

**TEQUESTA GENERAL EMPLOYEES' PENSION TRUST FUND
REGULAR BOARD MEETING MINUTES
NOVEMBER 5, 2012**

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 5, 2012. The meeting was called to order at 8:01 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 Michelle Gload, and Board Member Cary Levine.

Also in attendance were Attorney Bonni Jensen, Pension Administrator Dixie Martinez, Investment Monitor Dan Johnson and Tyler Grumbles and Investment Manager John Hamlin.

II. Approval of Agenda

Chair Rhodes suggested adding item IX.17.2013 Meeting Schedule. The Board agreed to add this item to the Agenda.

MOTION:

Secretary Carl Hansen made a motion to approve the Agenda as amended. Board Member Michelle Gload seconded the motion, which carried by unanimous 4-0 vote.

IV. PRESENTATIONS

**2. Investment Manager – John Hamlin, Dana Advisors
a. Quarterly Review**

John Hamlin, Dana Advisors, reported that for fiscal year ending September 30, 2011 the returns were as follows; equity portfolio 29.60% versus the benchmark at 27.67%, Large Cap Core Equity 31.64% versus the benchmark at 30.20%, International ADR 18.47% versus the benchmark at 14.87% and Fixed Income 6.46% versus the benchmark at 4.35%. He reported that the Fixed Income portfolio's current annualized yield to maturity at market was 1.33 % versus the benchmark at 1.23% and the effective duration was 3.11 versus the benchmark at 3.20. He reviewed the asset allocations as of September 30, 2012; 58.8% allocated in Equity, 38.9% allocated in Fixed Income and 2.2% allocated in cash & equivalents. He reported that European concerns continued to be in the spotlight during the third quarter, however they were much subdued compared to the previous quarter. He reported that Dana fixed income portfolios have maintained an asset allocation underweight in Treasuries and overweight in Corporate Bonds. He explained that this allocation has helped generate better performance year to date versus the benchmarks. He reported that the bond market posted positive returns across all taxable sectors during the third quarter. He reported that although positive, the Treasury sector was the worst performer of all fixed

income sectors. The Board asked several questions to which he responded accordingly. Mr. Hamlin finished his presentation by summarizing the 3rd quarters performances compared to the full year.

MOTION:

Board Member Gload made a motion to accept the September 30, 2012 quarterly report from Dana Advisors as presented. Secretary Hansen seconded the motion, which carried by unanimous 4-0 vote.

3. Quarterly Presentation by Monitor – Dan Johnson & Tyler Grumbles, Bogdahn Consulting
a. Quarterly Performance Review

Dan Johnson, Bogdahn Consulting, LLC briefly introduced Mr. Grumbles. He reported that Mr. Grumbles will be working with him on this account. Mr. Grumbles reviewed the market environment during quarter ending September 30, 2012. Mr. Grumbles reported that for quarter ending September 30, 2012 the Plan's market value was \$2,318,035 and the asset allocations were Domestic Equity 49.2%, International Equity 9.6%, Fixed Income 38.9%, and Cash Equivalent 2.3%. He reported that for fiscal year end the Plan's Total Fund (Gross) was at 18.89% versus the benchmark at 18.06%. Dana Core Equity was 31.26% versus the benchmark at 30.20%, Dana International Portfolio was 18.71 % versus the benchmark at 15.04%, Dana Fixed Income was up 6.80% versus the benchmark at 4.31%. He reported that for the quarter ending September 30, 2012 the Plan's Total Fund (Gross) was at 4.70% versus the benchmark at 4.45%. Dana Core Equity was 5.70% versus the benchmark at 6.35%, Dana International Portfolio was 9.40% versus the benchmark at 7.49%, Dana Fixed Income was up 2.69% versus the benchmark at 1.36%. Mr. Grumbles reviewed the financial reconciliation of the Fund as of September 30, 2012. He reported that the Plan as of the end of Friday was at a little over than \$2.3 million.

