

**TEQUESTA PUBLIC SAFETY OFFICERS' PENSION TRUST FUND
REGULAR BOARD MEETING MINUTES
FEBRUARY 8, 2016**

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 February 8, 2016. The meeting was called to order at 8:37 a.m.

A roll call was taken by Pension Administrator Kerry Dutton. In attendance at the meeting were: Chairman Ed Sabin, Board Member John Terzakis, and Board Member Kyle Stone.

Also in attendance were Attorney Bonni Jensen, Pension Administrator Kerry Dutton, Investment Monitor Tyler Grumbles, and Actuary Jeffrey Amrose.

II. PUBLIC COMMENT

There was no public comment

III. APPROVAL OF AGENDA

MOTION:

Board Member Stone made a motion to approve the Agenda as presented. Board Member Terzakis seconded the motion, which carried by unanimous 3-0 vote.

Michelle Gload, finance department joined the meeting at 8:50 am

IV. APPROVAL OF MINUTES

1. Regular Quarterly Meeting Minutes - November 18, 2015

Ms. Dutton stated the minutes were sent out electronically but not included in the physical meeting packets. Ms. Jensen confirmed the inclusion of specific member's names as being allowed in the minutes. Chairman Sabin requested the minutes to capture the reasons as to the denial of filing for the IRS Determination Letter. The minutes were tabled for review at the next quarterly meeting.

VII. PRESENTATIONS

**2. Actuary Jeffrey, Gabriel, Roeder, Smith & Company
a. Actuarial Valuation Report 10/01/2015**

Mr. Amrose presented to the Board the Actuarial Valuation Report as of October 1, 2015. Mr. Amrose reported that the Plan is in good shape. He reported that the estimated required employer contribution as a percentage of payrolls for fiscal year end September 30, 2017 is \$203,326 or 10.67% of covered payroll. He reported that there was a net

actuarial loss of \$436,174 for the year. He explained that the gain was primarily due to lower than expected salary increases. He reported that the funded ratio has increased from last years' to 96.4%. Mr. Amrose reviewed the funded ratio in relationship to the market value. Mr. Amrose reviewed the assumption used. He reviewed the actuarial gains and losses. He reviewed the long range costs specifically the actuarial present value of projected benefits. Mr. Amrose reviewed the assumptions along with reviewing the assumed salary increase set at 6.0% compared the actual salary increase to be at 7.5% for Police Officers and 7.7% for Firefighters. He stated that the new hires and terminated participants are excluded from the salary increase assumptions. There was a lengthy discussion on the actual payroll increase implemented within the Village along with the current assumptions on both the investment return and the salary increases. Mr. Amrose stated that the market value of the Plan assets to be \$10,197,105 at the end of the 2015 year. He informed the Board the gain this year was a result of the smoothing of assets of gains from previous years roughly \$360,000 of unrecognized gains.

Mr. Amrose stated the currently set Return Assumption to be at 7.5%. He reviewed the investment return assumptions, along with the salary increase assumption and reviewed the historical trend of the plan. There was a lengthy discussion on the Villages actual salary increases versus the assumptions of the salary increases. There was a brief discussion on the offset of the possible increase of Require Village contributions.

The Board tabled the Valuation for further discussion at the next board meeting and in accordance with the experience study on the reduction of the assumed rate of return.

b. Chapter 112.664 Compliance Report

Mr. Amrose reviewed the GASB 67 required report. He stated the report shows a reduction of 2 basis points from the currently set assumption of 7.5% which is required by state statutes. He explained this required reduced assumption shines a negative light on the pension plan to the public eye. He further explained that in order to have a balance the report should also show an increase of 2 basis points from the currently set assumption. He also stated the report shows 30 years' worth of payments issued without a single Village contribution included. There was a brief discussion on the rational of the required disclosure.

