

**TEQUESTA GENERAL EMPLOYEES' PENSION TRUST FUND
REGULAR BOARD MEETING MINUTES
November 7, 2016**

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 November 7, 2016. The meeting was called to order at 8:06 a.m.

A roll call was taken by Pension Administrator Kerry Dutton. In attendance at the meeting were: Chairman Michael Rhodes, Board Member Michelle Gload (8:20 a.m.), Board Member Bernard Ward, Board Member Jesse Oakley III and Board Member Dennis Rick.

Also in attendance were Attorney Bonni Jensen, Pension Administrator Kerry Dutton, Investment Manager Greg Peters, Clyde Robinson & Georgette Baxter and Investment Monitor Tyler Grumbles.

II. APPROVAL OF AGENDA

It was acknowledged that Mr. Bernard Ward was appointed as secretary. Therefore, Item: II was removed. Ms. Jensen informed the Board of the delay of the public notice posting; however, in her opinion the meeting is within compliance.

MOTION:

Board Member Oakley made a motion to approve the agenda as amended. Board Member Ward seconded the motion, which carried by 4-0 vote.

III. PUBLIC COMMENT

None

IV. APPROVAL OF MINUTES

1. Tequesta General Employees' Pension Trust Fund Board of Trustees Regular Quarterly Meeting Minutes – August 1, 2016.

Chairman Rhodes stated Minutes need to be sooner, within 3 weeks from the meeting date and for the Plan Administrator to keep the Board updated on when to expect the Minutes.

V. CONSENT AGENDA

4. Ratification of invoices paid since last quarterly meeting:

Ck# 1243	8/10/2016	Pension Resource Centers Administrator Fee - August 2016 Invoice# 14882	\$813.59
Ck# 1244	8/10/2016	Klausner, Kaufman, Jensen & Levinson Legal Services Rendered through 6-29-16 Invoice# 18415	\$112.50
Ck# 1245	8/10/2016	The Bogdahn Group Management Fee - 2nd Quarter 2016 Invoice# 17291 Date 6-30-2016	\$3,125.00

Ck# 1246	8/10/2016	DANA Investment Advisors Management Fee - 2nd Quarter 2016 for Acct#451856610 Invoice# 49397	\$621.42
Ck# 1247	8/10/2016	DANA Investment Advisors Management Fee - 2nd Quarter 2016 Account# 451856620 Invoice# 49458	\$3,305.51
Ck# 1248	9/9/2016	Gabriel Roeder Smith & Company Actuarial Services Rendered through 6-30-16 Invoice# 423308 Date 7/7/16	\$4,917.00
Ck# 1249	9/9/2016	Klausner, Kaufman, Jensen & Levinson Legal Services Rendered through 7-31-2016	\$270.00
Ck# 1250	9/9/2016	Pension Resource Center Administrative Fee - Sept 2016 Invoice# 14951	\$800.00
Ck# 1251	9/20/2016	Gehring Group, Inc Fiduciary Liability Insurance - 10/1/16 - 10/1/17	\$1,167.30
Ck# 1252	10/12/2016	Klausner, Kaufman, Jensen & Levinson Legal Services Rendered through 8-30-2016	\$900.00
Ck# 1253	10/12/2016	The Bogdahn Group Management Fee - 3rd Quarter 2016 Invoice# 19618 Date 9-25-2016	\$3,125.00
Ck# 1254	10/12/2016	Pension Resource Center Administrative Fee - Oct 2016 Invoice# 15021	\$800.00
Paid by Custodian			
		Fiduciary Trust International Dana EQ Custody Fee 11/4/15 - 11/30/15 Cust#XXXX620 Inv#S14800421423	\$74.70
	12/22/2015		
		Fiduciary Trust International Dana EQ Custody Fee 12/1/15 - 12/31/15 Cust#XXXX620 Inv#S14800467389	\$85.40
	7/20/2016		
		Fiduciary Trust International Dana EQ Custody Fee 1Q2016 Cust#XXXX620 Inv#S14800467390	\$255.05
	7/20/2016		
		Fiduciary Trust International Employees PE Custody Fee 10/30/15 -11/30/15 Cust#XXXX610 Inv#S14800421422	\$58.17
	12/22/2015		
		Fiduciary Trust International Employees PE Custody Fee 12/01/5 - 12/31/15 Cust#XXXX610 Inv#S14800467387	\$56.17
	7/20/2016		
		Fiduciary Trust International Employees PE Custody Fee 1Q2016 Cust#XXXX610 Inv#S14800467388	\$172.63
	7/20/2016		

