

**TEQUESTA PUBLIC SAFETY OFFICERS' PENSION TRUST FUND  
REGULAR BOARD MEETING MINUTES  
NOVEMBER 1, 2010**

**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 Tequesta Village Hall, 345 Tequesta Drive, Tequesta, Florida, on November 1, 2010. The meeting was called to order at 1:00 p.m.

A roll call was taken by Pension Administrator, Dixie Martinez. In attendance at the meeting were: Chair Ed Sabin, Secretary Frank D'Ambra, Board Member Ray Giblin and Board Member David Cooper.

Also in attendance were Attorney Bonni Jensen, Pension Administrators Scott Baur and Dixie Martinez, Investment Monitor Dan Johnson.

**II. Approval of Agenda**

Chair Sabin asked the Board to add to the Agenda "Election of Officer."

Chair Sabin nominated Mr. Frank D'Ambra to serve as Chair. Mr. D'Ambra accepted. Board Member Cooper nominated Mr. Ray Giblin as Secretary. Mr. Giblin accepted.

Mr. Sabin passed the gavel to new Chair D'Ambra.

**III. Approval of Minutes**

- 1. Joint Meeting Minutes - Tequesta Public Safety Officers' Pension Trust Fund Board of Trustees and Tequesta General Employees' Pension Trust Fund Board of Trustees— August 2, 2010.**

**MOTION:**

**Board Member Cooper made a motion to accept the minutes of the joint meeting of August 2, 2010. Secretary Giblin seconded the motion, which carried by unanimous 4-0 vote.**

#### **IV. PRESENTATIONS**

- 2. Quarterly Presentation by Monitor – Dan Johnson, Bogdahn Consulting**
- 3. Investment Manager Review, All Cap Core – Dan Johnson, Bogdhan Consulting.**

Dan Johnson, Bogdahn Consulting, LLC reported that the quarter itself had been very interesting. He reported that for quarter ending September 30, 2010 International Stocks were up over 16%, the S&P 500 was up 11.3%. He reported that the month of September was the best performance for the month of September since 1939. Mr. Johnson reviewed the performance of international markets in light of the devaluation of the dollar, which boosted returns of international holdings. Chair D'Ambra questioned the wisdom of fixed income holdings in context of historically low interest rates. The Board had a long discussion regarding relative risk for interest rates currently to fixed income investments.

Mr. Johnson reported that for quarter ending September 30, 2010 the Plan's market value is \$6,036,086 and the asset allocations are Domestic Equity 46%, International Equity 10%, Fixed Income 40.7% and Cash Equivalent 3.2%. The Plan was up by 12.31% versus the benchmark at 8.31%. Total Equity was up 20.95% versus the benchmark at 12.37%, Total Domestic Equity was up 21.84% versus the benchmark at 11.53%, Total International Equity was up 16.93% versus the benchmark at 16.53% and Total Fixed Income was up 2.28% versus 2.07%. Mr. Johnson reviewed the performance by manager; Rockwood Capital was up 31.84% versus the benchmark at 11.53%, Europacific Growth was up 16.93% versus the benchmark, Rockwood Fixed Income was up 2.28% versus the benchmark at 2.07%.

Mr. Johnson reported that for the Fiscal Year the Plan was up by 14.56% versus the benchmark at 10.03%. Total Equity was up 20.84% versus the benchmark at 11.23%, Total Domestic Equity was up 19.94% versus the benchmark at 10.40%, and Total Fixed Income was up 7.12% versus 7.05%. Mr. Johnson reviewed the performance by manager; Rockwood Capital was up 19.94% versus the benchmark at 10.40%, Rockwood Fixed Income was up 7.12% versus the benchmark at 7.05%.

Mr. Johnson recommended dividing the equity portfolio of Rockwood for diversification in the future, since Rockwood's performance is more variable.

Board Member Cooper had to leave.