Mr. Johnson reported that it would be a good idea to send a letter to the State of Florida to let them know about the positive returns of the Plan and that we will continue to evaluate the 7.5% actuarial rate of return . The Board concurred with Mr. Johnson's recommendations.

b. International Equity Manager Review (Hypothetical Plan Review)

Mr. Johnson reviewed the Hypothetical Plan report dated September 30, 2012. He reviewed the trailing returns and peer group analysis. Mr. Johnson and Mr. Grumbles reviewed the report in detail. Mr. Johnson does not recommend making any changes to the International Equity manager at this time. Board member Levine commented that the report presented by Mr. Johnson and Mr. Grumbles is exactly what the Board had been looking for and he agrees with having no changes made at this time. He would like to keep this report for future discussions.

MOTION:

Board Member Cary Levine made a motion to accept the September 30, 2012 quarterly performance report. Board member Gload seconded the motion, which carried by unanimous 4-0 vote.

III. Approval of Minutes

- 1. Meeting Minutes - Tequesta General Employees' Pension Trust Fund Board of Trustees – August 6, 2012.**

MOTION:

Board Member Cary Levine made a motion to accept the minutes as presented for the meeting on August 6, 2012. Secretary Carl Hansen seconded the motion, which carried by unanimous 4-0 vote.

V. UNFINISHED BUSINESS

None

VI. Consent Agenda

4. Ratification of invoices paid since last quarterly meeting:

• Pension Resource Center – Adm. Fees - August	\$ 835.31
• Perry & Jensen – Legal Services through 08/15/12	\$1,377.65
• Gehring Group- Fiduciary Liability Ins. 10-1-12	\$ 970.60
• The Bogdahn Group – Consulting Fees 3 rd Q 2012	\$2,625.00
• Pension Resource Center – Adm. Fees - September	\$ 800.00
• Perry & Jensen – Legal Services through 09/15/12	\$ 257.75

5. Payments to be reviewed and approved:

• Pension Resource Center – Adm. Fees-October	\$ 800.00
• Perry & Jensen – Legal Services through 10/15/12	\$ 462.45

Secretary Hansen asked why the Dana invoices were not included on the payments to be reviewed and approved. Ms. Martinez reported that the Dana invoices were received November 1 therefore the invoices will be added to the next Agenda for the Board to review and approved.

6. Approval of new applicants for participation in Pension Plan

None

7. Approval of withdrawal of contributions

None

8. Terminated employees who have not taken their contributions

Evelyn Shields

End of Consent Agenda

MOTION:

Board Member Levine made a motion to accept the Consent Agenda as presented. Secretary Carl Hansen seconded the motion, which carried by unanimous 4-0 vote.

VII. Budget Report

9. Income Statement & Expenditure Report for period 06-01-12 to 09-30-12.

Board member Michelle Gload presented the Income Statement & Expenditure Report to the Board. She reported that all accounts are in order and in line.

MOTION:

Board member Cary Levine made a motion to accept and approve the Income Statement & Expenditure Report for period 06-01-12 to 09-30-12 as presented. Secretary Carl Hansen seconded the motion, which carried by unanimous 4-0 vote.

VIII. New Business

10. Salem Trust Class Action Processing, Attorney Bonni Jensen.

Attorney Bonni Jensen reviewed letter dated October 1 2012 from Salem Trust. In the letter Salem Trust notified the Board that they would be delegating the class action monitoring and processing to a third party vendor with an additional charge of 20% of all class action recoveries, which Salem had previously included in their service as part of their asset based fee. Subsequently on October 11, 2011 Salem Trust sent another letter to the Board in which they explained that they would not be delegating the class action monitoring and processing to a third party vendor at this time. Therefore they will continue to provide the class action processing services just as they have in the past. Ms. Jensen reported that the Board does not need to take action at this time.

11. Administrative Rules 2012, Attorney Bonni Jensen.

Attorney Bonni Jensen reviewed the changes to the Administrative Rules. She explained that at the last meeting the Board had requested changing the voting process from a mail vote to an in person election. She explained that on page 7 there was a typographical error that was corrected as well. The Board discussed this matter in detail. At this time the Board would like to rethink their election procedures before making a decision. Ms. Jensen reported that at the last meeting the Board had made a motion to coordinate the distribution of the ballots with the Village. Therefore we will need to clarify that we will coordinate the distribution of the ballots with the Village but it will have to be by mail because that is what the current administrative rules provide. Board member Levine noted that the cost of the mailing could be saved if the election is done in person instead by mail. Ms. Jensen reported that if the Board is in favor of the ballot box then the Board will need to approve the administrative rule as amended.

