

VILLAGE OF PALM SPRINGS GENERAL EMPLOYEES' PENSION FUND
MINUTES OF MEETING HELD
May 2, 2017

The meeting was called to order at 2:04 P.M. in the Conference Room on the First Floor of Village Hall in Palm Springs, Florida. Those persons present were:

TRUSTEES

Patti Waller
Mariana Ortega-Sánchez
Ed Horton
Steve Loughrey (2:08 P.M.)

OTHERS

Bonni Jensen, Fund Counsel
Margie Adcock, Administrator
Tyler Grumbles, Monitor
Chad Little, Actuary

PUBLIC COMMENTS

There were no public comments.

MINUTES

The Board reviewed the minutes of the meeting held February 7, 2017. A motion was made, seconded and carried 3-0 to approve the minutes of the meeting held February 7, 2017.

ACTUARY REPORT

Chad Little appeared before the Board. There was discussion on the commencement date for a death benefit of a terminated vested Participant. It was noted that the terminated vested Participant passed away on December 15, 2015. She was eligible to receive a normal retirement benefit beginning in February 2015 but she never applied for a benefit. It was noted that the Board has traditionally issued payments back to the normal retirement date in situations where the Participant applies for a benefit after their normal retirement date. However, this situation is a little different and there is no Plan provision addressing this specific matter. Mr. Little stated that he performed a calculation back to January 2016, the first of the month after the Participant's death. It was noted that the Board needed to determine whether the benefit should commence on the first of the month after the Participant's death or the Participant's normal retirement date. There was a lengthy discussion on the payment commencement date. It was determined that the commencement date should be the first of the month after the Participant's death. Ms. Jensen provided a proposed Ordinance which would include a marriage presumption.

Steve Loughrey entered the meeting.

Ms. Jensen reviewed the proposed Ordinance. There was a lengthy discussion. It was noted that language should be included that if a Participant is not married and there is no beneficiary, then a refund of contributions should be paid to the estate. A motion was made, seconded and carried 4-0 to approve the proposed Ordinance as amended.

INVESTMENT MONITOR REPORT

Mr. Grumbles appeared before the Board. He reviewed the market environment for the period ending March 31, 2017. He stated that the markets have been doing pretty good. The markets were up strong in the 1st quarter with international being up the most. Large cap did better than small cap stocks, and growth did better than value stocks. Mr. Grumbles stated that the market was optimistic overall but was not willing to gamble on smaller companies. Information technology, consumer discretionary and healthcare all did well in the quarter.

Mr. Grumbles reported on the performance of the Fund for the quarter ending March 31, 2017. He stated that it was a very solid quarter. The total market value of the Fund as of March 31, 2017 was \$22,967,710. The asset allocation was 51.9% in domestic equities; 14.6% in international; 19.2% in domestic fixed income; 5.0% in global fixed income; 9.4% in real estate; and .0% in cash. The total portfolio was up 5.17% net of fees for the quarter while the benchmark was up 4.53%. The total equity portfolio was up 7.14% for the quarter while the benchmark was up 6.27%. The total domestic equity portfolio was up 6.53 for the quarter while the benchmark was up 5.74%. The total fixed income portfolio was up 1.56% for the quarter while the benchmark was up 1.11%. The total domestic fixed income portfolio was up .81% for the quarter while the benchmark was up .68%. The total international portfolio was up 9.37% for the quarter while the benchmark was up 7.98%. The total global fixed income portfolio was up 4.56% for the quarter while the benchmark was up 2.83%. The total real estate portfolio was up 1.82% while the benchmark was up 1.81%.

Mr. Grumbles reviewed the performance of the managers. The Anchor All Cap Value portfolio was up 4.85% for the quarter while the Russell 3000 Value was up 2.99%. The Brown Large Cap Growth portfolio was up 9.44% for the quarter while the Russell 1000 Growth was up 8.91%. The Vanguard Mid Cap portfolio was up 6.19% for the quarter while the Russell Mid Cap was up 5.15%. The Vanguard Total Stock portfolio was up 5.79% for the quarter while the Russell 3000 was up 5.74%. The Garcia Hamilton Fixed Income portfolio was up .81% for the quarter while the benchmark was up .68% The Templeton Global Fixed Income portfolio was up 4.56% for the quarter while the benchmark was up 2.83%. The Europacific Growth portfolio was up 9.37% for the quarter while the benchmark was up 7.98%. The Principal portfolio was up 1.82% for the quarter while the benchmark was up 1.81%.

Mr. Grumbles reviewed his firm's ADV Disclosure Brochure and Privacy Notice. He stated that the documents outline the recent changes involving their firm including their name change from Bogdahn Consulting to AndCo Consulting and the additional ownership of the firm. He stated that there are no material changes in ownership and that Mike Welker has majority ownership. He also advised that they acquired some similar smaller firms over the year as well.

ATTORNEY REPORT

Ms. Jensen stated that she requested information from the Custodian regarding the security protections that they have in place for the Plan in terms of their internal controls as directed at the last meeting. She stated that Comerica provided her with their SOC 1 Audit yesterday but she was unable to open the document. She stated that she will obtain the information and provide it to the Board and discuss it further at the next meeting.

Mr. Jensen stated that the Plan received a favorable Determination Letter from the IRS. She reviewed the Determination Letter, noting that an Amendment needed to be made to the Plan. She provided a proposed Ordinance that would incorporate the necessary changes that needed to be made. She reviewed the changes, noting that there were no changes to any types of benefits. A motion was made, seconded and carried 4-0 to forward to the Village the proposed Amendment to the Plan required by the IRS.

Ms. Jensen provided a Memorandum dated May 2017 regarding the Annual Form 1 Filing. She advised that the Financial Disclosure is due to be filed by July 1, 2017.

Ms. Jensen provided a Memorandum dated May 2, 2017 regarding the Top Ten Internal Controls to Prevent and Detect Fraud. She stated that she thought it was a good way to frame the internal controls that the Board needs to look at. She reviewed the top ten internal controls with the Board.

Ms. Jensen requested an increase in her fee to \$1,500 a quarter with an annual 3% cost of living increase every January 1st. She stated that she has not had an increase since 2009, although she has received a COLA each year. There was a lengthy discussion. A motion was made, seconded and carried 4-0 to approve a fee increase for the Attorney effective July 1, 2017 increasing the fee from \$1,330 to \$1,500 a quarter with an annual 3% COLA every January 1 thereafter.

ADMINISTRATIVE REPORT

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

Ms. Adcock presented the Board with the death benefit calculation and election approval for James Atkinson, beneficiary of Cynthia Atkinson. A motion was made, seconded and carried 4-0 to approve the benefit election.

OTHER BUSINESS

There being no further business, the meeting was adjourned.

Respectfully submitted,

Mariana Ortega-Sánchez, Secretary