

VILLAGE OF PALM SPRINGS GENERAL EMPLOYEES' PENSION FUND
MINUTES OF MEETING HELD
November 5, 2013

The meeting was called to order at 2:00 P.M. at the Conference Room on the First Floor of Village Hall in Palm Springs, Florida. Those persons present were:

TRUSTEES

Vicki Van Fossen
Patti Waller
Rebecca Morse
Mariana Ortega-Sánchez

OTHERS

Bonni Jensen, Fund Counsel
Margie Adcock, Administrator
Tyler Grumbles, Monitor
Chad Little, Actuary (2:10 P.M.)
Janna Hamilton, Garcia Hamilton & Associates

WELCOME NEW TRUSTEE

The Board welcomed new Trustee Mariana Ortega-Sánchez. It was noted that Ms. Ortega-Sánchez replaced Virginia Walton who resigned from the Board effective September 1, 2013.

ELECTION OF CHAIR AND VICE-CHAIR

It was noted that the Board needed to elect a new Chair and Vice-Chair. A motion as made, seconded and unanimously carried to appoint Vick Van Fossen as the Chair. A motion was made, seconded and unanimously carried to appoint Patti Waller as the Vice-Chair.

MINUTES

The Board reviewed the minutes of the meeting held August 6, 2013. A motion was made, seconded and carried 4-0 to approve the minutes of the meeting held August 6, 2013.

Chad Little entered the meeting.

INVESTMENT MANAGER: GARCIA HAMILTON

Janna Hamilton appeared before the Board. She reviewed their investment goal and philosophy. She stated that all of the bonds in the portfolio are rated A or better. She reported on performance for the period ending September 30, 2013. The total market value of the portfolio as of September 30, 2013 was \$4,847,150. The total portfolio was up 1.2% for the quarter ending September 30, 2013 while the benchmark was up .8%. For the fiscal year to date, the total portfolio was up .7% while the benchmark was down .7%. Since inception of June 30, 2012, the total portfolio was up 3.2% while the benchmark was up .5%. Ms. Hamilton stated that while they have produced conservative returns,

their returns are better than the benchmark. She reviewed the market environment. They think rates will stay flat and slowly start to increase. She reviewed the current fixed income market factors including sentiment, monetary, valuation, economic and inflation. She stated that they do not think inflation is a problem in the near term. Ms. Hamilton reviewed the portfolio characteristics. She stated that they lightened up on corporates and put some treasuries in the portfolio where they found some good opportunities. She reviewed the portfolio holdings as of September 30, 2013. She stated that they are pleased with their performance. She noted that on a relative basis performance was good, while on an absolute basis performance was a little slow. They wish the fixed income yields were a little higher but they have actively managed the portfolio to add value.

INVESTMENT MONITOR REPORT

Tyler Grumbles appeared before the Board. He reviewed the market environment for the period ending September 30, 2013. He stated that international markets were up, noting that the developed markets did much better than the emerging markets. He stated that the smaller companies did better than the larger companies and growth did better than value this past quarter. He reported on the performance of the Fund for the quarter ending September 30, 2013. The total market value of the Fund as of September 30, 2013 was \$17,321,039. The asset allocation was 53.1% in domestic equities; 12.5% in international; 30.8% in domestic fixed income; and 3.7% in cash. The asset allocation by manager was 28.0% with Garcia Hamilton Fixed Income; 28.1% with Anchor All Cap Value; 28.3% with Brown Large Cap Growth; 12.5% with Manning & Napier; and 3.1% with Vanguard TIPS.

The total portfolio was up 5.15% net of fees for the quarter while the benchmark was up 5.13%. The total equity portfolio was up 7.18% for the quarter while the benchmark was up 7.55%. The total domestic equity portfolio was up 6.66% for the quarter while the benchmark was up 6.35%. The total fixed income portfolio was up 1.13% for the quarter while the benchmark was up .75%. The total international portfolio was up 9.59% for the quarter while the benchmark was up 11.61%.

Mr. Grumbles reviewed the performance of the managers. The Anchor All Cap Value portfolio was up 5.23% for the quarter while the Russell 3000 Value was up 4.23%. The Brown Large Cap Growth portfolio was up 8.11% for the quarter while the Russell 1000 Growth was up 8.11%. The Manning & Napier portfolio was up 9.59% for the quarter while the EAFE was up 11.61%. The Vanguard TIPS portfolio was up .91% for the quarter while the benchmark was up .70%. The Garcia Hamilton Fixed Income portfolio was up .89% for the quarter while the benchmark was up .76%.

Mr. Grumbles stated that he had the updated Investment Policy Statement as directed at the last meeting and it was ready for execution. The Board executed the Statement. He stated that he would file the Statement accordingly and after 31 days the Fund would be able to invest 5% in the Templeton Global Total Return Fund.

Janna Hamilton departed the meeting.

ACTUARY REPORT

Chad Little appeared before the Board. He reviewed the actuarial reporting requirements. He stated that the actuarial requirements include funding, accounting and reporting. He reviewed the additional work that will be required due to GASB 67/68. He discussed the reporting requirements under Sections 112.664 and 112.665, Florida Statutes. There was a lengthy discussion with respect to the new reporting requirements.

ATTORNEY REPORT

Ms. Jensen presented a Memorandum regarding her Fee Increase dated October 15, 2013. She stated that the fee increase does not really impact this Board because this is a retainer client. She stated that she is increasing her hourly rate from \$200 to \$225. This would only impact in the event of litigation, disability proceedings, or IRS filings. A motion was made, seconded and carried 4-0 to approve the Fee Increase as set forth in the Memorandum dated October 15, 2013.

Ms. Jensen advised that Comerica was outsourcing its tax collection services for foreign countries and the Board needed to execute certain documentation. The Board executed the necessary documents.

ADMINISTRATIVE REPORT

Ms. Adcock advised that the Fiduciary Liability Insurance was renewed effective November 1, 2013. A motion was made, seconded and carried 4-0 to approve the renewal of the Fiduciary Liability Insurance.

Ms. Adcock presented the disbursements. A motion was made, seconded and approved 4-0 to pay the listed disbursements.

Ms. Adcock presented a new Authorized Signor List for the Custodian to reflect the changes in the Board. The Board executed the new Authorized Signor List.

OTHER BUSINESS

Mr. Grumbles stated that he just received information that Templeton Global Total Return Fund has a new share class. He stated that the Fund's investment will be made in the lower share class. There was Board consensus to invest in this new share class.

There being no further business, the meeting was adjourned.

Respectfully submitted,

Patrick Rothenburg, Secretary