He reviewed various managers that will blend well with Rockwood. He recommended diversification while Rockwood is on top. He reviewed the fees as well as the correlation between managers. The Board had a lengthy discussion regarding alternative managers. The Board is in favor of having a Special Meeting to interview Dana, Weston and Manning & Napier. Chair D'Ambra suggested that Mr. Johnson's analyst come to the Special Meeting to talk to the Board and explain what these managers have done historically and why he believes they can do well or better going forward. Mr. Johnson asked the Board if they wanted the director of research to come to the Special meeting or if a write up would suffice. Chair D'Ambra explained that a write up would be fine, he just wants an assessment. Mr. Johnson will communicate with Weston, Dana and Manning & Napier. They will be invited to attend a Special Meeting if they choose to do so or they can send their presentations. He will let them know that the Board is considering possible diversification of the Equity portfolio which may represent a \$1 million or \$1.5 million investment. Mr. Johnson will invite his research director to the Special Meeting or he will bring an analysis for the Board.

The Board would like to schedule a Special Meeting on December 6, 2010 at 9:00 am or December 13, 2010 at 9:00 am.

Mr. Johnson reported that the Plan has received two checks from commission recapture in the amounts of \$1,313 and \$89. Another check is on the way for \$816.

## **V. Unfinished Business**

### **4. Self-directed DROP Provisions – Memorandum March 29, 2001 from the Division of Retirement- Discussion.**

Attorney Jensen reported that this item was a follow up from the last meetings discussion regarding the DROP assets and the question that if they are self directed they have to remain as a part of the assets of the Plan. She reported that Ms. Shoemaker had sent two pieces of information. One of them is a memo where they have set up the process for accounting for the assets of the self directed DROP's and the other piece of information included some questions and answers that the State had received from individuals and the answers they provided. Board member Sabin commented that if the Plan moved to a self directed DROP this would allow the DROP participants to put more or less weight into available investments the Plan has and it would also expand those available investments. Ms. Jensen agreed and she explained that one of the questions that had come up was how they would inform the members of the fact that they are limited as to how much they would be able to put in international stocks since the Plan is limited. Secretary Giblin reported that they had looked at self directed

DROP's as a vehicle for members to get a fixed rate of return if they were worried about market volatility and they didn't want to go in at the pension's rate of return.

Chair D'Ambra suggested tabling this item to the next regular meeting. Consensus of the Board to table item to the next regular meeting.

**5. Comparison & Contrast – ICMA- RC vs. Legend Group, Pension Administrator Scott Baur.**

Chair D'Ambra suggested tabling this item to the next regular meeting. Consensus of the Board to table item to the next regular meeting.

**6. Summary Plan Provisions, Pension Administrator Scott Baur.**

Chair D'Ambra noted the Mr. Baur had to leave the meeting early. He suggested moving this item to the Special Board Meeting. Consensus of the Board to table this item to the Special Board Meeting.

**VI. STANDING REPORTS (INFORMATION ITEMS)**

There were no questions or comments regarding the information items below.

- 7. New applicants for participation in Pension Plan - None**
- 8. Request for withdrawal of contributions (employees terminating employment with Village of Tequesta) – Ratification of withdrawals made since the last meeting on 2 signature basis: None**
- 9. Terminated Employees who have not taken their contributions - None**

**VII. PAYMENTS TO BE RATIFIED (PAYMENTS MADE SINCE LAST MEETING)**

**MOTION:**

Secretary Giblin moved approval of ratification of payments made since the last meeting and approval of payments to be reviewed and approved. Board Member Sabin seconded the motion, which carried by unanimous 3-0 vote. Therefore, agenda items 10 and 11 listed below were approved as presented.

10. Business Services Connection –Office work w/e 7/23 & 7/30	\$ 267.60
Business Services Connection –Office work 8/6 & 8/13, Mts 8/2	\$ 669.00
Perry & Jensen, LLC.- Services through 8/15/10	\$1,584.42
Bogdahn Consulting, LLC – Services through 9/30/10	\$3,750.00
Gehring Group Inc – Fid. Lia. Insurance to 10/1/11	\$3,465.03
Perry & Jensen, LLC.- Services through 9/15/10	\$ 555.07

#### **VIII. PAYMENTS TO BE REVIEWED AND APPROVED**

11. Ellen Schaffer- Programming Services	\$ 420.00
Perry & Jensen, LLC.- Services through 10/15/10	\$1,555.50

#### **IX. BUDGET REPORT**

##### **12. Quarterly Budget Report – Income Statement & Expenditure Report, Finance Director Forsythe.**

Finance Director Forsythe is out sick today. Chair D'Ambra suggested that if there was anything that Ms. Forsythe would like to review with the Board or if there was anything that she wanted to point out to ask her if she could do so at the next regular meeting.