MOTION:

Board member Cary Levine moved to approve the Administrative Rules 2012 as amended. Secretary Carl Hansen seconded the motion, which carried by unanimous 4-0 vote.

12. Summary Plan description, Attorney Bonni Jensen.

Attorney Bonni Jensen reported that the Plan has the obligation to send the Summary Plan Description to the active members of the Plan every two years and it is that time again. She reported that most of the changes to the Summary Plan Description are just updates and further clarifications on page 4 which explain the optional forms of payment.

MOTION:

Secretary Carl Hansen moved to approve the Summary Plan Description. Board member Cary Levine seconded the motion, which carried by unanimous 4-0 vote.

13. Certification of Election Results, Employee Representative M. Gload, Administrator Dixie Martinez.

Dixie Martinez, Pension Resource Centers (PRC), reported that Ms. Gload ran unopposed for the employee representative position on the Board of Trustees. The Board needs to certify the election results.

MOTION:

Secretary Carl Hansen moved to certify the election results. Board member Cary Levine seconded the motion, which carried by unanimous 4-0 vote.

14. General Employees Pension Board, Employees Representative open seat due to Ms. Deanna Mayo's term expired 08-04-12, Administrator Dixie Martinez.

Dixie Martinez, Pension Resource Centers (PRC), reported that two Notices of Election have been posted at the Village and provided to employees through e-mail and hardcopies but no one has responded. She asked the Board how to proceed. The Board had a lengthy discussion regarding this matter. The Board suggested sending out a third Notice of Election with additional language as a marketing tool. Ms. Merlene Reid joined the meeting. She explained that it has been always very difficult to fill this trustee position. Ms. Reid reported that she will help with this process as much as she can to help fill this position.

15. GRS Letter dated 10-15-12 RE: Palmquist Retirement, Administrator Dixie Martinez.

Dixie Martinez, Pension Resource Centers (PRC), reported that Mr. Palmquist will be retiring December 31, 2012. He has recommended Mr. Jeffrey Amrose to be the new representative. Chair Rhodes would like to send him a letter of appreciation. He will draft the letter and send it to Ms. Jensen.

16. Class Action Report for Period 07/01/12 through 09/30/12, Administrator Dixie Martinez.

Dixie Martinez, Pension Resource Centers (PRC), reported that there were no class actions filed by Salem Trust on their behalf during quarter ending September 30, 2012.

IX. ANY OTHER MATTERS

17. 2013 Meeting Schedule, Administrator Dixie Martinez.

Dixie Martinez, Pension Resource Centers (PRC), reported that the scheduled 2013 Pension Board meetings are as follows: Monday, February 4 at 1:00 pm; Monday, May 6 at 8:00 am; Monday, August 5 at 1:00 pm and Monday, November 4 at 8:00 am.

Mr. Grumbles reported that Dana Advisors attends the meetings on a semi annual basis. Since Dana Advisors attended this meeting he asked the Board if Dana Advisors should come back to present in February of 2013 or May of 2013. The Board agreed that Dana should come back in February to get back to the normal cycle.

Chair Rhodes reported that in the past the meetings were advertised in the Palm Beach Post under upcoming governmental related meetings and he would like to start doing this again. Ms. Martinez will find out the details and find out if there are any fees related to this.

X. COMMUNICATIONS FROM CITIZENS

There were no communications from citizens.

XI. Adjournment

MOTION:

Secretary Carl Hansen moved to adjourn the meeting. Board member Cary Levine seconded the motion, which carried by unanimous 4-0 vote.

There being no further business, the meeting was adjourned at 9:32 a.m.

Respectfully submitted,

Dixie Martinez
Administrator
Village of Tequesta General Employees' Pension Plan

Board Member
Village of Tequesta General Employees' Pension Plan