

**TEQUESTA GENERAL EMPLOYEES' PENSION TRUST FUND
REGULAR BOARD MEETING MINUTES
JULY 31, 2017**

CALL TO ORDER

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 July 31, 2017. The meeting was called to order at 1:00 p.m.

ROLL CALL

A roll call was taken by Chairman Michael Rhodes. In attendance at the meeting were: Chairman Michael Rhodes, Secretary Bernard Ward, Board Member Michelle Gload, and Board Member Dennis Rick.

Also in attendance were Attorney Bonni Jensen, Pension Administrator Scott Baur, Investment Monitor Tyler Grumbles and Custodian Representative Amed Avila.

PUBLIC COMMENT

None

APPROVAL OF AGENDA

Bonni Jensen requested the addition for update on the summary plan description. Board member Michelle Gload requested to separate items 6 & 7 from consent agenda. She also requested to change the title of item 13 to Revenue and Expenditure Report. It was also requested to move item 4 to the Administrative Report.

MOTION:

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

CONSENT AGENDA

5. Ratification of invoices paid since last quarterly meeting

<u>Check#</u>	<u>Paid Date</u>	<u>Vendor / Description</u>	<u>Amount</u>
1283	6/9/2017	Pension Resource Centers Administrator Fee - May 2017 Invoice# 15485	\$809.56
1284	6/9/2017	Klausner, Kaufman, Jensen & Levinson Legal Services Rendered through 4-30-17 Invoice# 19905	\$619.00
1285	6/9/2017	Klausner, Kaufman, Jensen & Levinson Legal Services Rendered through 5-30-17 Invoice# 20018	\$180.00
1286	7/12/2017	Pension Resource Centers Administrator Fee - June 2017 Invoice# 15558	\$800.00
1287	7/12/2017	Pension Resource Centers Administrator Fee - July 2017	\$800.00

Invoice# 15622

1288	7/12/2017	Klausner, Kaufman, Jensen & Levinson Legal Services Rendered through 6-30-17 Invoice# 20168	\$1,314.50
1289	7/12/2017	& Co 2nd Quarter 2017 Invoice #22350	\$3,125.00

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

Jason Fawcett

7. Approval of withdrawal of contributions:

Akino Seino – *payment issued 6/12/17*

8. Terminated employees who have not yet taken their contributions:

Following members were notified via mail on April 24, 2017:

Derek Watson
Brett Steele
Nathan Litteral
Martin Meehan
Simon Jamason

9. Benefit Approvals – *Plan Administrator Kerry Dutton, Pension Resource Centers*

END OF CONSENT AGENDA

MOTION:

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

APPROVAL OF MINUTES

1. Tequesta General Employees' Pension Trust Fund Board of Trustees Regular Quarterly Meeting Minutes – June 13, 2017.

Board member Gload requested item 10 reference non-vested members along with termination dates. Ms. Jensen requested a change in the language under item 12 regarding the cost. There was a discussion on the Finance Director to attend the November meeting. Ms. Gload requested an approved vendor list. She requested a red-line copy of the amended minutes on the next meeting agenda.

MOTION:

Board Member Ward made a motion to approve the June 13, 2017 Regular Quarterly Meeting Minutes as amended. Board Member Rick seconded the motion, which carried by 4-0 vote

PRESENTATIONS

2. Quarterly Performance Report as of June 30, 2017 - Tyler Grumbles, And Co Consulting

Tyler Grumbles reported depreciating dollar costed foreign securities. Domestic markets continue to post steady gains. Mr. Grumbles reviewed the market and sector performance for the quarter. There was a brief discussion regarding Wayfair which was a top performing retail equity sector. Mr. Grumbles reviewed the asset allocations with the additional committed capital to the ASB Real Estate portfolio. Mr. Grumbles reported that for quarter ending June 30, 2017 the Plan's market value was \$4,665,798 and the asset allocations were as follows; Domestic Equity 50.0%, International Equity 15.5%, Domestic Fixed Income 18.9%, Global Fixed Income 4.9%, total Real Estate 8.0% and Cash Equivalent 2.6%. He reviewed the cash flow during the quarter. He stated the assets gained 3.1% for the quarter compared to the 2.91% benchmark. The FYTD gross return of 9.77% ranked in the top 19 percentile of the peer fund universe. Mr. Grumbles reviewed and commented on individual manager performance. The Board considered the investment policy target range for real estate, which allows for higher a higher allocation then what the portfolio currently has. The Board considered the overall fees to manage the portfolio and the broader trend to index. Mr. Grumbles reviewed the objectives listed on the compliance checklist, addressing areas where the plan did not achieve their goals.

