

TEQUESTA PUBLIC SAFETY OFFICERS' PENSION TRUST FUND
REGULAR BOARD MEETING MINUTES
August 7, 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 Thursday, August 7, 2023. The meeting was called to order at 8:35am.

ROLL CALL

A roll call was taken by Pension Administrator A.C. Lovingood. In attendance at the meeting were: Chairman Kristopher Cowles, Trustee Peter Allen, Trustee Zach Wichert, Trustee Kurt Blanc, and Trustee David Hudson.

Also, in attendance were Attorney Bonni Jensen, Pension Administrator A.C. Lovingood, and Investment Monitor Jennifer Gainfort.

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 David Hudson made a motion to approve the Meeting Agenda as presented. Trustee Kurt Blanc seconded the motion, which was carried by a 5-0 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 Special Board Meeting Minutes dated June 1, 2023.**

The Board reviewed the Special Board Meeting Minutes dated June 1, 2023.

MOTION:

Trustee David Hudson made a motion to approve the Special Board Meeting Minutes dated June 1, 2023, as presented. Secretary Peter Allen seconded the motion, which was carried by a 5-0 vote.

- 2. Tequesta Public Safety Officers' Pension Trust Fund Board of Trustees Workshop Minutes Dated May 1, 2023.**

The Board reviewed the Workshop Meeting Minutes dated May 1, 2023.

MOTION:

Trustee David Hudson made a motion to approve the Workshop Meeting Minutes dated May 1, 2023, as presented. Secretary Peter Allen seconded the motion, which was carried by a 5-0 vote.

PRESENTATIONS

1. AndCo Investment Monitor – Jennifer Gainfort, AndCo

A. Quarterly Performance Report as of June 30, 2023

Jennifer Gainfort started her presentation by reviewing the market environment for the quarter, noting the GDP growth for the year along with the expectation that the Federal Reserve will issue one more rate increase. The Consumer Price Index is currently at 3% and it is expected that the Federal Reserve will start to lower interest rates in 2024. The major market index performances for the quarter were reviewed in detail with the Board of Trustees. Ms. Gainfort noted that the weak performances in the US equity markets, and international markets are starting to roll off, resulting in more positive returns. Ms. Gainfort concluded her market review by reviewing the performance within the domestic equity index, noting that growth stocks had outperformed value for the quarter; however, the risk of a recession is still a concern. The Plan's Asset allocation by Asset Class was then reviewed with the Board of Trustees. Ms. Gainfort reported that on March 31, 2023, the plan has a total of \$22,424,036 in assets and as of June 30, 2023, the Plan's assets totaled \$22,574,104. The Plan's compliance with the asset allocations was reviewed with Ms. Gainfort noting that she has no recommendations to rebalance at this time. The Financial Reconciliation for the Quarter Ending June 30, 2023, was then reviewed in detail with the Trustees. The Plan had returns totaling a net 3.14% for the quarter, which beat the benchmark rate of 4.13%. The Fiscal-Year-To-Date Returns were a net 13.10%, compared to the benchmark rate of 15.77%. The One-Year Rolling Returns for the Plan was a net 7.92%, compared to the benchmark of 10.38%. The Five-Year trailing returns for the plan was a net 7.22%, compared to the benchmark rate of 8.25%, and since inception, the returns totaled a net 6.39%, compared to the benchmark rate of 7.04%. Ms. Gainfort then reviewed the returns of each investment manager in detail, noting that ASB Real Estate was down -6.21%, compared to the benchmark rate of -2.87% and is expected to level out in the next three to six months. Trustee Zachery Wichert asked as to why the Plan's Real Estate investment returns have been so dismal. Ms. Gainfort informed the Board that the Plan had started investing in ASB at the wrong time; however, ASB Real Estate did very well in 2022 and the fund has been repositioning itself. Right now, all Real Estate Funds have restrictions in place for distribution requests, which has made it difficult to request funds from this investment sector. Chairman Kristopher Cowles stated that the Plan should consider alternative Real Estate Investment options once the gates have been reopened. Attorney Bonni Jensen informed the Board that the Plan will need to submit a distribution request to get into the queue with a minimum of a 90-day notice to the Real Estate Manager. Chairman Kristopher Cowles requested that Ms. Gainfort bring in some alternative Real Estate investment options to consider at the next quarterly board meeting. The Board, Investment Monitor, and Plan Attorney had a detailed conversation regarding Real Estate Investments and the various options available to consider. The detailed conversation resulted in the need for Ms. Gainfort to verify if the Plan can rescind a redemption request after it has been submitted to the queue and to have ASB Real Estate give their presentation first at the November Quarterly Board Meeting. Ms. Gainfort concluded her presentation by informing the Board that as of Friday, August 4, 2023, the Plan had a total balance of \$22,800,000.00.

