

Village of North Palm Beach Police and Fire Pension Fund

MINUTES OF MEETING HELD

February 11, 2020

Chairman Robert DiGloria called the meeting to order at 2:00 PM in the conference room of the North Palm Beach Village Hall located at 501 US Highway One, North Palm Beach, FL. Those persons present were:

TRUSTEES PRESENT

Robert DiGloria, Chairman
Edward Ciezak
Erik Jensen – 10:05 AM
Robert Coliskey
Frank Winewski

TRUSTEES ABSENT

OTHERS PRESENT

Amanda Kish, Resource Centers
Bonni Jensen, Klausner Kaufman Jensen & Levine-2:15 PM
Steve Stack, Highland Capital
Kerry Richardville, AndCo
Jeanine Bittinger, Saltmarsh

ITEMS FROM THE PUBLIC

There were no public comments at this time.

MINUTES

The minutes from the November, 2019 had been presented for the Trustees review and approval.

Robert Coliskey made a motion to approve the minutes dated November, 2019. The motion received a second from Edward Ciezak and was approved by the Trustees 4-0.

DISBURSEMENTS

Mrs. Kish reviewed the disbursements which had been presented in the Trustees Packets.

Edward Ciezak made a motion to approve all disbursements. The motion received a second from Robert Coliskey was approved by the Trustees 4-0.

2019 AUDITED FINANCIAL REPORT

Jeannine Bittinger appeared before the Board to present the audited financial report for the plan year ending September 30, 2019. Mrs. Bittinger explained they are providing an unqualified opinion, which is the highest opinion they can register for the report. Mrs. Bittinger continued reviewing the report in detail comparing 2019 to the prior year information. Mrs. Bittinger stated she was impressed how well everyone worked together to complete the audit. The net position increased from \$25,023,061 to \$26,431,652. The employer contributions increased from \$822,951.00 to \$918,111.00 and the buyback's decreased. The investments of the plan had an decrease from \$ 1,786,862 to \$972,435.00. The plan's net pension liability was \$4,338,412. Mrs. Bittinger thanked the Board and service providers.

The auditors presented the auditor representation letter. She explained that the letter confirm that the information that was provided is accurate and reliable.

Edward Ciezak made a motion to accept the financial statements ending September 30, 2019. The motion received a second from Robert Coliskey and was approved by the Trustees 4-0.

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Erik Jensen made a motion to accept the Auditor Representation Letter a second from Frank Wineski and was approved by the Trustees 4-0.

HIGHLAND CAPITAL

Steve Stack of Highland Capital appeared before the Board to present the Quarterly Manger Report for the quarter ending December 31, 2019. He reported that the 4th quarter of 2019 had a rallied and that gains were led by technology stocks. The Federal Reserve cut interest rates. He reviewed the total return summary stating the cumulative return for the quarter was 5.90% compared to the benchmark 5.55%. The asset allocation was \$23,370,995.00 for the quarter ending December 31, 2019. Mr. Stack did not recommend any changes to the portfolio and thinks that it is positioned nicely.

ANDCO

Mrs. Richardville provided the Trustees with firm update. She stated that 2020 was big year for Andco the firm celebrated their 20th year anniversary and hired 9 new team members. 7 of the new team members went to the research department, so that the firm can better assist the clients.

Mrs. Richardville appeared before the Board to present the Investment Report for the quarter ending December 31, 2019. The Board asset classes had positive returns. Large capital equity and fixed income were positive for the quarter. The trade tension between the US and China are easing. Mrs. Richardville reviewed the compliance check list. The asset allocation increased from \$26,096,291.00 to \$27,550,128. Mrs. Richardville went on to review the quarterly report in detail explaining it was a positive return for the quarter which was 5.62%. The fiscal year date return was 5.62% compared to the benchmark of 5.85%. She further reported equities were up 8.91% below the policy of 9.50%, fixed income was up at .35% and below the policy at .18%. The managers performance for the quarter ending December 31, 2019 was as follows large cap value was up at 8.30% below the policy of 9.07%, the ADR portfolio was up at 10.85% above the policy at 10.10%, large cap growth was up 9.52% below the policy of 10.62%, and American Realty was up 1.46% above the policy of 1.53%.

Mrs. Richardville presented the Board with comparative equity analysis. She reviewed the mixes and suggested managers. The Board held a lengthy discussion regarding the suggested passive and active manager mix.

Erik Jensen made a motion to allocate 25% of the portfolio to half passive manager Vanguard 1000 growth and the remaining 25 to the active manager Highland. The motion received a second from Edward Ciezak and was approved by the Trustees 4-0.

Mrs. Richardville presented to Board with the revised Investment Policy Statement. The Board reviewed the changes.

Erik Jensen made a motion approved the Investment Policy Statement. The motion received a second from Edward Ciezak and was approved by the Trustees 4-0.

ATTORNEY REPORT

IRS Mileage Rate for 2020

Mrs. Jensen informed the Board that IRS mileage rate had a slight decrease. The new mileage rate is .57.5 which is a half a cent decrease.

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Memorandum for Florida's Secure Act and IRS Limits

Mrs. Jensen presented Secure Act and IRS Limits. The minimum required distribution has been increased to 72. The act eliminates age limits on traditional IRA contributions. The act is to help people save for retirement

Memorandum HB Fiduciary Standards for Local Officers and Appointed Officials

Mrs. Jensen presented a memo regarding Fiduciary Standards for Local Offices and Appointed Officials. The proposed bill will require 5 hours of training for each Trustee term. Mrs. Jensen informed the Board that the bill has some conflict that will need to be clarified. The bill should clarify relationship between 112.556 and this new bill.

Amendment HB 1331 Fire

Mrs. Jensen reviewed the proposed. The bill would allow a municipality that provides fire protection services to a municipal services 6 taxing unit under an interlocal agreement to receive premium tax money. She stated that the bill is getting any traction.

Notary Memo

Mrs. Jensen presented the Notary memo. The Florida notary laws changed allowing notary's to perform remote online notaries. Audio and visual communication will be required during the notary process.

ADMINISTRATORS REPORT

Salem Trust Update

Ms. Kish presented the Salem Trust transition update. She stated that should be completed in March.

Benefit Approvals

The Board reviewed the Benefit Approvals presented at the meeting.

Erik Jensen made a motion approved the Benefit approval presented on February 11, 2020. The motion received a second from Robert Coliskey and was approved by the Trustees 4-0.

Erik Jensen made a motion to adjourn the meeting at 2:50 PM. The motion received a second from Edward Ciezak and was approved by the Trustees 4-0.

Respectfully submitted,

Robert Coliskey