

**TEQUESTA PUBLIC SAFETY OFFICERS' PENSION TRUST FUND
REGULAR BOARD MEETING MINUTES
August 1, 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 August 1, 2016. The meeting was called to order at 8:30 a.m.

A roll call was taken by Pension Administrator Scott Baur. 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, and Pension Administrator Scott Baur.

II. ADMINISTRATION OF OATH

Village Clerk Lori McWilliams administrated the Oath to newly elected trustee Ray Giblin. The Board welcomed Trustee Giblin back to the Board.

III. PUBLIC COMMENT

There was a brief discussion on starting the morning meetings at 8:30 a.m. not 8:00 a.m. provided that the General Employees Board agrees due to no one available to unlock Village Hall.

III. APPROVAL OF AGENDA

MOTION:

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

IV. APPROVAL OF MINUTES

1. Tequesta Public Safety Officers' Pension Trust Fund Board of Trustees Regular Quarterly Meeting Minutes – May 2, 2016
2. Tequesta Public Safety Officers' Pension Trust Fund Board of Trustees Regular Quarterly Meeting Minutes – May 31, 2016

The Board deferred the approval of minutes to the next Board meeting due to the meeting date listed to be incorrect.

V. PRESENTATIONS

3. Investment Monitor - Tyler Grumbles, Bogdahn Consulting, LLC.
 - a. Quarterly Investment Report as of June 30, 2016
 - b. Discussion on Gabelli's Performance
 - c. Discussion on Templeton Global's Total Return

Tyler Grumbles, Bogdahn Consulting, LLC briefly reviewed the performance of the market environment for major market indexes as of June 30, 2016. Mr. Grumbles reported that for quarter ending June 30, 2016 the Plan's market value was \$11,745,578 and the asset allocations were Domestic Equity 50.03, International Equity 14.2%, Domestic Fixed Income 21.7%, Global Fixed Income 4.9%, Real Estate 8.5%, and Cash Equivalent 0.5%. He reported that for quarter ending June 30, 2016 the Plan's Total Fund (Gross) was at 1.42% versus the bench mark at 2.19%. Total Equity was 1.24% versus the benchmark at 1.94%, Total Domestic Equity was 1.69% versus the benchmark at 2.63%, Total International Equity was -0.32% versus the benchmark at -0.40%, Total Fixed Income was at 1.97% versus the benchmark at 2.63%, Domestic Fixed was 2.24% versus the benchmark at 2.21%, and Global Fixed was 0.52% versus the benchmark at 5.21%. He explained fixed income fared poorly due to the combination of a short on interest rates and US currency. He reviewed the style and sector performance along with the markets environment. He explained how the index was able to outperform the active managers. There was a brief discussion on the composition of the Russell 1000 and the Russell 2000. He reviewed the performance of each manager individually as well as the compliance checklist. He stated Bogdahn Group still has confidence in both Gabelli and Brown despite recent performance.

- d. Discussion on Possible Indexing Options

Mr. Grumbles reviewed the active passive options. He explained that index offers savings on management fees. He further explained the passive options can add greater operational efficiency, reduce manager risk, and scalability to smaller portfolios as well. Mr. Grumbles then stated that active managers perform better over longer periods of time. Chairman Sabin questioned the impact fees as the comparison Bogdahn used was a composite universe with products at higher fees and mutual funds that provide performance net of fees. Mr. Grumbles stated Indexing seems to be at an all-time high. He suggested to partially indexing the asset classes. There was a lengthy discussion on the investment strategies.

The Board reviewed the updated Investment Policy Statement following the changes made to the assumed rate of return. The Board considered inflation based return targets since the Board has not generally use these in practice.

MOTION:

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

VI. UNFINISHED BUSINESS

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:

6/7/2016	Klausner, Kaufman, Jensen & Levinson Legal Services Rendered through 4-30-16	\$2,701.25
6/7/2016	Pension Resource Center Administrative Fee - June 2016	\$950.00
7/13/2016	Klausner, Kaufman, Jensen & Levinson Legal Services Rendered through 5-31-16 Bill# 18268	\$833.75
7/13/2016	Pension Resource Center Administrative Fee - July 2016 Invoice# 14818 Date 6/30/16	\$1,056.79

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 3-0 vote.

