

**TEQUESTA PUBLIC SAFETY OFFICERS' PENSION TRUST FUND
REGULAR BOARD MEETING MINUTES
NOVEMBER 7, 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 November 7, 2016. The meeting was called to order at 1:00 p.m.

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

Also in attendance were Attorney Bonni Jensen, Pension Administrator Kerry Dutton, Investment Monitor Tyler Grumbles, Investment Manager Clyde Robinson and Georgette Baxter.

II. ADMINISTRATION OF OATH

Deferred

III. PUBLIC COMMENT

There was no public comment at this time.

III. APPROVAL OF AGENDA

It was decided to defer the administration of Oath and approval of the May 31, 2016 & August 1, 2016 minutes along with the addition to discuss the Unions request for an Actuarial Study. Also add comments on the most recent Village Council meeting presentation.

VI. PRESENTATIONS

3. Clyde Robinson, ASB Real Estate

Mr. Robinson introduces himself and Ms. Georgette Baxter. Ms. Baxter reviewed her recent employment at the Firm along with the dynamics of the upper management. She reviewed the philosophy on the buildings that are acquired. She explained the Firm's consistent evaluation process of their buildings. She noted this is not the account type the Fund is invested into. Mr. Robinson reviewed the structure and the roles of the Investment Advisory Team. He described the Separate Account created in 2012 to mirror the Allegiance Fund. Mr. Robinson stated the reported total return net of fees to be 1.77% for the quarter and 10.64% for the 1 year. He reviewed and explained the consistent outperformance across different market cycles. Mr. Robinson stated examples of retail investments that ASB typically invests in. He noted the year to date performance was 4.74%. Ms. Baxter reviewed the primary properties along with the Firm's investment strategies. She stated the Firm only applies minimum debit for purchases of property resulting from the conservative

approach. She reviewed the historical leverage percentage. She stated the allocations as Office Space at 38.4%, Retail at 27.8%, and Residential at 15.9%, and industrial at 17.8%. Ms. Baxter reviewed all 2016 acquisitions that reflect the Allegiance Fund's strategic focus on assets with unique competitive advantages located in supply-constrained, vibrant urban markets. She reviewed the trailing year of significant leases and noted the 2017 queue is low due to only reflecting negotiated leases in the last 18 months. Ms. Baxter explained the Firm not only sells properties for underperformance but will also sell if the purchase offer is outstanding compare to the market value. Explained the core strategic disposition stating the Firm remains focused and disciplined. The Allegiance Fund's assets were at \$376 million as of September 30, 2016.

II. ADMINISTRATION OF OATH

The Oath was administered by MaryAnn Grieser from the Village Clerks office to both Ray Korkowski and Ray Giblin. Both trustees signed in acceptance.

MOTION:

Board Member Giblin 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 – May 31, 2016

MOTION:

Board Member Stone made a motion to approve the May 31, 2016 Meeting Minutes as presented. Chairman Sabin seconded the motion, which carried by unanimous 4-0 vote.

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

MOTION:

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

4. Tyler Grumbles, Bogdahn Consulting, LLC.
 - a. Quarterly Performance Report as of September 30, 2016

Tyler Grumbles, Bogdahn Consulting, LLC briefly reviewed the performance of the market environment for major market indexes as of September 30, 2016. Mr. Grumbles reported that for quarter ending September 30, 2016 the Plan's market value was \$12,205,102 and the asset allocations were Domestic Equity 50.2, International Equity 14.7%, Domestic Fixed Income 20.9%, Global Fixed Income 4.7%, Real Estate 8.3%, and Cash Equivalent 1.1%. He reported that for quarter ending September 30, 2016 the Plan's Total Fund (Gross) was at 3.26% versus the benchmark at 3.71%. Total Equity was 4.78% versus the benchmark at 4.99%, Total Domestic Equity was 3.81% versus the benchmark at 4.40%, Total International Equity was 8.23% versus the benchmark at 7.00%, Total Fixed Income was at 0.14% versus the benchmark at 0.82%, Domestic Fixed was 0.25% versus the benchmark at 0.46%, Global Fixed was -0.34% versus the benchmark at 3.08%, and Total

Real Estate was at 1.77% versus the benchmark at 2.13%. He reviewed the style and sector performance along with the markets environment. He explained that brown places way behind the benchmark however there weren't any growth managers that did well this quarter.

