

**TEQUESTA PUBLIC SAFETY OFFICERS' PENSION TRUST FUND
REGULAR BOARD MEETING
&
TEQUESTA GENERAL EMPLOYEES' PENSION TRUST FUND
SPECIAL BOARD MEETING MINUTES
AUGUST 3, 2015**

I. CALL TO ORDER AND ROLL CALL

The Regular Quarterly Board Meeting of the Tequesta Public Safety Officers' Pension Trust Fund Board of Trustees was held at the Village Hall Council Chambers, 345 Tequesta Drive, Tequesta, Florida, on August 3, 2015. The meeting was called to order at 8:04 a.m. jointly with the General Employees' Trust Fund.

A roll call was taken by Pension Administrator Kerry Dutton & Scott Baur. In attendance at the meeting for Public Safety Officers' were: Board Member John Terzakis, Board Member Kyle Stone, and Board Member Ariel Ramirez. In attendance at the meeting for the General Employees' were: Chair Michael Rhodes, Board member Michelle Gload, and Board Member Cary Levine.

Also in attendance were Attorney Bonni Jensen, Pension Administrators Scott Baur and Kerry Dutton, and Investment Monitor Tyler Grumbles. In addition were David Lederer and Amed Avila from Fiduciary Trust, Kelly Brockstedt and Jacqui Jenkins from First State Trust, Salvatore Corso and Christopher Hickok in attendance.

II. PUBLIC COMMENT

There was no public comment

III. ADMINISTRATION OF OATH- KYLE STONE

IV. REAPPOINTMENT OF JOHN TERZAKIS

Ms. Jensen stated the need for three trustees other than Trustee Terzakis in order for the reappointment motion to be valid. The item was tabled till the next meeting.

V. PRESENTATIONS- ITEM TO BE DISCUSSED JOINTLY WITH GENERAL EMPLOYEES' PENSION FUND

1. Wilmington Trust Company, Sal Corso & Christopher Hickok

Sal Corso introduced himself and his associate Christopher Hickok. Mr. Corso explained he is in charge of new business since M&T Bank acquired Wilmington Trust 4 years ago. Mr. Corso explained the history and stability of M&T Bank. He continued to review the ownership structure of the company. Mr. Hickok explained his 23 year works history with M&T Bank. He reviewed the core custody services, and stated that there are no cash overnight sweeps to money market accounts. He stated that the payment services available to the members are payments by check or ACH. Mr. Hickok reviewed the payment process time line. He reviewed the reporting and filings that Wilmington Trust will

provide to the member. He reviewed the internal audit process. There was a brief discussion on the transition process and recommended date options. Mr. Corso closed the presentation with noting the average employment stay is 12 years. There was a brief discussion on waiving of fees, total assets, and number of current accounts in Florida.

2. First State Trust Company, Kelly Brockstedt & Jacqui Jenkins

Jacqui Jenkins introduced herself and her associate Kelly Brockstedt. Ms. Brockstedt reviewed an overview of the background of First State Trust Company. She explained an affiliate company that uses computer software owned by First State Trust Company. She noted the company has \$8.5 billion in trust custody. She stated only 5-6 are of Florida Plans. She reviewed their customized platform and their use through Citibank as a sub-custodian and another \$13 billion in sub-custodians. She explained their internal processes and team structure. Ms. Brockstedt noted it's a smaller company however having a high model works well for them. She reviewed in detail the relationship First Trust working with Citibank as sub-custodian and how this process has set them apart from other Trust Custody Banks. She reviewed the payment process and timeline. Ms. Brockstedt also reviewed the reporting and statements that First State Trust produces for their clients. She explained and reviewed the transition process chart shown in her presentation. She reviewed the fee schedule and explained the added option of a full service call center for an additional cost. There is a brief discussion on the number of employees in each team and how many Plans each team is assigned. Ms. Brockstedt reviewed Trust Portal versus Trust Link and their uses with in First State Trust. She elaborated on the history on Northern Trust transitioning into Trust Portal. She recommended a blackout period when transition however it is not a requirement.