B. Investment Policy Statement Update

Jennifer Gainfort presented the Board with an updated Investment Policy Statement that includes several changes to comply with the recently passed House Bill 3. Ms. Gainfort reviewed the changes in detail with the Trustees, noting the reporting requirements that have been added along with the Plan only utilizing pecuniary reasons for investment choices and noted that this update has no effect on the Plan's Investments.

MOTION:

Chairman Kristopher Cowles made a motion to approve the Investment Policy Statement as amended. The motion received a second from Board Member Zachary Wichert which was carried by a 5-0 vote.

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

MOTION:

Zachary Wichert made a motion to approve the Consent Agenda as presented. Kristopher Cowles seconded the motion, which was carried by a 5-0 vote.

NEW BUSINESS:

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

Attorney Bonni Jensen introduced herself to the new Trustees and explained what her role is as the Attorney for the Pension Plan.

A. Jensen Memo – California Man Hid Mother's Death for 3 Decades to Collect Her Benefits

Attorney Bonni Jensen reviewed the New York Times article regarding a California man hiding his mother's death from the Federal Government for over three decades so that he could collect more than \$800,000.00 in benefits intended for her. Mrs. Jensen stated that this individual was able to hide his mother's death due to her passing way in Japan and that the fraud was uncovered with Medicare performed an audit on retirees over the age of 90 who have not been utilizing their health benefits. Mrs. Jensen recommended that in addition to using enhanced death search and notification products, the Plan should stay in constant communication with any retiree who lives outside of the Country as an additional safeguard to mitigate pension payments being made to a deceased member.

8. ADMINISTRATIVE REPORT:

A. FPPTA Annual Conference – Hotel Room Double charge – Peter Allen

A.C. Lovingood informed the Board of Trustees that Peter Allen's Credit Card had been charged for his hotel room stay when he attended the FPPTA Annual Conference. Mr. Lovingood reported that the Pension Plan had submitted payment prior to the Conference and that he is working on getting the issue corrected.

B. FPPTA Fall Trustee School

Mr. Lovingood informed the Board of the FPPTA Fall Trustee School and asked if any Trustees are interested in attending this conference to let him know so that he can register them for the event. The Trustees had a detailed discussion about the FPPTA Trustee Schools and Annual Conference with those Trustees who have attended the events in the past, sharing what they have learned by attending these events.

C. 52nd Annual Police Officers' and Firefighters' pension Trustees' Conference

Mr. Lovingood informed the Board of the 52nd Annual Police Officers' and Firefighters' Pension Trustee Conference will take place soon; however, the Department of Management Services has not announced the Dates of this Trustee School. Mr. Lovingood went into detail about this Trustee Conference, noting that it is specifically geared towards Public Safety Plans and reviews Chapter 175 and Chapter 185 in detail. Mr. Lovingood requested that if any Trustees are interested in attending this conference to let him know so that he can register them for the event.

D. Web Server Upgrades and Enhancements

Mr. Lovingood informed the Board that his firm had upgraded the Pension Plan Website Web Server, with this upgrade, member data is more secure due to the utilization of the latest version of Cold Fusion and noted that the upgrade required changes to the Secure File Exchange Passwords.

9. OTHER BUSINESS:

A. Interim Firefighter Update

Attorney Bonni Jensen informed the Board that there was one Interim Firefighter who had left the Village and then was subsequently rehired as a Fulltime Firefighter. Mrs. Jensen recommended that the Plan treat this situation as a break in service and with there being no contributions that were refunded to the Firefighter in question, that the Plan treat the situation as if the member's contributions had stayed in the Plan.

B. Trustee Expense Policy

The Trustee Expense Policy was reviewed by the Board with Chairman Kristopher Cowles noting that the Policy had not been updated in over 15 years. Attorney Bonni Jensen and the Board discussed the various options available along with what option would be best for the Plan. The Board of Trustees agreed to allow up to \$50.00 a day for meals based on proof of expense including travel dates.

MOTION:

Secretary Peter Allen made a motion to amend the Trustee Travel Policy to reflect the total daily Meal Expenses to be subject to a maximum daily amount of \$50.00. Chairman Kristopher Cowles seconded the motion, which was carried by a 5-0 vote.

C. November 4, 2024, Board Meeting Conflict

Mr. Lovingood informed the Board that the November 4, 2024, Quarterly Board Meeting falls on the Tuesday before the Presidential Election and the Village Council Chambers will not be available for use. Mr. Lovingood informed the Board that he will see if the Board Meeting can be held in the Emergency Operations Center in the Public Safety Building.

MOTION:

Chairman Kristopher Cowles made a motion to appoint Peter Allen to be Secretary of the Board. Trustee Kurt Blanc seconded the motion, which was carried by a 5-0 vote.

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 10:05am.

MOTION:

Trustee Kurt Blanc made a motion to adjourn the Tequesta Public Safety Officers' Pension Fund Board Meeting at 10:05am. Trustee Zach Wichert seconded the motion, which was carried by a 5-0 vote.

Respectfully submitted,

Board Member

Village of Tequesta Public Safety Officers' Pension Plan