Mr. Grumbles reviews the appeals of indexing. He explains the fees would be reduced. He also reviewed the trailing returns for both the 3 year and 5 year returns compared to the indexing options returns. There was a lengthy discussion on the two options between indexing and increasing the allocation in to Real Estate.

MOTION:

Board Member Giblin made a motion to approve a \$200,000 additional commitment towards ASB Real Estate. Board Member Korkowski seconded the motion, which carried by unanimous 4-0 vote.

There was a brief discussion on the analysis report on Gamco and Brown to consider allocation in to indexing.

MOTION:

Board Member Giblin made a motion to approve the movement of 25% of Brown Growth Equity account to be index in to Vanguard. Board Member Korkowski seconded the motion, which carried by unanimous 4-0 vote.

VII. UNFINISHED BUSINESS

Chairman Sabin reviewed the presentation made to the Village Council. He explained the Council asked about increasing the indexing of the portfolio. The Council also requested a summary of fees. Chairman Sabin reviewed the intent of the reduction of the assumed rate of return to the Council.

VIII. STANDING REPORTS (INFORMATION ITEMS)

5. New applicants for participation in Pension Plan:

Michael Gallagher (Firefighter)

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:

Ariel Ramirez (Police Officer)

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

8. Ratification of invoices paid since last quarterly meeting:

1245

8/10/2016

Pension Resource Center

\$950.00

Administrative Fee - August 2016

Invoice# 14883 Date 7-29-16

1246	8/10/2016	GAMCO Management Fee - 1st Quarter 2016 20160331-157-6725-A Date 4/20/2016	\$5,362.00
1247	8/10/2016	Klausner, Kaufman, Jensen & Levinson Legal Services Rendered through 6-29-16 Bill# 18416	\$45.00
1248	8/10/2016	The Bogdahn Group Management Fee - 2nd Quarter 2016 Invoice# 17292 Date 6/30/2016	\$4,500.00
1249	8/10/2016	Garcia Hamilton & Associates L.P. Management Fee - 2nd Quarter 2016 Invoice# 27083 Date 7/14/2016	\$1,589.99
1250	8/10/2016	GAMCO Management Fee - 2nd Quarter 2016 20160630-157-6725-A Date 7/15/2016	\$5,559.00
1251	9/9/2016	Gabriel Roeder Smith & Company Actuarial Services Rendered through 6-30-16 Invoice# 423313 Date 7/7/16	\$5,005.00
1252	9/9/2016	Klausner, Kaufman, Jensen & Levinson Legal Services Rendered through 7-31-16	\$592.75
1253	9/9/2016	Pension Resource Center Administrative Fee - Sept 2016	\$991.38
1254	9/20/2016	Gehring Group, Inc Fiduciary Liability Insurance - 10/1/16 - 10/1/17	\$3,684.70
1255	10/12/2016	Klausner, Kaufman, Jensen & Levinson Legal Services Rendered through 8-30-16	\$1,192.50
1256	10/12/2016	The Bogdahn Group Management Fee - 3rd Quarter 2016 Invoice# 19619 Date 9/25/2016	\$4,500.00
1257	10/12/2016	Pension Resource Center -Administrative Fee - Oct 2016	\$950.00
Paid by Custodian			
	2/11/2016	Fiduciary Trust International - R&D Initial Custody Fee 10/30/15 - 11/30/15 Cust# XXXX700 Invoice# S14800439108	\$8.23
	12/22/2015	Fiduciary Trust International - GHA Initial Custody Fee 10/30/15 - 11/30/15 Cust# XXXX710 Invoice# S14800421424	\$168.10
	12/22/2015	Fiduciary Trust International - GAMCO Initial Custody Fee 10/30/15 - 11/30/15	\$146.30

