

**TEQUESTA PUBLIC SAFETY OFFICERS' PENSION TRUST FUND  
REGULAR BOARD MEETING MINUTES  
JUNE 14, 2011**

**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 June 14, 2011. The meeting was called to order at 8:07 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, and Board Member Robert Young.

Also in attendance were Attorney Bonni Jensen, Pension Administrators Scott Baur and Dixie Martinez, Investment Monitor Dan Johnson, Custodian Cindy Farrow, Investment Manager Chris Long via phone conference, Chief Weinand and his financial advisor.

**II. Approval of Agenda**

Secretary Giblin added under "Any Other Matters" item 26. Annual Benefit Statements – Discussion regarding figures which seem inconsistent.

**MOTION:**

**Secretary Giblin made a motion to approve the Agenda. Board member Young seconded the motion, which carried by unanimous 3-0 vote.**

**III. TRUSTEE RECOGNITION**

**1. Ed Sabin**

Chair D'Ambra recognize Mr. Sabin's years of service and dedication to this Pension Board.

**IV. APPROVAL OF MINUTES**

**Approval of Minutes**

**2. Regular Quarterly Meeting Minutes - Tequesta Public Safety Officers' Pension Trust Fund– February 7, 2011.**

**MOTION:**

**Secretary Giblin made a motion to accept the minutes of the regular quarterly meeting of February 7, 2011. Board member Young seconded the motion, which carried by unanimous 3-0 vote.**

**V. PRESENTATIONS**

**3. Investment Manager – Chris Long, Manning, and Napier**

Chris Long, Manning & Napier, joined the meeting via teleconference. He reported that the Plans account performance since inception from January 28, 2011 through May 31, 2011 was at 4.29% versus the benchmark at 6.14%. He noted that they are underweighted in financials. He reviewed the portfolio by sector. He reported that after a strong rebound that peaked at 11.5% year over year in March 2010, US leading economic indicators have decelerated to 5.1%. Both real and nominal GDP growth decelerated in the first quarter of 2011 compared to the prior quarter. He noted that he believes the dollar will still have a weak environment. He reviewed the inflation expectations. He reported that as of May 31, 2011 the portfolio's total market value was \$1,692,332.95. The Board asked Mr. Long various questions to which he responded accordingly.

**4. Quarterly Presentation by Monitor – Dan Johnson, Bogdahn Consulting**

Dan Johnson, Bogdahn Consulting, LLC reported that Rockwood Capital Advisors comes to the Pension meetings twice a year. He noted that unless the Board recommends otherwise he recommends having Manning and Napier present once a year around this time every year. Chair D'Ambra noted that it's nice to see the investment managers twice a year and if they travel this way it would be nice to see them twice a year. Mr. Johnson commented on the economy. He reported that markets continue to have a strong positive performance. He reported that for Quarter ending March 31, 2011 emerging markets were up 2.1% and the S&P 500 was up by 5.9%. The majority of the fixed income indices experienced positive performance for the quarter with the broad market Barclay US Aggregate index up by 0.4% while the Barclay US Government slightly underperformed at -0.1%. He noted that the impact of the Japanese earthquake is evident in the negative performance of the pacific region. He noted that stocks have outperformed bonds. Mr. Johnson reported that for quarter ending March 31, 2011 the Plan's market value is \$6,947,203 and the asset allocations are Domestic Equity 48.0%, International Equity 9.5%, Fixed Income 39.2%, and Cash Equivalent 3.3%. The Plan's total fund gross was at 2.97% versus the benchmark at 3.71%. Total Equity was at 4.88% versus the benchmark at 5.88%, Total Domestic Equity was at 5.13% versus the benchmark at 6.38%, Total International Equity was up 3.58% versus the

benchmark at 3.45%, and Total Fixed Income was at 0.32% versus 0.48%. Mr. Johnson reviewed the performance by manager; Rockwood Equity was at up at 7.18% versus the benchmark at 6.38%, Europacific Growth was at 3.58% versus the benchmark at 3.45%, Rockwood Fixed Income was at 0.32% versus the benchmark at 0.48%. He reported that late in January the new manager Manning and Napier was funded. He reported the contributions and distributions for this quarter. He reported that both Manning and Napier and Rockwood were underweighted in energy. He reported that the current Plan's market value is \$6,864,086. The Board asked Mr. Johnson various questions to which he responded accordingly.

