

**TEQUESTA PUBLIC SAFETY OFFICERS' PENSION TRUST FUND
REGULAR BOARD MEETING MINUTES
NOVEMBER 4, 2013**

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 Village Hall Council Chambers, 345 Tequesta Drive, Tequesta, Florida, on November 4, 2013. 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 Ray Giblin, Board Member Robert Young, Board Member John Terzakis and Board Member Pete Pitocchelli.

Also in attendance were Attorney Bonni Jensen, Pension Administrator Dixie Martinez, and Investment Monitor Tyler Grumbles.

II. Approval of Agenda

Administrator Dixie Martinez requested the addition to the Agenda of Item X.13. Attorney Fee Increase, Attorney Bonni Jensen.

MOTION:

Secretary Giblin made a motion to approve the Agenda as amended. Board Member Terzakis seconded the motion, which carried by unanimous 5-0 vote

III. APPROVAL OF MINUTES

1. Minutes:

a. Quarterly Meeting- August 5, 2013.

MOTION:

Board Member Young made a motion to accept the minutes of the regular quarterly meeting on August 5, 2013 as presented. Secretary Giblin seconded the motion, which carried by unanimous 5-0 vote.

IV. PRESENTATIONS

2. Quarterly Presentation by Monitor – Tyler Grumbles, Bogdahn Consulting, LLC.

a. Quarterly Performance Report

Tyler Grumbles, Bogdahn Consulting, LLC briefly reviewed the performance of the market environment for major market indexes as of September 30, 2013. He reported it was a

great quarter for domestic equities as all domestic indexes posted solid gains during the third quarter. Small caps outperformed mid and large caps during the quarter and growth stocks outperformed value across all capitalizations on the domestic equity front. International stocks roared back during the third quarter outpacing domestic equities. However the month to month performance was extremely volatile. Mr. Grumbles reported that for quarter ending September 30, 2013 the Plan's market value was \$9,575,677 and the asset allocations were Domestic Equity 50.2%, International Equity 11.1%, Fixed Income 30.5%, Global Fixed Income 5.1% and Cash Equivalent 3.1%. Mr. Grumbles reviewed the financial reconciliation of the Fund as of September 30, 2013. Mr. Grumbles reported that the Plan's market value as of last night was \$9,891,891. He reported that for fiscal year end the Plan's Total Fund (Gross) was at 11.17% versus the benchmark at 11.86%, Total Equity was 20.30% versus the benchmark at 20.87%, Total Domestic Equity was 20.73% versus the benchmark at 21.60%, Total International Equity was at 18.18% versus the benchmark at 16.98%, and Total Fixed Income was at -1.47% versus the benchmark at -0.71%. Mr. Grumbles reported that for the quarter ending September 30, 2013 the Plan's Total Fund (Gross) was down 4.48% versus the benchmark at 4.50%. Total Equity was 6.68% versus the benchmark at 7.00%, Total Domestic Equity was 6.12% versus the benchmark at 6.35%, Total International Equity was at 9.46% versus the benchmark at 10.17%, and Total Fixed Income was at 1.18% versus the benchmark at 0.76%. He reviewed the performance of each manager individually. Mr. Grumbles reviewed the Plans asset allocation versus all Public Plans asset allocations. Mr. Grumbles reported that Salem Trust Fund began offering Class R6 shares for the Templeton Global Total Return. He explained that this share class is less expensive, currently the fee is 75 basis points and the new share class is 65 basis points.

MOTION:

Board Member Young made a motion to move to the Templeton Global Total Return Class R6 shares. Board Member Terzakis seconded the motion, which carried by unanimous 5-0 vote.

Mr. Grumbles will send the directions to Salem Trust. He asked the Board if they would like to see information regarding investing in Real Estate at their next meeting. The Board agreed.

V. UNFINISHED BUSINESS

3. IRS Determination Letter (update), Attorney Bonni Jensen

Attorney Bonni Jensen reported that she had sent a follow up letter to the IRS. A copy of the letter is included in the meeting packet. She reported that on the letter sent to the IRS dated September 10, 2013 she had advised the IRS that the Board of Trustees had referred this matter to the Village of Tequesta and the Unions of the two affected bargaining units as required by Florida law. In return, the parties requested that the Pension Board craft a solution to the problem. She explained in the letter that the Board will be meeting to discuss this matter at today's meeting. The Board had a lengthy discussion in regards to the pros and cons of offering a fixed rate of return for the D.R.O.P. program. The Board agreed to recommend the rate of return be fixed at the actuarial assumed rate of return, which is currently 7.5%.

MOTION:

Board Member Young made a motion to set the DROP fixed rate of return at 7.5% equal to the actuarial assumed rate of return.

The Board briefly discussed the motion made by Board Member Young.

MOTION:

Board Member Young amended the motion to recommend to the Village and the Union that set the DROP be set to a fixed rate of return to be fixed at of the actuarial assumed rate of return which is currently 7.5%. Secretary Giblin ~~The motion was seconded the motion,~~ which carried by unanimous 5-0 vote.

