAFETY OFFICERS' PENSION TRUST FUND
REGULAR BOARD MEETING MINUTES
August 1, 2022

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 Monday August 1, 2022. The meeting was called to order at 8:31AM.

ROLL CALL

A roll call was taken by Pension Administrator Scott Baur. In attendance at the meeting were: Chairman Kirstopher Cowles, Trustee Zachary Wichert. Trustee Rick Sartory, and Trustee Peter Allen

Also, in attendance were Attorney Bonni Jensen, Pension Administrators A.C. Lovingood and Scott Baur, Investment Monitor Jennifer Gainfort, Village Finance Director Jeffrey Snyder, Village Director of Human Resources and Risk Management Merlene Reid, and Firefighter Union Representative Jason Fawcett.

EXTRAORDINARY CIRCUMSTANCES FOR TRUSTEES TO ATTEND ELECTRONICALLY

All Trustees were physically present.

APPROVAL OF AGENDA

The Board reviewed the agenda and had no modifications.

MOTION:

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

PUBLIC COMMENT

There was no public comment at this time.

APPROVAL OF MINUTES

1. Tequesta Public Safety Officers' Pension Trust Fund Board of Trustees Regular Quarterly Meeting Minutes – May 2, 2022.

The Board reviewed the Quarterly Meeting Minutes for May 2, 2022.

MOTION:

Trustee Rick Sartory made a motion to approve the Meeting Minutes for May 2, 2022 as amended. Trustee Peter Allen seconded the motion, which carried by a 4-0 vote.

PRESENTATION

2. Quarterly Performance Report as of December 31, 2020 – *Jennifer Gainfort, AndCo Consulting*

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 there is no need to rebalance at this time. The Pension Fund assets had a total market value of \$23,768,612 on March 31, 2022 and closed with a total market value of \$21,085,730 on June 30, 2022. For the second quarter, the Plan had a total of \$148,368 in contributions, \$320,788 in distributions, management fees of \$6,653, and other expenses of \$28,102. Income for the quarter totaled \$70,813 and capital losses totaled \$2,524,520, resulting in an ending balance of \$21,085,730 on June 30, 2022. For the quarter ending June 30, 2022, the Plan earned -10.45%, compared to the benchmark of -10.35%. The Fiscal-Year-To-Date trailing returns was -10.52%, compared to the benchmark rate of -10.20%. The One-Year trailing returns was -10.51% compared to the benchmark rate of -9.96%. The Three-Year trailing returns were 5.94%, compared to the 6.52% benchmark, the Five-Year returns were 6.78%, compared to the benchmark rate of 7.34%, and since inception, the Plan has earned 6.63%, compared to the benchmark rate of 6.84%. Ms. Gainfort then reviewed the Plan's asset allocation by asset class with the Board, noting that ASB Real Estate did very well for the quarter earning 4.51%, which was just shy of the benchmark rate of 4.55% and for Fiscal-Year-To-Date, ASB Real Estate has earned 23.42%. Ms. Gainfort concluded her presentation by informing the Board that since the end of June 30th quarter, the markets have recovered some for the month of July.

Chairman Kristopher Cowles asked about the fees that the Plan is paying and also inquired if the Board should consider diversifying the Euro Pacific Growth Strategy by adding an International Value Manager. Ms. Gainfort stated that she will bring some International Value Equity Manager Options to the next Board Meeting for the Board to consider.

CONSENT AGENDA:

3. Ratification of Invoices Paid Since Last Quarterly Meeting

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

There were no new applicants to report to the Board.

5. Terminated Employees Who Have Not Yet Taken Their Contributions

There were no new applicants to report to the Board.

6. Benefit Approvals for Retirements

The Board reviewed the Consent Agenda.

MOTION:

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

NEW BUSINESS:

There was no new business to discuss at this time.

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

A. Jensen Memo – IRS Milage Rate for Remainder of 2022

Attorney Bonni Jensen presented the Board with a Memo regarding the Internal Revenue Service releasing its updated Standard Mileage Rate for the final six months of 2022. The new rate is \$0.625 per mile for miles driven on or after July 1, 2022. The rate increased by \$0.04 from the rate effective at the start of the year.

B. 2022 Tequesta PSO Plan Restatement - Draft

Mrs. Jensen provided a draft of the Public Safety Officers' Pension Fund to the Board.