2/11/2006	Fiduciary Trust International R&D Custody Fee 10/31/15 - 11/30/15 Cust#XXXX600 Inv#S14800439107	\$12.43
4/25/2016	Fiduciary Trust International R&D Custody Fee 1Q2016 Benefit Payments/ACH Fee Cust#XXXX600 Inv#S14800450918	\$60.00
7/18/2016	Fiduciary Trust International R&D Custody Fee 2Q2016 Benefit Payments/ACH Fee Cust#XXXX600 Inv#S14800465044	\$60.00
7/20/2016	Fiduciary Trust International R&D Custody Fee 12/01/15 - 12/3/15 Cust#XXXX600 Inv#S14800467385	\$40.00
	Fiduciary Trust International R&D Custody Fee 1Q2016 Cust#XXXX600 Inv#S14800467386	\$125.98

5. Payments to be reviewed and approved:

October 4, 2016	Gabriel, Roeder, Smith & Company Actuarial Services Rendered Thru 9/30/2016	\$2,149.00
October 31, 2016	Pension Resource Center Administrative Fee - November 2016	\$800.00
October 25, 2016	FPPTA 2017 Renewal Membership	\$600.00
October 18, 2016	Bernard J. Ward Reimbursement/FPPTA Conference June 2016	\$218.64

6. Reporting of new applicants for participation in Pension Plan:

Amber Krauss
Michael Filipkowski
Tara Chattergoon

7. Approval of withdrawal of contributions:

8. Terminated employees who have not taken their contributions:

END OF CONSENT AGENDA

MOTION:

Board Member Oakley made a motion to approve the Consent Agenda as presented. Board Member Ward seconded the motion, which carried by unanimous 4-0 vote.

VI. PRESENTATIONS

2. Clyde Robinson & Georgette Baxter, ASB Real Estate

Mr. Robinson introduces himself and Ms. Georgette Baxter. Ms. Baxter reviewed her recent employment at the Firm along with the dynamics of the upper management. She reviewed the philosophy on the buildings that are acquired. She explained the Firm's consistent evaluation process of their buildings. She noted this is not the account type the Fund is invested into. Mr. Robinson reviewed the structure and the roles of the Investment Advisory Team. He described the Separate Account created in 2012 to mirror the Allegiance Fund. Mr. Robinson stated the reported total return net of fees to be 1.77% for the quarter and 10.64% for the 1 year. He reviewed and explained the consistent outperformance across different market cycles. He noted the year to date performance was 4.74%. Ms. Baxter reviewed the primary properties along with the Firm's investment strategies. There was a brief discussion on the definition and characteristics of creative office buildings. She stated the Firm only applies minimum debit for purchases of property resulting from the conservative approach. She reviewed the historical leverage percentage. She stated the allocations as Office Space at 38.4%, Retail at 27.8%, Residential at 15.9%, and industrial at 17.8%. Ms. Baxter reviewed all 2016 acquisitions that reflect the Allegiance Fund's strategic focus on assets with unique competitive advantages located in supply-constrained, vibrant urban markets. She reviewed the trailing year of significant leases and noted the 2017 queue is low due to only reflecting negotiated leases in the last 18 months. Ms. Baxter explained the Firm not only sells properties for underperformance but will also sell if the purchase offer is outstanding compare to the market value. Explained the core strategic disposition stating the Firm remains focused and disciplined. The Allegiance Fund's assets were at \$376 million as of September 30, 2016.

MOTION:

Board Member Gload made a motion to approve the ASB Presentation as presented. Board Member Rick seconded the motion, which carried by unanimous 5-0 vote.

12. Greg Peters, Dana Investments

Greg Peters, Dana Advisor, presented to the Board the Dana Advisors Investment Performance Report as of September 30, 2016. He reported that the returns for the 2016 fiscal year were \$165,677.69. He stated the portfolio is of high quality. He continued to review the asset allocation stating the focus is mainly on security and not primarily rating as long as the investment is not below the required investment grade. He provided a brief overview of fixed income yield curve and the equity performance by market cap and by sector. He reviewed the performance gross fees through September 30, 2016 stating the harsh environment this year. He reviewed the performance of the market environment during quarter ending September 30, 2016. Mr. Peters explained Dana's investment strategy including the sector basis keeping volatility low. He continued to explain the 3 year dividend growth. Mr. Peters noted the top performance contributors and the top performance detractors during this quarter. He explained the price to earnings ratios. He reviewed the top 50 performers stating a few of the most recognizable names. He reviewed the historical market which captured the down turn and that shows limiting on the downside of market performance while participating in the upside of the market performance. There was a brief discussion on the election process and the effect on the market performance.

MOTION:

Board Member Ward made a motion to approve the Dana Investment Report as presented. Board Member Gload seconded the motion, which carried by 5-0 vote.