#### **5. Relationship Update by Custodian – Cindy Farrow, Salem Trust**

Cindy Farrow, Salem Trust, introduced herself to the Board. She reported that she has been working with municipalities for the last 13 years. She briefly reviewed her background. She reported that their responsibility is the safe keeping and accountability of the Plan's assets. She reported that they also take care of the benefit payments and accounts payables for the Plan. She noted that their systems are top of the line. She explained her responsibilities as the custodian for the Plan. Chair D'Ambra thanked her for coming to the meeting.

### **VI. UNFINISHED BUSINESS**

None

### **VII. STANDING REPORTS (INFORMATION ITEMS)**

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

#### **6. New applicants for participation in Pension Plan:**

None

#### **7. Request for withdrawal of contributions (employees Terminating employment with Village of Tequesta) – Ratification of withdrawals made since the last meeting on two signature basis:**

None

#### **8. Terminated Employees who have not taken their contributions**

None

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

### **MOTION:**

Secretary Giblin moved to approve the ratification of payments made since the last meeting and approval of payments to be reviewed and approved. Board Member Young seconded the motion, which carried by unanimous 3-0 vote. Therefore, Agenda items 9 and 10 listed below were approved as presented.

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

9. Bogdahn Consulting, LLC – Services through 12/30/10	\$3,750.00
Business Services Connection, Inc – Transfer of files	\$ 35.68
Perry & Jensen, LLC. - Services through 02/15/11	\$ 929.93
Pension Resource Centers – Adm. Fee March 2011	\$ 950.00
Perry & Jensen, LLC. - Services through 03/09/11	\$ 500.62
Bogdahn Consulting, LLC – Services through 03/30/11	\$3,750.00
Manning & Napier – Inv. Mgt. Fees 1/28 to 3/31	\$2,160.06
Pension Resource Centers – Adm. Fee April 2011	\$ 950.00
Perry & Jensen, LLC. - Services through 04/15/11	\$ 866.65
Rockwood Capital Advisors – Inv. Mgt. fees 4 <sup>th</sup> Qtr	\$7,764.24
Rockwood Capital Advisors – Inv. Mgt. fees 1 <sup>st</sup> Qtr	\$6,014.42

## **IX. PAYMENT TO BE REVIEWED AND APPROVED**

12. Pension Resource Centers – Adm. Fee May 2011	\$ 950.00
Perry & Jensen, LLC. - Services through 5/15/11	\$ 536.85
Scripps Treasure Coast Newspaper – ad for Board vacancy	\$ 108.00

## **X. BUDGET REPORT**

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

The Board moved to move this item until Finance Director Forsythe is present to review the report.

## **XI. NEW BUSINESS**

### **12. Request from Chief Weinand, One Time Lump Sum Payment Payout, Administrator Scott Baur.**

Chief Weinand reported that he is requesting a one time lump sum payment under section 12 C. He reported that his financial planner is also present today in case the Board had any questions. Chair D'Ambra as well as the other Board members are concerned that a lump sum payout may adversely affect the Plan. Mr. Baur reported that Chief Weinand's monthly benefit payment is estimated to be at \$5,563.28. He noted that the present estimated value of his pension is \$736,560. He reported that if the Board approved the Chief's request they would have to make a disbursement of somewhere around \$736,560.

The Board noted that their perspective is to accommodate the needs of the participants of the Plan but they have to also consider what is best for the Pension Plan. Attorney Bonni Jensen reported that the lump sum payment being requested is more than 10% of the value of the Plan. She explained the provisions of the Plan regarding lump sum request.

The Chief's financial planner reported on the benefits to his client if the Board approved his request. Chair D'Ambra believes the Board should talk to the Plan's actuary first to determine the impact to the Plan before they make any decisions. He would consider scheduling a special meeting to discuss this request with the actuary of the Plan.

Consensus of the Board to schedule a special meeting as soon as possible to discuss this item with the Plan's actuary.

**13. Memorandum, SB 1128, Attorney Bonni Jensen.**

Attorney Bonni Jensen reported that Senate Bill 1128 passed. She reported that this bill relates to all public retirement plans – Police and Fire plans subject to 175 and 185, General Employee plans, and small changes to the Florida Retirement System (FRS). She reported that the actuarial valuation report will have to have an additional page to comply with some of the changes. She reported that effective July 1, 2011 local governmental Plans will not be allowed to include any overtime, unused leave or any other form of compensation beyond base hourly or annual salary. She noted that Plans that are subject to collective bargaining are not subject to the provisions of this subsection until the first agreement is negotiated after July 1, 2011. She reported that the actuarial or cash surplus in the plan may not be used to pay expenses outside of the plan. Also a plan may not temporarily reduce the contributions required to fund the normal cost

**14. Memorandum SB 1130, Attorney Bonni Jensen.**

Attorney Bonni Jensen reported that SB 1130 was filed on February 15, 2011. She noted that SB 1130 applies mainly to Florida Retirement System ("FRS") but

has some general applications to all municipalities regarding health insurance benefits. She explained what these proposed amendments are.