MOTION:

Secretary Gload made a motion to approve the And Co Consulting June 30, 2017 Investment Performance Report as presented. Board Member Rick seconded the motion, which carried by unanimous 4-0 vote

3. Annual Custodial Report – Amed Avila, Fiduciary Trust

Amed Avila appeared before the board. He stated the two main items for presentation, Fiduciary Trust's cyber liability coverage and SSAE-16 audit. He also reviewed an article for GAPPT that considered cyber exposure a result from evolution of "internet of things". Mr. Avila reviewed the current SOC1 audit for Fiduciary Trust. He highlighted the particular control objectives that pertain to securities provided to the Pension Fund. Chairman Rhodes requested a list of all approved vendors from the plan administrator. A discussion ensued regarding the total aggregate coverage. The named insured includes individual clients. Mr. Avila explained how the accounts payment process would work regarding invoicing to the Plan. He stated the invoices were sent but were not received. The invoices are now being received electronically and are clearly identified. There was a discussion on invoices that were received but that are yet pending for payment. The Board considered the payment options between a physical check and direct debit to the accounts held at Fiduciary Trust. The Village is to receive an approved vendors list and endorse invoices before approving the direct debit to the Fiduciary Trust accounts. Tatiana Racanati stated the Village only looks for invoices already paid to avoid double payment. She confirmed the Fiduciary Trust invoices are outstanding from October 1, 2016 to present. Village is to receive future invoices from Fiduciary Trust.

MOTION:

Secretary Ward made a motion to approve all of the outstanding invoices to Fiduciary Trust with full accounting of all invoices at next meeting. Board Member Rick seconded the motion, which carried by unanimous 4-0 vote

MOTION:

Secretary Rick made a motion to approve the presentation by Fiduciary Trust. Board Member Gload seconded the motion, which carried by unanimous 4-0 vote.

4. Liability Insurance Renewal Discussion – Rodney Lewis, Gehring Group

Due to Gehring Group representative not in attendance there was no discussion at this time.

OLD BUSINESS

10. Draft Amendment for the IRS Determination Letter Update – *Attorney Bonni Jensen, Klausner, Kaufman, Jensen & Levinson*

Ms. Jensen noted the letter from the IRS has been forwarded to the Village Manager and Attorney. She stated the ordinance must get adopted by November 10th 2017. She provided the plan restatement with the proposed ordinance. She reviewed the process used by the Village through Municode.

11. Member Workshop Discussion

The member workshop requested to pass out Summary Plan Descriptions and give overview of the plan. The Board discussed ideas and options on the deals to be used for the workshop. The board requested to have Gehring Group attended the November meeting. The board discussed possible days for the workshop to take place. A lengthy discussion ensued regarding the topics to be discussed for the member's workshop. The Board agreed December 1, 2017 at 8:30 am In Council Chambers is acceptable. The Board requested the member workshop be added to the November agenda for final discussion on details.

NEW BUSINESS

12. Legislative Update – *Attorney Bonni Jensen, Klausner, Kaufman, Jensen & Levinson*

Ms. Jensen reported no legislation has passed that requires Board action.

Ms. Jensen explained the details of now being required to post a public records request related notice. She stated the notice gives a 5 day waiting period prior to being able to file suit.

Ms. Jensen discussed the property tax exemption for first responders injured in the line of duty. She explained the ballot in full will include additional homestead exemption.

Ms. Jensen stated there have been minor changes to the Summary Plan Description however no changes to the benefits have been made. She reviewed the minor changes made. Ms Jensen noted the Summary Plan Description can be held until the member workshop or distributed immediately.

MOTION:

Secretary Ward made a motion to approve the updated Summary Plan Description as amended. Board Member Rick seconded the motion, which carried by unanimous 4-0 vote.

BUDGET REPORT

13. Quarterly Budget Report – Revenue & Expenditure Report – *Board Member, Michelle Gload, Finance Department*

Ms. Gload reviewed the revenue and expenditure report to date. She noted the Plan now has four retired members.

14. FYE 2018 Draft Budget – *Board Member, Michelle Gload, Finance Department*

Ms. Gload stated a revised budget was sent out from last meeting however noticed it was not included in the meeting material for today. Ms. Gload reviewed the details of the changes she made to the budget. A discussion ensued regarding the cyber liability cost possibly being reflected in the budget at a future date. Mr. Baur reviewed the Pension Resource Centers cyber liability policy and coverage. Ms. Gload suggested making two more adjustments to both the investment services and to the custodial services.

Secretary Ward made a motion to approve the quarterly Budget Report as amended. Board Member Rick seconded the motion, which carried by unanimous 4-0 vote.

ADMINISTRATIVE REPORT

15. FY2017 Calendar Schedule FY2018 Draft – Plan Administrator Kerry Dutton, Pension Resource Centers

Mr. Baur reviewed both the current calendar and drafted FY2018 calendar along with comparison of timely on presentations. The Board discussed and made minor changes to the FY2018 calendar.

ANY OTHER MATTER

Michelle Gload requested updated status on employee benefit statements from actuary.

Secretary Ward made a motion to approve the renewal of the fiduciary liability insurance with Travelers Insurance based on pro-rated assets up to \$1,500. Board Member Rick seconded the motion, which carried by unanimous 4-0 vote.

ADJOURNMENT

There being no further business, the meeting was adjourned at 4:26 p.m.


Board Member

Village of Tequesta General Employees' Pension Plan