3. Tyler Grumbles, Bogdahn Consulting, LLC.

a. Quarterly Performance Report as of September 30, 2016

Tyler Grumbles, Bogdahn Consulting, LLC notified the Board of the change of the Firm's name to be announced in January 2017. He reviewed the September 30, 2016 Preliminary Performance Report. He briefly reviewed the performance of the market environment, for major market indexes as of September 30, 2016. Mr. Grumbles reported that for quarter ending September 30, 2016 the Plan's market value was \$4,012,405 and the asset allocations were Domestic Equity 48.7%, International Equity 15.3%, Domestic Fixed Income 20.9%, Global Fixed Income 4.9%, Total Real Estate 9.1% and Cash Equivalent 1.1%. He stated the allocations are in line with the targeted allocations. Mr. Grumbles reviewed the financial reconciliation quarter along with reviewing the fiscal year end totals. He reported

that for quarter end the Plan's Total Fund (Gross) was at 2.16% versus the benchmark at 3.71% and the FYE Total Fund (Gross) was at 6.06%. Dana Core Equity was 1.8% versus the benchmark at 3.85%, EuroPacific fund was 8.23% versus the benchmark at 7.00%, Dana fixed Income was 0.34% versus the benchmark at 0.31%, Templeton was -0.34% versus the benchmark at 3.08%. There was a lengthy discussion on the underperformance by Dana. There was a brief discussion on the influence of international currency on the macro sector. Mr. Grumbles also reviewed the Fiscal Year End, 1 year, and 5 year total fund versus the benchmark. He reviewed the financial reconciliation quarter to date. Mr. Grumbles reviewed the compliance checklist. Mr. Grumbles recommends moving 50% of Dana assets to Vanguard. The Board discussed option on strategy to pulling the funds from Dana and reallocating to index. Mr. Grumbles noted the fees incurred would be reduced by this reallocation from Dana. He stated most other funds are indexing 50% of the assets in Domestic Equity. The Board discussed a two step funding process.

MOTION:

Board Member Ward made a motion to transfer the advised amount of 50% of the Dana domestic equity portfolio to the Vanguard Russell 3000 Total Stock Market Index. 25% of the portfolio is to be transferred within 10 business days and the other 25% is to be transferred within 45 calendar days. Board Member Gload seconded the motion, which carried by unanimous 5-0 vote.

MOTION:

Board Member Gload made a motion to accept the September 30, 2016 Bogdahn Report as presented. Board Member Oakley seconded the motion, which carried by unanimous 5-0 vote.

VIII. UNFINISHED BUSINESS

13. Update on the Status of PRC Website

Ms. Dutton reviewed the updates made to the Pension Resource Website.

IX. NEW BUSINESS

None

X. BUDGET REPORT

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

Trustee Gload reported that everything seems to be in line. She states that all invoices are included aside for the 3rd quarter Custodian Invoices. There was a brief discussion on the manager fees. Ms. Jensen requested to have the Bogdahn Quarterly Report reflect that the manager fees are paid.

MOTION:

Board Member Ward made a motion to approve the updated budget as presented. Board Member Oakley seconded the motion, which carried by unanimous 5-0 vote.

XI. ADMINISTRATIVE REPORT

10. FPPTA Upcoming Trustee School

Ms. Dutton stated the timeline of the upcoming FPPTA Winter Trustee School. She also requested trustees contact her directly if interested in attendance.

11. 2017 Meeting Schedule

The Board reviewed the presented 2017 Meeting dates. There was a brief discussion on the provider's presentations at specific meeting to prevent extended meeting times.

MOTION:

Board Member Oakley made a motion to approve the 2017 meeting schedule as amended. Board Member Rick seconded the motion, which carried by unanimous 5-0 vote.

XII. ANY OTHER MATTERS

Ms. Jensen reviewed the drafted Summary of Actions that is due to be presented to the Village Council in early December. She confirmed the Summary of Actions will be updated to reflect the newly approved Dana rebalance and the 2017 Meeting Dates. She requested the need for a trustee to present to the Village Council. The Board discussed schedules and possible availability.

Trustee Gload stated a request from ~~Tatiana Raccanati~~ to have all terminated non vested members to be listed on the consent agenda as a way to track such members. Ms. Dutton confirmed the implementation of this request would be effective in the New Year.

Chairman Rhodes recapped the expectant timeline for all meeting Minutes to be drafted and distributed to the Board 2 to 3 weeks following the meeting.

XIII. COMMUNICATION FROM CITIZENS

There were no communications from citizens.

XI. ADJOURNMENT

There being no further business, the meeting was adjourned at 11:23 a.m.

Respectfully submitted,



Kerry Dutton
Administrator



Secretary
Village of Tequesta General Employees' Pension Plan