VI. STANDING REPORTS (INFORMATION ITEMS)

4. New applicants for participation in Pension Plan:

None

5. Request for withdrawal of contributions (employees Terminating employment with Village of Tequesta) – Ratification of withdrawals made since the last meeting:

None

6. Terminated Employees who have not taken their contributions

None

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

7. PRC – Administrative Fees for August 2013	\$ 957.61
• GAMCO-Invest. Management Fees 2 nd . Q 2013	\$4,344.00
• Perry & Jensen – Legal Services through 08/15/13	\$1,743.81
• PRC – Administrative Fees September 2013	\$ 950.00
• Perry & Jensen- Legal Services through 09/15/13	\$ 507.80
• The Bogdahn Group- Consulting Fees 3 rd . Q 2013	\$3,750.00
• Gehring Group–Fiduciary Liability Insurance Renewal	\$3,400.05

Administrator Dixie Martinez briefly reviewed the fiduciary liabilities coverage highlights. The Board had a brief discussion regarding the renewal of the fiduciary liability policy. The Board asked Ms. Martinez to confirm that the policy includes a "Waiver of Recourse".

MOTION:

Secretary Giblin made a motion to approve the payments to be ratified as presented. Board Member Young seconded the motion, which carried by unanimous 5-0 vote.

VIII. PAYMENTS TO BE REVIEWED AND APPROVED

None

IX. BUDGET REPORT

8. Quarterly Budget Report – Income Statement & Expenditure Report, Finance Staff.

Finance Staff was not available to review the budget report. The Board reviewed the Income and statement report as well as the Expenditure Report. Ms. Martinez presented to the Board a report which showed the September 30, 2012 total balances by account and compared it to the year to date balances by account for period October 1, 2012 through August 31, 2013.

X. NEW BUSINESS

9. GASB No. 67 Implementation Package, Actuary Jeffery Amrose (via teleconference)

Administrator Dixie Martinez reported that Mr. Amrose is available via teleconference if the Board would like to call him and discuss the implementation package. Attorney Bonni Jensen reviewed the GASB No. 67 requirements. The Board agreed that there was no need to call Mr. Amrose. The Board briefly discussed GRS's GASB No. 67 Implementation package. The Board reviewed the fees related to the GASB No. 67 requirements.

MOTION:

Board Member Young moved to accept the GASB No. 67 Implementation Package from GRS. Board Member Terzakis seconded the motion which carried by unanimous 5-0 vote.

10. County Ethics Policy, Attorney Bonni Jensen.

Attorney Bonni Jensen advised the Board to make sure that they watch the County Ethic's Commission's ~~Village's~~ video in regards to the County Ethics Policy.

11. Benefit Approval- DROP Peter Allen, Administrator Dixie Martinez.

Administrator Dixie Martinez presented the following benefit application for approval: Application to enter D.R.O.P. for Peter J Allen.

MOTION:

Secretary Giblin moved to approve the Application to enter D.R.O.P. for Peter J Allen. Board Member Young seconded the motion which carried by unanimous 5-0 vote.

12. Salem Trust Update, Administrator Dixie Martinez.

Administrator Dixie Martinez presented the latest update from Salem Trust regarding the conversion of their Trust Custody platform earlier this year. The Board asked for Ms.

Jensen and Mr. Grumbles opinion and thoughts on the matter. Mr. Grumbles reported that Salem Trust has given other Pension Plans a reduction in fees due to the issues encountered during the conversion. The Board agreed that they should request the fee reduction from Salem Trust. The Board asked Mr. Grumbles to send a letter to Salem Trust requesting a fee reduction.

13. Attorney Fee Increase, Attorney Bonni Jensen.

Attorney Bonni Jensen reported that over the past several years, her firm has faced increased expenses and in the past she has avoided passing these increased costs to her clients by economizing in ways not affecting the firm's quality of service or their ability to respond to requests. However, at this time, she must make an adjustment to her fees. Beginning December 16, 2013 her new rate will be \$225 per hour (currently her hourly rate is \$200). She noted that the last fee increase was in June of 2008.

MOTION:

Board Member Young moved to approve Attorney Bonni Jensen's new rate of \$225 per hour beginning December 16, 2013. Board Member Terzakis seconded the motion which carried by unanimous 5-0 vote.

XI. ANY OTHER MATTERS

None

XII. COMMUNICATIONS FROM CITIZENS

There were no communications from citizens.

XIII. Adjournment

MOTION:


Board Member Young moved to adjourn. Board Member Terzakis seconded the motion which carried by unanimous 5-0 vote.

There being no further business, the meeting was adjourned at 2:03 p.m.

Respectfully submitted,


Dixie Martinez
Administrator

Village of Tequesta Public Safety Officers' Pension Plan


Board Member

Village of Tequesta Public Safety Officers' Pension Plan