C. Interim Firefighters

Mrs. Jensen advised the Board that the Interim Firefighters job description and requirements met the definition of a Plan Member as a condition of employment with the Village. The Village also concluded that the Interim Firefighters should have been member of the Pension Plan. Mrs. Jensen went on and informed the Board that those members affected by this situation will owe some additional contributions to the Plan along with the Village owning contributions as well. The Plan is still waiting on the salary information from the Village with regards to the seven Interim Firefighters and that the Village informed the Plan that these Interim Firefighters earned minimum wage, so the actual contributions would have been minimal.

Firefighter Union Representative, Jason Fawcett came before the Board and stated that he too was an impacted Interim Firefighter and gave the Board detailed examples of how the Interim Firefighter designation has affected the seven Firefighters within the Fire Department along with how having these Firefighters' time recorded correctly would impact their Pensions upon retirement.

There was a detailed discussion regarding time served, contributions and the accrual multiplies for the affected Interim Firefighters on how the Plan should move forward with making these corrections. Merlene Reid with the Village agreed that the Interim Firefighters met the criteria for inclusion in the Pension Plan, but details have not yet been resolved. Mrs. Jensen informed the Board that this matter does not require any action by the Board at this time.

8. ADMINISTRATIVE REPORT:

A. Enrollment and Beneficiary Forms

Albert Lovingood presented the Board with the updated Enrollment and Beneficiary Forms that his firm had updated for the Plan. Mr. Lovingood noted that the Enrollment Form and Beneficiary Form were once a single document that the Village gave to each new hire and that those two parts have since been separated. Mr. Lovingood also stated that the Beneficiary Form now has a section where members and list email addresses as an additional way to contact the beneficiary.

B. 2023 Meeting Schedule

Mr. Lovingood presented the Board with the 2023 Board Meeting Schedule.

C. Fiduciary Liability insurance Renewal

Mr. Lovingood informed the Board that he has not received the quotes for the Fiduciary Liability Insurance Renewals from the brokers. Mr. Lovingood reviewed the 2022 Fiduciary Liability Insurance Cost for the Public Safety Plan and asked the Board if they wanted to appoint a member of the Board to have discretion to renew the Policy in-between Meetings as the Policy is set to expire on October 31, 2022.

MOTION:

Trustee Rick Sartory made a motion to give Chairman Kristopher Cowles discretion to renew the Fiduciary Liability Policy on behalf of the Board. Zachary Wichert seconded the motion, which carried by a 4-0 vote.

D. Firefighter DROP Account Interest Rate Change

Mr. Lovingood asked the Board for clarification on the effective date for the DROP Account Interest Rate Change that

was made in the Plan Ordinance effective restoratively on June 1, 2018 as the DROP Statements are produced Quarterly. Plan Attorney Bonni Jensen stated that the new interest rates should take effective after the June 30th DROP Statements.

9. OTHER BUSINESS:

A. Tequesta Public Safety Actuarial Impact Letter 03-30-2022

Mr. Lovingood informed the Board that the Actuarial Impact Letter dated March 30, 2022, regarding the recent changes to the Plan Ordinance is included in the Board Meeting Packets for the Board's review and that no action is needed by the Trustees.

B. FPPTA Annual Conference and Trustee School Discussion

Chairman Kristopher Cowles and Trustee Peter Allen gave the Board of Trustees a detailed overview of the FPPTA 38th Annual Conference that they attended. Both Mr. Cowles and Mr. Allen stated that they gained valuable information and insight by attending this Conference and both stated that the FPPTA Fall Trustee School sounded like a more in-depth educational experience that they both thought would be beneficial to the Board.

C. FPPTA Fall Trustee School

Mr. Lovingood informed the Board that the FPPTA Fall Trustee School will be held October 2, 2022 through October 5, 2022. If any Trustees are interested in attending, to please let Mr. Lovingood know so that he can register them for the school and provide them with the hotel link to reserve their room.

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 9:52am.

MOTION:

Trustee Peter Allen made a motion to adjourn the Tequesta Public Safety Officers' Pension Fund Board Meeting. Chairman Kristopher Cowles seconded the motion, which carried by a 4-0 vote.

Respectfully submitted,

Board Member
Village of Tequesta Public Safety Officers' Pension Plan