

**TEQUESTA GENERAL EMPLOYEES' PENSION TRUST FUND  
REGULAR BOARD MEETING MINUTES  
FEBRUARY 4, 2013**

**I. Call To Order and Roll Call**

The Regular Quarterly Board Meeting of the Tequesta General Employees' Pension Trust Fund was held in the Emergency Operations Center, 357 Tequesta Drive, Tequesta, Florida, on February 4, 2013. The meeting was called to order at 1:01 pm.

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, Board member John Kuper, 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**

Administrator Dixie Martinez suggested adding Item VIII.14. Budget Worksheet. 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 5-0 vote.**

**III. Approval of Minutes**

**1. Meeting Minutes - Tequesta General Employees' Pension Trust Fund Board of Trustees – November 5, 2012.**

Chair Rhodes requested the following change to the minutes: page 2, 4th paragraph, second sentence, change "great returns" to "positive returns."

**MOTION:**

**Board member Cary Levine made a motion to accept the minutes as amended for the meeting on November 5, 2012. Secretary Carl Hansen seconded the motion, which carried by unanimous 5-0 vote.**

**IV. PRESENTATIONS**

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

John Hamlin, Dana Advisors, introduced himself to new Trustee John Kuper. He reported that for quarter ending December 31, 2012 the returns were as follows; equity portfolio 1.28%

versus the benchmark at 0.70%, Large Cap Core Equity -0.24% versus the benchmark at -0.38%, International ADR 8.95% versus the benchmark at 5.91% and Fixed Income 0.46% versus the benchmark at 0.18%. He reported that the Fixed Income portfolio's current annualized yield to maturity at market was 1.48 % versus the benchmark at 1.30% and the effective duration was 3.11 versus the benchmark at 3.37. He reviewed the asset allocations as of December 31, 2012; 58.3% allocated in Equity, 40.2% allocated in Fixed Income and 1.5% allocated in cash & equivalents. He reported that European concerns were surprisingly subdued during the fourth quarter given that not much has changed in Europe's path to recovery. He explained that with interest rates hovering around historic lows, U.S. investments grade issuance, year-to-date, was the highest in the last 10 years. He reported that November was the biggest issuance month in part because many corporations issued debt to fund dividend payments ahead of uncertain tax rates in 2013. He reported that the bond market posted mixed returns across all taxable sectors during the fourth quarter; U.S. Treasuries and Mortgage Backed Securities posted negative returns for the quarter, while U.S. Agencies and Corporates posted positive returns. He reported that equity markets experienced seesaw performance during the fourth quarter due to uncertainty over U.S. elections and Federal government budget issues prompted a modest correction in the first half of the quarter. Large caps outperformed small caps during the "down" portion of the period. He reported that Consumer Staples, Energy, and Materials were the top sector contributors during this quarter while Financials, Consumer Discretionary, and Health Care were the top detractors during this quarter.

Mr. Hamlin passed out a handout "Dana Large Cap Equity Dividend Yields versus Bond Yields." He reported that at year end 2012, the BofA ML AAA Corporate Bond Index was yielding 1.6% and the AA Corporate Bond Index was yielding 2.0, versus the S&P 500 dividend yield of 2.20%. He noted that a number of Dana Large Cap Equity holdings currently offer dividend yields in excess of the current yield to maturity on their outstanding corporate debt.

Mr. Hamlin explained Dana's investment strategy. He reviewed the International ADR portfolio. He reported that the Japanese, German, and French portfolio holdings were the top sector contributors during this quarter. The Board asked several questions to which he responded accordingly. Mr. Hamlin finished his presentation by summarizing the 4<sup>th</sup> quarter performances.

**MOTION:**

**Secretary Hansen made a motion to accept the December 31, 2012 quarterly report from Dana Advisors as presented. Board member Gload seconded the motion, which carried by unanimous 5-0 vote.**

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

Tyler Grumbles, Bogdahn Consulting, LLC briefly reviewed the performance of the market environment for major market indexes as of December 31, 2012. He noted that during this quarter the Domestic Equity market environment had not much variation in the performance among the indexes. He noted that for the second consecutive quarter "value" outperformed "growth." He explained that the significant return dispersion realized between large cap and small cap style indexes was largely attributed to the performance of Apple and an underweight in financials. He reported that lower quality bonds did better than higher quality bonds during this quarter. Mr. Grumbles reported that for quarter ending December 31, 2013 the Plan's market value was \$2,372,180 and the asset allocations were Domestic Equity 48.0%, International Equity 10.3%, Fixed Income 40.2%, and Cash Equivalent 1.5%. He reported that for the quarter ending December 31, 2012 the Plan's Total Fund (Gross) was at 0.92% versus the benchmark at 0.47%. Dana Core Equity was -0.18% versus the benchmark at -0.38%, Dana International Portfolio was 9.34% versus the benchmark at 5.89%, Dana Fixed Income was up 0.28% versus the benchmark at .18%. Mr. Grumbles reviewed the financial reconciliation of the Fund as of December 31, 2012. Mr. Johnson reviewed the Plan's performance since 2005. He provided to the Board a report that showed the growth of \$100 in the last 5 years ending December 31, 2012 and the trailing performance returns for Domestic Equity through December 2012. Mr. Johnson will bring to the next meeting an asset allocation analysis for the Board's review.

