

**TEQUESTA PUBLIC SAFETY OFFICERS' PENSION TRUST FUND
REGULAR BOARD MEETING MINUTES
MAY 31, 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 May 31, 2016. The meeting was called to order at 2:00 p.m.

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

Also in attendance were Attorney Bonni Jensen, Pension Administrator Kerry Dutton, Jody Forsythe and Michelle Gload, Village Finance Department.

II. PUBLIC COMMENT

None

III. APPROVAL OF AGENDA

It was brought to the Plan Administrator of the day of the week to reflect Tuesday.

MOTION:

Board Member Terzakis made a motion to approve the Agenda as amended. Board Member Stone seconded the motion, which carried by unanimous 4-0 vote.

IV. APPROVAL OF MINUTES

1. Tequesta Public Safety Officers' Pension Trust Fund Board of Trustees Regular Quarterly Meeting Minutes – November 18, 2015 (Revised)

Ms. Dutton reviewed the revised minutes requested by the Board.

2. Tequesta Public Safety Officers' Pension Trust Fund Board of Trustees Regular Quarterly Meeting Minutes – February 8, 2016

MOTION:

Board Member Stone made a motion to approve the Revised November 18, 2016 and the February 8, 2016 minutes as amended. Board Member Terzakis seconded the motion, which carried by unanimous 4-0 vote.

V. PRESENTATIONS

3. Investment Monitor - Tyler Grumbles, Bogdahn Consulting, LLC.
 - a. Quarterly Investment Report as of March 31, 2016

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Tyler Grumbles, Bogdahn Consulting, LLC briefly reviewed the performance of the market environment for major market indexes as of March 31, 2016. Mr. Grumbles reported that for quarter ending March 31, 2016 the Plan's market value was \$11,638,401 and the asset allocations were Domestic Equity 49.9%, International Equity 14.3%, Domestic Fixed Income 29.9%, Global Fixed Income 4.9% and Cash Equivalent 1.0%. He reported that for quarter ending March 31, 2016 the Plan's Total Fund (Gross) was at 0.72% versus the benchmark at 1.75%. Total Equity was -0.37% versus the benchmark at 0.69%, Total Domestic Equity was 0.20% versus the benchmark at 0.97%, Total International Equity was -2.32% versus the benchmark at -0.26%, Total Fixed Income was at 2.81% versus the benchmark at 3.47%, Domestic Fixed was 3.25% versus the benchmark at 3.03%, and Global Fixed was 0.24% versus the benchmark at 6.12%. He reviewed the markets environment. He reviewed the performance of each manager individually as well as the compliance checklist. There was a discussion on both Templeton and Browns lower ranking and its effect of the fund. Mr. Grumbles stated Templeton is one of the better choices within the Global Fixed sector. There was a discussion on the lag of active management in the past 7 years. There was a lengthy discussion on reallocation and/or rebalancing the portfolio. The Board stated their concerns with manager performance in regards to meeting the targeted index.

b. Automatic Rebalance Letter

Ms. Jensen explained the purpose of the rebalance letter in order to have positive cash flow.

MOTION:

Board Member Stone made a motion to approve the execution of the rebalance Letter. Board Member Terzakis seconded the motion, which carried by unanimous 4-0 vote.

VI. UNFINISHED BUSINESS

4. Experience Study on Reduction of Return Assumptions

Ms. Jensen reviewed the process of compiling information to give a proper analysis on expectant rate of return. There was a discussion on different scenarios on reducing the expectant rate of return down towards 7%. There was a discussion on the impact of the reduction in the Village contribution. It is explained the importance of the expectant rate of return to be reduced for the health of the Pension Fund. The Board reviewed the February minutes once more for reference. There was a discussion on the trend of other pension funds are using to implement the reduction of the expectant rate of return. Ms. Jensen reviewed the Village contributions history and impact explained on the Actuary's impact statement provided at the Boards request. Ms. Gload explained the method used by the Village to pay the required employer contributions for FYE 2016 and has already met the required contribution amount. Ms. Jensen suggests requesting a study on the impact of reducing the expectant rate of return prior to the Valuation. There was discussion on possible ways to implement a continued reduction of the expectant rate of return over a period of time. Ms., Jensen reminded the Board to the Mortality table change that must be implemented by 10-1-2016.

MOTION:

Board Member Terzakis made a motion to approve to reduce the expectant rate of return .25% basis points for current period 10-1-2015 for the annual employer contribution for the FYE 9-30-2017. Board Member Stone seconded the motion, which carried by unanimous 4-0 vote.

