

**TEQUESTA PUBLIC SAFETY OFFICERS' PENSION TRUST FUND
SPECIAL BOARD MEETING MINUTES
JUNE 17, 2011**

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 June 17, 2011. The meeting was called to order at 8:01 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 David Cooper.

Also in attendance were Pension Administrators Dixie Martinez, Chief Weinand, and Mr. John Terzakis. Also Attorney Bonni Jensen and Actuary Steve Palmquist joined the meeting via teleconference.

II. Approval of Agenda

Chair D'Ambra noted that Chief Weinand's request would be first item on the Agenda followed by Mr. Terzakis interview.

MOTION:

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

III. UNFINISHED BUSINESS

1. Request for a One Time Lump Sum Payment Payout, Chief Weinand

Actuary Steve Palmquist joined the meeting via teleconference. Chair D'Ambra briefly related Chief Weinand's request to Mr. Palmquist. He noted that the Board wants to accommodate the participant's requests while meeting the Board's responsibility to the Plan. He reported that the Board had some concerns on how this request could impact the Plan. Mr. Palmquist stated that once the Board pays a lump sum to one person, it will be setting a precedent under which every future request will have to be granted. He reported that in his experience Pension Plans that have paid lump sum payments regularly have tried to find ways to stop doing this. He noted that most likely the Plan will have to liquidate some

securities in order to pay the lump sum and this will cause a reduction on investment returns. Chair D'Ambra asked Mr. Palmquist if the Board agreed to pay benefits as a lump sum they would be putting the Plan at risk for an adverse selection, meaning that people who are in great health may want to take the monthly benefit because they may believe that they will live beyond their life expectancy and people with health problems could choose to request a lump sum. This would totally disrupt the actuarial assumptions. Mr. Palmquist agreed. Chair D'Ambra also noted that the Plan is coming from recent years of underperforming and by doing this the Plans investment returns in the future will be reduced. Chair D'Ambra asked Mr. Palmquist his opinion on partial lump sums for example a 25% lump sum distribution. Mr. Palmquist reported that partial lump sums are relatively common in Defined Benefit Plans. He reported that they could allow someone to take a lump sum of up to 25% of the total value of their benefit, so their monthly benefit would be reduced by 25%. He noted that the Board could grant this now and later incorporate it into the language of the Plan. Mr. Palmquist advised not to pay a full lump sum distribution. He reported that a partial lump sum is far less of a problem than paying a full lump sum.

Chief Weinand reported that he would consider requesting a partial lump sum.

Actuary Steve Palmquist exited the meeting via teleconference.

Attorney Bonni Jensen joined the meeting via teleconference. Chair D'Ambra briefly related the discussion they just had with Mr. Palmquist regarding Mr. Weinand's request. Ms. Jensen stated that in her opinion the Board should at some point amend the language to this particular section to say that "however in no case the lump sum distribution should be more than 25%" or whatever the number may be that they suggest. She explained that the Board could make a policy and they could also make a recommendation to put a limit to the lump sum amounts.

Attorney Bonni Jensen exited the meeting via teleconference.

Chief Weinand amended his request to a 25% lump sum distribution.

MOTION:

Board member Cooper made a motion to accept Chief Weinand's request for a 25% lump sum payout and that the Policy of the Board be that they will permit distributions up to 25% and they will make a recommendation to amend the Plan's language to reflect that policy and formally put it into the Plan. Secretary Giblin seconded the motion, which carried by unanimous 3-0 vote.

Chief Weinand will submit his request in writing to the Plan's administrator.

2. John Terzakis 5th Member Applicant, Board Interview.

Chair D'Ambra reported that at the last pension Board meeting Mr. Terzakis had been elected as the 5th member subject to today's interview. He reported that there had been some concerns raised regarding a potential conflict of interest because of his profession.

Attorney Bonni Jensen joined the meeting again via teleconference. Chair D'Ambra asked Mr. Terzakis to explain his reasons for wanting to change from the General Employees' Pension Board to the Public Safety Pension Board. Mr. Terzakis explained that the position became available and for him this would be more challenging. He noted that he does not see this as causing any conflicts of interest. He noted that in his profession he has to be very much aware of ethics and compliances. The Board asked Mr. Terzakis several questions to which he answer accordingly. Ms. Jensen noted that the Board had made Mr. Terzakis aware of their concerns and Mr. Terzakis had answered their concerns.

Attorney Bonni Jensen exited the meeting via teleconference.

The Board welcomed Mr. Terzakis.

IV. ANY OTHER MATTER

Administrator Martinez reported that Mr. Sabin had not attended Wednesday's meeting because in error she had given him the incorrect date for the meeting. She apologized and she reported that Mr. Sabin can attend the August 1st meeting if the Board approved. The Board agreed to invite Mr. Terzakis to the August 1st meeting and they expressed that they would like to be able to present him with something to acknowledge his service to the Pension Board. Ms. Martinez reported that if the Board wanted she could have a plaque made for Mr. Sabin. The Board agreed.

MOTION:

Board member Cooper made a motion to authorize the administrator to buy a plaque with a limit of \$150.00 and to bring it to the August 1, 2011 Pension Board meeting. Secretary Giblin seconded the motion, which carried by unanimous 3-0 vote.

V. Adjournment

There being no further business, the meeting was adjourned at 8:40 a.m.

Respectfully submitted,

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