3. Fiduciary Trust Company, Amed Avila & David Lederer

David Lederer introduced himself and his associate Amed Avila. Mr. Lederer stated Fiduciary Trusts main focus is on personal service and integrity. He reviewed the master custody overview of services. He continued to review the history of the company stating the foundation of Fiduciary Trust to be in 1931. He explained the parent company is Franklin Templeton. There is a brief discussion on Franklin Templeton. Mr. Avila reviewed the team structure and noted the Plan would have a single point of contact at Fiduciary trust. He reviewed current client and their relationship time length. He stated the company has a dedicated conversion team. He reviewed the average experience of relationship management team and their back up team. He explained the online access for trades, values, pension payments in real time including deductions. Mr. Avila stated his preference for all members to communicate changes through the plan administrator. There is a brief discussion on the need for a blackout period for transition from Salem Trust. Mr. Avila stated 3-4 days should be expected for the blackout period. There is a discussion on the selection of transition period. There was a discussion on the statements and balance sheets. Mr. Avila reviewed the fees and stated the fees would be guaranteed for 3 yrs.

III. ADMINISTRATION OF OATH- KYLE STONE

Lori McWilliams, Village clerk, administered the oath to Trustee Kyle Stone. Mr. Stone in turn accepted.

Scott Baur reviewed his experience with each of the three presenting custodians. There is a lengthy discussion on the pros and cons of all three custodian presentations. Ms. Jensen reviewed the history of Salem Trust. The Village employees, Tatiana Racanati stated she felt all three companies would be able to provide what is necessary. All trustees expressed their opinions.

MOTION:

Board Member Levine made a motion to approve Fiduciary Trust as new custodian bank for the General Employees' Pension Trust. Board Member Gload seconded the motion, which carried by unanimous 3-0 vote.

MOTION:

Board Member Stone made a motion to approve Fiduciary Trust as new custodian bank for the Public Safety Officers' Pension Trust. Board Member Ramirez seconded the motion, which carried by unanimous 3-0 vote.

IV. REAPPOINTMENT OF 5TH TRUSTEE

Attorney Bonni Jensen advised the Board that due trustee Terzakis being one of the three trustees present the reappointment must be addressed at the next Board meeting.

There being no further business for the General Employees' Pension Board, the General Employees' Pension Board Meeting was adjourned at 10:56 a.m.

VI. APPROVAL OF AGENDA

MOTION:

Board Member Stone made a motion to approve the Agenda as presented. Board Member Ramirez seconded the motion, which carried by unanimous 3-0 vote.

VII. APPROVAL OF MINUTES

4. Tequesta Public Safety Officers' Meeting Minutes- May 4, 2015

MOTION:

Board member Ramirez made a motion to approve the May 4, 2015 Meeting Minutes as presented. Board Member Stone seconded the motion, which carried by unanimous 3-0 vote.

VIII. PRESENTATIONS

5. Investment Monitor - Tyler Grumbles, Bogdahn Consulting, LLC.
 - a. Quarterly Investment Report as of June 30, 2015

Tyler Grumbles, Bogdahn Consulting, LLC stated the report is preliminary. He briefly reviewed the portfolio rebalancing history for both Brown and Gamco. He stated Brown has been under performing since inception but this quarter has started to turn their performance around. Mr. Grumbles reported that for quarter ending June 30, 2015 the Plan's market value was \$11,839,750 and the asset allocations were Domestic Equity 49.9%,

International Equity 15.2%, Domestic Fixed Income 28.6%, Global Fixed Income 5.0% and Cash Equivalent 1.3%. Mr. Grumbles stated that currency transactions have been a real headwind. Mr. Grumbles stated that the best performer for the quarter was the Healthcare sector and the worst performer was the industrial sector. He stated that all target allocations are within target. He reported that for quarter ending June 30, 2015 the Plan's Total Fund (Gross) was at -0.31% versus the benchmark at -0.35%. Total Equity was 0.80% versus the benchmark at 0.30%, Total Domestic Equity was 0.71% versus the benchmark at 0.14%, Total International Equity was at 1.10% versus the benchmark at 0.72%, and Total Fixed Income was at -2.41% versus the benchmark at -1.56%. Mr. Grumbles reviewed an update on the capital call timeframe for ASB to be roughly a 1.5 years until fully invested. He reviewed the markets environment. He reviewed the performance of each manager individually. Mr. Grumbles reviewed the financial reconciliation of the Fund as of June 30, 2015 as well as the compliance checklist.

