

**TEQUESTA GENERAL EMPLOYEES' PENSION TRUST FUND
REGULAR BOARD MEETING MINUTES
August 10, 2015**

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 Chambers, 345 Tequesta Drive, Tequesta, Florida, on August 10, 2015. The meeting was called to order at 8:05 a.m.

A roll call was taken by Pension Administrator Kerry Dutton. In attendance at the meeting were: Secretary Carl Hansen, Board Member Michelle Gload, Board Member Cary Levine.

Also in attendance were Attorney Bonni Jensen, Pension Administrator Kerry Dutton, and Investment Monitor Tyler Grumbles.

II. PUBLIC COMMENT

None

III. APPROVAL OF AGENDA

MOTION:

Board Member Levine made a motion to approve the Agenda as amended. Board Member Michelle Gload seconded the motion, which carried by unanimous 3-0 vote.

IV. APPROVAL OF THE MINUTES

1. Meeting Minutes - Tequesta General Employees' Pension Trust Fund Board of Trustees – May 4, 2015.

There was a brief discussion on the removal of wording and rewording in section IX.10.a Administrative Rules. Meeting minutes for May 4, 2015 were tabled until the next regular quarterly meeting for the Board's review.

2. Special Meeting Minutes - Tequesta General Employees' Pension Trust Fund Board of Trustees – July 20, 2015.

MOTION:

Board Member Levine made a motion to accept the minutes for the special meeting on July 20, 2015. Board Member Gload seconded the motion, which carried by unanimous 3-0 vote.

V. Presentation

3. John Hamlin, Dana Investments
 - a. Quarter Review

Mr. John Hamlin, Dana Advisor, presented to the Board the Dana Advisors Investment Performance Report as of June 30, 2015. He reviewed the account profile for the quarter along with the portfolio summary. Mr. Hamlin stated that Bonds had a tough quarter however he continued to explain that the equity portfolio was slightly up. There was a brief discussion on

the expectation of rates continuing to rise. Mr. Hamlin stated that the returns so far this fiscal year are \$150,524.29. He reviewed the portfolio allocations for the June 30, 2015 quarter to be as follows: cash at 1.4%, bonds at 36.9% and domestic equity at 61.7%. He reviewed the performance gross fees through June 30, 2015. He reviewed the performance of the market environment during the quarter ending June 30, 2015. Mr. Hamlin stated the 3 year growth rate is 6.70% versus the benchmark of 6.40%. He reviewed the GDP growth 2.12% for quarter ending June 30, 2015. He stated global growth is slow and Europe has been weak but is expected to accelerate. There was a brief discussion on global economy. He reviewed recent increase in the oil sector. Mr. Hamlin reviewed the individual stocks. He stated that healthcare is a bright spot due to the Affordable Healthcare Act.

4. Tyler Grumbles, Bogdahn Consulting, LLC.
a. Quarterly Performance Report as of June 30, 2015

Tyler Grumbles, Bogdahn Consulting, LLC briefly reviewed the performance of the market environment, for major market indexes as of June 30, 2015. He reviewed the markets environment. Mr. Grumbles reported that for quarter ending June 30, 2015 the Plan's market value was \$3,689,1396 and the asset allocations were Domestic Equity 48.5%, International Equity 15.3%, Domestic Fixed Income 29.0%, Global Fixed Income 4.7% and Cash Equivalent 2.4%. Mr. Grumbles stated the capital gains for the quarter were \$19,118. He reported that for quarter end the Plan's Total Fund (Gross) was at -0.44% versus the benchmark at 0.03%. Mr. Grumbles also reviewed the Fiscal Year End, 1 year, and 5 year total fund versus the benchmark which shows that the Fund has outperformed each year. Dana Core Equity was -0.77% versus the benchmark at 0.28%, EuroPacific fund was 1.12% versus the benchmark at 0.72%. He stated the allocations are in line with the targeted allocations. He explained a 5% allocation out of line but not worth incurring the cost to rebalance the entire portfolio. He reviewed the financial reconciliation quarter to date. Mr. Grumble reviewed the Dana Core fixed income at -0.84% versus the benchmark at -0.67%. The trailing returns for the quarter for Templeton Global were at -0.13% versus the benchmark of -0.79%. He explained the 10 year Treasury will be a real head wind going forward. Mr. Grumbles reviewed the compliance checklist. He stated there are no recommendations at this time. Mr. Grumbles expressed his expectation to meet the expected rate of return of 7.5% this FYE.

MOTION:

Board Member Gload made a motion to accept both Dana Investment Quarter Review and the Bogdhan Consulting Quarter Review for the June 30, 2015 quarter as presented. Board Member Levine seconded the motion, which carried by unanimous 3-0 vote.