**MOTION:**

**Board member Gload made a motion to accept the December 31, 2012 quarterly performance report. Board member Kuper seconded the motion, which carried by unanimous 5-0 vote.**

**V. UNFINISHED BUSINESS**

None

**VI. Consent Agenda**

**4. Ratification of invoices paid since last quarterly meeting:**

|   |            |
|---|------------|
| • Dana Investment Advisors – 3 <sup>rd</sup> Q. Mgmt Fees 1087 ca   | \$ 428.78  |
| • Dana Investment Advisors-3 <sup>rd</sup> Q. Mgmt. Fees 10873ma    | \$2,734.27 |
| • Cary Levine- FPPTA Trustee Expense Reimbursement                  | \$ 252.72  |
| • Pension Resource Centers-November 2012 Adm. Fees                  | \$ 800.00  |
| • Perry & Jensen- Legal Services through 11/15/12                   | \$1,792.65 |
| • Pension Resource Centers-December 2012 Adm. Fees                  | \$ 800.00  |
| • Bogdahn Group- Invest. Monitoring Svc. For 4 <sup>th</sup> Q 2012 | \$2,625.00 |
| • FPPTA – 2013 Annual Membership                                    | \$ 600.00  |
| • Perry & Jensen- Legal Services through 12/15/12                   | \$ 239.70  |

**5. Payments to be reviewed and approved:**

|   |            |
|---|------------|
| • Pension Resource Center – January 2012 Adm. Fees                | \$ 800.00  |
| • Perry & Jensen – Legal Services through 01/15/13                | \$ 50.00   |
| • Dana Investment Advisors- 4 <sup>th</sup> Q Mgmt. Fees 1087ca   | \$ 466.60  |
| • Dana Investment Advisors- 4 <sup>th</sup> Q. Mgmt. Fees 10873ma | \$2,752.86 |

Board member Gload asked Ms. Jensen to explain the fees regarding review of emails from Lori McWilliams. Ms Jensen explained the fees.

**6. Approval of new applicants for participation in Pension Plan**

Akiho Seino – full-time hire date 11-18-2012

**7. Approval of withdrawal of contributions**

|                 |            |
|-----------------|------------|
| Evelyn Shields  | \$7,955.96 |
| Kathryn Barbera | \$9,294.48 |

**8. Terminated employees who have not taken their contributions**

None

**End of Consent Agenda**

**MOTION:**

Board member Gload made a motion to accept the Consent Agenda as presented. Board member Kuper seconded the motion, which carried by unanimous 5-0 vote.

**VII. Budget Report**

**9. Income Statement & Expenditure Report for period 10-01-12 to 12-31-12, Finance Staff**

Board member Michelle Gload presented the Income Statement & Expenditure Report to the Board. She reported that all accounts are in order and in line. She reviewed the projected expenditures on the budget report. The Board reviewed the different accounts. Ms. Gload will change the projected legal fees from \$5,120 to \$6,500 and the Actuarial Services from \$6,651 actual actuarial services \$5,305.00, plus \$750.00 for Senate Bill 1128, plus an additional \$500.00 for extra services, totaling to \$6,555.00.

**MOTION:**

Board member Cary Levine made a motion to accept and approve the Income Statement & Expenditure Report for period 10-01-12 to 12-31-12 as presented and the

**projected Budget Worksheet as amended. Secretary Carl Hansen seconded the motion, which carried by unanimous 5-0 vote.**

#### **VIII. New Business**

##### **10. 2013 Mileage Rate, Attorney Bonni Jensen.**

Attorney Bonni Jensen reported that the IRS released its updated Standard Mileage Rate for 2013. The new rate is 56.5 cents per mile as of January 1, 2013.

##### **11. Council request for quarterly updates alternating between Boards, Attorney Bonni Jensen.**

Attorney Bonni Jensen reported that the Village Council sent an e-mail requesting the Board present quarterly reports during Council Meetings alternating with the Public Safety Pension Board. She explained that she will put together a report after the Pension meeting each quarter which is due the morning following the day the Board meets. She believes that the quarterly package will consist of the minutes of the prior meeting, the investment performance report, and a brief summary if there were any actions taken by the Board during the meeting. The Board had a brief discussion regarding this request. She explained that as per the Village Clerk the presentations are to be the first item on the Agenda.

##### **12. Certification of Election Results, Employee Representative John Kuper, Administrator Dixie Martinez.**

Dixie Martinez, Pension Resource Centers (PRC), reported that Mr. John Kuper ran unopposed for the employee representative position on the Board of Trustees. The Board needs to certify the election results. Board member Kuper introduced himself to the Board.

#### **MOTION:**

**Secretary Carl Hansen moved to certify the election results. Board member Michelle Gload seconded the motion, which carried by unanimous 5-0 vote.**

##### **13. Class Action Report for Period 10/01/12 through 12/31/12, Administrator Dixie Martinez.**

Dixie Martinez, Pension Resource Centers (PRC), reported that there was a class action filed on behalf of the Plan during this period against Bear Stearns.

##### **14. Budget Report, Board member Michelle Gload**

This item was discussed under Agenda Item. VII.9. Income Statement & Expenditure Report for Period 10-01-12 to 12-31-12.

**IX. ANY OTHER MATTERS**

Secretary Hansen announced that he was resigning from service on the Board. The Board expressed their thanks to Mr. Hansen for his many years of distinguished service.

**X. COMMUNICATIONS FROM CITIZENS**

There were no communications from citizens.

**XI. Adjournment**

**MOTION:**

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

There being no further business, the meeting was adjourned at 3:09 p.m.

Respectfully submitted,

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Dixie Martinez  
Administrator  
Village of Tequesta General Employees' Pension Plan

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Board member  
Village of Tequesta General Employees' Pension Plan