

**TEQUESTA GENERAL EMPLOYEES' PENSION TRUST FUND
REGULAR BOARD MEETING MINUTES
NOVEMBER 1, 2010**

I. Call To Order and Roll Call

The Regular Quarterly Board Meeting of the Tequesta General Employees' Pension Trust Fund was held at the Tequesta Village Hall, 345 Tequesta Drive, Tequesta, Florida, on November 1, 2010. The meeting was called to order at 8:02 a.m.

A roll call was taken by Pension Administrator Dixie Martinez. In attendance at the meeting were: Chair Michael Rhodes, Secretary Carl Hansen, Board Member Deanna Mayo, Board Member Michelle Gload, and Board Member John Terzakis.

Also in attendance were Attorney Bonni Jensen, Pension Administrators Scott Baur and Dixie Martinez, Investment Monitor Dan Johnson.

II. Approval of Agenda

MOTION:

Secretary Hansen made a motion to approve the Agenda. Board Member Mayo seconded the motion, which carried by unanimous 5-0 vote.

III. Approval of Minutes

- 1. Meeting Minutes - Tequesta General Employees' Pension Trust Fund Board of Trustees – November 1, 2010.**

MOTION:

Board Member Gload made a motion to accept the minutes of the meeting on November 1, 2010. Secretary Hansen seconded the motion, which carried by unanimous 5-0 vote.

IV. PRESENTATIONS

- 2. Quarterly Presentation by Monitor – Dan Johnson, Bogdahn Consulting**

Dan Johnson, Bogdahn Consulting, LLC reported that there have been good corporate earnings and growth in the portfolio. Mr. Johnson reported that for quarter ending September 30, 2010 the Plan's market value is \$1,569,637 and the asset allocations are Domestic Equity 50.3%, International Equity 9.5%, Fixed Income 38.7%, and Cash Equivalent 1.5%. The Plan was up by 8.87% versus the benchmark at 8.47%. Dana Core Equity was up 11.90% versus

the benchmark at 11.29%, Dana International Portfolio was up 17.18% versus the benchmark at 16.53%, Dana Fixed Income was up 3.84% versus the benchmark at 2.76%.

Mr. Johnson reported that for the Fiscal Year the Plan was up by 10.01% versus the benchmark at 9.40%. Dana Core Equity was up 11.17% versus the benchmark at 11.16%, Dana International Portfolio was up 5.74% versus the benchmark at 3.71%, and Dana Fixed Income was up 8.73% versus the benchmark at 7.77%.

Mr. Johnson noted that Dana typically invests in low debt high quality balance sheet companies with earnings expectations in excess of the index. He noted that Dana successfully lengthened the maturity of the Bond portfolio in advance of treasury buying long Bonds to further drive down market rates. He reported that the Plan historically has earned returns in excess of the benchmark with lower risk. Board Member Terzakis expressed some concerns regarding Dana keeping the portfolio too high quality and sacrificing some returns on corporates in favor of governmental issues. Board member Terzakis questioned the Ordinance limits on asset allocation. The Board discussed at length the management of the portfolio. The Board agreed that the performance was ultimately good but they had some concerns regarding asset allocations. The Board would like to receive a detail of trades made during the quarter along with the report. Mr. Johnson reported that Dana will present at the next Pension Board meeting in February.

MOTION:

Board Member Terzakis made a motion to approve the Quarterly Report. Secretary Hansen seconded the motion, which carried by unanimous 5-0 vote.

V. Unfinished Business

3. Updated Summary Plan Description – Attorney Bonni Jensen

Attorney Bonni Jensen reported that the Summary Plan Description is updated every two years. She reported that the change in Administration to Pension Resource Centers had been added. Ms. Jensen asked for verification that members received the Summary Plan Description. The Board had a discussion regarding the manner of distribution to the members of the Plan. The Administrator will work on distributing the Summary Plan Description to members. The Board suggested having a workshop for members of the Plan after they have received the Summary Plan Description. The Administrator will coordinate the workshop for members of the Plan.

MOTION:

Secretary Hansen moved to approve the Summary Plan Description. Board Member Mayo seconded the motion, which carried by unanimous 5-0 vote.

4. Review of 2005 Agreement with Custodian Salem Trust Company, Attorney Bonni Jensen.

• **Addendum to Custody Agreement**

Ms. Jensen reviewed the updated agreement with Salem Trust Company.

MOTION:

Board Member Terzakis moved to approve the Addendum to Custody Agreement. Board Member Gload seconded the motion, which carried by unanimous 5-0 vote.

5. Review of Actuary/ Consultant Agreement, Attorney Bonni Jensen.

Ms. Jensen reviewed the agreement for actuarial services with Gabriel Roeder Smith.

MOTION:

Secretary Hansen moved to approve the Consultant Agreement with Gabriel Roeder Smith. Board Member Gload seconded the motion, which carried by unanimous 5-0 vote.