MOTION:

Board Member Ramirez made a motion to approve the Quarterly Performance Report for June 30, 2015 as presented. Board Member Terzakis seconded the motion, which carried by unanimous 3-0 vote.

VIII. UNFINISHED BUSINESS

None

9. Actuarial Impact Statement for proposed Ordinance for Firefighters'

Ms. Jensen reviewed the proposed ordinance and explained the process. She stated it's a Deits formula.

MOTION:

Board Member Stone made a motion to allow information to be exchanged with the Village to maintain a favorable determination. Board Member Ramirez seconded the motion, which carried by unanimous 3-0 vote.

IX. STANDING REPORTS (INFORMATION ITEMS)

6. New applicants for participation in Pension Plan:

None

7. Request for withdrawal of contributions (employees terminating employment With the Village of Tequesta) – Ratification of withdrawals made since the last meeting.

None

8. Terminated employees who have not taken their contributions:

None

X. PAYMENTS TO BE RATIFIED (PAYMENTS MADE SINCE LAST MEETING)

10.

April 30, 2015	Pension Resource Center	\$950.00
	Administrative Fee - May 2015	
May 22, 2015	Law Offices of Bonni Jensen, P. A.	\$1,815.90
	Legal Services Rendered through 5/15/2015	

MOTION:

Board Member Stone made a motion to approve the payments to be ratified as presented. Board Member Ramirez seconded the motion, which carried by unanimous 3-0 vote.

XI. PAYMENT TO BE REVIEWED AND APPROVED

11.

Pension Resource Center	\$950.00
Administrative Fee - June 2015	
The Bogdahn Group	\$4,500.00
Performance Evaluation for 3/31/2015 - Reports and Consulting	
Services through 6/30/2015	
Law Offices of Bonni Jensen P. A.	\$1,261.35
Legal Services Rendered through 6/15/2015	
Pension Resource Center	\$950.00
Administrative Fee - July 2015	
Gabriel, Roeder, Smith & Company	\$3,000.00
Actuarial Services Rendered through 6/30/2015	
Gamco Asset Management	\$5,547.00
Investment Management Fee - 2nd Quarter 2015	
Law Offices of Bonnie Jensen P. A.	\$2,815.35
Legal Services rendered 6/16/2015 through 7/15/2015	
Garcia Hamilton & Associates	\$2,131.92
Investment Management Fees - 2nd Quarter 2015	

MOTION:

Board Member Stone a motion to approve the payments to be reviewed and approved as presented. Board member Ramirez seconded the motion, which carried by unanimous 3-0 vote.

XIII. NEW BUSINESS

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

a. SB 172 Memo

Ms. Jensen explained this will not go into effect for the Firefighters' until the next collective bargaining. Ms. Jensen stated this does not apply to the police officers since they have a closed plan. She explained the detail of the new implementations set by SB 172.

b. HB 1309 Memo

Mrs. Jensen then reported the HB 1309 passed requiring the Plan to use the FRS mortality table. She noted this is applied to all governmental sectors. 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.

c. 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. She reviewed other posting requirements that went into effect after this bill passed this year.

d. Website Disclosure Requirement 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. Jensen stated that a disability application has been received by Pension Resource Centers however has not been reviewed.

XIV. ADMINISTRATIVE REPORT

13. Plan Budget Report 2015-16

Scott Baur explained the budget and noted its main purpose to be for administrative purposes. He explained the budget reflects last year's totals and a projection for next years based on those totals. Mr. Baur noted the 2016 totals are estimations higher than true expectations in order to allow room for flexibility. He stated this flexibility will avoid having to have the budget revised and readopted throughout next year.

MOTION:

Board Member Stone made a motion to approve and adopt the Budget Report for 2015-2016 with the removal of audit line, lower the miscellaneous at \$20,000 and to hold to consultant fee at \$18,00,00. Board member Ramirez seconded the motion, which carried by unanimous 3-0 vote.

XI. ANY OTHER MATTER

XII. COMMUNICATIONS FROM CITIZENS

XIII. ADJOURNMENT

MOTION:

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

There being no further business, the meeting was adjourned at 12:02 p.m.

Respectfully submitted,



Kerry Dutton

Administrator

Village of Tequesta Public Safety Officers' Pension Plan



Board Member

Village of Tequesta General Employees' Pension Plan



Board Member

Village of Tequesta Public Safety Officers' Pension Plan

