

**TEQUESTA PUBLIC SAFETY OFFICERS' PENSION TRUST FUND
SPECIAL BOARD MEETING MINUTES
DECEMBER 6, 2010**

I. Call To Order and Roll Call

The Special 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 December 6, 2010. The meeting was called to order at 8:00 a.m.

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

Also in attendance were Attorney Bonni Jensen, Pension Administrators Scott Baur and Dixie Martinez, Investment Monitor Dan Johnson, Investment Manager Douglas Classen from Dana Advisors and Investment Manager Christopher Long from Manning & Napier.

II. Approval of Agenda

MOTION:

Board Member Sabin made a motion to approve the Agenda. Secretary Giblin seconded the motion, which carried by unanimous 4-0 vote.

III. PRESENTATIONS

1. Short Recap of Managers Presenting by Dan Johnson, Bogdahn Consulting.

Dan Johnson, Bogdahn Consulting, reviewed in detail the managers presenting today. He reported that Westend Advisors sent their presentations but will not be able to attend this meeting.

2. Dana Advisors – Douglas Classen

Douglas Classen, Dana Consulting, introduced himself. He reported that Dana Advisors is 100% employee owned. They have \$2.7 billion under management. He listed some of the accounts that they manage. He reported that their goal is to have returns that consistently exceed the benchmark. He reviewed their equity strategies and techniques to help reduce the portfolio volatility and turnover. He reviewed the characteristics of their Large Core portfolio. He explained that they offer a separate managed account, their preferred benchmark is the S&P 500 and their fees are 75 basis points. He reviewed their return pattern.

3. Manning & Napier – Christopher long

Christopher Long, Manning & Napier, introduced himself. He reported that Manning & Napier is 100% employee owned. They have \$25 billion under management. He reviewed their investment process. He reviewed their returns in the last 10 years. He explained what sets them apart from other managers. He reported that they can offer a mutual fund at 105 basis points or a separate managed account at a discounted price of 75 basis points for an investment of \$1.5 million. He reviewed their goals and objectives and explained how they select their stocks.

Dan Johnson, Bogdahn Consulting, briefly reviewed Westend Advisors presentation.

The Board had a lengthy discussion regarding the presentations.

MOTION:

Board Member Sabin made a motion to hire Manning & Napier as a separate account and to manage ½ of the domestic equity portfolio with Rockwood. Secretary Giblin seconded the motion, which carried by unanimous 4-0 vote.

Mr. Johnson briefly addressed the administrative complements of doing this. Ms. Jensen will provide the contract. An Investment Policy Addendum will be provided to them as well, which will have the same instructions as Rockwood has. Mr. Johnson reported that there will be an additional \$500 annual fee from Salem Trust. All of this will be done as reasonably possible.

IV. UNFINISHED BUSINESS

4. Status of any changes to the Pension Plan as a result of the collective bargaining process – Attorney Bonni Jensen
5. Increase of Foreign Allocation to 25% - Update Attorney Bonni Jensen.

Attorney Jensen referred to e-mails that have been going back and forth regarding the issue of the changes to the collective bargaining agreement. She reported that at the last Pension Meeting the Board had discussed the issue that the Village had asked whether they could use GRS for purposes of contacting them for issues regarding the collective bargaining agreement and potential changes to the Pension Plan. She reported that the Village had decided to hire their own actuarial consultant. She reported that the Board did not need to do anything at this time but they do need to recognize that GRS will have to provide the analysis and make the actuarial impact statement for those changes. She

explained that GRS will have to work with the Village's actuary because the Village's actuary will need to get information from GRS. The Board had a discussion regarding GRS related expenses. Board Member Sabin recommends that GRS defines the cost if any in advance. Ms. Jensen will confirm with GRS. Ms. Jensen reported that Chair D'Ambra had attended the Village Council Meeting and he had discussed with the Council the Boards recommendation to increase the foreign asset allocation to 25% in accordance to the State laws. The Council agreed to take this matter into consideration. Ms. Jensen has drafted an Ordinance Amendment to the Plan allowing foreign asset allocation to 25% based upon the Boards November 2009 determination to recommend this to the Council. It is her understanding that this item has been added to the December 9th Village's Council Meeting Agenda.

6. Summary Plan Provisions, Pension Administrator Scott Baur.

Scott Baur, Pension Resource Centers, reported that the Board had requested that he bring back to their attention some of the items in the Summary Plan Provisions that he thought might in some way represent interpretation of the Ordinance. Mr. Baur reported that the Final Average Compensation consists of the highest 5 years of earnings, each year consist of 12 consecutive months, paid in the last 10 years of service. Mr. Baur reported that the second item that he wanted to bring to the Boards attention is the provisions of Duty Death. He reported that the spouse or children receive a lifetime benefit equal to 50% of the average final compensation. The Board had a discussion as to how this would be implemented. Mr. Baur reviewed the ordinance related to this provision. He explained that administratively they have no other way to implement this except to be governed by the beneficiary designation form that the member makes. Mr. Baur will bring a sample beneficiary form with a contingent beneficiary for the Boards review at the next Pension Board meeting. Ms. Jensen will research the genesis of this particular provision. The Board believes it would be a good idea to have on an annual basis member update their beneficiary form. Mr. Baur explained the provisions for the Supplemental Benefit. He explained that members retiring or entering the DROP receive an additional benefit of \$20 per year of service up to a maximum benefit of \$600. Mr. Baur reported that the provision for DROP Plan states that members in the first 27 years are eligible for normal retirement and can DROP for up to 60 months, but no member in the DROP can serve more than 30 years therefore if a members enters the DROP at 27 years of service they will be able to be in the DROP for up to 3 years.

V. ANY OTHER MATTERS

There were no other matters.

VI. COMMUNICATIONS FROM CITIZENS

There were no communications from citizens.

VII. Adjournment

There being no further business, the meeting was adjourned at 11:03 a.m.

Respectfully submitted,

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