3. Investment Monitor - Tyler Grumbles, Bogdahn Consulting, LLC.

a. Quarterly Investment Report as of December 31, 2015

Tyler Grumbles, Bogdahn Consulting, LLC briefly reviewed the performance of the market environment for major market indexes as of December 31, 2015. Mr. Grumbles reported that for quarter ending December 31, 2015 the Plan's market value was \$11,601,625 and the asset allocations were Domestic Equity 49.9%, International Equity 14.7%, Domestic Fixed Income 29.0%, Global Fixed Income 4.9% and Cash Equivalent 1.4%. He reviewed the financial reconciliation which showed the lump sum payouts issued this quarter due to a refund of contributions by a vested member and a DROP account close out. He reported that for quarter ending December 31, 2015 the Plan's Total Fund (Gross) was at 2.94% versus the benchmark at 3.45%. Total Equity was 4.53% versus the benchmark at 5.59%, Total Domestic Equity was -0.12% versus the benchmark at -0.57%, Total Global Equity was at 2.25% versus the benchmark at -0.54%, and Total Fixed Income was at 0.21%

versus the benchmark at -0.56%. Mr. Grumbles explained that the under performance by GAMCO is not a concern yet due to the short time the plan has been invested with them. He reviewed the markets environment. He reviewed the performance of each manager individually as well as the compliance checklist. There was a brief discussion on the newer chart reflecting the long-term performance. Mr. Grumbles stated the charts are still a new report since the plan changed all investment managers over the last 5 years. Mr. Grumbles stated the request to change the Return Assumption would not affect this performance report.

MOTION:

Board Member Terzakis made a motion to approve the payments to be reviewed and approved as presented. Board Member Stone seconded the motion, which carried by unanimous 3-0 vote.

VIII. UNFINISHED BUSINESS

None

IX. STANDING REPORTS (INFORMATION ITEMS)

4. New applicants for participation in Pension Plan:

None

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

None

6. Terminated employees who have not taken their contributions:

None

A member of the public joined the meeting at 9:34 a.m.

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

7. Ratification of Invoices paid since last quarterly meeting:

September 16, 2015	Neurology Specialists of Jupiter	\$25.00
	Medical Records requested for David Cooper	
September 11, 2015	Professional Outsourcing Inc.	\$573.87
	Medical Records requested for David Cooper	
	Invoice# 152328	
September 8, 2015	Tequesta Family Medical Center	\$35.00
	Medical Records requested for David Cooper	

September 30, 2015	Medstat/Helix	\$76.25
	Medical Records requested for David Cooper	
	Invoice# 248460	
October 30, 2015	Pension Resource Centers	\$950.00
	Administrator Fee- November 2015	
November 20, 2015	FPPTA	\$600.00
	Membership Renewal - 2016	
December 10, 2015	Pension Resource Center	\$950.00
	Administrative Fee - November 2015	
December 10, 2015	FPPTA	\$600.00
	Membership Renewal - 2016	
January 12, 2016	Pension Resource Center	\$950.00
	Administrative Fee - Dec 2015	
January 12, 2016	The Bogdahn Group	\$4,500.00
	Performance Evaluation for 9/30/15 Reports and	
	Consulting Services through 12/31/15 -4th Qtr 2015	
January 12, 2016	Gabriel Roeder Smith & Company	\$9,538.00
	Consultants & Actuaries for Services Rendered	
	through 11/30/15	

MOTION:

Board Member Kyle Stone made a motion to approve the payments to be ratified as presented. Board Member Terzakis seconded the motion, which carried by unanimous 3-0 vote.

VIII. PAYMENTS TO BE REVIEWED AND APPROVED

8. Payments to be reviewed and approved:

January 4, 2016	Pension Resource Center	\$950.00
	Administrative Fee - January 2016	
February 1, 2016	Pension Resource Center	\$950.00
	Administrative Fee - February 2016	
November 30, 2015	Klausner, Kaufman, Jensen & Levison	\$747.50
	Legal Services Rendered through 11/30/2015	

December 31, 2015	Klausner, Kaufman, Jensen & Levison	\$742.50
	Legal Services Rendered through 12/31/2015	
January 6, 2016	Gabriel, Roeder, Smith & Company	\$2,061.00
	Consultants & Actuaries for Services Rendered through 12/30/15	
January 12, 2016	Garcia Hamilton & Associates, L.P.	\$2,102.63
	4th Quarter Management Fee	
December 22, 2015	Fiduciary Trust Company Intl	\$146.30
	Initial Custody Fee for period ending 11-30-15	
	GP451856720-S14800421425	
December 22, 2015	Fiduciary Trust Company Intl	\$168.10
	Initial Custody Fee for period ending 11-30-15	
	GP451856710-S14800421424	

MOTION:

Board Member Terzakis made a motion to approve the payments to be reviewed and approved as presented. Board Member Stone seconded the motion, which carried by unanimous 3-0 vote.

