

VILLAGE OF PALM SPRINGS GENERAL EMPLOYEES' PENSION FUND
MINUTES OF MEETING HELD
May 5, 2015

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

Patti Waller
Mariana Ortega-Sánchez
Rebecca Morse
Keith Heasley
Ed Horton*

* (became Trustee during the meeting)

OTHERS

Bonni Jensen, Fund Counsel (2:20 P.M.)
Margie Adcock, Administrator
Tyler Grumbles, Monitor
Chad Little, Actuary

PUBLIC COMMENTS

There were no public comments.

RESIGNATION OF PATRICK ROTHENBERG

It was noted that Patrick Rothenberg resigned from the Board on April 30, 2015. He was the 5th Trustee.

APPOINTMENT OF ED HORTON AS 5TH TRUSTEE

The Board discussed replacing Patrick Rothenberg. It was noted that Ed Horton was interested in the vacant seat. A motion was made, seconded and carried 3-0 to appoint Ed Horton as the 5th Trustee. The Board called for the City Clerk's Office to come and swear Mr. Horton in as a Trustee.

MINUTES

The Board reviewed the minutes of the meeting held February 10, 2015. A motion was made, seconded and carried 3-0 to approve the minutes of the meeting held February 10, 2015.

ACTUARY REPORT

Chad Little appeared before the Board. He stated that Section 112.664, Florida Statutes, was passed last year. The Division of Retirement issued Rules regarding Section 112.664 on April 29, 2015. It was noted that the Board has 60 days from April 29th to have the reporting and disclosure information required by Section 112.664 completed and submitted.

SWEARING IN OF ED HORTON AS THE 5TH TRUSTEE

Jane Worth, Deputy Clerk, entered the meeting and swore in Ed Horton as the 5th Trustee. Mr. Horton took his place on the Board as the 5th Trustee.

ACTUARY REPORT (CONTINUED)

Chad Little discussed the various information needed to be posted in order to be in compliance with the new legislation. He reviewed the disclosure submitted to the State. He advised that it was filed with the State on April 29, 2015 when the Rule became effective.

Ms. Jensen stated that a Senate Bill was passed that would require all Florida public pension plans to use the mortality tables used by FRS. She asked Mr. Little if there would be any impact to the Plan. Mr. Little stated that he has not run the numbers as of yet. He noted that FRS was using a more aggressive table which will most likely increase the required contribution.

INVESTMENT MONITOR REPORT

Mr. Grumbles appeared before the Board. He reviewed the market environment for the period ending March 31, 2015. He stated that all markets were positive for the quarter. He noted that the European Central Bank was undergoing quantitative easing but stated that they were reducing interest rates artificially and depreciating their currency. It was noted that small cap did better than large cap this quarter. Energy was a big detractor for the quarter as oil preservation was pretty low and production was pretty high. It was noted that consumer discretionary and health care were the best performing sectors for the quarter.

Mr. Grumbles reported on the performance of the Fund for the quarter ending March 31, 2015. The total market value of the Fund as of March 31, 2015 was \$20,304,920. The asset allocation was 47.1% in domestic equities; 15.1% in international; 29.9% in domestic fixed income; 4.9% in global fixed income; and 2.9% in cash. The total portfolio was up 2.59% net of fees for the quarter while the benchmark was up 1.40%. The total equity portfolio was up 3.23% for the quarter while the benchmark was up 2.22%. The total domestic equity portfolio was up 2.74% for the quarter while the benchmark was up 1.80%. The total fixed income portfolio was up 1.58% for the quarter while the benchmark was up 1.10%. The total domestic fixed income portfolio was up 1.77% for the quarter while the benchmark was up 1.32%. The total international portfolio was up 5.78% for the quarter while the benchmark was up 3.59%. The total global fixed income portfolio was up .43% for the quarter while the benchmark was down .02%.

Mr. Grumbles reviewed the performance of the managers. The Anchor All Cap Value portfolio was up 1.03% for the quarter while the Russell 3000 Value was down .51%. The Brown Large Cap Growth portfolio was up 4.13% for the quarter while the Russell 1000 Growth was up 3.84%. The Garcia Hamilton Fixed Income portfolio was up 1.72% for the quarter while the benchmark was up 1.32%. The Templeton Global Fixed Income

portfolio was up .31% for the quarter while the benchmark was down .02%. It was noted that the Europacific Growth portfolio replaced Manning & Napier during the quarter. Mr. Grumbles stated that his firm has recently issued a companywide termination recommendation for Manning & Napier. He noted that this Fund was a little ahead of the rest of the plans in moving away from Manning & Napier.

Mr. Grumbles provided a revised Investment Policy Statement to reflect the change in the assumed rate of return from 7.75% to 7.5%. A motion was made, seconded and carried 4-0 to approve the revised Investment Policy Statement.

ATTORNEY REPORT

Ms. Jensen reminded the Board that the Financial Disclosure Form 1 was due by July 1.

Ms. Jensen reported that she received the annual confirmation from Anchor regarding the pay to play compliance.

Mr. Jensen provided a Memorandum regarding IRS Determination Letters. She stated that the Plan has a favorable Determination Letter that is due to expire on January 31, 2016. She stated that her rate to file for a Determination Letter is \$5,000 plus the filing fee. She stated she would charge her hourly rate to respond to questions from the IRS because she is not in control of that process. There was a lengthy discussion. Ms. Jensen noted that the IRS might not be processing Determination Letters anymore other than when a plan is established and then upon termination of the plan. The Board decided to wait until the next meeting before making a decision on whether to file for an IRS Determination Letter prior to January 31, 2016.

Ms. Jensen stated that the Administrator filed for a SSAE-16 Audit and received a clean opinion.

ADMINISTRATIVE REPORT

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

OTHER BUSINESS

There being no further business, the meeting was adjourned.

Respectfully submitted,

Patti Waller, Chair