VII. STANDING REPORTS (INFORMATION ITEMS)

5. New applicants for participation in Pension Plan:

None

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

None

7. Terminated employees who have not taken their contributions:

None

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

8. Ratification of Invoices paid since last quarterly meeting:

2/12/2016	Pension Resource Center Administrative Fee - January 2016	\$950.00
2/12/2016	Pension Resource Center Administrative Fee - February 2016	\$950.00
2/12/2016	Klausner, Kaufman, Jensen & Levinson Legal Services Rendered through 10-31-15	\$607.50
2/12/2016	Klausner, Kaufman, Jensen & Levinson Legal Services Rendered through 11-30-15	\$747.50
2/12/2016	Garcia Hamilton & Associates, L.P. Investment Management Fee - 4th Quarter 2015	\$2,102.63
3/9/2016	Pension Resource Center Administrative Fee - March 2016	\$950.00
3/9/2016	Gabriel, Roeder, Smith & Company Actuarial Services Rendered through 12-31-15	\$2,061.00
3/9/2016	Gamco Asset Management Investment Management Fee - 4th Quarter 2015	\$5,266.15
3/9/2016	Klausner, Kaufman, Jensen & Levinson Legal Services Rendered through 12-31-15	\$742.50

3/9/2016	Klausner, Kaufman, Jensen & Levinson Legal Services Rendered through 2-29-16	\$1,710.00
4/6/2016	Pension Resource Center Administrative Fee - April 2016	\$950.00
4/6/2016	The Bogdahn Group Consulting Fee - 1st Quarter 2016	\$4,500.00
4/8/2016	Edward Sabin Travel Expense Reimbursement- 3/7/16 to 3/8/16 Klausner, Kaufman, Jensen & Levinson Conference	\$317.19
5/9/2016	Pension Resource Centers Administrator Fee - May 2016 Invoice# 14672	\$950.00
5/9/2016	Klausner, Kaufman, Jensen & Levinson Legal Services Rendered through 3-31-16 Invoice# 17987	\$828.67
5/9/2016	Gabriel Roeder Smith & Company Consulting & Actuaries Services Rendered through 3-31-16 Invoice# 421266	\$3,580.00
5/9/2016	Garcia Hamilton & Associates L.P. Management Fee -1st Quarter 2016 Invoice# 26817	\$2,171.29

Chairman Sabin reviewed Mr. Jensen's firm's conference. He stated it was very educational and informative.

MOTION:

Board Member Stone made a motion to approve the invoices to be ratified as presented. Board Member Terzakis seconded the motion, which carried by unanimous 4-0 vote.

IX. PAYMENT TO BE REVIEWED AND APPROVED

9. Payments to be reviewed and approved:

April 30, 2016	Klausner, Kaufman, Jensen & Levison Legal Services Rendered through 4/30/2016	\$2,701.25
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MOTION:

Board Member Terzakis made a motion to approve the invoices to be reviewed and approved as presented. Board Member Stone seconded the motion, which carried by unanimous 4-0 vote.

X. NEW BUSINESS

10. Attorney Bonni Jensen, The Law Office of Klausner, Kaufman, Jensen & Levison
a. Budget Review, Mutual Consent & Public Records

Ms. Jensen reviewed the requirements of the budget this year and going forward along with the actual expense report. She explained public record requests should be forwarded to The Resource Centers. She also reviewed the good faith clause on attorney fees.

- b. Normal Retirement Age Regulation

Ms. Jensen reviewed the historical actions and laws that have been put in place regarding retirement age. She stated the Plan does allow for in-service distributions under specific situations. She confirmed the Plan meets the age requirement along with the Safe Harbor requirements.

- c. Summary Plan Description- Draft

Ms. Jensen noted the SPD document was due to update. She stated it was a good time to do so as the collective bargaining agreement for Firefighters' needed to be included. She stated the updated SPD will not need to be updated for 2 years.

MOTION:

Board Member Terzakis made a motion to approve Summary Plan Description as presented. Board Member Stone seconded the motion, which carried by unanimous 4-0 vote.

X. BUDGET REPORT

11. 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. Dutton stated this is the Village's budget for tracking purposes and is separate from the requirements of the state on filing the Plans budget and the actual expense report.

XII. ADMINISTRATIVE REPORT

12. Benefit Approval

Ms. Dutton informed the refund request from Mr. Cooper was confirmed through email at the Board's request.

MOTION:

Board Member Terzakis made a motion to approve the benefit approval as presented. Board Member Stone seconded the motion, which carried by unanimous 4-0 vote.

13. FPPTA 32nd Annual Conference

Ms. Dutton explained the upcoming 32nd Conference held by the FPPTA. Ms. Jensen explained the difference between the conference and the trustee school.

Trustee Evans stated the recent addition to his family and explained the possibility of resignation from the Board.

14. Pension Resource Centers Request for Online Banking Access

Ms. Dutton explained this is used form tracking on activity on the custodial statement side.

MOTION:

Board Member Stone made a motion to approve PRC online access at Fiduciary Trust Bank. Board Member Terzakis seconded the motion, which carried by unanimous 4-0 vote.

XI. ANY OTHER MATTER

Chairman Sabin requested all trustee to confirm their attendance to future Board meetings.

XII. COMMUNICATIONS FROM CITIZENS

XIII. ADJOURNMENT

MOTION:

Board Member Stone moved to adjourn the meeting. Board Member Terzakis seconded the motion, which carried by unanimous 4-0 vote.

There being no further business, the meeting was adjourned at 3:46 p.m.

Respectfully submitted,



Kerry Dutton

Administrator

Village of Tequesta Public Safety Officers' Pension Plan



Board Member

Village of Tequesta Public Safety Officers' Pension Plan