VI. Consent Agenda

6. Ratification of invoices paid since last quarterly meeting:

• Business Services Connection -Office work 7/23 & 7/30	\$ 267.60
• Business Services Connection -Office work & Minutes 8/2,8/6 & 8/13	\$ 651.16
• FPPTA – Michelle Gload Trustee School Sep 26-29	\$ 400.00
• FPPTA – Deanna Mayo Trustee School Sep 26-29	\$ 400.00
• FPPTA – John Terzakis Trustee School Sep 26-29	\$ 400.00
• Perry & Jensen, LLC – Legal Fees through 8/15/10	\$1,460.48
• Bogdahn Consulting, LLC – Services Through 9/30/10	\$2,625.00
• Gehring Group, Inc – Fiduciary Liability Insurance 10/1/10 to 10/1/11	\$ 907.97
• Perry & Jensen, LLC – Legal Fees through 8/15/10	\$ 573.63

MOTION:

Secretary Hansen moved approval of ratification of payments made since the last meeting and approval of payments to be reviewed and approved. Board Member Gload seconded the motion, which carried by unanimous 5-0 vote

7. Payments to be reviewed and approved:

• Ellen Schaffer – Programming Services	\$ 420.00
• Perry & Jensen, LLC – Legal Fees through 8/15/10	\$ 383.15
• Dana Investment Advisors – Services Through 9/30/10	\$ 284.14
• Dana Investment Advisors – Services Through 9/30/10	\$1,875.18

The Board reviewed the invoices for expenses. Mr. Baur reviewed the cost and payment of Ellen Shaffer's invoice. The Board asked to note the refund of \$350.00 from FPPTA for Board Member Mayo as a credit on the report. Board Member Terzakis reported that he had not been able to attend the last FPPTA conference and asked the Administrator to follow up and request a refund from FPPTA.

MOTION:

Board Member Terzakis moved approval of invoices for payment. Board Member Gload seconded the motion, which carried by unanimous 5-0 vote.

8. Approval of new applicants for participation in Pension Plan

None

9. Approval of withdrawal of contributions

None

10. Terminated employees who have not taken their contributions

None

End of Consent Agenda

VII. Budget Report

11. Income Statement & Expenditure Report for period 07-01-10 to 09-30-10- Finance Director Forsythe

Finance Director Forsythe is out sick today, the Board reviewed the Budget report. The Board received and file.

VIII. New Business

12. Memorandum, Federal Updates, Attorney Bonni Jensen

Attorney Bonni Jensen reported that the Securities and Exchange Commission had issued its final rules regarding the "Pay to Play." She reported that it is unlawful for an investment consultant or manager to make a contribution to an official or candidate for a political office of a governmental entity who is in a position to influence the selection of the adviser. Ms. Jensen reported that she recommends that the managers report to the Board on an ongoing basis. She recommends that the new investment managers should disclose if they made any contributions more than in a diminutive way and to ask the current investment managers for this information annually.

Ms. Bonni Jensen reported that the GASB Board is suggesting that there should be some changes in the way that Cities report pension fund obligations. She reported that this will not have any implications to the Pension Board itself but the City will have to carry its annual consolidated financial report as a liability for the unfunded pension obligations. Ms. Bonni Jensen reported that these rules are under consideration and have not passed yet.

13. Accounts Payable Procedures, Pension Administrator Scott Baur.

Administrator Scott Baur reported that at the last regular meeting they had discussed how the payment of disbursements would be handled through their office therefore they had created an accounts payable procedure listing everything that had been discussed. He reviewed the accounts payable procedures. He explained that the accounts payable procedures had been sent to Finance Director Forsythe for her review as well. Mr. Baur reported that he wanted to bring back to their attention some of the items in the Summary Plan Provisions that he thought might in some way represent interpretation of the Ordinance. He reported that non-vested participants receive a refund of contributions with 3% simple interest upon termination and members may leave contributions on deposit with the Pension Fund for up to 5 years. He explained how the final average compensation is calculated. He noted that the final average salary consists of the highest five highest years of earnings, each year consisting of 12 months, paid in the last 10 years of service. Earnings include base compensation, vacation pay, sick pay, and tax deferred items, but exclude lump sum payments, overtime, bonuses, and longevity pay.

MOTION:

Board Member Terzakis moved to approve the accounts payable procedures as presented. Secretary Hansen seconded the motion, which carried by unanimous 5-0 vote.

IX. ANY OTHER MATTERS

Secretary Hansen asked when Dana will come and present to the Board. Mr. Johnson reported that Dana comes to the Pension Board meetings semi-annually and that they will be presenting at the next Pension Board meeting in February.

XII. COMMUNICATIONS FROM CITIZENS

There were no communications from citizens.

XIII. Adjournment

MOTION:

Secretary Hansen moved to adjourn the meeting. Board Member Mayo seconded the motion, which carried by unanimous 5-0 vote.

There being no further business, the meeting was adjourned at 10:32 a.m.

Respectfully submitted,

Dixie Martinez
Administrator
Village of Tequesta Public Safety Officers' Pension Plan