

**TEQUESTA GENERAL EMPLOYEES' PENSION TRUST FUND  
REGULAR BOARD MEETING MINUTES  
OCTOBER 21, 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 Village Hall Council Chambers 345 Tequesta Drive, Tequesta, Florida, on October 21, 2013. The meeting was called to order at 1:02 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, and Board Member Cary Levine.

Also in attendance were Attorney Bonni Jensen, Pension Administrator Dixie Martinez, Investment Monitor Tyler Grumbles and Senior Analyst Risk Management Rodney Louis.

**II. APPROVAL OF AGENDA**

Administrator Dixie Martinez requested the addition of item VIII. 12.GRS GASB No. 67 Implementation Package.

**MOTION:**

Secretary Hansen made a motion to approve the Agenda as amended. Board Member Levine 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 19, 2013.**

The Board reviewed the minutes as presented. The following changes were made to the minutes: pg.5. item VII.1. 1<sup>st</sup> paragraph, 2<sup>nd</sup> sentence "...budgeted amount of \$6,555 \$6,500", same paragraph 5<sup>th</sup> sentence "...Village Commission Council...", same paragraph 8<sup>th</sup> sentence "...to increase approve....".

**MOTION:**

Board Member Levine made a motion to accept the minutes as amended for the meeting on August 21, 2013. Secretary Hansen seconded the motion, which carried by unanimous 4-0 vote.

The Board agreed to review item VI. Consent Agenda next.

**VI. CONSENT AGENDA**

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

• Pension Resource Centers-August 2013 Adm. Fees	\$ 807.60
• Perry & Jensen- Legal Services through 08/15/13	\$ 319.71
• FPPTA – Fall Trustee School Registration – Michael Rhodes	\$ 450.00
• Pension Resource Centers-September 2013 Adm. Fees	\$ 800.00
• Perry & Jensen- Legal Services Rendered through 09/15/13	\$ 717.70
• Bogdahn Group- Invest. Monitoring Svc. For <sup>3rd</sup> Q 2013	\$2,625.00
• Gehring Group – Fiduciary Liability Ins. Renewal 10/13 to 10/14	\$ 988.42

Board Member Gload questioned individual charges on the Perry & Jensen invoice through 09/15/13. Attorney Bonni Jensen reviewed the invoice and explained the charges and fees in question.

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

Janet McCorkle

**6. Approval of withdrawal of contributions**

None

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

None

**End of Consent Agenda**

**MOTION:**

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

**IV. PRESENTATIONS**

**2. Senior Analyst – Risk Management: Rodney Louis, Gehring Group**  
**a. Fiduciary Liability Insurance**

Mr. Rodney Louis introduced himself to the Board. Mr. Louis explained why it is necessary for a Pension Plan to have this coverage. He reviewed the differences between the expiring policy and the new policy. The Board asked several questions to which he responded accordingly. The Board questioned if the new policy included coverage for IRS sanctions. Mr. Louis explained that at the moment he could not confirm if the new policy included coverage for IRS sanctions. However he will review the policy and will let the Board know via email. He explained that if the new policy did not include this coverage the Board could purchase an

endorsement to the policy. He explained that usually this type of endorsement costs around \$500.00

**MOTION:**

Board member Levine made a motion to approve the purchase of an endorsement to the policy for coverage of IRS sanctions, if the new policy does not cover it, not to exceed \$500.00. Secretary Hansen seconded the motion, which carried by unanimous 4-0 vote.

**MOTION:**

Board member Levine made a motion to accept the Fiduciary Liability Insurance as presented. Secretary Hansen seconded the motion, which carried by unanimous 4-0 vote.

**3. Quarterly Presentation by Monitor – 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 September 30, 2013. He reported it was a great quarter for domestic equities as all domestic indexes posted solid gains during the third quarter. Small caps outperformed mid and large caps during the quarter and growth stocks outperformed value across all capitalizations on the domestic equity front. International stocks roared back during the third quarter outpacing domestic equities. However the month to month performance was extremely volatile. Mr. Grumbles reported that for quarter ending September 30, 2013 the Plan's market value was \$2,796,463 and the asset allocations were Domestic Equity 49.6%, International Equity 9.5%, Fixed Income 38.4%, and Cash Equivalent 2.5%. He reported that for fiscal year end the Plan's Total Fund (Gross) was at 12.18% versus the benchmark at 10.81%. Dana Core Equity was 21.95% versus the benchmark at 19.34%, Dana International Portfolio was 18.36 % versus the benchmark at 16.98%, Dana Fixed Income was up 0.18% versus the benchmark at -0.71%. He reviewed the financial reconciliation quarter to date. Mr. Grumbles noted that the returns reported are preliminary because the final statements from Salem Trust are not available yet. He reported that overall it has been a great fiscal year and the Plan is in line with other Pension Plans. The Board had a brief discussion regarding the Dana portfolio. Mr. Grumbles reported that Dana has had a good long term strategy. Board Member Levine reported that he would like to see a report that reflects Dana's returns versus other manager, specifically compared to a search that Mr. Grumbles had provided to the Board a while back. Mr. Grumbles will see if he can bring this information to the next Pension Board meeting. Mr. Grumbles reported that he is unsure of what this year may bring. However they are doing everything to be well positioned moving forward. The Board asked Mr. Grumbles if he has considered REIT's as an investment for the Plan. Mr. Grumbles explained that he would consider REIT's if the Plan was large. He explained that REIT's tend to be illiquid investments. He reported that he will see if he can find any private REIT's to present to the Board.

Mr. Grumbles reported that Salem Trust Fund began offering Class R6 shares for the Templeton Global Total Return. He explained that this share class is less expensive, currently the fee is 75 basis points and the new share class is 65 basis points.