Bonni Jensen reviewed the FPPTA history and educational benefit if offers to Florida Trustees. She explained there are two ways to attend as observer or to participate in the certification process. She also mentioned the upcoming conference offered by her firm.

X. NEW BUSINESS

9. Attorney Bonni Jensen, The Law Office of Klausner, Kaufman, Jensen & Levison
 - a. 2016 IRS Mileage Rate

Attorney Bonni Jensen reported that as of January 1, 2016 the IRS Standard Mileage Rate for 2016 is .54 cents per mile.

- b. Insurance Premium Tax Database Reminder

Attorney Bonni Jensen reviewed Premium Tax Data Base update by the State. She explained there is a new contact point for updati9ng this data base. She explained there is a contact person at the Village who is responsible for making sure the Premium Tax Data Base is up to date. She also explained the data base is where the insurance companies essentially goes to locate buildings for verifying the inclusion with in the Village Limits. She stated this data base has not been updated since 2014 and this should be updated. Ms. Jensen recommends reaching out to the Village contact to update the data base or confirm there is no update needed.

c. Summary of Action

Attorney Bonni Jensen stated that it is that time again to present to the Village Council on March 10th. Chairman Ed Sabin stated he had a scheduling conflict on the Council meeting date of March 10th. Board Member John Terzakis confirmed his attendance as a replacement. Ms. Jensen proposed the removal of the Valuation from the presentation draft to the Village Council since the Valuation was tabled until the experience study is completed and presented for review.

X. BUDGET REPORT

10. 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.

XII. ADMINISTRATIVE REPORT

11. Revised 2016 Meeting Schedule

Administrator Kerry Dutton reviewed the proposed 2016 meeting schedule including the presentations throughout the year by the different service providers that are requested by the Board. There was a brief discussion on the placement of the service providers in order to not over load the meetings with multiple presentations. She explained the additional fee that would be incurred by the Plan in order to have GRS attend twice a year. There was a brief discussion on the need of the Actuary current attendance of once a year, and as needed basis for any additional in person visits. She explained the custodian is scheduled to attend in May and in November and the Board agreed.

XI. ANY OTHER MATTER

12. IME Physician Selection for Disability Applicant David Cooper

Kerry Dutton reviewed the process followed in order to locate qualified physicians who were willing to perform the IME and of which Mr. Cooper had not yet seen. She reviewed the two physician's fee structure for the Trustees. She explained the update of the medical records findings which involved another physician from which records need to be obtained. She explained this request has been sent and is pending a response from the physician. Ms. Dutton reviewed the process used to locate the qualified physicians. There was a brief discussion on the Physicians specific specialties and historical research and practice.

MOTION:

Board Member Terzakis made a motion to approve Dr. Tuckman to perform the IME once all records have been received. Board Member Stone seconded the motion, which carried by unanimous 3-0 vote.

MOTION:

Board Member Stone made a motion to approve a threshold of \$7,500.00 to approve payments in between meetings for gathering medical records. Board Member Terzakis seconded the motion, which carried by unanimous 3-0 vote.

XII. COMMUNICATIONS FROM CITIZENS

XIII. ADJOURNMENT

MOTION:

Board Member Terzakis moved to adjourn the meeting. Board Member Stone seconded the motion, which carried by unanimous 3-0 vote.

There being no further business, the meeting was adjourned at 10:57 a.m.

Respectfully submitted,



Kerry Dutton

Administrator

Village of Tequesta Public Safety Officers' Pension Plan



Board Member

Village of Tequesta Public Safety Officers' Pension Plan