

**VILLAGE OF
PALM SPRINGS POLICE OFFICERS' PENSION FUND
MINUTES OF MEETING HELD
November 5, 2013**

The meeting was called to order at 10:04 A.M. in the Conference Room on the First Floor at Village Hall in Palm Springs, Florida. Those persons present were:

TRUSTEES

Tim Conboy
James Gregory
Gene Hall

OTHERS

Bonni Jensen, Attorney
Margie Adcock, The Resource Centers
Tyler Grumbles, Bogdahn Consulting
Janna Hamilton, Garcia Hamilton & Associates

MINUTES

The Board reviewed the minutes of the meeting held August 20, 2013. Ms. Adcock noted that at the last meeting it was advised that the term of Robert Perez was due to expire on September 30, 2013. However, the Village has advised that the term of Robert Perez is not due to expire until September 30, 2014. A motion was made, seconded and carried 3-0 to approve the minutes of the meeting held August 20, 2013.

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 \$5,177,885. The total portfolio was up 1.1% 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 March 31, 2012, the total portfolio was up 3.7% while the benchmark was up 1.3%. 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. 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 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 \$17,673,734. The asset allocation was 55.4% in domestic equities; 10.6% in international; 28.8% in domestic fixed income; 4.8% in global fixed income; and .4% in cash. The total portfolio was up 4.79% net of fees for the quarter ending September 30, 2013 while the benchmark was up 4.77%. The total equity portfolio was up 6.79% while the benchmark was up 6.92%. The total domestic equity portfolio was up 6.27% for the quarter while the benchmark was up 6.35%. The total fixed income portfolio was up .95% for the quarter while the benchmark was up .76%. The total international portfolio was up 9.59% for the quarter while the benchmark was up 10.17%.

Mr. Grumbles reviewed the performance of the individual manager portfolios. The Vanguard Total Stock Market portfolio was up 6.29% for the quarter while the benchmark was up 6.33%. The Manning & Napier portfolio was up 9.59% for the quarter while the benchmark was up 10.17%. The Garcia Hamilton portfolio was up .68% for the quarter while the benchmark was up .76%. It was noted that the transition from ICC to Templeton Global Total Return Fund occurred during the quarter. Mr. Grumbles stated that everything looked great. He stated that he had no recommendations for change at this time.

Janna Hamilton departed the meeting.

ATTORNEY REPORT

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.

Ms. Jensen discussed the State's new interpretation of Section 185.38(2), Florida Statutes. She stated that as long as some participants remain active in the Plan, the Fund can continue to receive the 185 premium tax revenues. She stated that the Village sent a letter to the State advising the State that the Village wanted to continue to receive premium tax revenues. She is hopeful that the Village will receive a favorable response. Ms. Jensen stated that the Village is in the process of adopting a levying Ordinance so it will be eligible for the 185 premium tax monies next year.

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 3-0 to approve the Fee Increase as set forth in the Memorandum dated October 15, 2013.

Ms. Jensen provided the Board with a revised Summary Plan Description prepared by the Actuary. She stated that the Fund is required to issue a Summary Plan Description every two years. She stated that there were no substantive changes to the Summary Plan Description. The only changes made were an updated cover, introduction and the actuarial information pages. A motion was made, seconded and carried 3-0 to approve the Summary Plan Description as amended.

The Board was presented with a GASB No. 67 Implementation Package dated September 30, 2013 from the Actuary. It was noted that there were new requirements that needed to be reported. As such, the Actuary was proposing an additional fee of \$1,500 to \$2,500 plus an additional disclosure fee of \$485. It was noted that the fee charged for previous required disclosure of \$750 would now be eliminated. Ms. Jensen noted that the new reporting requirements are mandatory and will cause the Actuary to have to do additional work. A motion was made, seconded and carried 3-0 to accept the proposal as set forth in the GASB No. 67 Implementation Package dated September 30, 2013.

ADMINISTRATIVE REPORT

Ms. Adcock presented the disbursements. A motion was made, seconded and carried 3-0 to pay all listed disbursements.

OTHER BUSINESS

There being no further business, the meeting was adjourned.

Respectfully submitted,

James Gregory, Secretary