IX. PAYMENT TO BE REVIEWED AND APPROVED

9. Payments to be reviewed and approved:

12/22/2015	Fiduciary Trust International Initial Custody Fee- 10/30/15 - 11/30/15 -GHA	\$168.10
12/22/2015	Fiduciary Trust International Initial Custody Fee- 10/30/15 - 11/30/15 -GAMCO	\$146.30
1/19/2016	Fiduciary Trust International Quarterly Custody Fee- MTL FND	\$17.23

2/1/2016	Fiduciary Trust International Initial Custody Fee- 10/30/15 - 11/30/15	\$8.23
4/20/2016	GAMCO Investment Management Fee - 1st Quarter 2016	\$5,362.00
6/29/2016	Klausner, Kaufman, Jensen & Levinson Legal Services Rendered through 6-29-16	\$45.00
6/30/2016	The Bogdahn Group Performance Evaluation and Consulting Fee - 2nd Quarter 2016	\$4,500.00
7/15/2016	GAMCO Investment Management Fee - 2nd Quarter 2016	\$5,559.00

MOTION:

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

The Board reviewed the changes made to the Valuation due to the reduction of the expectant rate of return. It was noted the required contribution to be made by the Village increased to 13.85% of covered payroll. The Board previously targeted 6.5%-7% range for assumption return rate. The Board also reviewed the impact resulting from the benefit changes and reductions negotiated in the Bargaining Agreement.

MOTION:

Board Member Stone made a motion to approve the revised Actuarial Valuation for 10/1/2016 dated August 1, 2016 as presented. Board Member Terzakis seconded the motion, which carried by unanimous 3-0 vote.

X. NEW BUSINESS

10. Attorney Bonni Jensen, The Law Office of Klausner, Kaufman, Jensen & Levison
 - a. Summary of Actions

Ms. Jensen reviewed the Summary of Actions for the Village Council meeting which reports to council in real time. Ms. Jensen stated the return target recommendation from the actuary of 6.5%-7% target rate of return will be included. Mr. Terzakis requested to incorporate an update on individual managers. Chairman Sabin is to present to Council.

X. BUDGET REPORT

11. Quarterly Budget Report – Income Statement & Expenditure Report

The Board reviewed the Income Statement and Balance Sheets provided by the Village Finance Department.

XII. ADMINISTRATIVE REPORT

12. Administrative Budget

Mr. Baur reported the Administrative Budget is State Mandated. He stated the Administrative Budget will need to be updated and filed annually. Chairman Sabin expressed question that been risen to his attention regarding the expense ratios. Mr. Baur will provide an expense ratio to be presented to Council in the future.

MOTION:

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

13. Village Request- Add Additional Signor for Bank Transfers

Village is requesting the addition of Tatiana Racanati as an authorized signor to the local checking account. Ms. Racanati has been with the Village's Finance Department for some time now.

MOTION:

Board Member Stone made a motion to approve the addition of Tatiana Racanati to the Local Checking account as requested. Board Member Terzakis seconded the motion, which carried by unanimous 3-0 vote.

14. Village Memo- Custodial Fees

The Board reviewed the custodial fees received by PRC from Fiduciary Trust which have been corrected.

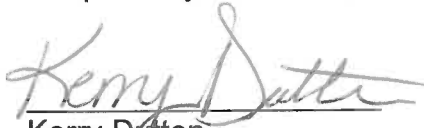
XI. ANY OTHER MATTER

XII. COMMUNICATIONS FROM CITIZENS

XIII. ADJOURNMENT

There being no further business, the meeting was adjourned at 10:37 a.m.

Respectfully submitted,



Kerry Dutton
Administrator

Village of Tequesta Public Safety Officers' Pension Plan



Board Member

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