Chair D'Ambra suggested tabling this item to the next regular meeting. Consensus of the Board to table item to the next regular meeting

#### **X. NEW BUSINESS**

##### **13 . Memorandum, Federal Updates, Attorney Bonni Jensen**

Attorney Bonni Jensen reported that the Securities and Exchange Commission had issued its final rules regarding the "Pay to Play." She reported that it is unlawful for an investment consultant or manager to make a contribution to an official or candidate for a political office of a governmental entity who is in a position to influence the selection of the adviser. Ms. Jensen reported that she recommends that manager's report to the Board on an ongoing basis. She recommends that the new investment managers should disclose if they made any contributions more than in a diminutive way and to ask the current investment managers for this information annually. They can enclose it on their quarterly report or send the Board a letter.

Ms. Bonni Jensen reported that the GASB Board is suggesting that there should be some changes in the way that Cities report pension fund obligations. She

reported that this will not have any implications to the Pension Board itself but the City will have to carry its annual consolidated financial report as a liability for the unfunded pension obligations. Ms. Bonni Jensen reported that these rules are under consideration and have not passed yet. The Board had a discussion regarding how this could affect the frequency of the actuarial valuation report.

**14 . Status of any changes to the Pension Plan as a result of the collective bargaining process – Update, Attorney Bonni Jensen.**

Chair D'Ambra reported that this was regarding the information that Ms. Jensen had sent which was a request on behalf of the actuary to do some additional calculations for the Village as a result of the collective bargaining agreement. Attorney Bonni Jensen reported that she had sent an e-mail to the Village Manager for an update on the status of the collective bargaining agreement. She reported that he had indicated that they will be moving forward and that the Pension should prepare an amendment to the Ordinance to put this change in place. Ms. Jensen reported that she had received a call from Attorney Jim Lynn from Tallahassee who is working with the Village on the collective bargaining to help them cost these changes and try in some way to continue to receive the 175/185 money. She reported that she does not know if this has gone forward yet but what the Board has been asked to do is to approve the Village and the Union to contact Gabriel Roeder Smith. She explained that there is a provision in their agreement that if they are going to do calculations regarding the Pension Plan they have to get authorization from the Plan. Chair D'Ambra asked if this would be an extra cost to the Plan. Ms. Jensen reported that it was her understanding that the Plan would not be paying for this. Board member Sabin asked Ms. Jensen to indicate this on the communication to them.

**MOTION:**

**Secretary Giblin made a motion to allow Gabriel Roeder Smith to work with the Village and the Union to cost some of the changes to the Pension Plan not at the Pension Plans expense. Board Member Sabin seconded the motion.**

The Board had a lengthy discussion regarding the request from the Village. Board member Sabin suggested that the Board ask the Village to send a formal request in writing explaining what it is that they need the actuary to do so that the Board can then send the request to the actuary. Chair D'Ambra agreed.

**Board Member Sabin withdrew his second. Motion did not pass.**

The Board agreed that if there was an urgency to the matter, Chair D'Ambra could authorize it if it meets their request. The Board will follow up on this item at the Special Meeting in December.

#### **15 . Accounts Payable Procedures**

Administrator Dixie Martinez reported that at the last regular meeting they had discussed how the payment of disbursements would be handled through their office therefore they had created an accounts payable procedure listing everything that had been discussed. The accounts payable procedures had been sent to Finance Director Forsythe for her review as well. The Board reviewed the Accounts Payable Procedures presented by the administrator.

#### **MOTION:**

**Secretary Giblin made a motion to accept the Summary Plan Provisions subject to Ms. Forsythe's approval. Board Member Sabin seconded the motion, which carried unanimous 3-0 vote**

#### **XI. ANY OTHER MATTERS**

There were no other matters.

#### **XII. COMMUNICATIONS FROM CITIZENS**

There were no communications from citizens.

#### **XIII. Adjournment**

There being no further business, the meeting was adjourned at 3:35 p.m.

Respectfully submitted,

---

Dixie Martinez  
Administrator  
Village of Tequesta Public Safety Officers' Pension Plan