

Village of North Palm Beach Police and Fire Pension Fund

MINUTES OF MEETING HELD

May 12, 2020

Chairman Robert DiGloria called the virtual meeting to order at 2:00 PM. Those persons present were:

TRUSTEES PRESENT

Robert DiGloria, Chairman
Edward Ciezak
Erik Jensen
Robert Coliskey
Frank Winewski

TRUSTEES ABSENT

OTHERS PRESENT

Amanda Kish, Resource Centers
Bonni Jensen, Klausner Kaufman Jensen & Levine-
Steve Stack, Highland Capital
Kerry Richardville, AndCo
Doug Lozen, Foster & Foster

ITEMS FROM THE PUBLIC

There were no public comments.

MINUTES

The minutes from the February 2020 had been presented for the Trustees review and approval.

Robert Coliskey made a motion to approve the minutes dated February 2020. The motion received a second from and was approved by the Trustees 5-0.

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 5-0.

2019 Actuarial Valuation Report (Foster & Foster)

Doug Lozen appeared before the Board to present the October 1, 2019 Actuarial Valuation Report. Mr. Lozen stated that the employer contribution increased from 17.06% to 17.74%. The increase was due to the ordinance change. The City has prepaid contribution of \$120,873.08. The member contribution had an increase from 6.15% to 7.00%. The plan experience was less favorable than expected. The actuarial loss was due to investment return, the plan did not meet the assumed return. The actuarial loss was partially offset by more turnover than expected. Mr. Lozen reviewed the ordinance changes since the last valuation. The funding ratio with new assumption method is 86.7%. Mr. Lozen recommended the Board to continue lowering the investment return with the next valuation. The Board had a discussion regarding the lowering of the investment rate of return.

Frank Winewski made a motion to approve the October 1, 2019 Actuarial Valuation Report as presented. The motion received a second from Robert Coliskey and was approved by the Trustees 5-0.

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HIGHLAND CAPITAL

Steve Stack of Highland Capital appeared before the Board to present the Quarterly Manger Report for the quarter ending March 31, 2020. He reported that the 1st quarter of 2020 was a challenging quarter. The market has a lot of certainty because of COVID, oil prices and election year. He reviewed a report that provided a market over the last 10 years. Mr. Stack reviewed the total return summary stating the cumulative return for the quarter was -17.58% compared to the benchmark - 10.93%. The asset allocation was \$19,258,293.00 for the quarter ending March 31, 2020. Mr. Stack does not recommend any changes to the portfolio and thinks that it is positioned nicely.

ANDCO

Mrs. Richardville appeared before the Board to present the Investment Report for the quarter ending March 31, 2020. The first quarter was very violating due to COVID. Both international and Domestic Equity markets had significant losses. The. The asset allocation decreased from \$27,550,128 to \$23,119.92. The portfolio is underweight international and equities. Mrs. Richardville went on to review the quarterly report in detail for the quarter which was -16.04%. The fiscal year date return was -11.32% compared to the benchmark of -5.37%. She further reported equities were down -26.19% below the policy of -19.42%, fixed income was up at 1.20% and below the policy at 3.15%. The managers performance for the quarter ending March 31, 2020 was as follows large cap value was down at -28.18% below the policy of -26.73%, the ADR portfolio was down by -28.38% below the policy at -24.79%, large cap growth was down -16.05% below the policy of -14.10%, and American Realty was up 1.54% above the policy of 0.90%.

ATTORNEY REPORT

Memo re COVID 19 – Extension of Virtual Meeting

Mrs. Jensen informed the Board that the governor extended the allowance of virtual meetings.

Form 1

Mrs. Jensen reminded the Trustees that the Form 1 should be completed by July 1st. The form can be submitted online this year.

CARES ACT

Mrs. Jensen reviewed the recently passed CARES Act. She explained that if a person takes an early distribution the 10% penalty under IRC is waived for 2020 calendar year for any corona virus related distributions which are less than \$100,000. She reviewed the criteria that must be meet to waive the penalty.

ADMINSTRATORS REPORT

Signature Authorization Update

Ms. Kish informed the Board that the Signature form needs to be updated for Salem Trust.

Benefit Approvals

The Board reviewed the Benefit Approvals presented at the meeting.

Edward Ciezak made a motion approved the Benefit approval presented on May 12, 2020. 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 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