	Cust# XXXX720 Invoice# S14800421425	
1/19/2016	Fiduciary Trust International - MTL FND Initial Custody Fee 10/30/15 - 11/30/15 Cust# XXXX730 Invoice# S14800428950	\$17.23
4/25/2016	Fiduciary Trust International - ACH Fee Quarterly Benefit Payments for 3/31/16 Cust# XXXX700 Invoice# S14800450919	\$120.00
7/20/2016	Fiduciary Trust International - R&D Custody Fee 12/1/15 - 12/31/15 & 1/1/16 - 3/31/16 Cust# XXXX700 Invoice# S14800467391 & S14800467392	\$24.83
7/20/2016	Fiduciary Trust International - GHA Custody Fee 12/1/15 - 12/31/15 & 1/1/16 - 3/31/16 Cust# XXXX710 Invoice# S14800467393 & S14800467394	\$670.69
7/20/2016	Fiduciary Trust International - GAMCO Custody Fee 12/1/15-12/31/15 & 1/1/16 - 3/31/16 Cust# XXXX720 Invoice# S14800467395 & S14800467396	\$555.71
7/20/2016	Fiduciary Trust International - MTL FND Custody Fee 12/1/15-12/31-15 & 1/1/16 - 3/31/16 Cust# XXXX730 Invoice# S14800467397 & S14800467398	\$1,014.61
7/28/2016	Fiduciary Trust International R&D Custody Fee 4/1/16 - 6/30/16 Cust# XXXX700 Invoice# S14800471764	\$8.53
7/28/2016	Fiduciary Trust International - GHA Custody Fee 4/1/16 - 6/30/16 Cust# XXXX710 Invoice# S14800471765	\$372.34
7/28/2016	Fiduciary Trust International - GAMCO Custody Fee 4/1/16 - 6/30/16 Cust# XXXX720 Invoice# S14800471766	\$433.88
7/28/2016	Fiduciary Trust International - MTL FND Custody Fee 4/1/16 - 6/30/16 Cust# XXXX730 Invoice# S14800471767	\$756.87
7/18/2016	Fiduciary Trust International - ACH Fee Quarterly Benefit Payments for 6/30/16 Cust# XXXX700 Invoice# S14800465045	\$140.00

MOTION:

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

IX. PAYMENT TO BE REVIEWED AND APPROVED

9. Payments to be reviewed and approved:

October 31, 2016	Pension Resource Center Administrative Fee - November 2016	\$950.00
October 12, 2016	Gamco Asset Management 3rd Quarter Management Fees	\$5,779.00
October 25, 2016	FPPTA 2017 Membership Renewal	\$600.00
October 4, 2016	Gabriel, Roeder, Smith & Company Consultants & Actuaries for Services Rendered through 9/30/2016	\$6,889.00

MOTION:

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

X. NEW BUSINESS

Ms. Jensen explained the request made by the Union. She also reviewed the past practice of the Board in regards to these types of requests. There was a brief discussion on the process.

MOTION:

Board Member Stone made a motion to approve the Union to collaborate directly with the Actuary to complete the cost study. Chairman Sabin seconded the motion, which carried by unanimous 4-0 vote.

XI. BUDGET REPORT

XII. ADMINISTRATIVE REPORT

10. FPPTA Upcoming Conference

Ms. Dutton reviewed the schedule of the upcoming 2017 FPPTA Conference.

11. 2017 Meeting Schedule

There was a brief discussion on the proposed August 1st meeting date causing some conflicts. The Board agreed to move the meeting to July 31st instead.

XI. ANY OTHER MATTER

XII. COMMUNICATIONS FROM CITIZENS

XIII. ADJOURNMENT

There being no further business, the meeting was adjourned at 3:18 p.m.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Kerry Dutton", written over a horizontal line.

Kerry Dutton

Administrator

Village of Tequesta Public Safety Officers' Pension Plan

A handwritten signature in dark ink, appearing to read "C. A. Adams", written over a horizontal line.

Board Member

Village of Tequesta Public Safety Officers' Pension Plan