**MOTION:**

**Board Member Levine made a motion move to the Templeton Global Total Return Class R6 shares. Secretary Hansen seconded the motion, which carried by unanimous 4-0 vote.**

**MOTION:**

**Board Member Gload made a motion to accept the September 30, 2013 quarterly report from Bogdhan Consulting as presented. Secretary Hansen seconded the motion, which carried by unanimous 4-0 vote.**

**VII. BUDGET REPORT**

**8. Income Statement & Expenditure Report, Finance Staff.**

Board Member Gload reported that everything seems to be in line. However the Board may need to consider revising the budgeted actuarial fees due to the GRS's GASB No. 67 Implementation package. Board Member Gload explained that Finance Director, JoAnn Forsythe may have a better understanding of the new GASB requirements. Board Member Gload left the meeting to find Ms. Forsythe. Board Member Gload returned to the meeting and informed the Board that currently Ms. Forsythe was unavailable at another meeting. The Board briefly discussed GRS's GASB No. 67 Implementation package. The Board agreed to invite GRS to attend the next Pension Board meeting so that they can present and explain the GASB No. 67 Implementation package. The Board asked Board Member Gload if she could compile a 5 year expenditure summary report.

**MOTION:**

**Board Member Gload made a motion to invite GRS to the February 3, 2014 Pension Board meeting to discuss the GASB No. 67 Implementation package. Secretary Hansen seconded the motion, which carried by unanimous 4-0 vote.**

**MOTION:**

**Secretary Hansen made a motion to accept the Income Statement & Expenditure Report as presented. Board Member Levine seconded the motion, which carried by unanimous 4-0 vote.**

**VIII. NEW BUSINESS**

**9. Update on Email from HR re; Pension question, Attorney Bonni Jensen.**

Attorney Bonni Jensen reported that she had received an e-mail from the Village's HR Director, Merlene Reid, stating that the Village Manager had advised that the Village will be

moving all non-unionized employees hired after October 1, 2013, to a 401a plan. In the e-mail Ms. Reid had asked Attorney Bonni Jensen to advise on any steps that needed to be initiated by the Pension Board in regards to this matter. Attorney Bonni Jensen reported that she had advised Ms. Reid that this change should only require an Ordinance change, along with the actuarial impact statement that is required for Ordinances. She also explained that there may be labor issues that should be discussed with Village's labor counsel. Chair Rhodes explained that he had been in communication with the Village Manager in regards to this matter. He explained that he had been informed that the implementation of the 401a plan for all non-unionized employees hired after October 1, 2013 will not take effect on October 1<sup>st</sup>, however there will be continued conversations regarding this matter. Chair Rhodes reported that he had suggested that this topic and the associated pros and cons and underlying options be addressed with some participation of the General Employees Pension Board. The Board had a lengthy discussion regarding the implications to the Pension Plan related to this matter. The Board agreed to keep this item on the next Agenda for review under Agenda item "Unfinished Business".

**10. Summary Council Presentation, Attorney Bonni Jensen.**

Attorney Bonni Jensen reported that the presentation to the Village Council is on November 14 and the report is due to the Village Clerk on November 5. Ms. Jensen reviewed the Summary of Actions for quarter ending September 30, 2013. Chair Rhodes will present the report to the Village Council.

**MOTION:**

**Board Member Levine made a motion to accept the Summary of Actions for quarter ending September 30, 2013. Secretary Hansen seconded the motion, which carried by unanimous 4-0 vote.**

**11. Salem Trust Updates, Administrator Dixie Martinez.**

Administrator Dixie Martinez presented the latest update from Salem Trust regarding the conversion of their Trust Custody platform earlier this year. The Board asked for Ms. Jensen and Mr. Grumbles opinion and thoughts on the matter. Mr. Grumbles reported that Salem Trust has given other Pension Plans a reduction in fees due to the issues encountered during the conversion. The Board agreed that they should request the fee reduction from Salem Trust. The Board asked Mr. Grumbles to send a letter to Salem Trust requesting a fee reduction. The Board agreed that they should invite Salem Trust to the next Pension Board meeting so that they can provide them with an update on their transition.

**IX. ANY OTHER MATTERS**

Chair Rhodes reported that he had attended the FPPTA Trustee School held at the PGA National Resort. He briefly updated the Board on the topics discussed at the Trustee School.

The Board noted that Board Member John Kuper had not attended the last two Pension Board meetings. The Board asked Ms. Martinez to contact Board Member John Kuper to confirm that he is still interested in serving as a Trustee on the Board.

**X. COMMUNICATIONS FROM CITIZENS**

There were no communications from citizens.

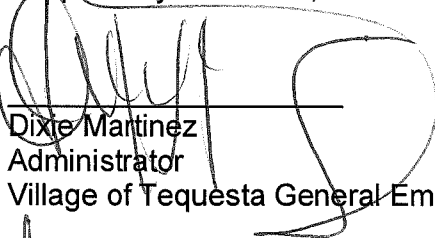
**XI. ADJOURNMENT**

**MOTION:**

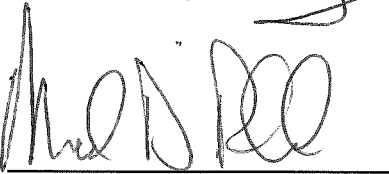
**Board Member Gload moved to adjourn the meeting. Secretary Hansen seconded the motion, which carried by unanimous 4-0 vote.**

There being no further business, the meeting was adjourned at 3:10 p.m.

Respectfully submitted,



Dixie Martinez  
Administrator  
Village of Tequesta General Employees' Pension Plan



Board Member  
Village of Tequesta General Employees' Pension Plan