

**VILLAGE OF
PALM SPRINGS POLICE OFFICERS' PENSION FUND
MINUTES OF MEETING HELD
May 5, 2015**

The meeting was called to order at 10:12 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
Robert Perez

OTHERS

Bonni Jensen, Attorney
Margie Adcock, The Resource Centers
Tyler Grumbles, Bogdahn Consulting

PUBLIC COMMENTS

There were no public comments.

MINUTES

The Board reviewed the minutes of the meeting held January 30, 2015. A motion was made, seconded and carried 4-0 to approve the minutes of the meeting held January 30, 2015.

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 \$20,509,036. The asset allocation was 57.7% in domestic equities; 8.9% in international; 28.6% in domestic fixed income; 4.3% in global fixed income; and .3% in cash. The total portfolio was up 1.96% net of fees for the quarter ending March 31, 2015 while the benchmark was up 1.80%. The total equity portfolio was up 2.18% while the benchmark was up 2.07%. The total domestic equity portfolio was up 1.81% for the quarter while the benchmark was up 1.80%. The total fixed income portfolio was up 1.62% for the quarter while the benchmark was up 1.12%. The total domestic fixed income portfolio was up 1.82 for the quarter while the benchmark was up 1.32%. The total international portfolio was up 4.48% for the quarter while the benchmark was up 3.59%. The total global fixed income portfolio was up .31% for the quarter while the benchmark was down .21%.

Mr. Grumbles reviewed the performance of the individual manager portfolios. The Vanguard Total Stock Market portfolio was up 1.81% for the quarter while the Russell 3000 benchmark was up 1.80%. The Garcia Hamilton portfolio was up 1.82% for the quarter while the benchmark was up 1.32%. The Templeton Global Total Return

portfolio was up .31% while the benchmark was down .21%. Mr. Grumbles stated that his firm 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 stated that he thinks the Board should look at active management on the domestic equity side. He stated that he was not recommending completely getting rid of the Vanguard Total Stock Market portfolio because he thinks the Fund should have some passive management. However, he stated that it would be a good time to add some active management to the Fund. He stated that he would bring some options to the next meeting.

ATTORNEY REPORT

Ms. Jensen provided a Legislative update. She noted that two Senate Bills were passed. One of the Bills passed would require all Florida public pension plans to use the mortality tables used by FRS. The other Bill that passed would dictate how to use future receipts of Chapters 175 and 185 premium tax monies. She noted that neither Bill had been signed by the Governor as of yet.

Ms. Jensen discussed HB 534 which requires the Actuary to put together reporting and disclosure information about the Plan. She stated that the information will need to be completed and submitted by June 29th.

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

Ms. Jensen stated that she has not received any response or direction yet from the Village and/or the Union regarding how to apply the future Chapter 185 monies the Fund will receive. She stated that the issue could be moot based on the recently passed legislation.

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. A motion was made, seconded and carried 4-0 to authorize the Attorney to file for an IRS Determination Letter to remain in compliance with the IRS.

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 carried 4-0 to pay all listed disbursements.

OTHER BUSINESS

There being no further business, the meeting was adjourned.

Respectfully submitted,

James Gregory, Secretary