

TEQUESTA PUBLIC SAFETY OFFICERS' PENSION TRUST FUND
WORKSHOP MEETING MINUTES
May 1, 2023

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, May 1, 2023. A quorum was not achieved, and the meeting was deemed a workshop at 1:04pm.

ROLL CALL

A roll call was taken by Pension Administrator A.C. Lovingood. In attendance at the workshop were: Chairman Kristopher Cowles and Trustee Peter Allen.

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

Attorney Bonni Jensen explained to the Trustees physically present that due there not being a quorum, no motions to approve any items could take place.

PUBLIC COMMENT

There was no public comment at this time.

APPROVAL OF MINUTES

1. Tequesta Public Safety Officers' Pension Fund Board of Trustees Regular Quarterly Meeting Minutes Dated February 6, 2023

This item was tabled and will be discussed and approved at the upcoming Special Board Meeting.

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 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.

3. AndCo Investment Monitor – Jennifer Gainfort, AndCo

A. Quarterly Performance Report as of March 31, 2023

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 1st 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 \$21,615,153 and closed out the quarter on March 31, 2023, at \$22,424,036. 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 3.74% for the quarter, compared to the benchmark rate of 5.05%. The Fiscal-Year-To-Date Returns were 9.75%, compared to the benchmark rate of 11.18%. The One-Year Rolling Returns for the Plan was -6.18%, compared to the benchmark of -6.03%. The Five-Year trailing returns for the plan was 6.11%, compared to the benchmark rate of 7.02%, and since inception, the returns totaled 6.62%, compared to the benchmark rate of 6.89%. Ms. Gainfort concluded her presentation by reviewing the returns of each investment manager in detail.

Chairman Kristopher Cowles and Board Member Peter Allen thanked all the Service Providers for being present for the meeting and apologized for the lack of a quorum.

4. Consent Agenda

This item was tabled and will be discussed and approved at the upcoming Special Board Meeting.

5. ATTORNEY REPORT

A. Jensen Memo – Form 1

Attorney Bonni Jensen reminded those Trustees that were present that the annual Form 1 filings are due no later than July 1, 2023.

B. Jensen Professional Services Agreement – Fee Increase

This item was tabled and will be discussed and approved at the upcoming Special Board Meeting.

6. ADMINISTRATIVE REPORT

A. Tequesta Public Sarey 2023-2024 Plan Budget

This item was tabled and will be discussed and approved at the upcoming Special Board Meeting.

B. Jensen Professional Services Agreement – Fee Increase

This item was tabled and will be discussed and approved at the upcoming Special Board Meeting.

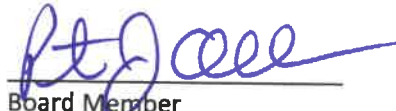
PUBLIC COMMENT

There was no public comment at this time.

ADJOURNMENT

There being no other business to discuss the meeting was adjourned at 1:42pm.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "R. J. Cole", is written over a horizontal line.

Board Member

Village of Tequesta Public Safety Officers' Pension Plan