VIII. CONSENT AGENDA

4. Ratification of invoices paid since last quarterly meeting:

April 30, 2015	Pension Resource Center Administrative Fee - May 2015	\$800.00
May 22, 2015	Law Offices of Bonnie Jensen, P. A. Legal Services Rendered through 5/15/2015	\$1,368.45

5. Payments to be reviewed and approved:

- Pension Resource Center- Administrative Fee - June 2015 \$800.00

- The Bogdahn Group- Qrtly Report for 3/31/2015, Reports & Consulting Services through 6/30/2015 \$3,125.00
- Law Offices of Bonnie Jensen-Legal Services Rendered through June 15, 2015 \$534.00
- Pension Resource Center-Administrative Fee for July 2015 \$800.00
- Gabriel Roeder Smith & Company-Actuarial Services Rendered through 6/30/2015 \$3,000.00
- Law Offices of Bonnie Jensen-Legal Services Rendered from June 16, 2015 through July 15, 2015 \$861.15
- Dana Investment Advisors-Investment Management Fee for 2nd Quarter 2015 - 1087mc \$4,058.21

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:

None

MOTION:

Board Member Gload made a motion to accept the Consent Agenda as presented. Board Member Levine seconded the motion, which carried by unanimous 3-0 vote.

IX. Unfinished Business

10. Administrative Rules (draft dated 2015)

Ms. Bonni Jensen reviewed the revised Administrative Rule per discussion in the last quarterly meeting. There was a brief discussion about the revisions.

MOTION:

Board Member Levine made a motion to approve the Administrative Rule as presented. Board Member Gload seconded the motion, which carried by unanimous 3-0 vote.

11. Summary Plan Description

Ms. Jensen reviewed the revised change removing the Dana International Equity as a listed investment manager. There was brief discussion on the distribution of the Administrative Rule to all members.

12. IRS Determination Letter- Discussion on Filing Status

Ms. Jensen stated her office will file by the January 1, 2016 deadline and will inform the Board of updates throughout the process.

MOTION:

Board Member Gload made a motion to approve the Summary Plan Description as amended and to be distributed. Board Member Levine seconded the motion, which carried by unanimous 3-0 vote.

IX. New Business

13. Bonni Jensen, The Law Office of Klausner, Kaufman, Jensen & Levison

a. HB 1309 Memo

Mrs. Jensen then reported the HB 1309 passed requiring the Plan to use the FRS mortality table effective January 1, 2016. She explained there will be a cost for the change and it is an unfunded mandate. She stated this change will not affect the benefit amounts or when members pass away but will change the schedule of when the payments are paid.

b. Reporting Requirement Memo

Ms. Jensen reviewed the reporting requirements implemented by SB172 on July 1, 2015. There was a brief discussion on the requirement of the annual budget. Ms. Jensen stated the annual budget is not a requirement for the General Employees' Pension Trust Fund.

c. Website Disclosure Memo

Ms. Jensen then stated the website disclosure is a requirement for this plan. She reviewed the process and deadline for the website updates on an annual basis. There was brief discussion on updates to the Board on this matter. Ms. Dutton suggested having an administrative report given at the May quarterly meeting with a status update on the website.

d. To Do List with Updated Requirements 2016-17

Ms. Jensen reviewed and clarified the questions listed in regards to SB534. Ms. Jensen suggested having the Actuary attend via phone for discussion on early implementation of the new FRS mortality table requirement. Ms. Gload reviewed the interaction and processes that the Village must take during the Actuarial Valuation and the how the Valuation effects the Village CAFR. Ms. Dutton called Mr. Amrose, GRS Actuary, via phone to discuss possible early implementation of the new mortality table. Mr. Amrose noted a very modest increase on the Villages contributions due to this implementation. He stated being in favor of early implementation of the FRS mortality table effective October 1, 2015. There was a brief discussion on the impact of a variety of effective dates. He stated the current FRS mortality table could change in the future. Mr. Amrose ended his conference call with the Board.

MOTION:

Board Member Gload made a motion to approve the early implementation of the FRS Mortality Table effective October 1, 2015. Board Member Levine seconded the motion, which carried by unanimous 3-0 vote.

VIII. Quarterly Budget Report – Income Statement & Expenditure Report, Finance Staff

Ms. Michelle Gload stated the income statement and balance sheet looks to be inline. She requested the administrator to hand out an updated budget worksheet which included Ms. Gload's recommendations resulting from the elimination of job positions and higher paying positions. Ms. Gload explained all columns and explained her recommendation for each. She also reviewed the effect of how these recommended changes would affect next year's budget

as well. There was a brief discussion on Salem Trust's reimbursement of the additional fee the Plan incurred due to additional review for the Village CAFR.

MOTION:

Board Member Levine made a motion to approve the Budget Report as amended. Board Member Gload seconded the motion, which carried by unanimous 3-0 vote.

XI. ANY OTHER MATTER

There was a lengthy discussion on the current open trustee seats.

XII. COMMUNICATIONS FROM CITIZENS

There were no communications from citizens.

XI. ADJOURNMENT

MOTION:

Board Member Levine moved to adjourn the meeting. Board Member Gload seconded the motion, which carried by unanimous 3-0 vote.


There being no further business, the meeting was adjourned at 10:06 a.m.

Respectfully submitted,



Kerry Dutton
Administrator

Village of Tequesta General Employees' Pension Plan



Board Member

Village of Tequesta General Employees' Pension Plan