Pension Administrator Scott Baur reported that the Plan's actuary can be available on Friday June 17<sup>th</sup> at 8:00 am to have a special meeting to review Chief Weinand's' request. Attorney Bonni Jensen and Pension Administrator Scott Baur can attend via teleconference if needed.

**15. Florida Sheriffs Association Position Paper on Changes to FRS, Attorney Bonni Jensen.**

Attorney Bonni Jensen briefly reviewed with the Board this article.

**16. Wall Street Journal Article Retiring Boomers Find 401 (K) Plans Fall Short, Attorney Bonni Jensen.**

The Board had a brief discussion as to why Plans are moving to 401 K plans from Defined Benefit Plans.

**17. Memorandum, Joint Venture with Klausner & Kaufman, Attorney Bonni Jensen.**

Attorney Bonni Jensen announced that her firm is partnering with Klausner & Kaufman, P.A. to better service their pension clients. She reported that there will be no change to their relationship. She noted that this new venture will be called Klausner Kaufman Jensen & Levinson.

**18. Annual Form 1 Filing, Attorney Bonni Jensen.**

Attorney Bonni Jensen reported that it is time for Board members to file Form 1.

**19. Signature Authorization for Manning & Napier, Attorney Bonni Jensen**

Attorney Bonni Jensen reported that the signature card with Manning and Napier is ready for execution.

**20. Class Action Report, Attorney Bonni Jensen.**

Attorney Bonni Jensen reported that the Plan had not filed for any class actions during the last quarter

**21. IRS Compliance Statement, Attorney Bonni Jensen.**

Attorney Bonni Jensen reported that the Plan is moving forward with the determination letter.

**22. Trustee Election – Dave Cooper position expires May 8, 2011, Administrator Scott Baur.**

The Village of Tequesta Public Safety Officers scheduled an election to fill the vacancy created by the expiration of the term for David Cooper. The election was cancelled since the Board received a nomination for only one qualified candidate, David Cooper, with an interest in serving on the Board.

**23. Trustee Election – Ray Giblin position expires July 15, 2011, Administrator Scott Baur.**

The Village of Tequesta Public Safety Officers scheduled an election to fill the vacancy created by the expiration of the term for Ray Giblin. The election was cancelled since the Board received a nomination for only one qualified candidate, Ray Giblin, with an interest in serving on the Board. The Board congratulated Mr. Giblin.

**24. Edward Sabin – 5<sup>th</sup> Member Appointee, term expires May 12, 2011, Administrator Scott Baur.**

The Board reviewed the two applications for the individuals who applied for the position. They had a brief discussion regarding the two applications.

**MOTION:**

**Secretary Giblin moved to elect Mr. Terzakis as the 5<sup>th</sup> Member. Board Member Young seconded the motion which carried by unanimous 3-0 vote.**

The Board had a brief discussion regarding some concerns over a conflict of interest that they have.

**MOTION:**

**Board member Young moved to reconsider his second to electing Mr. Terzakis as the 5<sup>th</sup> Member pending interview with Mr. Terzakis. Chair D'Ambra seconded the motion. VOTE: 2 AYES 1 NAY. Motion did not pass.**

The Board would like to invite Mr. Terzakis to the Special Meeting on Friday to ask him some questions.

**MOTION:**

**Board Member Young moved to amend motion to elect Mr. Terzakis as the 5<sup>th</sup> Member. He moved to elect Mr. Terzakis effective July 31, 2011. Secretary Giblin seconded the motion which carried by unanimous 3-0 vote.**

**XI. ANY OTHER MATTERS**

**25. Annual Benefit Statements – Discussion regarding figures which Seems inconsistent.**

Secretary Giblin questioned how the annual benefit statements are calculated. Administrator Baur will analyze the annual benefit statements and will let Secretary Giblin know his findings.

**XII. COMMUNICATIONS FROM CITIZENS**

There were no communications from citizens.

**XIII. Adjournment**

There being no further business, the meeting was adjourned at 10:40 a.m.

Respectfully submitted,

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